

CATALYST OF CARBON TRANSITION



**HOFFMANN
GREEN CEMENT**

Catalyst of
Carbon Transition

ANNUAL FINANCIAL REPORT 2022

This document is available free of charge at the Company's registered office in La Bretaudière, Chaillé-sous-les-Ormeaux, 85310 Rives de l'Yon, as well as in an electronic version on the Company's website (www.ciments-hoffmann.fr).



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RESPONSIBLE PERSON

“I hereby certify, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the Company’s assets, financial position and results, and that the management report in chapter 1 of this annual financial report presents a true and fair view of changes in the Company’s operations, results and financial position and describes the main risks and uncertainties to which it is exposed.”

27 March 2023,

Mr Julien Blanchard,
Chairman of the Company’s Management Board.

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GENERAL REMARKS

Definitions

In this annual financial report, and unless otherwise indicated:

- “**AMF**” means the Autorité des Marchés Financiers;
- The terms “**Company**” and “**Hoffmann Green**” refer to the company Hoffmann Green Cement Technologies, whose registered office is located at La Bretauière, Chaillé-sous-les-Ormeaux, 85310 Rives de l’Yon, France, registered in the La Roche-sur-Yon Trade Register under number 809 705 304;
- The term “**Group**” means the group of companies formed by the Company and its subsidiaries. This legal scope is presented in section 1.3 of the Annual Financial Report;
- The term “**Annual Financial Report**” means this annual financial report on the financial statements for the financial year ended 31 December 2022.

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1. MANAGEMENT BOARD REPORT

1.1. RISK FACTORS

In accordance with the provisions of Regulation (EU) No. 2017/1129 (“Prospectus 3 Regulation”) and Delegated Regulation (EU) 2019/980, this chapter only presents the risks specific to the Company and which are significant for anyone making an informed investment decision. In addition, in accordance with the provisions of Article L. 225-100-1 of the French Commercial Code, the financial risks relating to prices, credit, liquidity and cash flow are described in the notes to the IFRS financial statements for the financial year ended 31 December 2022 presented in section 2.1 Annual Financial Report.

Each of these risks is specific to the Company and is classified according to its degree of criticality, which is based on a joint analysis of (i) the probability of the risk occurring and (ii) the estimated magnitude of its negative impact, in the aforementioned relevant category.

The probability of occurrence of each of the risk factors relating to the Company and its impact, assessed on three levels (“limited”, “moderate” and “high”), are presented in the table below. The main risk factors are grouped into five categories, it being specified that within each of them, the risk factors are presented in decreasing net degree of criticality according to the Company’s assessment at the date of approval of the Annual Financial Report, which takes into account risk management measures. The most significant risk factors are listed first and are marked with an asterisk.

The occurrence of new events, either internal to the Company or external, may change this order of importance in the future.

Summary table:

| Risk name | Probability of occurrence | Risk magnitude | Net degree of criticality |
|--|---------------------------|----------------|---------------------------|
| Risks related to the macroeconomic environment | | | |
| Risks related to global price increases due to the war in Ukraine and the macro-economic environment | High | High | High |
| Risks related to the COVID-19 health crisis* | Moderate | High | Moderate |
| Risks related to the Company's activity | | | |
| Risks related to the competitive environment and the deployment of industrial facilities* | Moderate | High | High |
| Risks related to the operation of production sites* | Moderate | High | High |

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|---|----------|----------|----------|
| Risks related to dependence on suppliers* | Moderate | High | High |
| Risks related to the development of the Company's activity internationally | Moderate | Moderate | Moderate |
| Risks related to information systems management and cybercrime | Moderate | Moderate | Moderate |
| Risks related to the Company's reputation and image | Moderate | Moderate | Moderate |
| Risks related to dependency on key people | Limited | High | Moderate |
| Risks related to the cement industry | | | |
| Risks related to dependence on the construction, real estate and public works markets | Moderate | Moderate | Moderate |
| Risks related to regulatory constraints | Limited | Limited | Limited |
| Legal risks | | | |
| Risks related to intellectual property * | High | High | High |
| Financial risks | | | |
| Risks related to working capital requirements | Limited | High | Moderate |

RISKS RELATED TO THE GLOBAL PRICE INCREASE DUE TO THE WAR IN UKRAINE AND THE MACRO-ECONOMIC ENVIRONMENT

Neither the Company's partners nor its suppliers are located in Eastern Europe or Russia, meaning that the Company's activity is not directly affected.

Nevertheless, the invasion of Ukraine by Russia in February 2022 had significant repercussions on the financial markets and on the price of certain raw materials, and will impact the entire world economy. As a result, since February 2022, some of the Company's suppliers are currently facing rising energy prices, as well as rising transport costs.

The purchase contracts entered into with its suppliers stipulate a price cap. Insofar as the pricing conditions were unfavourable to certain suppliers due to the increase in energy prices and transport costs, certain raw material purchase contracts were renegotiated at the initiative of the suppliers.



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Furthermore, energy and fuel price hikes and supply difficulties for some commodities could impact the entire construction sector and some projects under way could be postponed or even cancelled.

More generally, the Company is particularly vigilant about the impacts of inflation, potential supply chain disruptions and rising interest rates in an uncertain geopolitical and economic context.

The magnitude of this risk is therefore high.

The probability of occurrence of this risk is considered high although it is difficult to assess as it is difficult to anticipate the duration of the war in Ukraine and more generally, due to uncertainty and volatility of the macro-economic environment.

In view of these elements, the net degree of criticality of this risk is considered by the Company to be high.

RISKS RELATED TO THE COVID-19 HEALTH CRISIS

In 2020, lockdown measures and border closures due to the COVID-19 health crisis had an impact on the Company's ordinary course of business. Some trade agreements have been delayed. The technical tests carried out in collaboration with certain partners on their sites were significantly reduced or even suspended during the 2020 financial year, which resulted in a significant delay in the completion of these tests as well as in the issuance of Technical Experimental Assessments (ATEX) by the Centre Scientifique et Technique du Bâtiment (CSTB), and consequently in the delivery of the volumes of cement underlying said ATEX on construction sites.

In the first half of 2021, the Company was still impacted by the effects of the COVID-19 crisis, but to a lesser extent than in 2020. Many companies in the construction sector continued to limit face-to-face contact with their suppliers and partners, which slowed down the Company's commercial development and in particular prospecting for new customers, in France and abroad.

Since the second half of 2021, activity is gradually returning to a normal pace and the Company is almost no longer feeling the effects of the health crisis.

While the virus in circulation is less dangerous and the French economy is no longer really impacted by the COVID-19 health crisis, the risk that the appearance of new variants of the dangerous virus will generate a new wave of COVID-19, which would lead to the implementation of new government measures restricting freedom and slowing down economic activity as a whole, cannot be totally ruled out. The probability of occurrence of this risk is considered moderate although it is difficult to assess.

In addition to the impact that a possible resurgence of the COVID-19 crisis would have on the Company's activity in France, this resurgence could also cause a delay in the Company's

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international development strategy, in particular by generating delays in the completion of licensing agreements, or delays in construction projects or more generally in commercial development in the various countries abroad in which partnerships had been and could still be concluded. The risks related to a global pandemic such as COVID-19 are more generally an overall decline in activity, deterioration of the Company's economic situation linked to this decline and possible delays in payments caused by this health crisis and successive new waves. The magnitude of this risk therefore remains high.

In view of these elements, the net degree of criticality of this risk is considered by the Company to be moderate.

RISKS RELATED TO THE COMPANY'S ACTIVITY

- **Risks related to the competitive environment and the capacity to deploy industrial facilities**

The cement market in France is dominated by a limited number of players, including five world leaders who alone account for 95% of cement production in France¹: LafargeHolcim, HeidelbergCement, Vicat, CRH and Imerys.

As cement is a heavy product and its transport costly, the operating radius of a cement plant does not exceed 300 km by land. The regional network is therefore a necessary prerequisite for access to the cement market. In addition to the regional network, the intensity of competition in each regional market also depends on the production capacities of the players present.

The Company's ability to develop its business and its presence in cement markets therefore depends on its ability to meet market needs with its production facilities. The presence of other players with available or surplus capacity on a regional market or nearby, as well as the presence of one or more players that already have cement import infrastructure or are able to set up such infrastructure on the regional market under satisfactory economic conditions, are likely to create a situation of increased competition.

This intense competitive situation is likely to have a material adverse effect on the Company, its business, financial position, results, outlook or development.

The Company's strategic industrial development plan, described in section 1. 2 "Business overview" of the Annual Financial Report, provides for the construction of two new production sites, "H2" (work on which began in the last quarter of 2020 and should be completed during the first half of 2023) and "H3" (each capable of producing 250,000 metric tons of cement per year) in order to rapidly ramp up the Company's production capacities and gradually build a

¹ Source: INSEE Focus No. 121 of 07/25/2018.

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network across the territory. A delay in commissioning these new production sites would slow penetration of the French market, which could have a significant adverse effect on the Company, its business, its financial position, its results, its prospects or its expansion.

Penetration of the cement market is also based on the Company's ability to set up and maintain commercial partnerships with players in the construction sector, and to be present in cement distribution networks. In this respect, it is specified that the Company has already set up several partnership agreements (see section 1.2 "Business overview" of the Annual Financial Report).

It should be noted that, even though the main players in the French cement market are trying to reduce the carbon footprint of traditional cement and have launched several initiatives in this direction, to its knowledge, at the date of the Annual Financial Report, the Company is the only player able to produce and market decarbonised cement without clinker, a sixfold reduction in the carbon footprint of cement compared to traditional Portland cement.² In addition, the innovations developed by the Company are a major competitive advantage (see section 1.2.5 "Competitive strengths and assets" of the Annual Financial Report).

Even though the Company believes it has a technological lead, it cannot guarantee that its competitors will not succeed in developing decarbonised cements comparable or even better than those currently marketed or being developed by the Company. The development and marketing of low-carbon cements by one or more of the Company's competitors could have a material adverse effect on the Company, its business, financial position, results, outlook or development.

According to the Company, it will take a relatively long time to develop and market competing decarbonised cements given the time spent developing Hoffmann Green cements (five years of research and development work) and setting up an innovative and adapted industrial process.

The Company believes that the net degree of criticality of this risk is high, given that:

- the effectiveness of the measures put in place by the Company to understand the increased competitive environment in which it operates may be mitigated (in the event of delays in the commissioning of production sites for reasons external to the Company or if competing decarbonised cements are developed);
- the occurrence of the events described in this section could have a significant negative impact on the Company (impact on the Company's revenue and profitability).

² Results for cement made based on H-UKR technology compared to conventional Portland cement type CEM I.



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- **Risks related to the operation of production sites**

The Company plans to build two new production sites, “H2”, which should be completed in the first half of 2023 and “H3”. With these projects, the Company could, in addition to the difficulties related to the COVID-19 health crisis which cannot be completely ruled out, encounter difficulties resulting in the delay of construction sites, the commissioning of production sites or the ramp-up of production sites.

These difficulties could, for example, be related to administrative procedures (obtaining a building permit, ICPE authorisation, etc.), weather conditions during construction or non-performance by suppliers or subcontractors contracted to work on construction sites.

Such delays could have a material adverse effect on the Company, its business, financial position, results, outlook or development.

As part of the construction of “H2” and “H3”, the Company intends to capitalise on the industrial know-how acquired during the construction of “H1” and use the various stakeholders who took part in this first project.

Once the production sites are commissioned, the Company could face interruptions, breakdowns or other factors that could slow down or stop cement production. Such events could have a material adverse effect on the Company, its business, financial position, results, outlook or development.

The Company has implemented various procedures applied at the “H1” site to ensure the resumption of production in the event of an interruption due to an internal or external event. In addition, the production site is constantly monitored by the Company’s employees, who are trained to intervene in the event of interruption. The Company has also implemented these various procedures on the “H2” site and plans to do so on the “H3” site.

The Company believes that the net degree of criticality of this risk is high, given that:

- the construction, commissioning and optimal operation of production sites depends in part on external circumstances over which the Company has no control (financing of investments, weather conditions, non-performance by a subcontractor or supplier, lockdowns related to health risks); and
- the occurrence of the events described in this section could have a significant negative impact on the Company (impact on the Company’s revenue and profitability).

- **Risks related to dependence on suppliers**

The manufacturing process for Hoffmann Green cements is based on the use of co-products from industry:

- blast furnace slag: a co-product generated by steel production;

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- clay: a co-product from the washing of aggregates and clay sludge; and
- gypsum or desulphogypsum: gypsum comes from site cuttings and desulphogypsum is generated by thermal power plants.

At the date of the Annual Financial Report, given the relatively recent launch of the production of Hoffmann Green cements, the Company uses a limited number of co-product suppliers, mainly located in France, and is therefore exposed to a risk of dependency on such suppliers.

The use of a limited number of suppliers entails a certain number of risks, in particular supply disruption, insufficient product quality, product origin or non-compliance with applicable regulations. The use of suppliers may therefore lead to financial risks and risks to the Company's reputation, particularly if these suppliers do not comply with the regulations applicable to them. The occurrence of one or more of these risks could have a material adverse effect on the Company, its business, financial position, results, development and prospects. This dependence could also intensify as part of the Company's business development strategy in France and internationally to the extent that the Company may have to face increased needs for raw materials.

However, the Company maintains good commercial relations with its co-product suppliers and believes that it offers them an opportunity to promote their co-products. The Company has not recorded any loss of contract with any of its suppliers since its creation.

In addition, it is specified that:

- other companies, in France and abroad, produce the aforementioned co-products, which minimises the Company's dependence on suppliers of the two main co-products, blast furnace slag and clay; and
- the Company aims to further expand the number of co-products used to manufacture its cements, in order to diversify its sources of supply. Research is underway on technologies to recover fly ash from biomass (see section 1.2.1.2 of the Annual Financial Report).

The commissioning of the new "H2" and "H3" sites and the development of the Company's international activity will increase the quantities of co-products that the Company will need to the manufacture of its cements, and therefore its dependence on suppliers. However, the risk of dependence on suppliers will remain under control as the Company's supply needs for co-products will be much lower than the quantities available on the supply markets.

However, the Company believes that the net degree of criticality of this risk is high, given that:

- there are many supply sources for blast furnace slag, clay, gypsum and desulphogypsum, and the Company believes that the number of co-products used in the manufacture of its cements could be expanded, such that the probability of occurrence of this risk is moderate; and
- that the occurrence of the events described in this section could have a significant negative impact on the Company (impact on the delivery times of Hoffmann Green cements to the Company's customers and on the Company's reputation). The

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potential impact would be increased by the development of the Company's activity in France and internationally due to the increase in the volumes of raw materials concerned.

- **Risks related to the development of the Company's activity internationally**

The Company's business model for its international development is based on the signing of licensing agreements with local partners in the targeted countries.

If the Company, in 2022, forged a partnership with Switzerland and Germany, it is pursuing the objective of developing its activity internationally.

In this context, the Company could carry out a poor analysis of markets and enter into partnerships in countries or regions where demand for low-carbon cement is not as attractive as expected by the Company and could generate lower revenue than planned.

The Company could also enter into licensing agreements with partners who do not abide by their commitments or who attempt to copy the Company's technologies, know-how or industrial secrets.

The development of the Company's international activity will make the Company more visible to international construction players, which could lead malicious competitors to attempt to damage the Company's image and reputation.

Lastly, the cybercrime risk will rise due to the growing number of international partners.

The probability that the development of international activity will be less profitable than expected, that it will generate litigation related to intellectual property, or that it will increase the risk that the Company will be targeted for defamation or cybercrime is moderate. The establishment of these partnerships via licensing agreements will be gradual and carried out after an in-depth analysis of the various international markets, in particular with regard to changing regulations on carbon emissions. In addition, if licensing agreements are breached or intellectual property rights are illicitly appropriated, remedies may be exercised. In addition, the Company will extend to the international level all measures implemented on national territory to ensure that the market is properly informed about its activity in order to protect its image and reputation. Finally, the Company intends to enter into partnerships with players whose servers will remain independent, i.e. not connected with those of the Company, which should limit the risks of exposure to cybercrime.

If the aforementioned risks materialised, their impact would be moderate insofar as most of its activity would continue to be carried out in France, in any event.

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In view of these elements, the net degree of criticality of this risk is considered by the Company to be moderate.

- **Risks related to information systems management and cybercrime**

The Company has set up an industrial tool 4.0, based on production automation (the “H1” site has more than 200 PLCs) and the use of production software developed specifically for the site.

The Company’s information system is exposed to the risks of computer or industrial hacking, as well as to computer virus attacks or computer bugs that could disrupt the proper functioning of its systems and software.

The Company has implemented measures to ensure the reliability and security of its IT systems. These include:

- no connection to the laboratory’s Internet network;
- installation of a “black box” type server (isolated server extremely resistant to external conditions (e.g. fire)) not connected to the Internet network, to which only two identified persons have access;
- implementation of a plan to back up the Company’s data every eight hours (day and night);
- the installation of a firewall, CE certified and compliant with the security standards in force, for IT systems in production site and offices.

The Company’s information system has been subject to an external security audit by a specialised company recognised in this field. As part of this procedure, it was established that there were no critical vulnerabilities in the audited scope.

A regular security audit plan has been put in place to verify internal security rules and perform internal and external vulnerability tests.

However, the Company cannot guarantee that failure of one of these protection measures will not occur, and this could have a material adverse effect on the Company, its business, its financial position, its results, its development or its assets. outlook. The Company could be subject to complex and targeted attacks on its computer networks. The techniques used to hack, interrupt, degrade quality or sabotage IT systems are constantly evolving, and it is often impossible to identify them before an attack is launched. The Company may not be able to protect itself against such hacking techniques or to rapidly implement an appropriate and effective response system.

It is specified that the Company has ensured that sensitive elements related to its intellectual property are not accessible by computer, so these elements could not be impacted or disclosed in the event of an attack on the Company’s IT systems.

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The Company believes that the net degree of criticality of this risk is moderate, given that:

- the effectiveness of the measures put in place by the Company was verified by a company specialising in cybersecurity, it being specified that these measures will be regularly updated in line with changes in the operating methods of cybercriminals, and sensitive elements related to the Company's intellectual property would not be impacted in the event of an attack;
- the occurrence of the events described in this section could have a negative impact on the Company (loss of data, unavailability of certain tools IT systems used in the production of Hoffmann Green cements, product delivery delays).
- **Risks related to damage to the Company's image and reputation**

Given the economic and technological challenges relating to the cement industry, the Company is exposed to the risk of criticism or challenges of various kinds, in good or bad faith, which could harm its reputation.

Communication vectors such as the Internet and social networks are characterised by real-time reactions and exponential spread of information, thus facilitating the creation and dissemination of false information.

False information related to the Company's activities could potentially be disseminated on the Internet and on social networks as well as in the press.

In this respect, it is specified that the Company itself uses the Internet and social networks to ensure its visibility to the public. Thus, a reader could give credit to false information about the Company or its products intentionally attributed to the Company provided for nuisance purposes by a third party wishing to disparage the Company.

The occurrence of such events could have negative effects on the Company's image and have repercussions on the Company, its activity, its financial position, its results, its development, in particular in relation to the conclusion of international licensing agreements, and its outlook.

The Company proactively monitors Internet tools and social networks and has put in place a communication crisis management procedure in order to avoid and anticipate potential crises, prevent the proliferation and reach of such information and limit their impact as much as possible.

The Company believes that the net degree of criticality of this risk is moderate, given that:

- the Company believes that the dissemination of criticism relating to the Company is likely, but that the Company will be able to react effectively thanks to the monitoring of Internet tools and social networks and thanks to the communication crisis management procedure;

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- occurrence of the events described in this section could have a negative impact on the Company (deterioration of the Company's reputation, loss of appeal of Hoffmann Green products, impact on the Company's revenue and level of profitability).

- **Risks related to dependency on key people**

The success of the Company depends to a large extent on the actions and efforts undertaken by its founding partners Julien Blanchard, Chairman of the Company's Management Board, and David Hoffmann, Chief Scientific Officer and member of the Company's Management Board. Loss of their skills could affect the Company's ability to achieve its objectives and implement its strategy, and thus have a material adverse effect on its business, results, financial position, development and prospects.

The Company has taken out specific insurance to cover the risk of death of these two key persons (see section 1.1.6 "Insurance and risk coverage" of the Annual Financial Report).

The Company has also ensured that the teams currently in place are able to continue the work initiated, particularly in terms of research and development.

The Company believes that the net degree of criticality of this risk is moderate, given that:

- Julien Blanchard and David Hoffmann, co-founders of the Company, are behind the creation of this project and are the most significant shareholders of the Company (see section 1.9 "Principal Shareholders" of the Annual Financial Report);
- occurrence of the events described in this section could have a significant negative impact on the Company (failure to achieve the Company's objectives, impact on revenue and profitability).

RISKS RELATED TO THE INDUSTRY IN WHICH THE COMPANY OPERATES

- **Risks of dependence on the construction, real estate, industrial, public works and urban planning markets**

The cements sold by the Company are used for the construction of individual or collective housing, industrial or commercial buildings, or for infrastructure projects (roads, bridges, tunnels, roads). The cement market is a cyclical market, and the dynamism of demand for Hoffmann Green cements depends both on structural factors specific to each market and on cyclical macroeconomic factors.

The structural factors that determine the level of demand in each market for construction materials are mainly demographics, urbanisation rate and economic growth (represented for example by the gross national product per capita), but also more cultural features, such as the construction habits of each market (timber, steel, concrete construction). In addition to these structural factors, the economic situation has a cyclical impact on the construction markets, particularly in the event of an economic crisis and considerable global financial instability. Global economic parameters determine the ability of public and private players to finance

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through access to credit and carry out individual and collective projects that make up the construction market.

Significant fluctuations in some of these parameters are likely to have a material adverse effect on the Company's business, financial position, results, outlook or development.

The Company believes that the net degree of criticality of this risk is moderate, given that:

- the cement market is buoyant, and the Company should only have 3% market share in France by 2026;
- the occurrence of the events described in this section could have a negative impact on the Company (impact on the Company's revenue and profitability).

- **Regulatory risks**

The Company operates in a highly regulated environment. In particular, the Company's cement production sites are classified as facilities classified for environmental protection (ICPE) and are subject to specific regulations, requiring authorisation from the prefectural authority.

At the date of the Annual Financial Report, the Company has a production site ("H1"), located in Bournezeau (85), which has obtained authorisation under the ICPE regulations.³ The "H2" production site, whose construction work began in the fourth quarter of 2020, should be completed during the first half of 2023, has also obtained authorisation under the ICPE regulation⁴. This will have to be repeated for the construction of the "H3" production site in Dunkerque. However, if the Company fails to comply with applicable regulations in the future, it could face withdrawals of operating authorisations or refusal of authorisations, be liable or even be sentenced to pay fines.

More generally, the Company cannot guarantee that rapid or significant changes in the laws and regulations in force will not occur in the future. Thus, a strengthening of regulations or their implementation could result in new conditions for the exercise of its activities likely to increase its operating expenses (in particular through the implementation of additional procedures and controls), or act as a brake on the development of the Company's activities.

The Company cannot exclude the possibility that such situations could have a material adverse effect on the Company, its business, financial position, results, outlook or development.

With regard to regulations known to date and aimed at limiting CO₂ emissions, the Company believes that the impact of their entry into force will be positive on its activity, insofar as

³ Prefectoral order no. 17-DRCTAJ / 1-510 dated July 13, 2017.

⁴ Prefectoral order no. 20-DRCTAJ / 1-517 dated July 29, 2020.

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Hoffmann Green cements are decarbonised and thus fully comply with future construction standards. (see section 1.6 “Regulatory environment” of the Annual Financial Report).

The Company believes that the net degree of criticality of this risk is limited, given that:

- the Company complies with the legal and regulatory provisions applicable to its business, and with the current regulatory environment, and its announced changes, aimed at limiting CO₂ emissions, is favourable to the development of the Company’s business;
- regulatory changes applicable to the Company could have a limited negative impact on the Company (additional costs and obstacles to the development of the Company’s business).

LEGAL RISKS

• Risks related to intellectual property

Thanks to the research work by David Hoffmann and his team, the Company has developed unique and innovative expertise and technologies. As these technologies are at the heart of Hoffmann Green cements, the Company has implemented a policy of protecting its intellectual property in various ways, described in section 1.2.1.1 “Protection of the Company’s intellectual property” of the Annual Financial Report.

The Company’s success depends, among other things, on its ability to obtain, preserve and protect its patents, trademarks, designs and models, as well as its other intellectual or similar property rights (such as its proprietary know-how). As a result, it could be that:

- the Company is unable to develop patentable inventions;
- the Company is not granted the patents or trademarks for which it has filed or will file applications;
- the Company will one day see the validity of its patents or trademarks challenged by third parties;
- the Company cannot benefit from sufficiently broad protection from its patents to exclude competitors;
- the Company cannot guarantee that the scope of protection conferred by the Company’s patents, trademarks and intellectual property titles is and will remain sufficient to protect it against competition and against the patents, trademarks and intellectual property rights of third parties covering similar arrangements;
- the Company cannot guarantee that the Company’s employees will not claim rights or the payment of additional remuneration or a fair price in return for inventions in which they were involved, it being specified that the employment contracts of

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Company employees (particularly those of the research and development team) include clauses protecting the Company's property rights to inventions developed;

- the Company notes that patents and other intellectual property rights that it holds or for which it has or will have licences, are disputed by third parties.

In addition, the Company cannot be certain that the confidentiality of its non-patented technologies, its know-how or its industrial secrets will be effectively guaranteed by the protections put in place, or that in the event of a breach, satisfactory remedies may be exercised.

In addition, the Company's competitors could infringe its patents or other intellectual property rights or circumvent them through design innovations. To prevent counterfeiting, the Company could take actions that would be costly and would involve its teams. The Company may not be able to prevent the misappropriation of its intellectual property rights, unauthorised use of which is difficult to control.

The occurrence of any of these events concerning the Company's intellectual property rights could have a material adverse effect on the Company, its business, its financial position, its results, its prospects or its development.

The intellectual property protection policy implemented by the Company provides in particular for:

- the filing of patents for certain technologies developed by the Company;
- specific protection of proprietary know-how (securing IT data, inclusion of discretion and non-compete clauses in the employment contracts of Company employees, codification of information used to manufacture Hoffmann Green cements);
- the inclusion of clauses prohibiting reverse engineering in contracts with third parties;
- regular legal monitoring carried out by two intellectual property consulting firms, as well as prior art searches prior to filing patent applications.

The Company, which is the sole owner of all intellectual property related to its business, is also supported by several legal advisors specialising in intellectual property.

At the date of the Annual Financial Report, the Company is not involved in any litigation relating to its intellectual property.

The Company believes that the net degree of criticality of this risk is high, given that:

- as all Hoffmann Green products are based on technologies developed by the Company and the Company believes that the protection of said technologies is a key issue;

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- the occurrence of the events described in this section could have a significant negative impact on the Company (loss of competitive advantages, impact on the Company's revenue and profitability, risk of litigation).

FINANCIAL RISKS

- **Risks in terms of financing needs**

The Company has significant financing requirements for the deployment of its industrial facilities and for the development and marketing of its products.

As part of its strategy, in addition to its operating expenses, the Company aims to finance the construction of (i) two new production sites "H2" and "H3", the commissioning of which is planned by the Company for the first half of 2023 and in 2025 respectively, and (ii) storage silos at the Port of La Rochelle in 2025. The investment budget for each of the two production sites is around € 22 million and that of the storage silos around € 10 million (i.e. a total investment of around € 54 million).

It should also be noted that the Company carried out a capital increase of € 22.5 million in December 2021, by way of a public offering with cancellation of shareholders' preferential subscription rights and with a priority period, on an irreducible basis, only, for its existing shareholders.

At 31 December 2022, the Company had cash and cash equivalents of €42.0 million (cash and UCITS before depreciation).

The Company has sufficient cash to finance its development.

The Company believes that the net degree of criticality of this risk is moderate, given that:

- the Company has the necessary cash to finance the above-mentioned investments as of 31 December 2022;
- the occurrence of the events described in this section could have a significant negative impact on the Company (obstacles to the development of the Company's activities, impact on the Company's revenue and level of profitability).

INSURANCE AND RISK COVERAGE

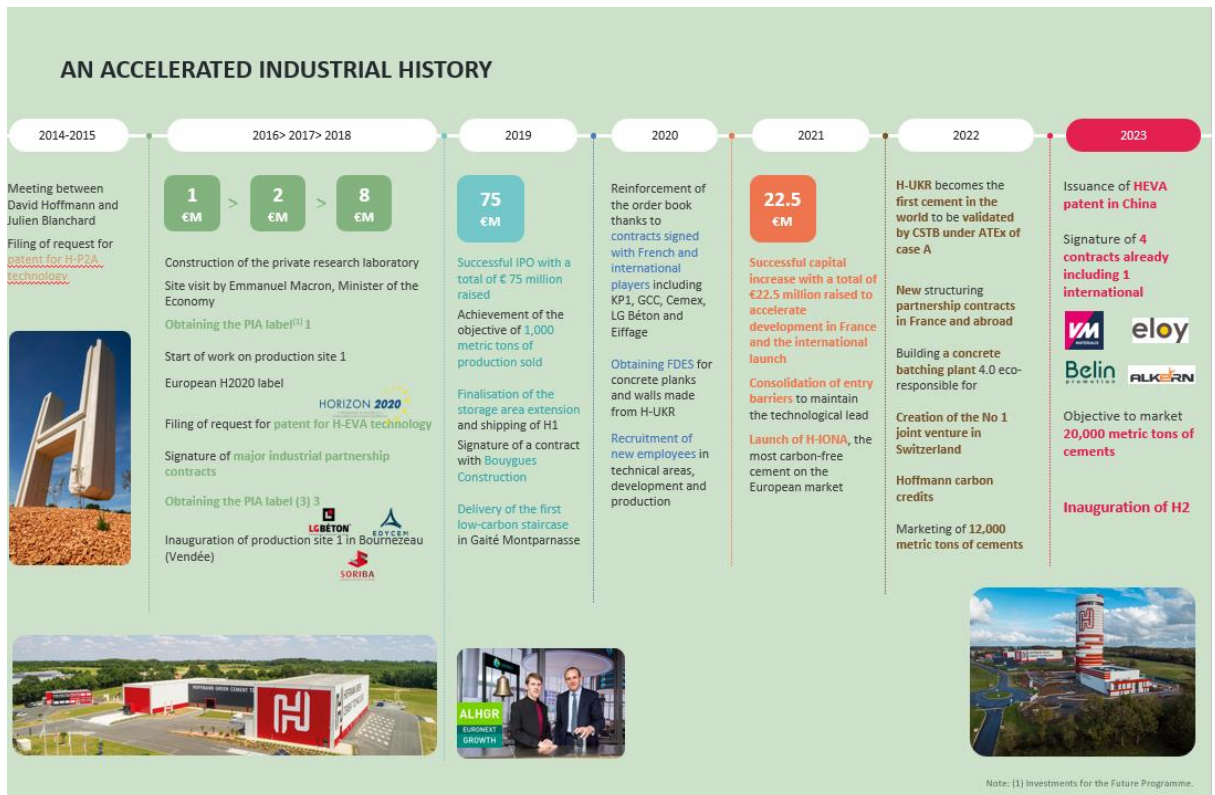
As of the date of the Annual Financial Report, the Company has implemented a policy of covering the main insurable risks with coverage amounts that it considers compatible with the nature of its business. The Company does not foresee any particular difficulties in the future in maintaining adequate levels of insurance within the limits of cash and market conditions.

CATALYST OF CARBON TRANSITION

1.2. BUSINESS OVERVIEW

GENERAL OVERVIEW OF THE COMPANY

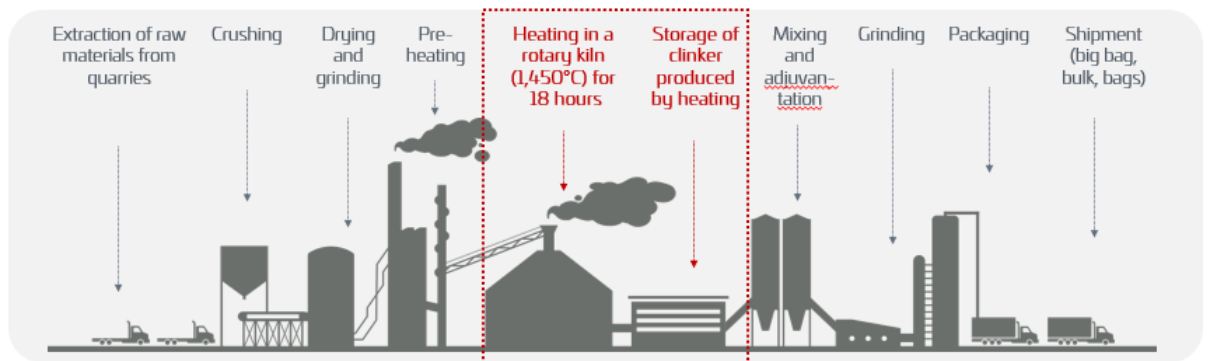
Set up in 2014 by David Hoffmann, a chemical engineer, and Julien Blanchard, an entrepreneur, the Company designs, produces and markets innovative clinker-free decarbonised cements, a complete break with traditional Portland cement.



The traditional Portland cement manufacturing process is responsible for the emission of 881 kg of CO₂ per ton of traditional CEM I type Portland cement⁵ Its composition is mainly based on the use of a material called “clinker”, obtained after firing limestone in a furnace at very high temperature for 18 hours. The production of clinker has a very high environmental impact due to this very high temperature firing, which is the source of CO₂ emissions and which requires significant energy consumption.

⁵ Source: ADEME, Bilan GES, http://www.bilans-ges.ademe.fr/documentation/UPLOAD_DOC_FR/index.htm?ciments_chaux_platres_bet.htm.

CATALYST OF CARBON TRANSITION



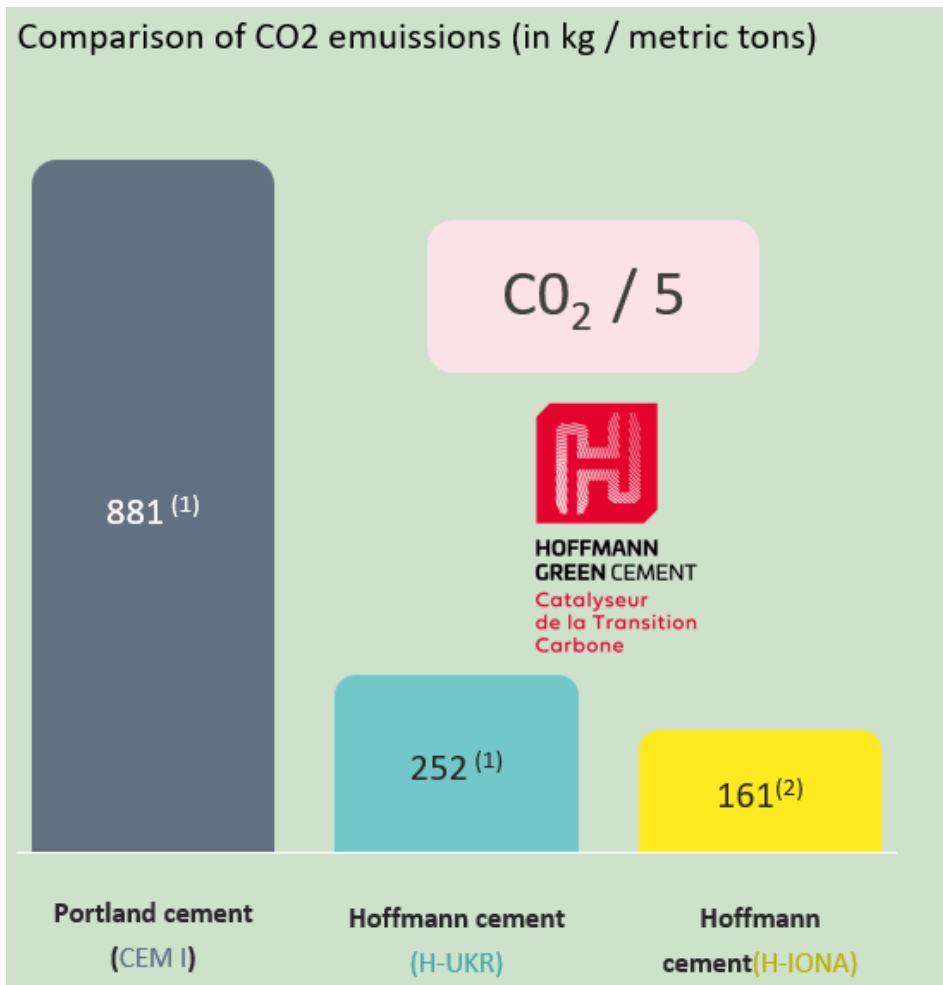
Fully aware of the environmental emergency and the need to reconcile the construction sector, cement manufacturing and the environment, Julien Blanchard and David Hoffmann are at the origin of a real technological breakthrough based on two main pillars: modification of cement composition and creation of a cold and clean manufacturing process (no firing of raw materials).



The raw materials used to produce Hoffmann Green cements are essentially co-products from industry, for which there is currently little or no recovery (blast furnace slag from steel production, clay from the washing of steel), aggregates or clay sludge, gypsum from construction site excavation material and desulphogypsum generated by thermal power plants). These co-products are then cold activated using various technologies developed by the Company to manufacture Hoffmann Green cements.

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The absence of clinker in Hoffmann Green cements, combined with an innovative manufacturing process, reduces the carbon footprint sixfold compared to conventional Portland cement (CEM I)⁶.



Hoffmann Green cements, which serve all markets in the construction sector, are currently produced on a first 4.0 site located in Bournezeau in the Vendée, operational since January 2019. This site has no furnaces or chimneys, produces no waste and is based on an automated industrial production process. Hoffmann Green cements is currently produced by this first “H1” production site with a production capacity of 50,000 metric tons of cement over one year.

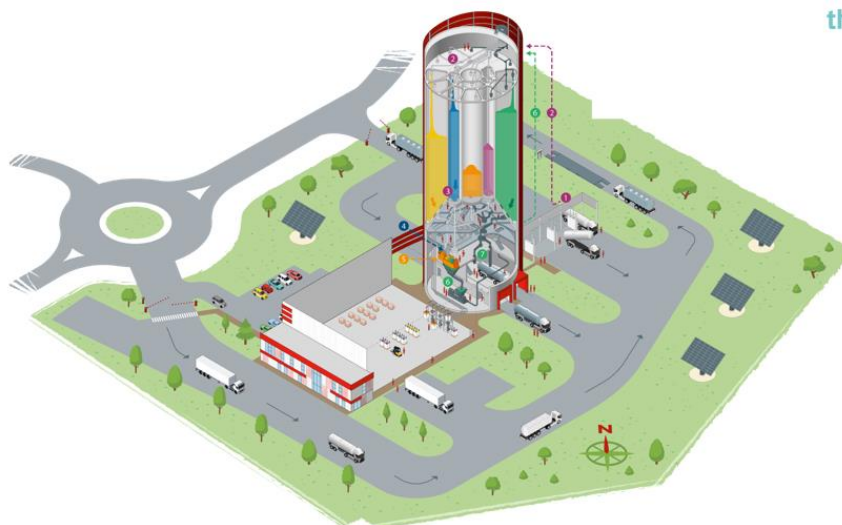
⁶ Source: Company, based on the ETPM report (Prior Technical Assessment of Materials). Results for cement made based on H-UKR technology compared to conventional Portland cement type CEM I.

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A second “H2” production unit is being built on the Bournezeau site in the Vendée region. Construction began at the end of 2020 and is expected to be completed in the first half of 2023. This unit, 70 metres high, is based on a “gravity” process and built entirely of Hoffmann Green concrete. It will have production capacity of 250,000 metric tons of cement per year. This unit model is the one that will be duplicated for the Company’s developments in France and internationally.

Interior view of H2



‘Gravity’ process’ allowing to optimize the productivity of the unit and the material flows

- 1 Raw material delivery
- 2 Storage to 13 cells
- 3 Raw material extraction
- 4 Dosing
- 5 Blending
- 6 Finished product transfer to the 6 storage cells
- 7 Loading of finished product

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The global cement market is a robust and growing market, dominated by a handful of world leaders. To date, most French cement production (16.4 million metric tons of cement produced in 2020⁷) comes from five major players that alone account for around 95% of cement production in France: LafargeHolcim (leader in the sector), Calcia-HeidelbergCement Group, Vicat, Egiom Groupe CRH and Imerys Aluminum.

These traditional cement manufacturers are under continuous pressure to reduce the carbon footprint of their activity, resulting in particular from increasingly restrictive regulations, via the reduction in the free allocation of CO₂ emission quotas, increased carbon tax, and the entry into force of the 2020 environmental regulation (BR 2020) on January 1st 2022 in France. This regulatory framework is favourable to the Company, which has a lead thanks to its low-carbon solutions that meet future environmental standards for construction.

ACTIVITY REPORT FOR THE PAST FINANCIAL YEAR

Impact of the situation in Ukraine

Neither the Company's partners nor its suppliers are located in Eastern Europe or Russia, meaning that the Company's activity is not directly affected. Nevertheless, some of the Company's suppliers are currently facing rising energy prices, as well as rising transport costs. In 2022, raw material purchase contracts were renegotiated at the initiative of certain

⁷ Source: 2020 annual production (source: SFIC)



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suppliers. These price changes had a moderate impact on the Company. Furthermore, energy and fuel price hikes and supply difficulties for some commodities could impact the entire construction sector and some projects underway could be postponed or even cancelled.

Impacts related to the COVID-19 pandemic

In 2020, lockdown measures and border closures due to the COVID-19 health crisis had an impact on the Company's ordinary course of business.

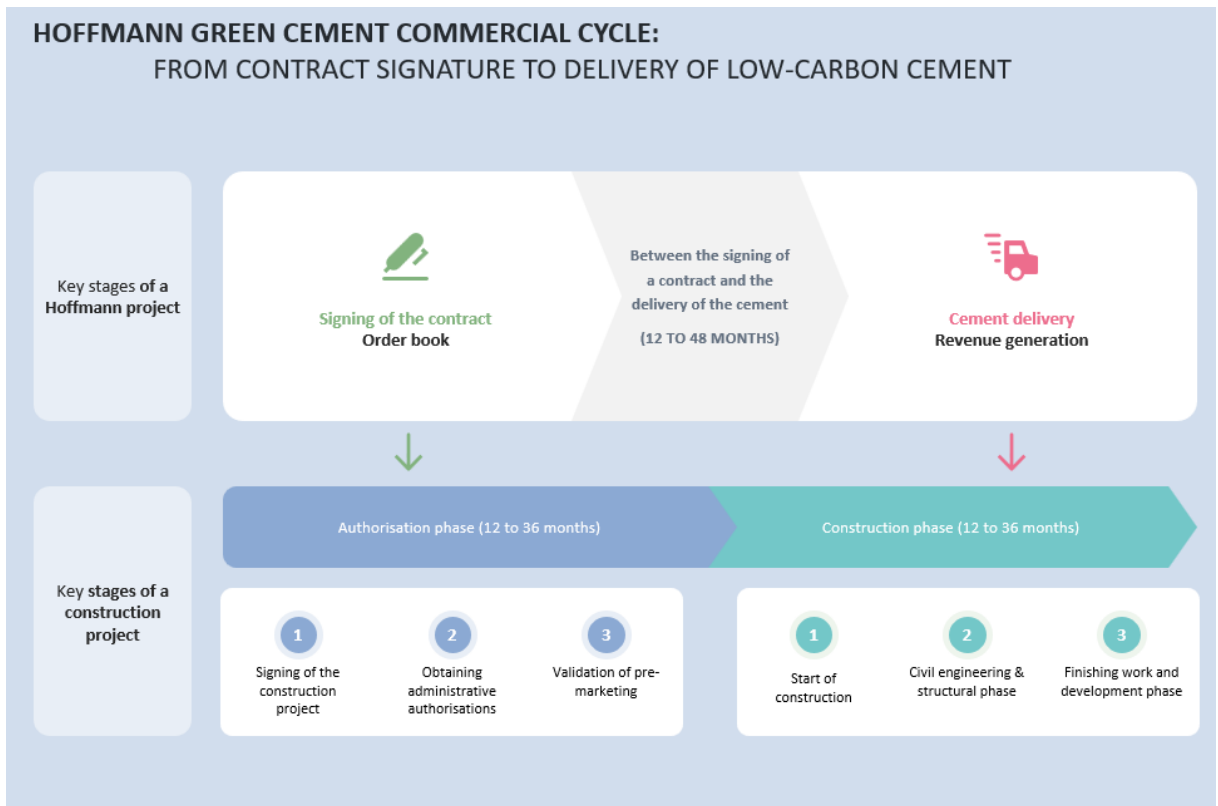
In 2021, the Company was impacted by the effects of the COVID-19 crisis but to a lesser extent than in 2020. Since the second half of 2021, the Company has been able to resume face-to-face contacts with suppliers and partners and restart its commercial development by prospecting for new customers in France and abroad. Thus, at the date of the Annual Financial Report, the Company's activity, which has gradually resumed its normal pace, is almost no longer impacted by the effects of the health crisis.

Activity over the past financial year

In 2022, the Company continued its development. The volume of cement sold stood at 12,010 metric tons, a very positive increase (up 18.7%) compared to the 2021 financial year (10,124 metric tons). Sales mainly concerned H-UKR technology and are related to the execution of contracts recorded in the order book.

Sales of alternative cements to conventional Portland cement are intrinsically linked to the building sector's commercial cycle. Between the decision to build a structure and the start of construction, there is traditionally a period of between 12 and 36 months. This period covers the obtaining of administrative authorisations (building permits, processing of appeals, etc.) and the validation of the pre-marketing phase. Then comes the construction period, which lasts on average between 12 and 36 months. The construction period begins with the civil engineering and structural works phase and ends with the finishing and fitting-out phases of the building. Cement is mainly consumed during the civil engineering and structural works phase, when concrete applications are carried out. This period corresponds to the generation of revenue for Hoffmann Green Cement Technologies. The duration of these cycles tends to lengthen significantly under the double effect of price inflation and the shortage of construction materials resulting from the war in Ukraine.

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→ Progressive delivery of order intake correlated with the long cycle of a construction project*

Strategy

The Company’s commercial strategy is to be on the ground ahead of projects in order to have its solutions registered very early on in the specifications for a wide range of applications. The Company’s decision-makers and technical sales representatives are in charge of implementing this commercial strategy.

However, the Company’s solutions can be used for projects already initiated and in progress, for a few applications excluding civil engineering, as a substitute for traditional concrete. These “spot” sales are important to the Company’s commercial and technical development because they can be used to promote and demonstrate the solutions on construction sites, and to gain experience. However, these “spot” sales generate less cement volumes than when Hoffmann solutions are included in the project specifications, because they relate to a reduced number of applications.

Following the capital increase of €22.5 million carried out in November 2021, the Company was able to continue its commercial development in France and begin its international development in 2022. In France, new contracts and order commitments were signed, notably with Demathieu Bard (partnership contract) 3-year volume commitment on H-UKR and H-IONA technologies), Duret Immobilier (3-year partnership contract with volume commitment



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on H-UKR and H-IONA technologies), Bouygues Immobilier (18-month partnership contract with volume commitment on H-UKR and H-IONA technologies), The Parisian Masons (3-year partnership contract with volume commitment on H-UKR and H-IONA technologies), the real estate developer P2I (3-year partnership contract with volume commitment on H-UKR and H-IONA technologies), Immobilière 3F (8-year partnership contract for H-UKR, H-IONA and H-EVA technologies), O.T.E. (3-year partnership contract with volume commitment on H-EVA technology) and the Fondéole Group (6-year partnership contract with volume commitment on H-UKR technology).

The Company initiated its international development in early 2022. International development is based on a licensing model. The Company's partners are responsible for financing, building and operating Hoffmann H2-type units and for producing and marketing Hoffmann cements in their geographical area in exchange for the payment of royalties to the Company. The Company targets mature markets for carbon transition, i.e. countries with advanced and binding environmental regulations, favourable to the Hoffmann Green model. Europe is the Company's priority geographical area for international development.

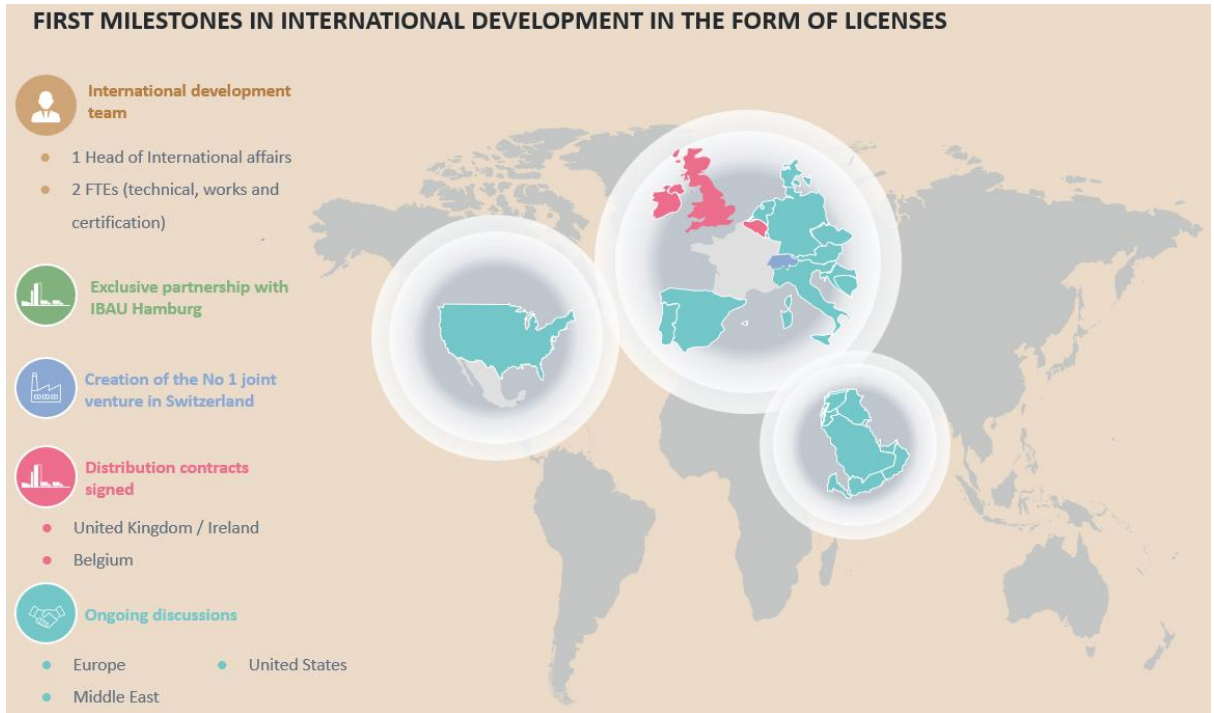
An international developer joined the Company in February 2022. The international team represents 3 FTEs (Full Time Equivalents).

In July 2022, the Company entered into a first partnership in Switzerland with a local construction company through the creation of a joint venture, Hoffmann Switzerland, majority controlled by the partner and 10% owned by the Company. Since then, Hoffmann Switzerland has been the Company's exclusive licensee in Switzerland. With the same characteristics as the cements produced on the Bournezeau sites, the de-carbonised cement produced in Switzerland will be manufactured in a vertical production unit on the same model as H2, Hoffmann Green's second production unit in the Vendée region.

In September 2022, the Company signed its first distribution agreement in the United Kingdom and Ireland with Cemblend. This exclusive distribution agreement with a volume commitment runs until the end of 2023 and is a first step towards the signing of a licensing agreement that could see Cemblend build and operate a production unit similar to H2, then produce and market the Hoffmann cements in the United Kingdom.

In addition, a strategic and exclusive partnership was signed with IBAU Hamburg, a German general contractor, and one of the world's leading suppliers of plants and facilities for the cement industry, with a view to the construction of future Hoffmann units abroad.

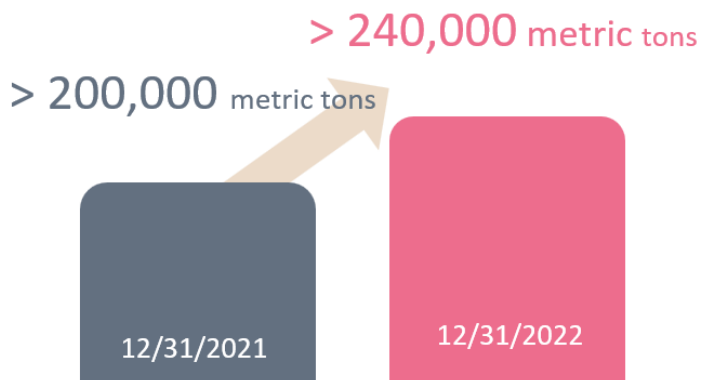
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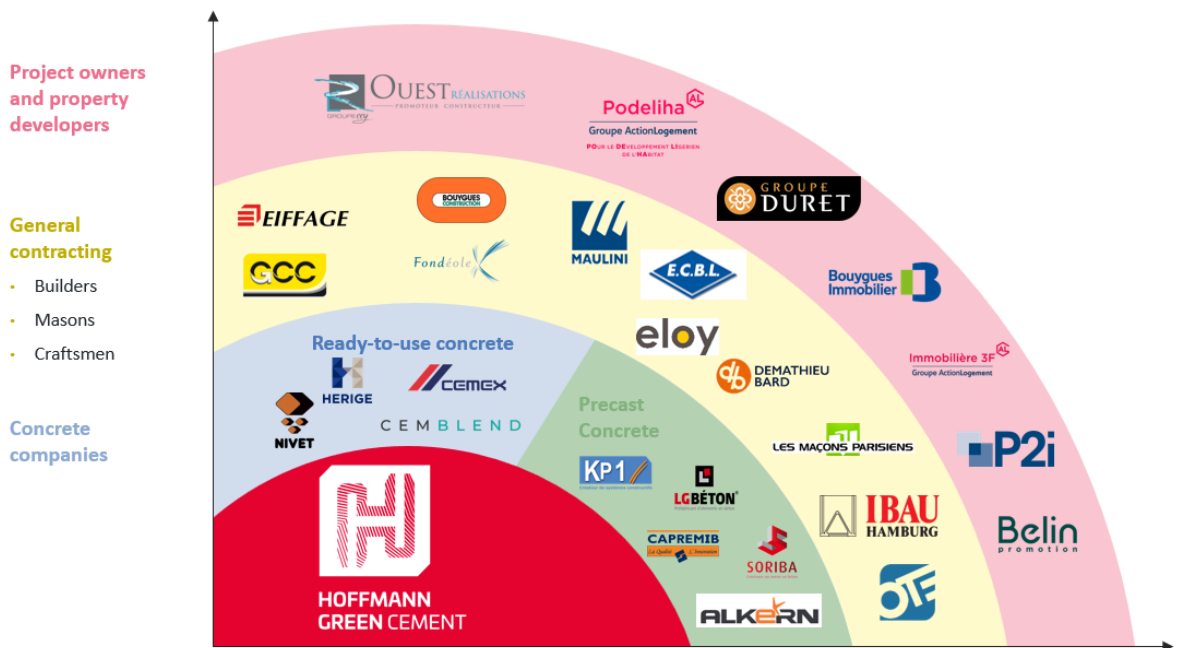
On the date of publication of the Annual Financial Report, the order book stood at more than 240,000 metric tons of cement, up 20.0% compared to 31 December 2021.

Order book

+ 20% VS December 2021



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Commercial contracts signed with all players in the construction sector

On the industrial front, the Company is continuing to execute its strategic plan.

Construction of the H2 plant, located in the Vendée town of Bournezeau next to the H1 site, began as planned at the end of 2020. The budget, estimated at € 22 million, and the schedule are in line with forecasts. As of the date of the Annual Financial Report, the construction of the production unit has been completed. Delivery is scheduled for the first half of 2023.

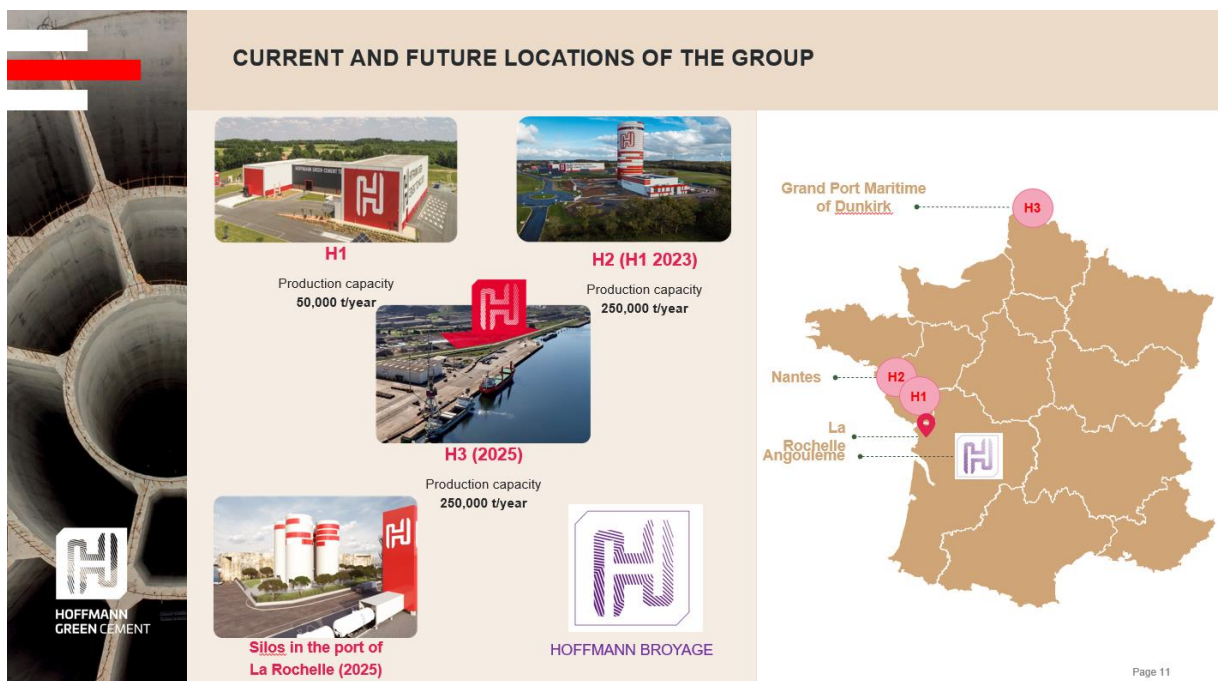
In May 2022, the Company signed a 40-year Temporary Occupation Authorisation (AOT) for the Grand Port Maritime de Dunkerque in order to locate the H3 plant, which will be built on the model of the H2 plant. Construction of the H3 plant should begin in the first half of 2024 and the project will be delivered in 2025. This schedule is in line with the ambitions of the Company to increase cement production capacity by 2026, as disclosed in the Annual Financial Report. The budget is estimated at €22 million.

The project to build material loading and unloading facilities and storage silos at the port of La Rochelle is continuing. Work is expected to start in 2024. The investment, in line with the Company's development plan, is estimated at € 10 million.

The construction of the Company's eco-responsible concrete batching plant 4.0 began in Bournezeau in June 2022. The purpose of this concrete batching plant is to test and develop new formulations of low-carbon concrete from Hoffmann cements, incorporating recycled aggregates. The concrete batching plant has been operational since March 2023. Its budget is €2 million.

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Since June 2022, the Company holds 100% of the share capital of Hoffmann Broyage (whose corporate name was ABC Broyage until 2 November 2022). On 21 December 2022, Hoffmann Broyage merged its wholly-owned subsidiary, AB César. Through this acquisition, the Company integrates an industrial activity that will enable it to grind blast furnace slag, one of the raw materials used in H-UKR and H-IONA cements. Blast furnace slag is a co-product from the steel industry that is recycled and then recovered through the production of Hoffmann Green cements. This acquisition is a strategic opportunity for Hoffmann Green since by in-house slag processing, the Company will gain independence in the grinding of its raw materials, expand its sourcing capacity and secure its margins in an inflationary context. The production site of ABC Broyage (now called Hoffmann Broyage), located in the north of the Dordogne, fits perfectly into the local logistics scheme of Hoffmann Green as it is located close to both the port of La Rochelle where slag will be received from the blast furnaces and the H1 and H2 production sites of Hoffmann Green Cement Technologies, located in Bournezeau in the Vendée region, where Hoffmann cements are produced. The shares of ABC Broyage were acquired for €1.7 million.



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In terms of human resources, the Company continued to structure itself through the recruitment of new employees in the technical, development, research and production areas. In particular, a sales manager, an international developer and an IT manager were recruited. These resources will support the Company's future development, particularly commercial and industrial. At 31 December 2022, the Company had 43 employees compared to 33 at 31 December 2021.



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In line with its ambitious Research and Development and Innovation policy, the Company has taken new steps in the protection of its intellectual property with the grant of the H-P2A patent in China.

After four years of physical, chemical and mechanical tests, H-UKR cement benefits from a Technical Assessment (ATEX of case A) issued in March 2022 by CSTB, the public company that guarantees the quality and safety of buildings. This assessment covers a very large number of structures ranging from single-family houses to high-rise buildings for structural applications (floors, walls, beams, posts, etc.). The design of H-UKR cement-based concrete structures is carried out in accordance with Eurocode2 and Eurocode8, a calculation reference system recognised in France and Europe. The Technical Assessment of Products and Materials (ETPM) of the H-UKR technology has just been enriched and further assesses the durability and quality of the H-UKR cement by validating the expected useful life of 100 years, thus opening the way for the use of H-UKR cement-based concrete in civil engineering structures (bridges, tunnels, etc.). Similarly, this new version of the ETPM introduces new exposure classes (XC1, XC2, XC3, XC4, XF1) thus allowing the use of H-UKR cement-based concrete for interior and exterior works. Validated and issued by CSTB, these assessments are in addition to the many approvals already received by the Company and thus further increase its barriers to entry. These assessments also demonstrate the momentum created by the signing of the strategic partnership signed in November 2021, which facilitates exchanges between the two entities. Hoffmann Green cement is the first clinker-free cement in the world to be validated under ATEX of case A by CSTB.

The Company is continuing its CSR (Corporate Social Responsibility) roadmap. At the beginning of the year, the Company produced and published a scope 3 carbon assessment based on the Net Zero Initiative® framework developed by the consulting firm Carbone 4. The Company is one of the first cement manufacturers to publish its carbon assessment based on the three scopes.

In addition, the Company's ESG (Environment Social & Governance) performance was assessed by two independent players specialising in non-financial ratings. The Company obtained a score of 65 from Gaia, up 11 points year-on-year. This rating placed the Company in 131st place in Gaia Rating's ESG 230 panel and in 23rd position among the 78 companies in the panel with revenue of less than €150 million. At the same time, the Company received a score of 20.8 from the international firm Sustainalytics, ranking it third of the 115 assessed companies producing construction materials.

In 2022, the Company also joined the French Tech Green20 class, thus being one of the 20 French gems selected by the French Ministry for the Ecological Transition to participate in the French Tech Green20 programme. This recognition will enable the Company to benefit from enhanced visibility, support from various public institutions and organisations, integration into economic diplomacy, and specific support on greentech issues (connection with ministerial



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and scientific experts to better understand technological issues, mediation with certifying bodies, etc.).

Lastly, since the end of 2022, the Company has been marketing carbon credits on the voluntary carbon market according to a methodology validated and published by the certifier Inuk. In order to move towards carbon neutrality at the global level, companies must maximise their contribution to the reduction of greenhouse gas emissions. The Company, whose industrial activity contributes directly to the decarbonisation of the construction sector, has decided to market its carbon credits for the benefit of companies wishing to contribute to this goal of global carbon neutrality. These carbon credits correspond to the CO₂eq avoided thanks to the use of 0% clinker cements developed by Hoffmann Green. To date, Hoffmann Green has 10,000 carbon credits available for sale. As such, Hoffmann Green cements were the subject of an in-depth study (Bilan Carbone® and Life Cycle Analysis) on all the criteria relating to the voluntary carbon offsetting market (measurability, additionality, uniqueness, permanence, etc.) in order to guarantee their eligibility for this mechanism. All of this certification work was entrusted to Inuk, operator and certifier of carbon contribution. Their transparent and reliable solution is based in particular on a block-chain traceability system that guarantees the uniqueness of the contribution that must only be used once and cannot be sold to avoid feeding a speculative contribution market. Inuk also guarantees that the methodology used complies with the highest standards in force. The revenue from the carbon contribution will enable the Company to strengthen the competitiveness of its low-carbon solutions and thus enable their adoption in the face of more polluting traditional solutions and to increase funding for R&D for products that are increasingly virtuous for the environment.

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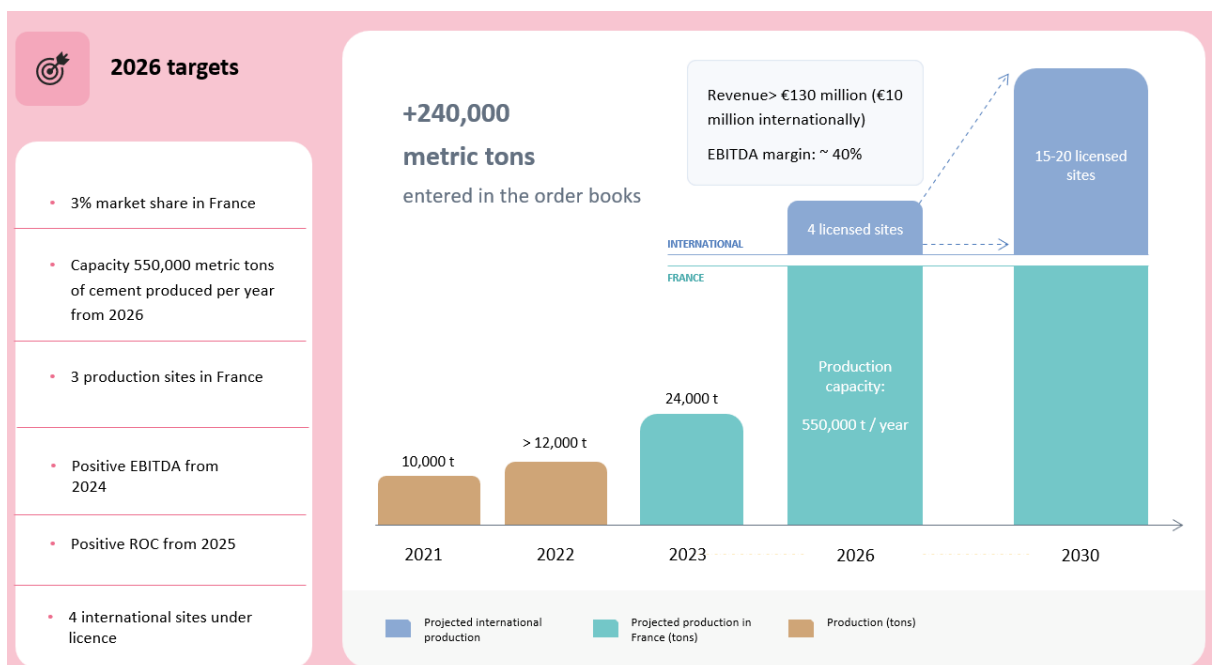
Company outlook and ambitions

In France, the Company aims to accelerate its development by increasing its production capacity and regional coverage. By 2026, the Company plans to sell 550,000 metric tons of cement per year through three production sites, generating revenue of around € 120 million and corresponding to a 3% market share in France.

Internationally, the Company wants to develop through licensing agreements with partners. The Company's partners are responsible for financing, building and operating Hoffmann H2-type units and for producing and marketing Hoffmann cements in their geographical area in exchange for the payment of royalties to the Company. The Company aims to have four operational units outside France by 2026, generating revenue of around € 10 million.

The Company expects to be able to reach an EBITDA margin of around 40% by 2026.

In 2023, the Company is targeting the marketing of 24,000 metric tons of cement, i.e. revenue in excess of €4.5 million.



These objectives are based on the implementation of a strategic industrial development plan based on three major areas:

- an industrial focus with the construction of two new sites in order to rapidly increase production capacities and build a gradual network across the national territory;
- a commercial focus, in France via the signing of contracts with new partners, and internationally with the implementation of licensing agreements; and
- an innovation focus that aims to develop new cement technologies and maintain the technological lead from which the Company benefits.



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The Company remains attentive to the evolution of the COVID-19 health crisis which could, in the event of the appearance of a significantly dangerous variant, impact the commercial activity and production of the “H2” production site and the start of construction of “H3” and storage silos in the Port de La Rochelle.

In the current context, the Company indicates that the objectives it has set for itself will be achieved by 2026, namely, in France, to achieve a total production capacity of 550,000 metric tons of de-carbonised cements per year with the construction of two additional production (“H2” in the Vendée and “H3” in the Île-de-France region), representing 3% of the cement market, and internationally, having four operational Hoffmann Green cement production units outside France, generating total revenue of around €130 million with an EBITDA margin of around 40% by 2026

Based on its solid financial position, the Company is confident in the relevance of its business model and its ability to achieve its objectives, subject, however, to the overall increase in prices related to the situation in Ukraine, which could have a negative impact on its objectives (as indicated above in this section as well as in the risk factors included in section 1.1 of the Annual Financial Report).

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The Company has set up technical and commercial collaboration contracts with companies in the construction sector (construction companies, companies making precast concrete, ready-mixed concrete or concrete blocks, materials production and distribution companies).

The Company's main business partners are presented below:



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Development of the Company's activities is supported at national level:



ADEME



Agence de l'Environnement
et de la Maîtrise de l'Energie



CATALYST OF CARBON TRANSITION

Financé par



Development of the Company's activities is also supported at European level:



INTELLECTUAL PROPERTY AND PROCUREMENT IN CO-PRODUCTS

Continuation of the Company's activities and its future development are closely linked to effective intellectual property protection and to the supply stability of co-products used by the Company to produce Hoffmann Green cements.

1.2.1.1. Protection of the Company's intellectual property

Thanks to the research work by David Hoffmann and his team, the Company has developed unique and innovative expertise and technologies. As these technologies are at the heart of Hoffmann Green cements, the Company has implemented a policy of protecting its intellectual property through various areas.

1.2.1.1.1. Patents

Patent applications concerning H-P2A and H-EVA technologies are being processed by the competent bodies. These patents concern cement formulas, accompanied in particular by variations and recommendations regarding their fields of application and use. The geographical scope of protection will be as follows:

- H-P2A: France and contracting countries of the PCT (International Patent Cooperation Treaty), United States and China;
- H-EVA: France, PCT contracting countries, Europe, Hong Kong, United States and China;
- H-UKR: for the time being, the Company has chosen not to file a patent application for the H-UKR technology, its third technology. This choice is guided by the Company's desire to limit its competitors' access to essential information concerning this latest technology. However, the Company has taken preliminary steps with the INPI to certify and protect the anteriority of the H-UKR technology in the event that a third

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party develops a similar technology. The Company plans to file a patent application for H-UKR during the 2021 financial year; and

- H-IONA: technology complying with standard NF EN 15743

1.2.1.1.2. Know-how

In addition to patented technologies, the Company has developed unique proprietary know-how in the manufacture of low-carbon cements in recent years. During the course of the research, a large amount of data was collected and analysed during thousands of laboratory tests, making it possible to build up a substantial database of data and results.

Proprietary know-how has also been developed with the development of industrial facilities, custom-created for the production of Hoffmann Green cements. In this sense, the technical knowledge relating to operation of the industrial tool is essential to the production of Hoffmann Green cements and mere access to scientific formulas would not make it possible to achieve an equivalent result.

The Company has implemented various procedures to protect this proprietary know-how:

- protection of manufacturing secrets: all information used by the Company's employees to produce Hoffmann Green cements encoded and only a very limited number of identified persons can decipher them. Therefore, employees are not privy to all or part of the manufacturing secrets of Hoffmann Green cements. This coding system constitutes an additional level of protection;
- IT system: the IT system used by the Company is subject to a very high level of protection in order to secure data collected by the Company (see Section 1.1.1.4 "Risks related to the management of information systems and cybercrime" in the Annual Financial Report);
- human resources: the employment contracts of the Company's employees contain a discretionary clause relating to the activity of the Company and that of its customers, under which employees are made aware of confidentiality of information to which they become privy. The employment contracts of the Company's employees also contain a non-compete clause, violation of which entails payment by the employee of a dissuasive amount of compensation.

The Company is the sole owner of all intellectual property related to its business.

The trademarks, logos and domain names created by the Company in the course of its business are all protected by the National Institute of Industrial Property (INPI).

1.2.1.2. Supply of co-products used in the manufacture of cement

The three main co-products used to manufacture Hoffmann Green cements, namely blast furnace slag, flash clay and gypsum / desulfogypsum, are supplied to the Company by various suppliers.



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In addition, as part of its innovation policy, the Company aims to further expand the number of co-products used to manufacture new cements, in order to increase the Company's resource options. Research is underway into technologies to recover fly ash from biomass.

COMPETITIVE STRENGTHS AND ASSETS

Since 2014, the Company has grown at a sustained pace with the development of three new cement-related technologies, and the construction of a first low-carbon cement manufacturing site in 18 months.

Building on this development, the Company has a head start in meeting future environmental standards for construction and is a true pioneer in low-carbon cement.

The Company believes that it has a number of competitive advantages and barriers to entry, as presented below.

1.2.1.3. Major innovations responding to the environmental emergency

The first clinker-free cements, Hoffmann Green cements make a quantifiable contribution from an environmental and societal point of view. The three technologies H-P2A, H-EVA and H-UKR are disruptive technologies, alternatives to traditional Portland cement, reducing CO₂ emissions sixfold compared to traditional CEM I type Portland cement in an innovative manufacturing process⁸. They also offer technical and economic performance superior to traditional Portland cement.

The Company's patented technologies constitute barriers to entry for new players wishing to enter the low-carbon cement market. These barriers are reinforced by the unique skills and know-how developed by the Company's teams, both in fundamental research and in the particularly innovative manufacturing processes.

1.2.1.4. A new 4.0 industrial concept specifically adapted to the manufacture of low-carbon cements

In November 2018, the Company inaugurated the first clinker-free cement manufacturing site in the world, at its Bournezeau site in the Vendée region. An innovative and environmentally-friendly production site, fully adapted to a new product and human safety. This modern vision of the industry has enabled the Company to join the Investissement d'Avenir programmes in France and Horizon 2020, the prestigious European programme for research and innovation.

The Bournezeau site is located at the heart of a true ecosystem of businesses, most of which are family-owned, some of which have become leaders in their markets. These include companies such as Cougnaud Construction in modular building, and Soriba in precast



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concrete, Briand Group in steel structures, but also Sodebo or Fleury-Michon in the agri-food industry, or Bénéteau in boating, etc.

1.2.1.5. A disruptive business model

The Company has a profitable and sustainable model based on high value-added positioning founded on the implementation of partnership agreements. At the date of the Annual Financial Report, the Company is not yet profitable because it is in the development phase.

Each partnership contract is signed for a period of three to five years and gives the co-contractor exclusivity in one or more areas of application. These contracts include:

- the provision of (upfront) engineering *services*; and
- cement sales by volume.

In addition, this unique income model is supported by value-creating levers.

The Company benefits from a high value-added positioning, given the technical performance and productivity gains brought by Hoffmann Green cements. For these reasons, the Company has positioned itself at a higher price for cement per metric ton than traditional Portland cement (respectively around €220 per metric ton for Hoffmann Green cements and €140 per metric ton for traditional Portland CEM I cement⁹). However, this price differential does not have a significant impact on the scale of a building and therefore does not represent an obstacle for customers (around 3% difference, all trades combined, without taking into account the cost of the constructability bonus)¹⁰. The prices offered by the Company are contractualised with the Company's customers through partnership agreements.

In comparison with traditional cement manufacturers, whose capital structure is very large, construction of the Company's production sites requires more limited investment requirements and can be easily duplicated to support the development of its activities.

1.2.1.6. A favourable regulatory framework

In a context where scientists are constantly sounding the alarm and stressing the environmental emergency, traditional cement manufacturers are under continuous pressure to reduce the carbon footprint of their activity. This pressure results in particular from increasingly restrictive regulations, via the reduction in the free allocation of CO₂ emission allowances, the increase in the carbon tax, and the implementation of the 2020 environmental regulations (these new regulations are described in section 1.6 of the Annual Financial Report).

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Hoffmann Green decarbonised cements are currently the only industrial solutions enabling a six-fold reduction in the carbon footprint of cement compared to traditional CEM I type Portland cement. They are therefore fully in line with future construction standards, giving the Company a significant competitive advantage over traditional cement manufacturers.

INVESTMENTS

1.2.1.7. Main ongoing and future investments

1.2.1.7.1. Creation of H2 plants in Bournezeau and H3 in the Paris region

As part of its strategy, the Company initiated in December 2020 the construction of a new “H2” production site, which should be completed during the first half of 2023 in Bournezeau next to the “H1” site.

During the first half of 2024, the Company should launch the construction of the “H3” production site at the Port of Dunkerque, on a multimodal platform (river access, rail access, road access), which should be completed in 2025.



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Maximum operation of the three production sites will provide overall production capacity of 550,000 tonnes of cement per year by 2026.

The investment budget for each production site (“H2” and “H3”) is around € 22 million (i.e. a total investment of around € 45 million):

- two-thirds of the investments will be allocated to industrial process equipment, which will be amortised over an average period of eight years;
- one-third of the investments will be allocated to real estate, which will be amortised over an average period of 30 years.

A portion of the funds raised as part of the Company’s IPO will be used to finance “H2” and “H3”.

1.3. ORGANISATIONAL STRUCTURE

HOFFMANN GREEN CEMENT TECHNOLOGIES SA (formerly Holding HJB Tech) has been a French limited company (société anonyme) with a Management Board and a Supervisory Board since 3 September 2019. It is registered with the La Roche sur Yon Trade and Companies Register under number 809 705 304 and its registered office is located at La Bretau dière, Chaillé-sous-les-Ormeaux, 85310 Rives de l’Yon.

In 2021, HOFFMANN GREEN CEMENT TECHNOLOGIES SA absorbed its only wholly-owned subsidiary, SARL ARGIMMO, which housed the production plant of Bournezeau (85), partly financed by a real estate lease.

Since June 2022, HOFFMANN GREEN CEMENT TECHNOLOGIES has held 100% of the share capital of HOFFMANN BROYAGE (whose corporate name was ABC Broyage before 2 November 2022), a simplified joint-stock company registered in the Périgueux Trade and Companies Register under number 353 883 648. On 21 December 2022, HOFFMANN BROYAGE absorbed its wholly-owned subsidiary AB CESAR by way of a merger.

In July 2022, the Company entered into a first partnership in Switzerland with a local construction company through the creation of a joint venture, HOFFMANN SUISSE. HOFFMANN SUISSE is 10% owned by HOFFMANN GREEN CEMENT TECHNOLOGIES and is majority controlled by the local partner (90%).

1.4. REVIEW OF FINANCIAL POSITION AND INCOME

The financial information presented in this chapter is taken from the Company's annual consolidated financial statements prepared in accordance with IFRS as adopted by the European Union for the 2021 and 2022 financial years. Readers are invited to read this analysis of the Company's financial position and results for the financial years ended 31 December

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2021 and 31 December 2022, together with the Company's financial statements and the notes to the financial statements presented in chapter 2 of the Annual Financial Report and any other financial information included in the Annual Financial Report.

FINANCIAL POSITION

| In thousands € | 2022 | 2021 | Var. |
|---|---------------|---------------|---------------|
| Revenue | 2,219 | 2,380 | -161 |
| Profit (loss) from continuing operations | -9,358 | -7,360 | -1,998 |
| EBITDA | -6,617 | -5,228 | -1,389 |
| Operating Income | -8,254 | -7,356 | -898 |
| Net finance income | -1,111 | 131 | -1,242 |
| Tax | 2,626 | 1,663 | 963 |
| Net Income | -6,739 | -5,562 | -1,177 |

| | | | |
|-------------------------|---------------|---------------|----------------|
| Available cash | 30,247 | 56,704 | -26,457 |
| Cash investments | 11,754 | 11,750 | 4 |
| Equity | 74,693 | 81,399 | -6,706 |

Annual results

The Company's revenue in 2022 was stable compared to its revenue in 2021 (€2.2 million vs €2.4 million). The decrease in the average selling price per metric ton was offset by the increase in volumes of + 18.6% (12,010 metric tons in 2022 vs 10,124 metric tons in 2021). In the second half of 2022, the Company offered more competitive prices for a few targeted and strategic projects. It should be noted that the marketing of Hoffmann carbon credits began at the end of 2022 and that the Company generated €26 thousand in revenue.

EBITDA for the 2022 financial year was - €6.6 million compared to - €5.2 million in 2021. The decrease in EBITDA over one year (- €1.4 million) is explained by the increase in the cost of

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raw materials (-€0.6 million), the multiplication of tests and product development (-0.4 million) as well as the increase in payroll (-€0.4 million). The Company's headcount increased from 33 employees at the end of 2021 to 43 employees at the end of 2022 due in particular to the acquisition of Hoffmann Broyage in June 2022 (4 FTE) and the strengthening of the sales and technical teams.

Current operating income stands at - €9.4 million. The year-on-year change (- €2.0 million) is explained by the change in EBITDA and the increase in depreciation and amortisation (- €0.6 million).

Net Income 2022 stands at - €1.1 million. It is explained by the impairment of UCITS linked to the decline in their market value.

After taking into account a tax income of €2.6 million, the net income for 2022 amounted to - €6.7 million.

A solid financial position

At 31 December 2022, the Company has a strong balance sheet with shareholders' equity of €74.7 million, down €6.7 million due to the net income for the financial year.

Available cash amounted to €30.2 million (and €42.0 million including investments). The change in cash and cash equivalents over the period (- €26.5 million) is explained by investment flows (- €18.6 million) mainly related to the construction of the H2 production unit, the construction of the R&D concrete batching plant, the acquisition of the Company's head office in Chaillé-sous-Ormeaux, the acquisition of Hoffmann Broyage and by operating cash flows (- €6.7 million).

PROPOSED ALLOCATION OF NET INCOME FOR THE 2022 FINANCIAL YEAR

Subject to the approval of the financial statements for the 2022 financial year, it will be proposed to the shareholders at the next General Meeting to be held on 2 June 2023, to allocate the loss for the financial year, i.e. -€10,648,868, to the "Retained earnings" account (in the amount of - €21,831,742) which will accordingly amount to -€32,480,610.

INFORMATION ON SUPPLIER AND CUSTOMER PAYMENT TERMS

Invoices received and issued but not paid at 31 December 2022 break down as follows:

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| Invoices received and issued but not paid at the reporting date of the year for which the term has expired (table provided for in section I of Article D. 441-4) | | | | | | | | | | | | | |
|--|---|--------------|---------------|---------------|------------------|-----------------------|---|--------------|---------------|---------------|------------------|-----------------------|----|
| | Article D. 441-1: Invoices received unpaid at the reporting date of the year for which the term has expired | | | | | | Article D. 441-2: Invoices issued unpaid at reporting date of the year for which the term has expired | | | | | | |
| | 0 day (indicative) | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and over | Total (1day and over) | 0 day (indicative) | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and over | Total (1day and over) | |
| (A) Late payment tranches | | | | | | | | | | | | | |
| Number of invoices concerned | 139 | | | | | 31 | 16 | | | | | | 14 |
| Total amount of invoices concerned (specify: excl. tax or incl. tax) | 2,339,215 | 5,524 | 161,369 | 91 | 440,047 | 607,031 | 1,137,421 | 31,673 | 10,520 | - | 991,790 | 1,033,983 | |
| Percentage of total purchases for the financial year (specify: excl. tax or incl. tax) | 19% | 0% | 1% | 0% | 4% | 5% | | | | | | | |
| Percentage of revenue for the financial year (specify: excl. tax or incl. tax) | | | | | | | 47% | 1% | 0% | 0% | 41% | 43% | |
| (B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables | | | | | | | | | | | | | |
| Number of invoices | N/A | | | | | | N/A | | | | | | |
| Total amount of invoices excluded (specify: excl. tax or incl. tax) | | | | | | | | | | | | | |
| C) Reference payment terms used (contractual or legal - Article L. 441-6 or Article L. 443-1 of the French Commercial Code) | | | | | | | | | | | | | |
| Payment terms used to calculate late payments | Contractual deadlines: on date set by supplier's invoice | | | | | | Contractual deadlines: on date set by HGCT | | | | | | |

DIVIDEND DISTRIBUTION POLICY

1.4.1.1. Dividends and reserves distributed by the Company over the last three financial years

N/A

1.4.1.2. Distribution policy

It is not planned to initiate a short-term dividend payment policy given the Company's stage of development.

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1.5. REGULATORY ENVIRONMENT

The regulatory environment in which the Company operates and which may have a significant impact on its activities is presented below.

CO₂ EMISSION ALLOWANCES¹¹

1.5.1.1. The principle of the emissions trading scheme

The emissions trading system is a regulatory tool that facilitates the achievement of CO₂ emissions reduction targets. A quota corresponds to the authorisation to emit one ton of CO₂.

The European Union Emissions Trading Scheme (EU ETS), set up in 2005, currently covers CO₂ emissions for more than 11,000 European industrial sites (in cement, electricity, steel, glass, paper, refining, heating networks, etc.), including around 900 in France.

The criteria for integration into the EU ETS (categories of activities, production and combustion output thresholds) are defined by Annex I of Directive 2003/87/EC.

In concrete terms, EU Member States impose a cap on CO₂ emissions for the 11,000 facilities concerned by this system, then allocate them the quotas corresponding to this cap. Each year, the companies subject to the obligation must surrender the number of allowances corresponding to the number of tonnes of CO₂ issued the previous year.

Thus, a company that emits less CO₂ than its initial allocation of allowances can exchange or resell its remaining unused allowances on the European emission allowance market. The related revenues can be used, for example to finance investments to control CO₂ emissions. If they cannot be sold on the market, a company that benefits from an excess of allowances may keep them for subsequent years.

Conversely, a company that emits more than its initial allocation of allowances must buy the missing allowances, this is the so-called “polluter pays” principle.

Quotas are traded between buyers and sellers:

- on marketplaces,
- through a financial intermediary, or
- over the counter.

1.5.1.2. Allocation of free emission allowances

In order to prevent the risk of loss of competitiveness of European companies with regard to competitors who do not have the same regulatory constraints, the EU authorises a transitional

¹¹ Source: Développement-durable.gouv

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allocation of free allowances for sites whose production is most exposed to international competition and to the costs of CO₂ emission allowances.

Thus, each year, relevant French industrial sites receive a certain number of emission allowances free of charge corresponding to the annual allocation decided under the French National Quota Allocation Plan (PNAQ).

In 2019, French industrial CO₂ emissions (78 million metric tons) were 99% covered by free quota allocations (76.7 million metric tons).

Under the PNAQ, the French production sites of traditional cement manufacturers benefit from free emission allowance allocations. These free allocations have enabled cement manufacturers to consolidate a surplus of emission allowances that has continued to increase since the implementation of the EU ETS. However, for the first time in 2018, the cement industry received fewer free allowances than its CO₂ emissions, thus its surplus emission allowances is no longer increasing.

1.5.1.3. Development prospects

To achieve the EU's overall CO₂ emissions reduction target by 2030, the sectors covered by the EU ETS must reduce their emissions by 43% compared to 2005 levels. In order to increase the pace of emissions reductions, the revised version of the EU ETS Directive, which will apply for the period 2021-2030, foresees that the total number of emission allowances will be reduced by 2.2% per year from 2021, compared to 1.74% currently.

This revision of the EU ETS will have the effect of reducing the volumes of emission allowances put on the market by industrial players from 2021.

According to a study by the think tank *Carbon Tracker* published in 2018 and confirmed by an Oddo BHF study published in 2021, future reductions in allowances will automatically lead to a sharp increase in the price of emission allowances on the European market. The price per ton of CO₂ already reached € 89.6 on December 8, 2021.

The increase in the price of emission allowances, correlated with the continued decline in free allowance allocations, is accelerating the transition of the EU and France to a low-carbon economy.

This regulation has a favourable impact on the Company and its competitive positioning. Given its low carbon footprint, the Company is not subject to these quotas, unlike traditional cement manufacturers. Following the EU-ETS reform, the surplus emission allowances available to the cement industry are expected to decrease over time and when these surpluses are zero, traditional cement manufacturers will have to purchase CO₂ emission allowances at increasingly high prices. The production cost of traditional Portland cement will therefore increase and negatively impact the results and profitability of traditional cement manufacturers. In this respect, some cement manufacturers have already passed on price increases to their customers.

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THE “CARBON TAX”

Established by the Finance Act for 2014 (Act No. 2013-1278 of 29 December 2013), in force since 1st April 2014, the carbon component is included in energy taxes, depending on the amount of CO₂ emitted by a product (commonly referred to as a “carbon tax”).

Expressed in euros per metric ton of CO₂, it is paid by individuals and businesses through integration it into the final price of gasoline, diesel, fuel oil or natural gas.

The purpose of this tax is to achieve the objectives of the national low-carbon strategy established in 2015, which aims in particular to reduce CO₂ emissions by 50% in the building sector by 2030 and 87% by 2050.

The amount of the carbon tax is steadily increasing in order to encourage consumers to reduce the use of fossil fuels. Its amount is set each year in the budget.

The Company’s economic model is not affected by the gradual increase in the carbon tax (by way of illustration, over the period 2014-2019, it increased from € 7 to € 44.6 per metric ton of CO₂ emitted) unlike traditional cement manufacturers. Indeed, the latter pass on the impact of the carbon tax directly on the selling price of traditional cement, which is therefore intended to increase in parallel with the amount of the carbon tax. In this sense, this regulation has a favourable impact on the Company.

2020 ENVIRONMENTAL REGULATION

The new environmental regulation for new buildings (“ER 2020”) has been in force since 1st January 2021.

Its major challenge is to significantly reduce the building’s carbon emissions. To this end, it is based on a gradual transformation of construction techniques, industrial sectors and energy solutions, in order to control construction costs and ensure the upskilling of professionals.

ER 2020 is ambitious and demanding. It sets progressive targets for CO₂ emissions per square metre built.

Unlike traditional Portland cement, Hoffmann Green cements make it possible to obtain the “Carbon 2” level. To the Company’s knowledge, as of the date of the Annual Financial Report, there are no other solutions allowing eligibility for the constructability bonus. Given the carbon footprint of Hoffmann Green cements, this regulation gives the Company a significant competitive advantage. This regulation has a significant favourable impact on the Company.

TAXONOMY

The European “Taxonomy” regulation aims to establish a classification of economic activities to determine those that can be considered “environmentally sustainable” or “green”. The objective is to redirect investments towards activities favourable to the energy and ecological transition, in particular those contributing to the fight against global warming. This green

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taxonomy can be used to award “green” labels. It promotes market transparency and the development of green finance (green bonds, etc.) and sustainable finance. It also makes it possible to limit green washing (“green washing”).

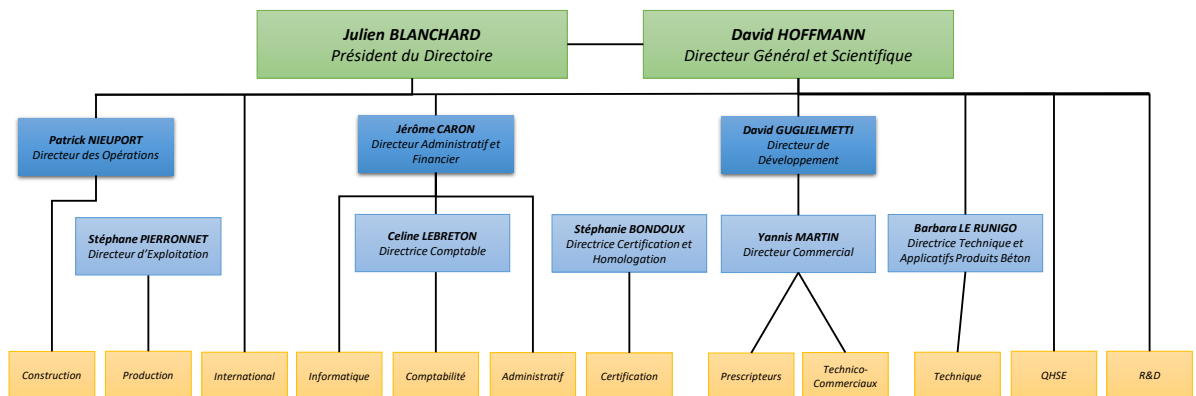
The “Taxonomy” defines a “green” cement as a cement with a carbon footprint of less than 469 kg of CO₂ per metric ton of cement produced. All Hoffmann Green cements have a carbon footprint significantly below this limit, which gives the Company a considerable competitive advantage in this regard.

1.6. EMPLOYEES

NUMBER OF EMPLOYEES AND BREAKDOWN BY POSITION

The Company had 43 employees at 31 December 2022 compared to 33 employees at 31 December 2021

1.6.1.1. Operational organisation chart of the Company as at the date of the Annual Financial Report



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1.6.1.2. Number and breakdown of employees

The Company's salaried workforce at the end of the year changed as follows:

| | 31/12/2022 | 31/12/2021 | 31/12/2020 | 31/12/2019 |
|-----------------------------|------------|------------|------------|------------|
| Executives | 20 | 17 | 11 | 8 |
| Supervisors and technicians | 19 | 13 | 5 | 4 |
| Employees | 3 | 2 | 2 | 2 |
| Apprentices | 1 | 1 | 3 | 2 |
| TOTAL | 43 | 33 | 21 | 16 |

1.6.1.3. Employee representation

The election of a Social and Economic Committee (CSE) was organised in the second half of 2020. However, no candidate came forward. Thus, no employee representation system was in place within the Company at the date of the Annual Financial Report. The next elections will be held in July 2024.

The Company believes that it has good relations and listens to its employees. No labour disputes have arisen since the creation of the Company.

EMPLOYEE SHARE CAPITAL

At the date of Annual Financial Report, the provisions relating to legal profit-sharing do not apply to the Company, insofar as it has fewer than 50 employees.

The Company has not set up a company savings plan.

On 16 January 2023, two new free share plans were set up for the benefit of all employees who joined the Company since 19 January 2022 (Plan No 5), on the one hand, and members of the Management Committee, extended to the exclusion of David Hoffmann (Plan No 6). At the date of the Annual Financial Report, the Company has set up six free share plans for its employees (excluding David Hoffmann). At the date of the Annual Financial Report, 34,306 shares were acquired and 57,084 shares were in the process of being acquired under these plans.

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INTEREST-BASED INTEREST AGREEMENTS

At the date of Annual Financial Report, the Company has not implemented any incentive or profit-sharing mechanisms.

1.7. SHARE CAPITAL

AMOUNT OF SHARE CAPITAL

At the date of the Annual Financial Report, the Company's share capital amounts to €14,636,693 divided into €14,636,693 shares with a par value of €1 each, all fully subscribed and paid up.

NUMBER, CARRYING AMOUNT AND PAR VALUE OF SHARES HELD BY OR ON BEHALF OF THE COMPANY

At the date of the Annual Financial Report, the Company holds 17,162 treasury shares.

CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES OR SECURITIES WITH WARRANTS

N/A

1.8. MAIN SHAREHOLDERS

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

1.8.1.1. Breakdown of share capital and voting rights as of the Annual Financial Report

The shareholding table below shows the breakdown of the share capital and voting rights of the Company' historical shareholders and shareholders holding more than 5% of the share capital at the date of the Annual Financial Report:

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| | Number of shares | % capital | Theoretical voting rights | % theoretical voting rights |
|--|-------------------|----------------|---------------------------|-----------------------------|
| Julien BLANCHARD | 2,740,028 | 18.72% | 5,455,056 | 23.10% |
| Gillaizeau Terracotta (1) | 1,867,961 | 12.76% | 3,709,804 | 15.71% |
| Julien BLANCHARD | 4,607,989 | 31.48% | 9,164,860 | 38.81% |
| David HOFFMANN | 2,715,028 | 18.55% | 5,430,056 | 23.00% |
| Hoffmann Capital Holding (2) | 27,900 | 0.19% | 55,800 | 0.24% |
| David HOFFMANN | 2,742,928 | 18.74% | 5,485,856 | 23.23% |
| Julien BLANCHARD + David HOFFMANN | 7,350,917 | 50.22% | 14,650,716 | 62.04% |
| ELUDOM (formerly COUGNAUD SA) (3) | 848,218 | 5.80% | 1,656,436 | 7.01% |
| EMPLOYEES | 34,306 | 0.23% | 32,306 | 0.15% |
| Treasury shares | 17,162 | 0.12% | 17,162 | 0.07% |
| OTHER SHAREHOLDERS | 6,386,090 | 43.63% | 7,255,113 | 30.73% |
| | 14,636,693 | 100,00% | 23,613,733 | 100,00% |

- (1) Simplified joint-stock company with share capital of € 2,611,374, whose registered office is located at La Bretauière, Chaillé-sous-les-Ormeaux, 85310 Rives de l'Yon, registered with the RCS of La Roche-sur-Yon under the number 546 150 061. Julien Blanchard holds 57.52% of JB Finance, which holds 87.90% of Gillaizeau Terre Cuite.
- (2) A non-profit company with share capital of € 19,760, whose registered office is located at La Bretauière, Chaillé-sous-les-Ormeaux, 85310 Rives de l'Yon, registered with the RCS of La Roche-sur-Yon under number 825 008 774. David Hoffmann holds 99.9% of Hoffmann Capital Holding.
- (3) Simplified joint-stock company with capital of € 4,000,000, whose registered office is at Mouilleron Le Captif (85000) - CS 40028, registered in the Trade and Companies Register of La Roche-sur-Yon under number 380 730 721.

Julien Blanchard, Gillaizeau Terre Cuite, David Hoffmann and Hoffmann Capital Holding act together in respect of the Company.

- Each member of the Supervisory Board and Management Board must own, directly or indirectly, or become the owner within three months of being appointed of at least 1,000 shares in the Company (this condition does not apply to independent members)

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of the Supervisory Board such as Philippe Duval, Alessandra Gaudio and Hervé Montjotin), in accordance with Article 12 of the Articles of Association. At the date of the Annual Financial Report, Julien Blanchard holds 4,607,989 shares in the Company directly and indirectly (via the company Gillaizeau Terre Cuite);

- David Hoffmann holds 2,742,928 Company shares directly and indirectly (via Hoffmann Capital);
- Eric Cougnaud holds 848,218 Company shares indirectly (via ELUDOM);
- Mrs Isabelle Mommessin directly holds 459,963 Company shares;
- Thierry Didelon holds 251,100 Company shares indirectly (via the company SCP Ardi);
- Gil Briand holds 172,235 Company shares indirectly (via Hestia);
- Alessandra Gaudio holds 2,758 Company shares;
- Hervé Montjotin holds 4,542 Company shares.

VOTING RIGHTS OF MAIN SHAREHOLDERS

The voting rights attached to the Company's shares are proportional to the portion of the share capital they represent and each share gives the right to one vote.

However, in accordance with Article 9 of the Company's Articles of Association, double the voting rights of other shares, in view of the percentage of the share capital they represent, is applicable to all fully paid-up shares for which proof of registration in the name of the same shareholder for at least two years is provided.

CONTROL OF THE COMPANY

As at the date of the Annual Financial Report, Julien Blanchard and David Hoffmann act in concert with respect to the Company (the "**Concert**") and jointly control the Company within the meaning of Article L. 233-3 of the French Commercial Code.

Julien Blanchard holds:

- directly: 18.72% of the share capital and 23.12% of the voting rights of the Company; and
- indirectly: 12.76% of the share capital and 15.72% of the voting rights of the Company, via Gillaizeau Terre Cuite, itself 87.90% owned by J.B. Finance, itself 57.52% owned by Julien Blanchard,

amounting to a total direct and indirect holding of 31.48% of the share capital and 38.84% of the voting rights of the Company.



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David Hoffmann holds:

- directly: 18.55% of the share capital and 23.01% of the voting rights of the Company; and
- indirectly: 0.19% of the Company's share capital and 0.24% of the voting rights, via Hoffmann Capital Holding, itself 99.9% owned by David Hoffmann,

amounting to a total direct and indirect holding of 18.74% of the share capital and 23.25% of the voting rights of the Company.



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2. FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2.1. FINANCIAL STATEMENTS PREPARED UNDER IFRS FOR THE YEAR ENDED 31 DECEMBER 2022

HOFFMANN GREEN CEMENT TECHNOLOGIES

IFRS financial statements 2022 and 2021

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1. Statement of financial position

ASSETS (in thousands of euros)

| Assets | Notes | 31/12/2022 | 31/12/2021 |
|----------------------------------|--------|----------------|----------------|
| Intangible assets | 6.7.1 | 6,750 | 5,275 |
| Property, plant and equipment | 6.7.2 | 40,570 | 26,434 |
| Other financial assets | 6.7.3 | 10,664 | 11,684 |
| Other non-current assets | 6.7.4 | 35 | 45 |
| Deferred tax assets | 6.7.5 | 9,878 | 7,257 |
| Total non-current assets | | 67,897 | 50,696 |
| Inventories and work-in-progress | 6.7.6 | 4,550 | 2,756 |
| Trade receivables | 6.7.7 | 2,319 | 2,244 |
| Other current assets | 6.7.7 | 2,652 | 3,443 |
| Current tax assets | 6.10.1 | 16 | 13 |
| Cash and cash equivalents | 6.7.8 | 30,247 | 56,704 |
| Total current assets | | 39,784 | 65,160 |
| TOTAL ASSETS | | 107,681 | 115,856 |

The notes form an integral part of the annual financial statements.

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LIABILITIES (in thousands of euros)

| LIABILITIES | Notes | 31/12/2022 | 31/12/2021 |
|--|-------------|----------------|----------------|
| Share capital | 5 and 6.7.9 | 14,635 | 14,602 |
| Share premiums | 5 | 82,698 | 82,733 |
| Other comprehensive income items | 5 | 4 | 2 |
| Consolidated reserves attributable to owners of the parent | 5 | -15,905 | -10,376 |
| Consolidated income attributable to owners of the parent | 5 | -6,739 | -5,562 |
| Equity attributable to owners of the parent | 5 | 74,693 | 81,399 |
| Consolidated reserves – non-controlling interests | 5 | | |
| Consolidated income – non-controlling interests | 5 | | |
| Equity attributable to non-controlling interests | 5 | | |
| Total equity | | 74,693 | 81,399 |
| Borrowings and financial debt | 6.7.10 | 19,605 | 21,196 |
| Provisions for retirement benefit obligations | 6.7.12 | 16 | 32 |
| Other long-term provisions | | | |
| Other non-current liabilities | 6.7.15 | 3,082 | 2,680 |
| Deferred tax liabilities | 6.7.15 | 207 | |
| Total non-current liabilities | | 22,911 | 23,908 |
| Borrowings and financial debt | 6.7.10 | 4,918 | 3,701 |
| Trade payables | 6.7.15 | 3,857 | 5,808 |
| Other current liabilities | 6.7.15 | 1,302 | 1,042 |
| Current tax liabilities | 6.10.1 | | |
| Total current liabilities | | 10,077 | 10,550 |
| TOTAL LIABILITIES | | 107,681 | 115,856 |

The notes form an integral part of the annual financial statements.

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2. Income statement

In thousands of euros

| | Notes | 31/12/2022 | 31/12/2021 |
|--|------------------|----------------|----------------|
| REVENUE | 6.8.1 | 2,219 | 2,380 |
| Other operating income | | 56 | 86 |
| Purchases consumed | 6.8.2 | -2,922 | -2,150 |
| Employee benefits expense | 6.8.3 | -2,199 | -2,154 |
| External expenses | 6.8.4 | -4,252 | -3,607 |
| Taxes and duties | | -107 | -67 |
| Depreciation charge | 6.7.1 and 6.7.2 | -2,558 | -2,118 |
| Appropriations/reversals of provisions and impairments | 6.7.4 and 6.7.12 | -183 | -14 |
| Change in inventories of work in progress and finished goods | | 133 | 1 |
| Other recurring operating income and expenses | 6.8.5 | 454 | 283 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS | | -9,358 | -7,360 |
| Other operating income and expenses | 6.8.6 | 1,104 | 4 |
| OPERATING INCOME | | -8,254 | -7,356 |
| Cash and cash equivalents | | 499 | 527 |
| Gross borrowing cost | | -1,610 | -396 |
| Net borrowing cost | 6.8.7 | -1,111 | 131 |
| Other financial income and expenses | 6.8.7 | 0 | 0 |
| Income tax expense | 6.10.1 | 2,626 | 1,663 |
| CONSOLIDATED NET INCOME | | -6,739 | -5,562 |
| Owners of the parent | | -6,739 | -5,562 |
| Share of non-controlling interests | | | |
| BASIC NET INCOME PER SHARE | 6.4.25 | -0.4609 | -0.4066 |
| DILUTED EARNINGS PER SHARE | 6.4.25 | -0.4609 | -0.4066 |

The notes form an integral part of the annual financial statements.

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3. Comprehensive income items

In thousands of euros

| | 31/12/2022 | 31/12/2021 |
|---|---------------|---------------|
| PROFIT FOR THE PERIOD | -6,739 | -5,562 |
| Items recyclable to the income statement | | |
| Translation differences | | |
| Revaluation of financial assets | | |
| Tax on items recognised directly in other comprehensive income | | |
| Items not recyclable to the income statement | | |
| Tax on items recognised directly in other comprehensive income | -1 | -1 |
| Actuarial differences | 6 | 3 |
| Income and expenses recognised directly in other comprehensive income | | |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | 4 | 2 |
| COMPREHENSIVE INCOME FOR THE PERIOD | -6,735 | -5,560 |
| Owners of the parent | -6,735 | -5,560 |
| Share of non-controlling interests | 0 | 0 |

The notes form an integral part of the annual financial statements.

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4. Cash flow statement

In thousands of euros

| | Notes | 31/12/2022 | 31/12/2021 |
|---|--------------|------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income | 2 | -6,739 | -5,562 |
| Net depreciation, amortisation and provisions | 6.7.1-2-12 | 2,548 | 2,132 |
| Reversals of grants | 6.8.5 | -274 | -180 |
| Gains and losses on disposals | 6.9.1 | 1 | |
| Expenses without cash impact (Share-based payments) | | 43 | 542 |
| Income with no impact on cash flow (reversal of badwill) | | -1,075 | |
| Cash flow after net borrowing cost and tax | | -5,496 | -3,069 |
| Net borrowing cost | 6.8.7 | 1,111 | -131 |
| income tax expense (including deferred tax) | 6.9.2 | -2,626 | -1,663 |
| Cash flow from operations before cost of net borrowing cost and tax | | -7,012 | -4,862 |
| Tax paid | 6.9.3 | 0 | -7 |
| Change in working capital requirements: | | | |
| - Other non-current assets | 6.7.4 | 11 | 178 |
| - Inventories | 6.9.4 | -1,530 | -2,711 |
| - Customers | 6.9.5 | 163 | -1,799 |
| - Other current assets (excluding loans and guarantees) | 6.9.6 | 833 | -473 |
| - Other non-current liabilities | 6.7.15 | 402 | 935 |
| - Suppliers | 6.9.7 | -103 | 1,408 |
| - Other current liabilities | 6.9.8 | 463 | 684 |
| | Total | 237 | -1,777 |
| Net cash from operating activities | | -6,774 | -6,647 |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| Acquisitions of non-current assets ⁽¹⁾ | 6.9.9 | -13,118 | -11,891 |
| Disposals of non-current assets | 6.9.10 | 108 | |
| Change in loans and advances granted | 6.9.11 | -15 | -1,499 |
| New scopes of ABC BROYAGE and AB CESAR ⁽²⁾ | | -624 | |
| Net cash flow from investing activities | | -13,649 | -13,390 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Parent company capital increase | 5 | | 22,500 |
| Expenses related to the IPO | 6.9.12 | -3 | -959 |
| Treasury shares | 5 | -48 | -11 |
| Borrowings | 6.9.13 | 2,785 | 11,166 |
| Repayments of borrowings | 6.9.14 | -3,716 | -2,243 |
| Net borrowing cost | 6.9.15 | -52 | 19 |
| Net cash from (used in) financing activities | | -1,034 | 30,472 |
| CHANGE IN CASH AND CASH EQUIVALENTS | | | |
| Opening cash position | 6.7.8 | 56,704 | 46,268 |
| Closing cash and cash equivalents | 6.7.8 | 30,247 | 56,704 |
| Change in cash and cash equivalents | | -26,457 | 10,436 |

⁽¹⁾ Excluding new leases and operating leases for €361 thousand at 31/12/2022 and €161 thousand at 31/12/2021.

⁽²⁾ Price paid -€1,696 thousand + cash acquired + €1,072 thousand = -€624 thousand.

The notes form an integral part of the annual financial statements.

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5. Table of change in equity

In thousands of euros

| | Share capital | Premiums | Other comprehensive income items | Reserves | Profit (loss) for the period | Total equity | Non-controlling interests | Group equity |
|--|---------------|----------|----------------------------------|----------|------------------------------|--------------|---------------------------|--------------|
| At 31 December 2020 | 13,602 | 61,952 | -2 | -4,791 | -6,119 | 64,643 | | 64,643 |
| Impact of change in IAS 19 method | | | | 12 | | 12 | | 12 |
| At 31 December 2020 after change in method | 13,602 | 61,952 | -2 | -4,778 | -6,119 | 64,655 | | 64,655 |
| Movements: | | | | | | | | |
| Income appropriation N-1 | | | 2 | -6,121 | 6,119 | | | |
| Dividends paid to shareholders of the parent company | | | | | | | | |
| Treasury shares | | | | -19 | | -19 | | -19 |
| Actuarial differences | | | 2 | | | 2 | | 2 |
| share-based payments | | | | 542 | | 542 | | 542 |
| Capital increase | 1,000 | 21,500 | | | | 22,500 | | 22,500 |
| Allocation of IPO costs net of corporate tax | | -719 | | | | -719 | | -719 |
| Consolidated income | | | | | -5,562 | -5,562 | | -5,562 |
| At 31 December 2021 | 14,602 | 82,733 | 2 | -10,376 | -5,562 | 81,399 | | 81,399 |
| Movements: | | | | | | | | |
| Income appropriation N-1 | | | -2 | -5,560 | 5,562 | | | |
| Dividends paid to shareholders of the parent company | | | | | | | | |
| Treasury shares | | | | -11 | | -11 | | -11 |
| Actuarial differences | | | 4 | | | 4 | | 4 |
| Share-based payments | | | | 43 | | 43 | | 43 |
| Capital increase (AGA) | 32 | -32 | | | | | | |
| Allocation of IPO costs net of corporate tax | | -2 | | | | -2 | | -2 |
| Consolidated income | | | | | -6,739 | -6,739 | | -6,739 |
| At 31 December 2022 | 14,635 | 82,696 | 4 | -15,906 | -6,739 | 74,693 | | 74,693 |

The notes form an integral part of the annual financial statements.

The premiums at 31 December 2022 are due to a succession of events:

- on June 30, 2017, as part of the merger between HGCT (formerly HOLDING HJB TECH) and ARGIWEST, a merger premium of €500 thousand and a premium in the amount of €125 thousand for loss of retroactivity was recognised;
- in 2018, the successive capital increases carried out in HGCT (formerly HOLDING HJB TECH) resulted in issue premiums totalling €2,118 thousand incorporated into the share capital in the amount of €2,113 thousand;

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- the merger of HGCT (formerly HOLDING HJB TECH) and HGCT on 28 June 2019, generated a capital increase of €253 thousand accompanied by a merger premium of €2,481 thousand;
- on 17 October 2019, conversion of bonds into shares as part of the IPO resulted in a capital increase of €244 thousand accompanied by an issue premium of €17,336 thousand;
- the successive capital increases of 18 October 2019 and 12 November 2019 in relation to the company's IPO amounting to €783 thousand in total, generated a new issue premium of €55,602 thousand, to which the IPO expenses net of corporate tax in the amount of €3,894 thousand were charged;
- on 18 November 2019, HGCT carried out a new capital increase by allocating a portion of the issue premium, in the amount of €10,202 thousand;
- on 30 November 2021, HGCT again requested the financial markets and carried out a capital increase in the amount of €1,000 thousand, together with an issue premium of €21,500 thousand. expenses related to this capital increase net of corporate tax for an amount of €719 thousand;
- on 4 and 13 January 2022, HGCT carried out two successive capital increases as part of the settlement of the two free share allocation plans, carried out by deduction from the issue premium, for a total amount of €32 thousand;
- during the 2022 financial year, additional costs related to the IPO of the previous financial year were charged in the amount of €2 thousand net of corporation tax.

On 4 January 2021 and 18 January 2022 the Management Board decided to allocate free Company shares to employees subject to the following conditions:

- Plan 3: 5,665 shares;
- Plan 4: 14,443 shares.

The shares will only vest after a vesting period ending on 4 January 2023 (Plan 3) and 18 January 2025 (Plan 4).

These shares must be retained and may not be disposed of by the beneficiaries until one year after the vesting period.

The free share allocation plans therefore relate to 20,108 shares to be issued as part of one or more capital increases or through the buyback of existing shares by the Company.

In accordance with the provisions of IFRS 2, employee compensation items settled in equity instruments are recognised in the income statement under "Personnel expenses", with an offsetting entry in equity.

For free share allocation plans, the total expense is measured on the allocation date taking into account all the specific conditions likely to have an impact on the fair value, and distributed on a straight-line basis over the vesting period.

Plans No. 1 and No. 2, both of which expired in January 2022, and for which the actual expense had been taken into account at 31 December 2021, had no impact on the net income for the financial year. As of 31 December 2022, the actual settlement of plan 3 is taken into account, bringing the final expenses, including employer contributions, to €25 thousand. Deducting the expense of €51 thousand that had been reported in 2021 net income, the Group recorded income of €26 thousand justified by the decrease in the share price between the grant date of the plan and the final completion of the plan, and to a lesser extent, by the departure of certain employees during the financial year.



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With regard to Plan no. 4, taking into account the departures of employees since the beginning of the year, it would result in the allocation of 9,318 shares out of the 14,443 shares initially planned. For this purpose, a probability of presence, at the acquisition date, of 72% was used, based on the proportion of departures recorded over the period from 18 January 2022 to 31 December 2022. Once these assumptions have been recognised, the expense related to plan 4 amounts to €77 thousand for this financial year.

Treasury shares are restated in accordance with Note 6.7.9.

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6. Notes to the financial statements IFRS

The information below constitutes the notes to the IFRS financial statements and is an integral part of the financial statements presented for the financial years ended 31 December 2022 and 31 December 2021. Each of these fiscal years has a duration of 12 months covering the period from 1 January to 31 December.

In all the financial statements and notes, the amounts are indicated in thousands of euros (€ thousand), unless otherwise indicated, and differences of \pm €1 thousand are due to rounding.

6.1. Presentation of the Company and important events

6.1.1. Information on the Company and its activity

HOFFMANN GREEN CEMENT TECHNOLOGIES is a public limited company (SA) with a Management Board and a Supervisory Board.

The financial statements are prepared in accordance with IFRS guidelines and cover a 12-month period from 1 January to 31 December.

Registered office: 6 La Bretonnière – Chaillé-Sous-Les-Ormeaux – Rives de l'Yon (85310), France.

Trade and Companies Register number: 809 705 304.

HOFFMANN GREEN CEMENT TECHNOLOGIES has developed an innovation that involves changing the actual composition of the cement to achieve a much smaller carbon footprint than traditional "Portland" cement.

HOFFMANN GREEN CEMENT TECHNOLOGIES and its subsidiary is hereinafter referred to as the "Company" or the "Group".

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6.1.2. Significant events in financial year 2022

Free share allocation plans were approved by the Management Board on 13 January 2020, 4 January 2021 and 18 January 2022. Two of the four plans signed (Plans 1 and 2) expired on 4 January and 13 January 2022; employer contributions had been fully provisioned at 31 December 2021. These plans therefore have no impact on the net income for the year. The other two plans mature on 4 January 2023 (Plan No. 3) and 18 January 2025 (Plan No. 4). These plans have been recorded in accordance with IFRS 2.

To develop its activities and increase production volumes, the Company decided to build a new plant named H2, based in Bournezeau, near the H1 plant. €21.5 million in expenses were committed at 31 December 2022 (including €8.9 million for this financial year). These expenses are recorded under non-current assets in progress. The plant is scheduled for commissioning in the first half of the 2023 financial year.

On 28 June 2022, HOFFMAN GREEN CEMENT TECHNOLOGIES took control of SAS ABC BROYAGE, renamed HOFFMANN BROYAGE, which itself owned SARL AB CESAR. On 14 November 2022, HOFFMANN BROYAGE absorbed AB CESAR with retroactive tax and accounting effect from 1 January 2022. HOFFMANN BROYAGE is included in the scope of consolidation as of 28 June 2022 on the basis of the position as of the same date. The shares were acquired for €1,696 thousand, in line with the value of shareholders' equity. An appraisal was commissioned in the valuation of real estate assets, which revealed a real estate capital gain of €1,461 thousand, of which €69 thousand on the ground. After taking into account the deferred taxes on this capital gain, this transaction generated goodwill of €1,075 thousand. The latter is recognised in non-recurring income during the financial year.

The IFRS financial statements include the parent company HOFFMANN GREEN CEMENT TECHNOLOGIES and its subsidiary HOFFMANN BROYAGE.

In July 2022, the Company entered into a first partnership in Switzerland with a local construction company through the creation of a joint venture. This Swiss company, majority-controlled by the partner, is the Company's exclusive licensee in Switzerland.

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6.2. Assessment of risk factors

The Group may be exposed to different types of financial risk: market risk, credit risk, liquidity risk, foreign exchange risk and interest rate risk. Where appropriate, the Group implements simple measures proportionate to its size to minimise the potentially adverse effects of these risks on financial performance. The Company's policy is not to subscribe to financial instruments for speculative purposes.

- **Credit risk**

Credit risk is the risk of financial loss for the Company in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company is not exposed to a significant credit risk, which is mainly concentrated on trade receivables. The net carrying amount of receivables recognised reflects the value of net cash flows receivable estimated by management, based on the information at the reporting date.

With regard to trade receivables, the Company performs regular assessments internally on the customer credit risk and the financial position of its customers.

- **Liquidity risk**

The Company's cash and cash equivalents amounted to €30,247 thousand at 31 December 2022.

Available cash includes (i) bank accounts and (ii) investment accounts. The Company has €22.4 million in highly liquid short-term cash investments (term deposits) that are easily convertible with a maturity of less than three months into a known amount of cash and whose value is not exposed to fluctuation risks.

The Company is not exposed to a liquidity risk resulting from the potential implementation of early repayment clauses on bank loans.

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future maturities over a period of 12 months.

- **Foreign exchange risk**

The Company's strategy is to favour the euro as the currency when entering into contracts. The Company is therefore not currently subject to foreign exchange risk.

- **Interest rate risk**

At 31 December 2022, the Company's financial debts were not subject to interest rate risk.

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6.3. Events after the reporting period

On 16 January 2023, two new free share plans were set up. At the date of the Annual Financial Report, the Company has set up four free share plans for its employees (excluding David Hoffmann). At the date of the Annual Financial Report, 34,306 shares were acquired and 55,588 shares were in the process of being acquired under these plans.

6.4. Accounting policies, rules and methods

The financial statements are presented in thousands of euros unless otherwise indicated. Rounding is applied when calculating certain financial data and other information contained in these financial statements. As a result, the figures shown as totals in some tables may not be the exact sum of the figures preceding them.

6.4.1. Declaration of compliance

The Company prepared its financial statements, which were approved by the Management Board on 24 March 2023, in accordance with the standards and interpretations published by the International Accounting Standards Boards (IASB) and adopted by the European Union at the date of preparation of the financial statements, and presented in comparison with the 2021 financial year prepared according to the same accounting basis.

This framework, available on the European Commission website (http://ec.europa.eu/internal_market/accounting/ias_fr.htm), includes international accounting standards (IAS – International Accounting Standards and IFRS – International Financial Reporting Standards), the interpretations of the Standing Interpretations Committee (SIC) and the IFRIC – International Financial Interpretations Committee.

The general principles, accounting policies and options used by the Company are described below.

6.4.2. Principles of preparation of the financial statements

The Company's IFRS financial statements have been prepared according to the historical cost principle with the exception of certain categories of assets and liabilities in accordance with the provisions laid down by IFRS: employee benefits measured using the projected unit credit method, borrowings and financial liabilities measured using the amortised cost method (see Note 6.11.3).

6.4.3. Business continuity

The going concern principle has been adopted by the Executive Board.

6.4.4. Accounting policies

The accounting principles used are identical to those used for the preparation of the annual IFRS financial statements for the financial year ended 31 December 2021, except for the application of the

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following new standards, amendments to standards and interpretations adopted by the European Union and which are mandatory for the Company from 1 January 2022.

Standards, amendments to standards and interpretations applicable from the financial year beginning on 1 January 2022

- Amendments to IAS 16 – Proceeds before intended use
- Amendments to IAS 37 – Onerous contracts – Contract fulfilment costs
- Amendments to IFRS 3 – Reference to the conceptual framework
- Annual improvements (2018-2020 cycle) – Annual improvements to IFRS standards 2018-2020 cycle (Standards concerned: IFRS 1, IFRS 9, IFRS 16 and IAS 41)

These amendments to standards have no impact on the Company's annual financial statements.

Standards, amendments to standards and interpretations published but not applied in advance by the Company:

- Amendments to IAS 1 and the IFRS 2 Recommended practices – Disclosure of accounting policies
- Amendments to IAS 8 – Definition of accounting estimates
- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17 – Insurance contracts
- Amendments to IFRS 17 – Amendments to IFRS 17
- Amendments to IFRS 17 – First-time adoption of IFRS 17 and IFRS 9 – Comparative information

These amendments to standards have no impact on the Company's annual financial statements.

6.4.5. Consolidation method

The Company applies IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements" and IFRS 12, "Disclosure of Interests in Other Entities".

IFRS 10, which deals with the recognition of consolidated financial statements, presents a single consolidation model that identifies control as the criterion to be met in order to consolidate an entity. An investor exercises control over an investee, if it has power over that entity, if it is exposed to the variable returns of the investee, or if it has rights to those variable returns by virtue of its involvement in that entity, and whether it has the ability to use its power over the entity to affect the amount of those returns.

Subsidiaries are entities over which the Company exercises control.

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6.4.6. Use of judgments and estimates affecting assets and liabilities

The Company's management regularly reviews its estimates and assessments on the basis of its past experience, as well as various other factors deemed reasonable in view of the circumstances. These form the basis for its assessment of the carrying amount of items of income and expenses and assets and liabilities. These estimates have an impact on the amount of income and expenses and on the values of assets and liabilities. The actual amounts may subsequently prove different from the estimates used.

The main items that require estimates made at the reporting date based on assumptions about future changes and for which there is a significant risk of material change in their value, as recorded in the statement of financial position the reporting date, relate to:

- valuation of intangible assets related to the development and valuation of the industrial process (see Notes 6.6 and 6.7.1);
- inventory valuation (see Notes 6.4.11 and 6.7.6);
- measurement of provisions for retirement benefit obligations (see Notes 6.4.15 and 6.7.12);
- provisions for expenses (see Notes 6.4.16 and 6.7.13);
- recognition of deferred tax assets (see Notes 6.4.17 and 6.7.5);
- assessment of the lease term and the assessment of rates for the application of IFRS 16 on leases (see Notes 6.4.20, 6.7.1 and 6.7.2);
- the research tax credit (see note 6.4.19).

6.4.7. Breakdown of current/non-current assets and liabilities

In accordance with IAS 1, the Company presents its assets and liabilities by distinguishing between current and non-current items:

- the assets and liabilities constituting the working capital requirement included in the normal operating cycle of the activity in question are classified as current;
- fixed assets are classified as non-current;
- financial assets are broken down into current and non-current;
- provisions recognised as liabilities within the normal operating cycle of the activity in question and the portion of other provisions due in less than one year are classified as current. Provisions that do not meet these criteria are classified as non-current liabilities;
- financial debts that must be settled within 12 months after the reporting date of the financial year are classified as current. Conversely, the portion of financial debt maturing in more than 12 months is classified as non-current liabilities;
- deferred taxes are presented in their entirety as non-current assets and liabilities.

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6.4.8. Intangible assets

Intangible assets mainly comprise development costs, the valuation of goodwill, ERP and CRM.

In accordance with IAS 38, development costs are initially measured at cost and then amortised over their estimated useful life.

Development costs are mainly costs incurred to develop innovative technologies, called H-P2A, H-EVA, H-UKR and H-IONA.

Development costs are capitalised, insofar as the six criteria defined by IAS 38 are met:

- technical feasibility for commissioning or sale;
- intention to complete and use or sell it;
- ability to use or sell it;
- likely economic benefits;
- availability of resources to complete the development and use or sell;
- ability to reliably assess expenses related to different projects.

Capitalised development costs are costs directly attributable to a technology, as they result from the monitoring of costs by technology. The share of the research tax credit related to capitalised costs is restated under other current/non-current liabilities.

The implementation of IAS 23 Interest on borrowings did not result in the inclusion of interest in development costs.

The Company regularly analyses compliance with the activation criteria. These costs are retained as assets as long as the Company retains most of the benefits and risks related to the technologies developed, and in particular when the Company retains the intellectual property and has granted a temporary right to use and/or exploit the results of the development phases.

Capitalised costs are amortised on a straight-line basis over the useful life expected by the Company, *i.e.* a period of ten years. This duration takes into consideration the technological breakthrough that the process represents.

Intangible assets in progress amount to €215 thousand in relation to the capitalisation of expenses relating to the development of new technology.

Intangible assets also comprise goodwill resulting from the absorption of ARGIWEST by HOFFMANN GREEN CEMENT TECHNOLOGIES, representative of the valuation of the industrial process.

This goodwill is tested for impairment in accordance with the procedures defined in Note 6.6.

Lastly, intangible assets include ERP and CRM, which are amortised over eight years. Right-of-use assets recognised in accordance with IFRS 16 are amortised over the estimated term of the lease, *i.e.* seven years.

CATALYST OF CARBON TRANSITION

6.4.9. Property, plant and equipment

Property, plant and equipment mainly correspond to land and buildings, general installations and fixtures, equipment and tooling, transport, office and IT equipment, and furniture. In accordance with IAS 16 and IFRS 16, they are valued at cost and amortised over their estimated useful life at acquisition and reviewed annually.

Components have been identified for the property complex. Each component has been depreciated over an appropriate useful life:

| | |
|----------------------------|-----------|
| - structural work | 40 years; |
| - framework/framework | 40 years; |
| - facade | 30 years; |
| - joinery | 25 years; |
| - electricity/plumbing | 20 years; |
| - air conditioning/heating | 20 years; |
| - general installations | 15 years; |
| - fixtures | 15 years. |

For other property, plant and equipment, the depreciation periods applied are as follows:

| | |
|--|----------------------|
| - facilities | five to eight years; |
| - technical installations | one to ten years; |
| - industrial equipment and tools | three to five years; |
| - general installations, fixtures and fittings | five to 15 years; |
| - transport equipment | five years; |
| - IT equipment | two to five years; |
| - furniture | three to five years. |

Depreciation schedules and residual values, if they exist, are reviewed each year.

Right-of-use assets recognised as assets in accordance with IFRS 16 are amortised over the lease term:

| | |
|-------------------------|----------------------|
| - buildings | two to ten years; |
| - industrial equipment | five years; |
| - transport equipment | three to four years; |
| - office & IT equipment | four and five years. |

CATALYST OF CARBON TRANSITION

6.4.10. Monitoring the value of non-current assets (excluding financial assets)

Non-depreciable fixed assets are tested for impairment each year, or more frequently if internal or external events or circumstances indicate that a reduction in value may have occurred.

The recoverable amount of an asset is the higher of the fair value less costs to sell and the value in use.

The value in use of assets, to which independent cash flows can be attached, is determined according to the following principles:

- cash flows are derived from projected results over five to six years and then extrapolated to infinity. They are prepared by the Company's management and allow the calculation of an explicit value to which a terminal value is added (discounting of cash flows to infinity);
- the discount rate is determined on the basis of the weighted average cost of capital.

In order to determine the value in use, intangible and tangible assets, to which it is not possible to directly relate independent cash flows, are grouped within the Cash Generating Unit (CGU), to which they belong. The recoverable amount of the CGU is determined by the discounted cash flow method (DCF) according to the same principles as those described above.

The recoverable amount of the cash-generating unit determined in this way is then compared with the carrying amount of its non-current assets in the consolidated statement of financial position.

Impairment losses are recognised in the income statement when it appears that the carrying amount of an asset is significantly higher than its recoverable amount.

The Company has a single CGU corresponding to its only operating segment as per its business model. As a result, impairment tests are performed on the basis of this single CGU.



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6.4.11. Inventories

Inventories are recognised at cost or at their net realisable value, whichever is lower. The net realisable value represents the estimated selling price under normal operating conditions, less marketing costs.

The acquisition costs of inventories include the purchase price, customs duties and other taxes, excluding taxes that may subsequently be recovered by the entity from the tax authorities, as well as transport, handling and other costs. Costs directly attributable to the cost of raw materials, goods, work in progress and finished products. Trade discounts, rebates, cash discounts and other similar items are deducted to determine acquisition costs.

Inventories are valued using the weighted average cost method.

An impairment of inventories equal to the difference between the gross value determined according to the methods indicated above and the current market price or realisable value less proportional selling costs, is taken into account when this gross value is greater than the other term stated.

6.4.12. Trade and other receivables

Trade and other receivables are measured at amortised cost less any impairment losses.

Management regularly reviews and assesses the recoverable amount of trade receivables. When determining whether credit risk has increased significantly since initial recognition and making estimates of expected credit losses, the Group considers reasonable and supportable information that can be obtained without undue cost or effort. This includes quantitative and qualitative information and analyses, based on the Group's historical experience and an informed credit assessment, as well as forward-looking information.

The Group has no receivables incorporating a significant financial component. Consequently, application of the expected loss principle does not generate a significant impact for the Group.

CATALYST OF CARBON TRANSITION

6.4.13. Financial assets and liabilities

Financial assets

The measurement and recognition of financial assets depend on their classification in the statement of financial position, in accordance with the provisions of IFRS 9:

- financial assets at fair value through profit or loss: These assets are measured at fair value. Net profits and losses, including interest or dividends received, are recognised in the income statement. The Group has €10 million in long-term cash investments (UCITS). As the value at 31 December 2022 was less than the amount invested, an impairment of €1,128 thousand was recognised in the income statement, after reversal of the previous impairment, which amounted to €69 thousand. The objective of this financial instrument is to obtain an annualised net return of more than 3.65% over an investment horizon starting at the launch of the fund until 31 December 2026 while being subject to a hybrid monetary and equity risk. The management objective is to achieve, over its recommended investment period, performance linked to trends in international bond markets, in particular through exposure to high-yield securities maturing no later than December 2026. This objective is based on the achievement of market assumptions set by the management company. This financial instrument is classified as bonds and other debt securities denominated in euros by the French Financial Markets Authority (AMF - *Autorité des Marchés Financiers*);
- financial assets at amortised cost: These assets are measured at amortised cost using the effective interest rate method. Amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in the income statement. Gains and losses resulting from derecognition are recorded in the income statement;
- debt instruments at fair value through other comprehensive income. These assets are measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairments are recognised in the income statement. Other net gains and losses are recorded in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss;
- equity instruments at fair value through other comprehensive income. These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement, unless the dividend clearly represents the recovery of a portion of the cost of the investment. Other gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial liabilities

All borrowings or debt bearing interest are initially recorded at the fair value of the amount received, less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing loans are measured at amortised cost, using the effective interest rate method.

Borrowings are classified as current liabilities, except when the Group has an unconditional right to defer payment of the debt at least 12 months after the reporting date, in which case these borrowings are classified as non-current liabilities.

CATALYST OF CARBON TRANSITION

6.4.14. Cash and cash equivalents

Cash and cash equivalents consist of bank accounts and investments. The Group has €22.4 million in highly liquid short-term cash investments (term deposits) that are easily convertible with a maturity of less than three months into a known amount of cash whose value is very little exposed to fluctuation risks.

The statement of cash flows is presented using the indirect method under IAS 7. The income tax expense is presented globally in operating cash flows. Financial interest paid is recognised in financing flows. Dividends paid are classified as cash flows from financing activities.

6.4.15. Employee benefits

Employee benefits are recognised in accordance with IAS 19. The Group's obligations in terms of pension, supplementary pension and retirement indemnity are those imposed by the legal texts applicable in France. Pension and supplementary pension obligations are fully covered by payments to organisations that release the employer from any subsequent obligation, while the organisation is responsible for paying employees the amounts due to them. These include French joint pension schemes.

Post-employment benefits

Retirement benefits are paid to employees upon retirement according to their length of service and their salary at retirement age. These benefits are part of the defined benefit plan. As a result, the method used to measure the amount of the Company's commitment with regard to retirement benefits is the retrospective projected unit credit method.

It represents the probable present value of the rights acquired, assessed taking into account salary increases up to retirement age, likelihood of departure and of survival.

The formula for past commitment can be broken down into four main terms as follows:

The main assumptions used for this estimate are as follows:

| Assumptions | 31/12/2022 | 31/12/2021 |
|-------------------------|------------------------------------|-----------------|
| Discount rate benchmark | IBOXX corporate rate AA + 10 years | |
| Discount rate | 3.77% | 0.98% |
| Life table | INSEE 2014-2016 | INSEE 2014-2016 |
| Wage growth | 4% declining | 4% declining |
| Turnover rate | 2.90% | 2.90% |
| Retirement age | 62 years | 62 years |

Actuarial gains and losses are recognised in other comprehensive income.

CATALYST OF CARBON TRANSITION

Other post-employment benefits

These benefits are mainly based on the defined contribution plan (general plan). Under this plan, the Group has no other obligation than the payment of contributions; the expense corresponding to the contributions paid is recognised in the income statement for the year.

Other long-term benefits

As the Group is not subject to the obligation, it has not set up a company savings plan or profit-sharing agreement. Due to the recent creation of the Company, long-service awards are negligible. Where applicable, severance pay is provisioned. In other words, there are no long-term benefits granted within the Group.

6.4.16. Provisions and contingent liabilities

In accordance with IAS 37, a provision is recognised when a current obligation to a third party is likely to result in an outflow of resources necessary to settle the obligation and when it can be reliably estimated. The amount of the provision is the best possible estimate of the outflow of resources required to settle the obligation.

A contingent liability is based on a potential obligation resulting from past events and whose existence will be confirmed only by the occurrence (or non-occurrence) of one or more uncertain future events that are not wholly within the control of the company. A contingent liability is also a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or either, the amount of the obligation cannot be measured with sufficient reliability.

At 31 December 2021 and 31 December 2022, the Group has not made any provision and has not identified any contingent liabilities.



CATALYST OF CARBON TRANSITION

6.4.17. Tax

Deferred taxes are recognised using the liability method to the extent of the temporary differences between the tax base of the assets and liabilities and their accounting base.

The carrying amount of deferred tax assets is reviewed at each reporting date and deferred tax assets are only recognised if it is probable that a future taxable profit will enable them to be recovered.

Deferred tax assets and liabilities are valued at the tax rate adopted or substantially adopted at each reporting date and the application of which is expected in the financial year during which the asset will be realised or the liability will be realised settled for each tax regulation.

Taxes relating to items recognised directly in equity or in other comprehensive income are recognised in equity or in other comprehensive income and not in the income statement.

Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset when they relate to the same tax entity.

They are evidenced by means of proof of tax (see Note 6.10.1).

In the income statement, the Company value-added contribution (CVAE) is included in the line Tax expenses.



CATALYST OF CARBON TRANSITION

6.4.18. Product recognition

IFRS 15 establishes the principles of revenue recognition on the basis of an analysis in five successive stages:

- identification of the contract;
- identification of the various distinct performance obligations, *i.e.* the list of goods or services that the seller has undertaken to provide to the buyer;
- determination of the overall price of the contract;
- the allocation of the overall price to each performance obligation;
- the recognition of revenue and related costs when a performance obligation is satisfied.

Revenue is recognised when the Group fulfils a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of the asset.

These revenues are net of value-added tax, merchandise returns, rebates and rebates and deductions made, where applicable, from intra-group sales.

The Group distinguishes between two types of revenue:

- revenue related to engineering services provided as part of the signature of exclusivity contracts whose revenue is recognised according to the performance of the services: access to technologies and engineering services related to the marketing of products by the partner client;
- revenue related to the sale of low-carbon cement for which revenue is recognised on delivery.



CATALYST OF CARBON TRANSITION

6.4.19. Grants

Public grants are public aid in the form of transfers of resources to an entity, in exchange for its compliance or future compliance with certain conditions related to its operational activities. Under IAS 20, asset-related grants are public grants whose main condition is that an entity meeting the conditions must purchase, build or otherwise acquire long-term assets.

Government grants are recognised in profit or loss on a systematic basis for the periods in which the entity recognises as expenses the costs that the grants are intended to offset. Thus, grants related to assets are presented under deferred income in the statement of financial position and amortised over the same period as the subsidised asset.

The Group benefits from repayable non-interest bearing advances granted by BPI to finance the development programme for geopolymers and innovative low-carbon technologies. The difference between the present value of repayment flows at the market rate and the amount received in cash from the public body constitutes a grant under IAS 20. This difference is recognised as a grant over time based on the repayments, given that the corresponding costs are capitalised. The financial cost of repayable advances, calculated according to the effective interest rate, is recorded in financial expenses.

The Group also benefits from research and innovation tax credits. These amounts are recognised as grants in the income statement, at the same rate as the amortisation of the development costs related to each technology.

These grants are recognised as deferred income.

CATALYST OF CARBON TRANSITION

6.4.20. Leases

Under IFRS 16, a lease is an agreement whereby the lessor transfers to the lessee, for a specified period, the right to use an asset in exchange for payment or a series of payments.

Lessee

For most leases, a right of use is recognised in the lessee's assets in exchange for a liability determined by discounting the rent payable at the market rate. This processing is carried out only if the contract has a duration of more than 12 months and if the value of the leased asset is greater than USD 5,000. Each payment under the contracts is broken down between the financial expense and the amortisation of the balance of the debt, so as to obtain a constant periodic interest rate on the outstanding balance.

The discount rate used corresponds to the financing rate that the banks would grant for each of the contracts. The rates vary between 0.80% and 3.30% depending on the date of the contracts. Whenever possible, particularly on certain vehicles where the residual value at the end of the contract is known, the interest rate implicit in the contract is used, *i.e.* around 9%.

The Group presents the "right of use" asset on the same line as the underlying assets of the same type which it fully owns.

Intangible assets under a lease are amortised over the useful life of the asset (if the lease transfers ownership of the asset to the lessee) or over the lease term.

6.4.21. Net financial debt

Long-term financial debts include loans contracted with credit institutions, repayable public grants, as well as loans recognised as an offset to the recognition of rights of use attached to leases. These long-term debts are classified as non-current liabilities for their part due in more than one year and are valued at amortised cost at the end of the reporting period using the effective interest rate method, with amortisation of issue costs, when these costs are significant. All these debts are at a fixed rate at the reporting date.

Short-term borrowings include the short-term portion of long-term borrowings, as well as bank overdrafts and other short-term borrowings.

Net financial debt consists of the borrowings defined above, less cash and cash equivalents and long-term financial investments.

The cost of net borrowing cost includes interest on borrowings and other financial liabilities, and income on cash investments.

CATALYST OF CARBON TRANSITION

6.4.22. Segment information

The main operational decision-maker only monitors performance at the level of the entire Group; the application of IFRS 8 has led the Group to present only one operating segment.

6.4.23. Equity

Shareholders' equity consists of the share capital of the parent company, premiums, reserves and earnings.

Treasury shares held are deducted from consolidated equity; no expense or income resulting from these transactions affects the income statement.

6.4.24. Presentation of the income statement

The Group presents its income statement by nature and has identified performance indicators adapted to its business model that are not systematically defined by accounting standards.

Revenue

The Group's revenue corresponds to revenue from cement sales and engineering services under partnership agreements.

EBIT/Current operating profit

EBIT (Earnings Before Interest & Taxes), also called profit (loss) from continuing operations corresponds to all recurring income and costs directly related to the Company's activities.

EBITDA

EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortisation) is an indicator defined by HGCT as profit (loss) from continuing operations before depreciation, amortisation and impairment of assets net of reversals.

CATALYST OF CARBON TRANSITION

6.4.25. Methods for calculating net earnings per share

Earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of shares outstanding during the year, adjusted for the impact of the conversion of dilutive instruments into ordinary shares.

During the 2022 financial year, the weighted average number of ordinary shares was:

| | Ordinary shares | Cumulative | Term | Average weighted number of ordinary shares |
|------------|-----------------|------------|--|--|
| 01/01/2022 | 14,602,387 | 14,602,387 | 3 | 120,020 |
| 04/01/2022 | 8,094 | 14,610,481 | 9 | 360,258 |
| 13/01/2022 | 24,253 | 14,634,736 | 353 | 14,153,594 |
| | 14,634,736 | | 365 | 14,633,872 |
| | | | Treasury shares | - 13,691 |
| | | | Average weighted number of ordinary shares | 14,620,181 |
| | | | Income attributable to owners of ordinary shares | - 6,738,937 |
| | | | | - 0.4609 |

In 2022, diluted earnings per share were equal to basic earnings per share.

The free share allocation plans decided by the Company are instruments that could dilute basic earnings per share in the future, but which are not included in the calculation of diluted earnings per share because they are anti-dilutive for 2022.

During the 2021 financial year, the weighted average number of ordinary shares was:

| | Ordinary shares | Cumulative | Term | Average weighted number of ordinary shares |
|------------|-----------------|------------|--|--|
| 01/01/2021 | 13,602,387 | 13,602,387 | 333 | 12,409,849 |
| 30/11/2021 | 1,000,000 | 14,602,387 | 32 | 1,280,209 |
| | 14,602,387 | | 365 | 13,690,058 |
| | | | Treasury shares | - 9,354 |
| | | | Average weighted number of ordinary shares | 13,680,704 |
| | | | Income attributable to owners of ordinary shares | - 5,562,328 |
| | | | | - 0.4066 |

In 2021, diluted earnings per share are equal to basic earnings per share.

The free share allocation plans decided by the Company are instruments that could dilute basic earnings per share in the future, but which are not included in the calculation of diluted earnings per share because they are anti-dilutive for 2021.

CATALYST OF CARBON TRANSITION

6.5. Consolidation scope

Unless otherwise stated, percentages of voting rights are identical to the portion of share capital held.

2022 scope

| Entities | Consolidation methods | Equity percentage | Controlling percentage | registered office | Country |
|------------------|-----------------------|-------------------|------------------------|---------------------|---------|
| HGCT | IG | - | - | RIVES DE L'YON | France |
| HOFFMANN BROYAGE | IG | 100.00% | 100.00% | MAREUIL EN PÉRIGORD | France |

2021 scope

| Entities | Consolidation methods | Equity percentage | Controlling percentage | registered office | Country |
|----------|-----------------------|-------------------|------------------------|-------------------|---------|
| HGCT | IG | - | - | RIVES DE L'YON | France |

On 28 June 2022, HOFFMAN GREEN CEMENT TECHNOLOGIES took control of SAS ABC BROYAGE, renamed HOFFMANN BROYAGE, which itself owned SARL AB CESAR. On 14 November 2022, HOFFMANN BROYAGE absorbed AB CESAR with retroactive tax and accounting effect from 1 January 2022. HOFFMANN BROYAGE is included in the scope of consolidation as of 28 June 2022 on the basis of the position as of the same date.



CATALYST OF CARBON TRANSITION

6.6. Impairment of non-financial assets

Impairment tests are performed on property, plant and equipment and intangible assets with a finite useful life where there is evidence of impairment. These tests consist of reconciling the net carrying amount of the assets with their recoverable amount, corresponding to the higher of their market value less selling costs or value in use estimated using the DCF (discounted cash flow) method.

Cash flows are discounted over a limited period of five to six years and extrapolated to infinity, and the discount rate used corresponds to the weighted average cost of the capital of the entity concerned.

The weighted average cost of capital used for 2022 is estimated at between 15.50% and 18.75% depending on the sensitivities applied and taking into account the risk premiums applied.

For intangible assets with an indefinite useful life, impairment tests are carried out at least once a year on a fixed date and between two dates if there is evidence of impairment.

The impairment tests, carried out according to the methodology described above, showed that no impairment was necessary. The sensitivity analysis on the key assumptions (growth rate, EBITDA rate, discount rate) used to determine the value in use shows that a variation of +/- 10% would have no impact on the conclusions of the impairment tests carried out (no impairment recorded).

Intangible assets that are not yet ready to be commissioned are tested for impairment at least once a year and whenever there is an indication that the asset may be impaired.

CATALYST OF CARBON TRANSITION

6.7. Statement of financial position

6.7.1. Intangible assets

Change in gross intangible assets (in thousands of euros)

| Gross values | Development costs | Other intangible assets* | Property, plant and equipment in progress | TOTAL |
|----------------------|-------------------|--------------------------|---|-------|
| At 31 December 2020 | 2,861 | 876 | 122 | 3,860 |
| Acquisitions | 1,899 | 64 | 65 | 2,028 |
| Disposals | | | | |
| Inter-item transfers | | | | |
| Change in scope | | | | |
| At 31 December 2021 | 4,760 | 940 | 187 | 5,888 |
| Acquisitions | 1,944 | | 61 | 2,005 |
| Disposals | | | | |
| Inter-item transfers | | 33 | -33 | |
| Change in scope | | 0 | | 0 |
| At 31 December 2022 | 6,705 | 973 | 215 | 7,893 |

Change in amortisation of intangible assets (in thousands of euros)

| Depreciations | Development costs | Other intangible assets | Property, plant and equipment in progress | TOTAL |
|----------------------|-------------------|-------------------------|---|-------|
| At 31 December 2020 | 263 | 17 | | 280 |
| Appropriations | 286 | 46 | | 333 |
| Reversals | | | | |
| Inter-item transfers | | | | |
| Change in scope | | | | |
| At 31 December 2021 | 549 | 64 | | 613 |
| Appropriations | 477 | 54 | | 530 |
| Reversals | | | | |
| Inter-item transfers | | | | |
| Change in scope | | 0 | | 0 |
| At 31 December 2022 | 1,025 | 118 | | 1,143 |

Change in net intangible assets (in thousands of euros)

| Net values | Development costs | Other intangible assets* | Property, plant and equipment in progress | TOTAL |
|---------------------|-------------------|--------------------------|---|-------|
| At 31 December 2020 | 2,599 | 859 | 122 | 3,579 |
| At 31 December 2021 | 4,212 | 876 | 187 | 5,275 |
| At 31 December 2022 | 5,679 | 855 | 215 | 6,750 |

* Including goodwill for €553 thousand (see Note 6.4.8)

CATALYST OF CARBON TRANSITION

The useful lives used to amortise identifiable intangible assets are as follows:

- development costs ten years;
- software & licenses two to eight years.

Development costs related to H-P2A and H-EVA technologies amounted to €1,358 thousand gross. Those related to the H-UKR technology amounted to €4,934 thousand gross. Lastly, those relating to the new H-IONA technology amounted to €413 thousand gross.

Other intangible assets mainly correspond to the goodwill resulting from the takeover of ARGIWEST at 30 June 2017. The rest corresponds to an ERP and a CRM.

Intangible assets in progress amount to €215 thousand in relation to the capitalisation of expenses relating to the development of new technology.

The flows on intangible assets above include flows related to fixed assets recognised in accordance with IFRS 16, as detailed below:

Change in gross intangible assets under finance leases or leases (in thousands of euros)

| Gross values | Other intangible assets | TOTAL |
|----------------------|-------------------------|-------|
| At 31 December 2020 | 34 | 34 |
| Acquisitions | 31 | 31 |
| Disposals | | |
| Inter-item transfers | | |
| Change in scope | | |
| At 31 December 2021 | 65 | 65 |
| Acquisitions | | |
| Disposals | | |
| Inter-item transfers | | |
| Change in scope | | |
| At 31 December 2022 | 65 | 65 |

CATALYST OF CARBON TRANSITION

Change in amortisation of intangible assets under finance leases or leases (in thousands of euros)

| Depreciations | Other intangible assets | TOTAL |
|----------------------|-------------------------|-------|
| At 31 December 2020 | 0 | 0 |
| Appropriations | 8 | 8 |
| Reversals | | |
| Inter-item transfers | | |
| Change in scope | | |
| At 31 December 2021 | 8 | 8 |
| Appropriations | 10 | 10 |
| Reversals | | |
| Inter-item transfers | | |
| Change in scope | | |
| At 31 December 2022 | 18 | 18 |

Change in net intangible assets under finance leases or leases (in thousands of euros)

| Net values | Other intangible assets | TOTAL |
|---------------------|-------------------------|-------|
| At 31 December 2020 | 33 | 33 |
| At 31 December 2021 | 57 | 57 |
| At 31 December 2022 | 47 | 47 |

CATALYST OF CARBON TRANSITION

6.7.2. Property, plant and equipment

Change in gross property, plant and equipment (in thousands of euros)

| Gross values | Land | Buildings | Technical facilities, industrial equipment and tools | Other property, plant and equipment | Property, plant and equipment in progress | TOTAL |
|----------------------|-------|-----------|--|-------------------------------------|---|--------|
| At 31 December 2020 | 1,217 | 5,621 | 8,324 | 1,706 | 1,945 | 18,814 |
| Acquisitions | 16 | | 700 | 436 | 11,096 | 12,248 |
| Disposals | | | | -68 | | -68 |
| Inter-item transfers | | -17 | | 17 | -55 | -55 |
| Change in scope | | | | | | |
| Repayment by asset | | | | | | |
| At 31 December 2021 | 1,232 | 5,604 | 9,024 | 2,092 | 12,967 | 30,938 |
| Acquisitions | | 237 | 212 | 463 | 13,625 | 14,537 |
| Disposals | | | -259 | -41 | | -300 |
| Inter-item transfers | | | 355 | | -355 | |
| Change in scope | 75 | 1,863 | 1,036 | 193 | | 3,167 |
| Repayment by asset | | | | | | |
| At 31 December 2022 | 1,307 | 7,705 | 10,368 | 2,707 | 26,256 | 48,343 |

Change in amortisation of property, plant and equipment (in thousands of euros)

| Depreciations | Land | Buildings | Technical facilities, industrial equipment and tools | Other property, plant and equipment | Property, plant and equipment in progress | TOTAL |
|----------------------|------|-----------|--|-------------------------------------|---|-------|
| At 31 December 2020 | 57 | 490 | 1,806 | 434 | | 2,788 |
| Appropriations | 34 | 271 | 1,189 | 291 | | 1,785 |
| Reversals | | | | -68 | | -68 |
| Inter-item transfers | | 0 | | 0 | | |
| Change in scope | | | | | | |
| At 31 December 2021 | 91 | 761 | 2,995 | 657 | | 4,505 |
| Appropriations | 36 | 363 | 1,272 | 357 | | 2,028 |
| Reversals | | | -150 | -41 | | -192 |
| Inter-item transfers | | | | | | |
| Change in scope | | 248 | 1,022 | 162 | | 1,432 |
| At 31 December 2022 | 127 | 1,372 | 5,139 | 1,135 | | 7,773 |

CATALYST OF CARBON TRANSITION

Change in net property, plant and equipment (in thousands of euros)

| Net values | Land | Buildings | Technical facilities, industrial equipment and tools | Other property, plant and equipment | Property, plant and equipment in progress | TOTAL |
|---------------------|-------|-----------|--|-------------------------------------|---|--------|
| At 31 December 2020 | 1,160 | 5,131 | 6,518 | 1,272 | 1,945 | 16,026 |
| At 31 December 2021 | 1,141 | 4,843 | 6,028 | 1,435 | 12,987 | 26,434 |
| At 31 December 2022 | 1,180 | 6,233 | 5,229 | 1,572 | 26,256 | 40,570 |

The Company is continuing the construction of the H2 building, for which it paid €8.9 million in new expenses in 2022. These expenses are recorded under non-current assets in progress. The plant is scheduled for commissioning in the first half of 2023. In addition, the Company began the construction of a concrete mixing plant for which it spent €2.0 million in 2022.

Following the entry of HOFFMANN BROYAGE into the scope of consolidation, a real estate capital gain of €1,461 thousand, of which €69 thousand on the ground, was recorded on the basis of an expert report. This capital gain is amortised over a period of 15 years.

The cash flows on property, plant and equipment above include cash flows related to fixed assets recognised in accordance with IFRS 16, as detailed below:

Change in gross property, plant and equipment leased or leased (in thousands of euros)

| Gross values | Land | Buildings | Technical facilities, industrial equipment and tools | Other property, plant and equipment | TOTAL |
|----------------------|------|-----------|--|-------------------------------------|-------|
| At 31 December 2020 | 409 | 4,539 | 1,167 | 429 | 6,543 |
| Acquisitions | | | | 130 | 130 |
| Disposals | | | | -68 | -68 |
| Inter-item transfers | | | | | |
| Change in scope | | | | | |
| Repayment by asset | | | | | |
| At 31 December 2021 | 409 | 4,539 | 1,167 | 490 | 6,604 |
| Acquisitions | | 237 | 1 | 123 | 361 |
| Disposals | | | | -41 | -41 |
| Inter-item transfers | | | | | |
| Change in scope | | | | | |
| Repayment by asset | | | | | |
| At 31 December 2022 | 409 | 4,776 | 1,168 | 572 | 6,924 |

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Change in depreciation of property, plant and equipment under finance leases or leases (in thousands of euros)

| Depreciations | Land | Buildings | Technical facilities, industrial equipment and tools | Other property, plant and equipment | TOTAL |
|----------------------|------|-----------|--|-------------------------------------|-------|
| At 31 December 2020 | | 397 | 322 | 186 | 905 |
| Appropriations | | 227 | 174 | 125 | 527 |
| Reversals | | | | -68 | -68 |
| Inter-item transfers | | | | | |
| Change in scope | | | | | |
| At 31 December 2021 | | 624 | 496 | 243 | 1,363 |
| Appropriations | | 261 | 175 | 157 | 593 |
| Reversals | | | | -41 | -41 |
| Inter-item transfers | | | | | |
| Change in scope | | | | | |
| At 31 December 2022 | | 886 | 671 | 359 | 1,915 |

Change in net property, plant and equipment leased or leased (in thousands of euros)

| Net values | Land | Buildings | Technical facilities, industrial equipment and tools | Other property, plant and equipment | TOTAL |
|---------------------|------|-----------|--|-------------------------------------|-------|
| At 31 December 2020 | 409 | 4,142 | 845 | 243 | 5,638 |
| At 31 December 2021 | 409 | 3,914 | 670 | 247 | 5,241 |
| At 31 December 2022 | 409 | 3,890 | 497 | 213 | 5,009 |

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6.7.3. Other financial assets

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|--|---------------|---------------|
| Other equity securities ⁽¹⁾ | 11 | 1 |
| UCITS (in the form of bonds) | 10,000 | 10,000 |
| Depreciation of UCITS (in the form of bonds) | -1,128 | -69 |
| Other long-term investments ⁽²⁾ | 55 | 50 |
| Loans | 1 | |
| Deposits and guarantees ⁽³⁾ | 1,726 | 1,703 |
| TOTAL | 10,664 | 11,684 |

⁽¹⁾ Unconsolidated Hoffmann shares in Switzerland for €9.9 thousand and shares in a GIE for €0.8 thousand.

⁽²⁾ Bank shares in the amount of €55 thousand.

⁽³⁾ Deposits and guarantees correspond to guarantee deposits on bank loans in the amount of €1.5 million, the guarantee holdback on the BPI loan in the amount of €200 thousand, rental deposits and guarantees on motorway badges.

6.7.4. Other non-current assets

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|-----------------------------------|------------|------------|
| Customers > one year | | 33 |
| Customer impairment | | -27 |
| State – VAT receivable on Batiroc | 20 | 22 |
| Prepaid expenses > one year | 15 | 18 |
| TOTAL | 35 | 45 |

Doubtful receivables were reclassified as irrecoverable receivables during the financial year with reversal of the related impairment.

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6.7.5. Deferred tax assets

| | 31/12/2022 | | 31/12/2021 | |
|--|---------------|--------------|---------------|--------------|
| | Baseline | Tax | Baseline | Tax |
| Temporary delays | | | | |
| Tax deficits | 40,920 | 10,230 | 29,883 | 7,471 |
| Restatements | | | | |
| Formation expenses | | | 0 | 0 |
| Special depreciation allowances | -1,027 | -257 | -551 | -138 |
| Rentals | 57 | 14 | 53 | 13 |
| Credit leasing | 541 | -135 | -384 | -96 |
| Retirement commitments | 16 | 4 | 32 | 8 |
| Impairment of treasury shares | | | -4 | -1 |
| Reclassification of acquisition costs of HB shares | 86 | 22 | | |
| TOTAL | 39,512 | 9,878 | 29,029 | 7,257 |

Proof of tax is provided in Note 6.10.1.

IAS 12 recommends using the last tax rate voted when calculating deferred tax. The Group has therefore used the rate of 25%.

The deferred tax recognised is therefore mainly due to the tax losses accumulated by HOFFMANN GREEN CEMENT TECHNOLOGIES. The Company has capitalised all of the deficits of the Company on the basis of forecasts that will make it possible to settle the deficits in question over a period of five years. There were no unrecognised losses as at 31 December 2022.

In accordance with IAS 12, we present the following tax planning as of 31 December 2022, which shows the due date of deferred tax assets and their recoverability:

| In thousands of euros | Portion at less than N-1 | Portion at more than one year and less than two years | Portion at more than two years and less than three years | Portion at more than three years and less than four years | Portion at more than four years and less than five years | Portion at more than five years | TOTAL |
|---------------------------------|--------------------------|---|--|---|--|---------------------------------|--------|
| Tax deficits | -3,115 | -1,004 | 2,438 | 5,998 | 5,914 | | 10,230 |
| Special depreciation allowances | 166 | 125 | 80 | 24 | -70 | -582 | -257 |
| Credit leasing | 35 | 40 | 42 | 42 | 44 | -338 | -135 |
| Rentals | 0 | 1 | 1 | 1 | 2 | 8 | 14 |
| Securities acquisition costs | 4 | 4 | 4 | 4 | 4 | | 22 |
| Social adjustment | 0 | | | | | | 0 |
| Retirement commitments | | | | | | 4 | 4 |

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| | | | | | | | |
|--------------|--------|------|-------|-------|-------|------|-------|
| TOTAL | -2,909 | -833 | 2,565 | 6,070 | 5,893 | -908 | 9,878 |
|--------------|--------|------|-------|-------|-------|------|-------|

6.7.6. Inventories and work in progress

Net change in inventories and work-in-progress

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|------------------------------------|--------------|--------------|
| Raw materials and other supplies | 4,365 | 2,736 |
| Work in progress | | |
| Intermediate and finished products | 134 | 1 |
| Goods | 50 | 19 |
| Provisions for depreciation | | |
| TOTAL | 4,550 | 2,756 |

| Changes in provisions for impairment | 31/12/2022 | 31/12/2021 |
|--------------------------------------|------------|------------|
| Opening value | | |
| Increase | | |
| Decrease | | |
| Closing value | 0 | 0 |

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6.7.7. Trade receivables and other current assets

Trade receivables

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|-----------------------------|--------------|--------------|
| Gross trade receivables | 2,529 | 2,244 |
| Provisions for depreciation | -220 | |
| TOTAL | 2,319 | 2,244 |

Other current assets

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|-----------------------------|--------------|--------------|
| Advances and deposits paid | 198 | 51 |
| Social security receivables | 0 | 7 |
| Tax receivables | 2,141 | 3,005 |
| Other current receivables | 56 | 11 |
| Prepaid expenses | 257 | 370 |
| TOTAL | 2,652 | 3,443 |

The maturity of the receivables is presented in the table in Note 6.11.2.

Tax receivables are broken down as follows:

| Tax receivables | 31/12/2022 | 31/12/2021 |
|---|--------------|--------------|
| State – Investment grants receivable | 0 | 1,208 |
| State – VAT | 1,416 | 683 |
| Government – receivable related to investment tax credit and R&D tax credit | 725 | 1,113 |
| TOTAL | 2,141 | 3,005 |

As a reminder, as of 31 December 2021, subsidies receivable corresponded to:

- the ERDF grant awarded under the “Support for collaborative Research & Development projects and innovation projects” of the ERDF-ESF operational programme under the 2014-2020 programme in the amount of €993 thousand. By decision of 7 June 2018, the Pays de la Loire region notified the Company HOFFMANN GREEN CEMENT TECHNOLOGIES that it had been awarded an ERDF grant. This grant was awarded as part of the project: “Definition of low-carbon binder manufacturing process”;
- the BPI grant for the H2 investment for a balance of €200 thousand;
- the regional cyber-security grant in the amount of €15 thousand.

These subsidies were received during the financial year, except for the last one, which was recognised as non-recurring expenses in fiscal year 2022.

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The increase in the VAT receivable mainly corresponds to the VAT pending reimbursement as well as the VAT on fixed assets, justified by the volume of investments made.

Current assets include the amounts obtained each year in respect of the investment tax credit and the research tax credit. The amounts for 2021 were reimbursed by the State; those for 2022 will be collected in 2023.

Other current receivables are detailed as follows:

| Other receivables | 31/12/2022 | 31/12/2021 |
|--------------------------|------------|------------|
| Supplier debtors and AAR | 34 | |
| Miscellaneous debtors | 23 | 11 |
| TOTAL | 56 | 11 |

Schedule of trade receivables

The breakdown of 2022 trade receivables by maturity is as follows:

| ASSETS (In thousands of euros) | Balance sheet value | Not matured | < 90 days | Matured | |
|------------------------------------|---------------------|--------------|-----------|----------------------|------------|
| | | | | > 90 days < 6 months | > 6 months |
| Trade receivables (current assets) | 2,319 | 1,228 | 60 | 292 | 739 |
| TOTAL | 2,319 | 1,228 | 60 | 292 | 739 |

The breakdown of trade receivables in 2021 by maturity is as follows:

| ASSETS (In thousands of euros) | Balance sheet value | Not matured | < 90 days | Matured | |
|------------------------------------|---------------------|--------------|------------|----------------------|------------|
| | | | | > 90 days < 6 months | > 6 months |
| Trade receivables (current assets) | 2,244 | 1,601 | 320 | 1 | 322 |
| TOTAL | 2,244 | 1,601 | 320 | 1 | 322 |

6.7.8. Cash and cash equivalents

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|---|---------------|---------------|
| Term deposits | 22,423 | 40,486 |
| Cash at bank and in hand | 7,823 | 16,219 |
| Total closing cash | 30,247 | 56,704 |
| Bank overdrafts (see 6.6.10) | | |
| Total net cash and cash equivalents at end of period | 30,247 | 56,704 |

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6.7.9. Capital

Changes in share capital

At 31 December 2022, the share capital of HOFFMANN GREEN CEMENT TECHNOLOGIES consisted of 14,634,736 shares, which changed as follows in the 2022 financial year:

| | 01/01/2022 | Increase | Reductions | 31/12/2022 |
|------------------|------------|----------|------------|------------|
| Number of shares | 14,602,387 | 32,349 | | 14,634,736 |
| Nominal in € | 1.00 | 1.00 | - | 1.00 |
| Capital in euros | 14,602,387 | 32,349 | | 14,634,736 |

On 4 and 13 January 2022, HGCT carried out two successive capital increases as part of the settlement of the two free share allocation plans No. 1 and No. 2. These capital increases were carried out by deduction from the issue premium for a total amount of €32 thousand.

Share capital information

HOFFMANN GREEN CEMENT TECHNOLOGIES shareholding structure:

| Holders | Number of shares | Ownership percentages |
|-----------------------------------|-------------------|-----------------------|
| Julien Blanchard | 2,740,028 | 18.72% |
| David Hoffmann | 2,715,028 | 18.55% |
| SAS Gillaireau Terre Cuite | 1,867,961 | 12.76% |
| SAS Eludom (formerly Cougnaud) | 848,218 | 5.80% |
| Treasury shares | 13,691 | 0.09% |
| Other shareholders | 6,449,810 | 44.07% |
| Total | 14,634,736 | 100.00% |

Treasury shares

Treasury shares acquired are deducted from consolidated equity. No profit or loss resulting from the purchase, sale or cancellation of shares affects the income statement.

- Number of treasury shares held at 31/12/2022: 13,691 shares
- Value of treasury shares held at 31/12/2022: €135,924
- Number of treasury shares acquired in 2022: 58,338 shares
- Value of treasury shares acquired in 2022: €756,700
- Number of treasury shares sold in 2022: 54,201 shares
- Value of treasury shares sold in 2022: €711,459

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6.7.10. Financial liabilities

Non-current/current borrowings and financial debt

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|--|---------------|---------------|
| Bank borrowings | 12,423 | 13,811 |
| ADEME advance | 1,006 | 1,104 |
| Repayable BFI grants | 169 | 262 |
| Repayable BFI grants | 465 | |
| PDL Region loan | 2,000 | 2,000 |
| Total equity loan | | 86 |
| Liabilities on rentals | 3,430 | 3,818 |
| Accrued interest | 110 | 115 |
| Non-current borrowings and financial debt | 19,605 | 21,196 |
| Bank borrowings | 3,855 | 2,623 |
| ADEME advance | 103 | 117 |
| Repayable BFI grants | 93 | 90 |
| Total equity loan | 86 | 147 |
| Liabilities on rentals | 686 | 653 |
| Accrued interest | 95 | 71 |
| Current borrowings and financial debt | 4,918 | 3,701 |
| TOTAL | 24,523 | 24,896 |

Non-current/current borrowings and financial debt flows

| Gross values | Bank borrowings | ADEME advance | Repayable BFI grants | Total equity loan | PDL Region loan | Bank overdrafts | Liabilities on rentals | Accrued interest | TOTAL |
|--------------------------------|-----------------|---------------|----------------------|-------------------|-----------------|-----------------|------------------------|------------------|--------|
| At 31 December 2020 | 8,659 | 1,367 | 473 | 259 | 0 | 0 | 4,933 | 119 | 15,812 |
| New | 9,000 | | | 100 | 2,000 | | 161 | 66 | 11,327 |
| Repayments | -1,226 | -146 | -122 | -126 | | | -623 | | -2,243 |
| Change over the financial year | | | | | | | | | 0 |
| At 31 December 2021 | 16,434 | 1,221 | 352 | 233 | 2,000 | 0 | 4,471 | 186 | 24,896 |
| New | 2,300 | | 465 | | | | 361 | 19 | 3,146 |
| Repayments | -2,652 | -112 | -90 | -147 | | | -715 | | -3,716 |
| Change in scope | 196 | | | | | | | | 196 |
| At 31 December 2022 | 16,279 | 1,109 | 727 | 86 | 2,000 | 0 | 4,117 | 205 | 24,523 |

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Term of loans outstanding at 31 December 2022

| In thousands of euros | Portion at less than N-1 | Portion at more than one year and less than two years | Portion at more than two years and less than three years | Portion at more than three years and less than four years | Portion at more than four years and less than five years | Portion at more than five years | TOTAL |
|--------------------------------------|--------------------------|---|--|---|--|---------------------------------|---------------|
| At 31 December 2022 | | | | | | | |
| Bank borrowings | 3,855 | 3,689 | 3,434 | 2,843 | 1,630 | 628 | 16,279 |
| ADEME advance | 103 | 109 | | 207 | 218 | 472 | 1,109 |
| Repayable BPI grants | 93 | 96 | 74 | | | | 262 |
| Repayable BPI grants | | 65 | 131 | 133 | 136 | | 465 |
| FDL Region loan | | 400 | 400 | 400 | 400 | 400 | 2,000 |
| Total equity loan | 86 | | | | | | 86 |
| Bank overdrafts | | | | | | | |
| Liabilities on rentals | 686 | 636 | 553 | 390 | 324 | 1,528 | 4,117 |
| Accrued interest | 95 | 20 | 3 | 19 | 19 | 48 | 205 |
| Borrowings and financial debt | 4,918 | 5,213 | 4,596 | 3,992 | 2,726 | 3,077 | 24,523 |
| Trade payables | 3,857 | | | | | | 3,857 |
| Tax and employee-related payables | 963 | | | | | | 963 |
| Other liabilities | 0 | | | | | | 0 |
| Prepaid products and services | 339 | 293 | 298 | 295 | 294 | 1,586 | 3,106 |
| other liabilities | 5,159 | 293 | 298 | 295 | 294 | 1,586 | 7,926 |
| TOTAL | 10,077 | 5,507 | 4,895 | 4,287 | 3,020 | 4,663 | 32,449 |

Term of loans outstanding at 31 December 2021

| In thousands of euros | Portion at less than N-1 | Portion at more than one year and less than two years | Portion at more than two years and less than three years | Portion at more than three years and less than four years | Portion at more than four years and less than five years | Portion at more than five years | TOTAL |
|--------------------------------------|--------------------------|---|--|---|--|---------------------------------|---------------|
| At 31 December 2021 | | | | | | | |
| Bank borrowings | 2,623 | 3,444 | 3,464 | 3,006 | 2,454 | 1,443 | 16,434 |
| ADEME advance | 117 | 347 | 359 | 192 | 207 | | 1,221 |
| Repayable BPI grants | 90 | 93 | 96 | 74 | | | 352 |
| Repayable BPI grants | | | | | | | |
| FDL Region loan | | | 400 | 400 | 400 | 800 | 2,000 |
| Total equity loan | 147 | 86 | | | | | 233 |
| Liabilities on rentals | 653 | 618 | 566 | 507 | 364 | 1,763 | 4,471 |
| Various financial liabilities | | | | | | | |
| Accrued interest | 71 | 24 | 24 | 24 | 24 | 19 | 186 |
| Borrowings and financial debt | 3,701 | 4,611 | 4,909 | 4,202 | 3,449 | 4,025 | 24,896 |
| Trade payables | 5,808 | | | | | | 5,808 |
| Tax and employee-related payables | 757 | 9 | | | | | 766 |
| Other liabilities | 10 | | | | | | 10 |
| Prepaid products and services | 274 | 293 | 298 | 295 | 294 | 1,491 | 2,946 |
| Other liabilities | 6,849 | 302 | 298 | 295 | 294 | 1,491 | 9,529 |
| TOTAL | 10,550 | 4,913 | 5,207 | 4,497 | 3,743 | 5,516 | 34,426 |

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The ADEME advance is a public aid granted by the State to the company as part of the project to build an industrial pilot to manufacture a binder with a low carbon footprint. This aid was granted in December 2016 for a total amount of €1,367 thousand, of which the balance was received on 28 September 2020. The end of repayment date is 30 June 2029 as revenue is expected to reach €7 million in 2025, thus triggering the second repayment phase. In accordance with IFRS 9, the debt is initially recognised at its fair value and corresponds to the discounting of future withdrawals at the rates defined in the contract.

BPI repayable advances are innovation grants granted to the Company as part of the same project as the one mentioned above:

- a first advance, for a total amount of €500 thousand, was granted in 2018. The end of repayment date initially set for 31 March 2025 has been postponed to 30 September 2025 because of Covid-19. In accordance with IFRS 9 and similar to the first grant, the debt is recorded at its fair value, *i.e.* with a discount, so as to reduce its interest rate from zero to that of a normal debt. The benefit arising was treated as a grant in accordance with IAS 20 and is therefore listed under deferred income (Other current liabilities and Other non-current liabilities depending on maturity). The balance at 31 December 2022 was €262 thousand. Notwithstanding the technical or commercial failure or the partial technical or commercial success of the programme, the Company guarantees to BPI France Financement the payment of a lump sum of €200 thousand, of which the full amount has been paid as of 31 December 2022;
- a new advance, for a total amount of €700 thousand, was granted in May 2022, of which €490 thousand were received at 31 December 2022. The repayment end date is 30 June 2029. In accordance with IFRS 9, the debt is recorded at its fair value, *i.e.* with a discount, so as to reduce its interest rate from zero to that of a normal debt. The benefit arising was treated as a grant in accordance with IAS 20 and is therefore listed under deferred income (Other current liabilities and Other non-current liabilities depending on maturity). The balance at 31 December 2022 was €465 thousand. The first repayment is scheduled for 30 September 2024. Notwithstanding the technical or commercial failure or the partial technical or commercial success of the programme, the Company guarantees to BPI France Financement the payment of a lump sum of €280 thousand.

The Total participating loan is a non-bank loan granted by the Total Group in a total amount of €400 thousand, of which the balance of €100 thousand was collected in May 2021. The purpose of the funds granted by the lender is to promote the establishment or development of activities that create long-term employment in the industrial and industrial services sectors. In this case, the aim was to create 12 permanent jobs by 31 December 2020, which the Company effectively did. This loan was contracted at a fixed rate of 1% and benefited from a grace period of 24 months, setting the first maturity on 15 August 2020. It is scheduled to expire on 15 July 2023. There is no guarantee associated with the current contract. It should be noted that the loan may be converted into new shares at the request of the lender and by mutual agreement.

As part of the financing of the H2 plant, the Company was granted four loans for a total amount of €11 million, all disbursed over 2021:

- a loan by the Pays de la Loire region (PDL) in the amount of €2 million. This loan was contracted at a fixed rate of 2% and has a grace period of 24 months setting the first maturity on 4 April 2024. It is scheduled to expire on 4 April 2028. There is no guarantee associated with the current contract;

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- a Green Loan from La Banque Postale in the amount of €3 million. This loan was contracted at a fixed rate of 1.43%. The term of the loan is seven years. As collateral, the Company has pledged a current account that it holds with La Banque Postale in the amount of €750 thousand;
- a loan from BNP Paribas in the amount of €3 million. This loan was contracted at a fixed rate of 1.14%. The term of the loan is five years. By way of guarantee, Company has pledged a term deposit in the amount of €750 thousand;
- a loan from the Caisse d'Epargne in the amount of €3 million. This loan was contracted at a fixed rate of 0.95%. The term of the loan is five years. By way of guarantee, Company has pledged a term deposit in the amount of €750 thousand.

In December 2022, the Company took out a new bank loan in the amount of €2.3 million to finance the refit work on the shredding equipment at the HOFFMANN BROYAGE site. This loan was taken out at a fixed rate of 3.13%, for a period of 72 months, with a maturity date of 31 December 2028.

6.7.11. Analysis of net borrowing cost

Change in net borrowing cost

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|---|----------------|----------------|
| Long-term portion of financial debt | 19,605 | 21,196 |
| Current portion of borrowings | 4,918 | 3,701 |
| Borrowings of less than one year and creditor banks | | |
| Total gross debt | 24,523 | 24,896 |
| Bank shares | 55 | 50 |
| Long-term guarantees on financial debts | 1,700 | 1,700 |
| Long-term portion of financial investments | 10,000 | 10,000 |
| Short-term portion of financial investments | 22,423 | 40,486 |
| Cash at bank and in hand | 7,823 | 16,219 |
| Total cash assets | 42,001 | 68,454 |
| TOTAL NET DEBT | -17,478 | -43,558 |

Details of gross debt are presented in Note 6.7.10.

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6.7.12. Provision for pension commitments

Change in commitment

| In thousands of euros | Pension commitments |
|--|---------------------|
| At 31 December 2020 | 37 |
| Impact of change in IAS 19 method | -16 |
| At 31 December 2020 after change in method | 21 |
| Appropriations | 14 |
| Reversals | |
| Change in scope | |
| Actuarial gains and losses | -3 |
| At 31 December 2021 | 32 |
| Appropriations | |
| Reversals | -10 |
| Change in scope | |
| Actuarial gains and losses | -6 |
| At 31 December 2022 | 16 |

The new position adopted by IFRIC in June 2021 constitutes a change of method. IFRIC considers that where no rights are acquired if the employee leaves before retirement age and where rights are capped after a certain length of service, it is the final years of the employee's career in the company which confers rights on them at the time of departure. As this application is retrospective, HGCT recalculated its commitments on 31 December 2020, which amounted to €21 thousand compared to €37 thousand in the consolidated financial statements published at 31 December 2020.

6.7.13. Other provisions

The Company has not recognised any other provision.

6.7.14. contingent assets and liabilities

No contingent assets or liabilities have been recognised by the Company.

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6.7.15. Trade payables and other payables

Breakdown by type of trade payables and other payables

Trade payables

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|----------------------------|--------------|--------------|
| Trade payables | 2,722 | 2,735 |
| Debt on non-current assets | 1,136 | 3,073 |
| TOTAL | 3,857 | 5,808 |

At 31 December 2021, debts on non-current assets mainly related to work in progress as part of the construction of H2.

Other non-current liabilities

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|-----------------------------------|--------------|--------------|
| Tax and employee-related payables | | 9 |
| Advances and deposits received | | |
| Other liabilities | | |
| Prepaid products and services | 3,082 | 2,672 |
| TOTAL | 3,082 | 2,680 |

| Prepaid products and services | 31/12/2022 | 31/12/2021 |
|----------------------------------|--------------|--------------|
| R&D tax credit | 2,513 | 2,158 |
| Investment tax credit | 129 | 77 |
| BPI - Grant on zero-rate advance | 30 | 13 |
| Investment grants | 409 | 423 |
| TOTAL | 3,082 | 2,672 |

For the settlement of BCPs, see note 6.11.2.

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Non-current tax liabilities

| | 31/12/2022 | | 31/12/2021 | |
|-------------------------|------------|------------|------------|-----|
| | Baseline | Tax | Baseline | Tax |
| Temporary delays | | | | |
| Tax deficits | -584 | -146 | | |
| Restatements | | | | |
| Revaluation difference | 1,414 | 354 | | |
| TOTAL | 830 | 207 | | |

Proof of tax is provided in Note 6.10.1.

IAS 12 recommends using the last tax rate voted when calculating deferred tax. The Group has therefore used the rate of 25%.

The deferred tax recorded is mainly due to the capital gain recorded on the real estate of HOFFMANN BROYAGE, in return for which the losses were capitalised. There were no unrecognised losses as at 31 December 2022.

In accordance with IAS 12, we present the following tax planning as of 31 December 2022, which shows the due date of deferred tax assets and their recoverability:

| In thousands of euros | Portion at less than N-1 | Portion at more than one year and less than two years | Portion at more than two years and less than three years | Portion at more than three years and less than four years | Portion at more than four years and less than five years | Portion at more than five years | TOTAL |
|------------------------|--------------------------|---|--|---|--|---------------------------------|-------------|
| Tax deficits | 23 | 23 | 23 | 23 | 23 | 30 | 146 |
| Revaluation difference | -23 | -23 | -23 | -23 | -23 | -238 | -354 |
| TOTAL | | | | | | -207 | -207 |

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Other current liabilities

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|-----------------------------------|--------------|--------------|
| Tax and employee-related payables | 963 | 757 |
| Advances and deposits received | | |
| Other liabilities | 0 | 10 |
| Prepaid products and services | 339 | 274 |
| TOTAL | 1,302 | 1,042 |

Tax and employee-related liabilities are broken down as follows:

| Tax and employee-related payables | 31/12/2022 | 31/12/2021 |
|-----------------------------------|------------|------------|
| Employee-related payables | 828 | 675 |
| State – VAT | 104 | 65 |
| State – accrued expenses | 31 | 17 |
| TOTAL | 963 | 757 |

The increase in social security debts is due to the fact that salaries had been paid on 31 December 2021 for €144 thousand, *i.e.* before the end of the previous financial year. In addition, the provision for paid holidays charged was up by €77 thousand in line with the increase in the workforce as well as some individual counters that were up. The inclusion of HOFFMANN BROYAGE in the scope of consolidation had an impact of €35 thousand on social security debts at 31 December 2022. In return, at 31 December 2021, the item included €148 thousand in employer contributions to the free share allocation plans paid in January 2022 at the time of the unwinding of plans 1 and 2.

Other liabilities are detailed as follows:

| Other liabilities | 31/12/2022 | 31/12/2021 |
|-------------------------|------------|------------|
| Customer credit and PPA | 0 | |
| Miscellaneous creditors | 0 | 10 |
| TOTAL | 0 | 10 |

Deferred income is detailed as follows:

| Prepaid products and services | 31/12/2022 | 31/12/2021 |
|----------------------------------|------------|------------|
| R&D tax credit | 304 | 249 |
| Investment tax credit | 14 | 8 |
| BPI - Grant on zero-rate advance | 7 | 10 |
| Investment grants | 14 | 6 |
| TOTAL | 339 | 274 |

CATALYST OF CARBON TRANSITION

6.8. Income statement

6.8.1. Revenue

Revenue includes the sale of products and services.

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|------------------------|--------------|--------------|
| Cement sales and other | 1,893 | 2,243 |
| Sales of services | 326 | 138 |
| TOTAL | 2,219 | 2,380 |

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|-----------------------|--------------|--------------|
| France | 2,005 | 2,380 |
| Export | 214 | |
| TOTAL | 2,219 | 2,380 |

6.8.2. Purchases consumed

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|-------------------------------------|---------------|---------------|
| Purchases of raw materials | -3,560 | -3,789 |
| Change in raw materials inventories | 1,397 | 2,709 |
| Purchases not held in inventory | -415 | -257 |
| Transport on purchases | -344 | -813 |
| TOTAL | -2,922 | -2,150 |

Non-stocked purchases mainly include electricity, fuel, small tools and laboratory supplies. The increase in the item is justified by the increase in H1 maintenance supplies and fuel in particular.

During the previous financial year, the Company had incurred significant shipping costs with Bulk Atlantic.

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6.8.3. Personnel expenses and headcount

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|--|---------------|---------------|
| Wages | -2,282 | -1,505 |
| Change in provision for paid leave | -63 | -68 |
| Premiums | 7 | -52 |
| Indemnities & miscellaneous benefits | -111 | -72 |
| Social security charges | -982 | -713 |
| Share-based compensation ⁽¹⁾ | -51 | -699 |
| Capitalised production (development costs) | 1,182 | 860 |
| Reclassifications of expenses | 101 | 94 |
| TOTAL | -2,199 | -2,154 |

⁽¹⁾ Share-based compensation includes expenses calculated in accordance with IFRS 2 on free share plans. Given the probability that the employees concerned will still be with the company at the end of the vesting period, and the share price on the grant date, the free share allocation plans represent an employee benefit for 2022 of €51 thousand, including employer contributions, compared to €699 thousand the previous financial year.

The increase in salaries is directly linked to the increase in the number of employees.

Average Company headcount

| | 31/12/2022 | 31/12/2021 |
|-----------------------------|------------|------------|
| Executives | 20 | 14 |
| Supervisors and technicians | 17 | 10 |
| Apprentices | 1 | 2 |
| TOTAL | 38 | 27 |

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6.8.4. External expenses

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|---|---------------|---------------|
| One-off rentals | -213 | -116 |
| Interview | -350 | -252 |
| Study expenses | -900 | -562 |
| Remuneration of intermediaries and fees | -2,024 | -2,461 |
| Advertising | -661 | -447 |
| Travel, missions and receptions | -305 | -202 |
| Other items | -622 | -739 |
| Capitalised production (development costs) | 813 | 1,092 |
| ERDF grant | | 51 |
| Grant – European aid and cybersecurity | | 17 |
| Subsidy – ecological transition springboard | 2 | |
| Grant – brand protection strategy | 5 | |
| Reclassifications of expenses | 3 | 12 |
| TOTAL | -4,252 | -3,607 |

The increase in one-off leases is justified by the signing of several precarious leases that are not restated under IFRS 16.

Study costs correspond to the purchase of materials for performing tests.

The fees consist mainly of accounting, legal and consulting fees (to determine the R&D tax credit in particular but also for the preparation of IFRS consolidated financial statements, CSTB studies, patent management, laboratory tests, stock market consultancy or certification fees).

Advertising costs consist of strategy expenses and communication expenses. During the financial year, the Group took part in the Batimat and Sibca trade shows in Paris.

Capitalised production corresponds to the capitalisation of expenses for tests and laboratory tests, mainly recognised as fees, and used to improve the technologies developed by the Group.

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6.8.5. Breakdown of other operating income and expenses

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|--|------------|------------|
| QP investment subsidy reversed in profit or loss | 274 | 180 |
| Other products | 247 | 185 |
| Other expenses | -67 | -83 |
| TOTAL | 454 | 283 |

The investment grants are broken down as follows:

| QP investment subsidy reversed in profit or loss | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Reversal of research tax credit | 249 | 156 |
| Reversal of CII grant | 8 | 3 |
| Reversal of grant on interest-free advance | 10 | 14 |
| Reversal of ERDF grants for the manufacturing process | 6 | 6 |
| TOTAL | 274 | 180 |

Other current income is detailed as follows:

| Other products | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Depreciation and amortisation capitalised for development costs | 216 | 179 |
| Other products | 31 | 7 |
| TOTAL | 247 | 185 |

6.8.6. Breakdown of other operating income and expenses

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|---|--------------|------------|
| Sale price of non-current assets sold | 108 | |
| NAV of assets sold | -108 | |
| Reversal of goodwill | 1,075 | |
| Other non-recurring income and expenses | 30 | 4 |
| TOTAL | 1,104 | 4 |

Other operating income mainly consists of the reversal of the HOFFMANN BROYAGE goodwill (see Note 6.1.2).

CATALYST OF CARBON TRANSITION

6.8.7. Cost of net debt

Net borrowing cost

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|--|---------------|-------------|
| Income from UCITS (in the form of bonds) | 429 | 408 |
| Current account income | 2 | 7 |
| Reversal of impairment of UCITS (in the form of bonds) | 69 | 112 |
| Cash and cash equivalents | 499 | 527 |
| Interest on borrowings | -232 | -182 |
| Interest on leases | -72 | -86 |
| Interest on operating leases | -27 | -27 |
| Interest on PIA 1 repayable aid | -58 | -50 |
| Interest on repayable BPI grant | -10 | -14 |
| Interest on participating Total loan | -2 | -3 |
| Interest on PDL Region loan | -71 | -30 |
| Bank interest | -11 | -4 |
| Depreciation of UCITS (in the form of bonds) | -1,128 | |
| Gross borrowing cost | -1,610 | -396 |
| Net borrowing cost | -1,111 | 131 |

The cost of net borrowing cost includes interest on borrowings and other financial liabilities and investment income.

CATALYST OF CARBON TRANSITION

6.9. Cash flow statement

The following options were selected:

- Interest and dividends paid are classified as financing cash flows because they are the cost of obtaining financial resources or returns on investments.

The change in cash flow reflects changes in the Company's activity.

The notes below detail certain items in the statement of cash flows.

| | | | |
|---|--------|--------|--------|
| 6.9.1 | | | |
| Disposal price | 6.8.6 | -108 | |
| Net carrying amount | 6.8.6 | 108 | |
| Gains and losses on disposals | | 1 | |
| 6.9.2 | | | |
| Accrued income tax expense | | 37 | 194 |
| Deferred tax expense | | -2,662 | -1,657 |
| Tax deferral | | | |
| Income tax expense (including deferred tax) | 6.10.1 | -2,626 | -1,663 |
| 6.9.3 | | | |
| Tax receivable/payable at beginning of year | 6.10.1 | 13 | -3 |
| New consolidation scope | | 2 | |
| Accrued income tax expense | | 1 | 9 |
| Tax receivable/payable at closing | 6.10.1 | -16 | -13 |
| Tax paid | | 0 | -7 |
| 6.9.4 | | | |
| Change in inventories | 6.7.6 | -1,793 | -2,711 |
| - Entry into scope | | 263 | |
| Change in inventories in WCR | | -1,530 | -2,711 |
| 6.9.5 | | | |
| Change in trade receivables | 6.7.7 | -75 | -1,799 |
| - Entry into scope | | 238 | |
| Change in trade receivables in WCR | | 163 | -1,799 |
| 6.9.6 | | | |
| Other current assets (excluding loans and guarantees) | 6.7.7 | 791 | -473 |
| - Entry into scope | | 42 | |
| Change in other current assets in WCR | | 833 | -473 |
| 6.9.7 | | | |
| Change in trade payables | 6.7.15 | -1,950 | 3,577 |
| - Variation in debts on non-current assets | 6.7.15 | 1,937 | -2,170 |
| - Entry into scope | | -90 | |
| Change in trade payables in WCR | | -103 | 1,408 |

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| | | | |
|---|-----------------|----------------|----------------|
| 6.9.8 | | | |
| Change in other current liabilities | 6.7.15 | 260 | 504 |
| Reversals of grants | 6.8.5 | 274 | 180 |
| - Entry into scope | | -72 | |
| Other current liabilities | | 463 | 684 |
| 6.9.9 | | | |
| Acquisitions of non-current assets | 6.7.1 and 6.7.2 | -16,542 | -14,221 |
| - New rentals | 6.7.10 | 361 | 161 |
| - Variation in debts on non-current assets | 6.7.15 | -1,937 | 2,170 |
| Acquisitions of non-current assets | | -18,118 | -11,891 |
| 6.9.10 | | | |
| Disposal price | 6.8.6 | 108 | |
| - Prepayment of an operating lease liability | | | |
| Disposals of non-current assets | | 108 | |
| 6.9.11 | | | |
| Other financial assets at beginning of period | 6.7.3 | 11,684 | 10,073 |
| Other financial assets at closing | 6.7.3 | -10,664 | -11,684 |
| Change in non-current assets | | 1,020 | -1,612 |
| Neutralisation of impairment | 6.7.3 | -1,059 | 112 |
| - Entry into scope | | 24 | |
| Change in loans and advances granted on non-current assets | | -15 | -1,499 |
| 6.9.12 | | | |
| Expenses related to the IPO net of corporate tax | 5 | -2 | -719 |
| - Income tax on costs related to the IPO | | -1 | -240 |
| Expenses related to the IPO that generated a cash outflow | | -3 | -959 |
| 6.9.13 | | | |
| New borrowings | 6.7.10 | 3,146 | 11,327 |
| - New rentals | 6.7.10 | -361 | -161 |
| New borrowings | | 2,785 | 11,166 |
| 6.9.14 | | | |
| Repayment of borrowings | 6.7.10 | -3,716 | -2,243 |
| Decrease in miscellaneous financial debt | 6.7.10 | | |
| Repayments of borrowings | | -3,716 | -2,243 |
| 6.9.15 | | | |
| Net borrowing cost | 6.8.7 | -1,111 | 131 |
| Depreciation of UCITS (in the form of bonds) | 6.8.7 | 1,059 | -112 |
| Adjusted cost of net borrowing cost | | -52 | 19 |

CATALYST OF CARBON TRANSITION

6.10. Other information

6.10.1. Tax

Balance sheet assets (in thousands of euros)

| | 31/12/2022 | 31/12/2021 |
|-----------------------------|--------------|--------------|
| NON-CURRENT ASSETS | | |
| Deferred tax | 9,878 | 7,257 |
| CURRENT ASSETS | | |
| Tax receivable ¹ | 16 | 13 |
| TOTAL ASSETS | 9,894 | 7,270 |

¹ Tax receivable from parent company financial statements excluding CIR and CII

Balance sheet liabilities (in thousands of euros)

| | 31/12/2022 | 31/12/2021 |
|--------------------------------|------------|------------|
| Non-current liabilities | | |
| Deferred tax | 207 | |
| CURRENT LIABILITIES | | |
| Tax payable ² | | |
| TOTAL LIABILITIES | 207 | - |

² Tax debt from parent company financial statements excluding CIR and CII

Net tax receivable (in thousands of euros)

| | Current | | Non-current | |
|--------------------|------------|------------|-------------|------------|
| | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 |
| Net tax receivable | 16 | 13 | | |
| Net tax liability | | | | |

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Analysis of income tax expense (in thousands of euros)

| | 31/12/2022 | 31/12/2021 |
|---|---------------|---------------|
| Accounting income before tax | -9,145 | -7,225 |
| Theoretical tax income | 2,286 | 1,806 |
| Impact of definitively non-deductible expenses net of definitively non-taxable income | 70 | -152 |
| Impact of tax credits | 1 | 9 |
| Reversal of badwill | 269 | |
| Impact of tax rate differences | | |
| Effective tax income/expense | 2,626 | 1,663 |

The Company's tax income was €2,626 thousand in 2022 and €1,663 thousand in 2021.

6.10.2. Related parties

In accordance with IAS 24, the Company discloses information relating to significant transactions between related parties when they do not constitute flows within the Company or when these transactions are carried out with entities over which control or significant influence is identified.

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The impact of relationships with related parties on various items in the statement of financial position and income statement is as follows:

| Assets | 31/12/2022 | 31/12/2021 |
|-------------------------------------|--------------|--------------|
| Property, plant and equipment | 4,829 | 2,012 |
| Total non-current assets | 4,829 | 2,012 |
| Trade receivables | 119 | 4 |
| Other current assets | | 4 |
| Total current assets | 119 | 9 |
| TOTAL ASSETS | 4,947 | 2,021 |
| Liabilities | 31/12/2022 | 31/12/2021 |
| Borrowings and financial debt | | |
| Trade payables | 164 | 641 |
| Other current liabilities | | |
| Total current liabilities | 164 | 641 |
| TOTAL LIABILITIES | 164 | 641 |
| | 31/12/2022 | 31/12/2021 |
| External expenses | -123 | -82 |
| Other operating income and expenses | | 1 |
| OPERATING INCOME | -123 | -81 |
| Other financial income and expenses | | |
| CONSOLIDATED NET INCOME | -123 | -81 |

CATALYST OF CARBON TRANSITION

6.10.3. Compensation of key executives

The Company has defined and limited the main executives to the executive corporate officers, namely Chairperson of the Management Board of HOFFMANN GREEN CEMENT TECHNOLOGIES Mr Julien Blanchard and member of the Management Board Mr David Hoffmann. Compensation paid to key executives breaks down as follows (in thousands of euros):

| In thousands of euros | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Compensation Chairperson of the Management Board | 137 | 138 |
| Social security contributions Chairperson of the Management Board | 57 | 57 |
| Compensation Member of the Management Board | 139 | 139 |
| Social security contributions Member of the Management Board | 64 | 64 |
| Executive compensation | 398 | 398 |

Managers do not receive:

- short-term benefits;
- post-employment benefits;
- other long-term benefits;
- termination benefits;
- share-based payments.

Benefits in kind are included in the items "Salaries of the Chairperson of the Management Board" and "Member of the Management Board".

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6.10.4. Statutory Auditors' fees

| | 31/12/2022 | | 31/12/2021 | |
|---|---------------------------|---------|---------------------------|---------|
| | Statutory Auditors (KPMG) | Network | Statutory Auditors (KPMG) | Network |
| Certification and limited half-yearly review of individual and consolidated financial statements | | | | |
| • Issuer | 53 | | 46 | |
| • Fully consolidated subsidiaries | | | | |
| Sub-total | 53 | | 46 | |
| Services other than certification of financial statements | | | | |
| • Issuer | | | | |
| • Fully consolidated subsidiaries | | | | |
| Sub-total | - | | - | |
| TOTAL Statutory Auditors' fees | 53 | - | 46 | - |

6.10.5. Operational performance indicators of the Company

EBITDA

In thousands of euros

| | 31/12/2022 | 31/12/2021 |
|--|----------------|----------------|
| Profit (loss) from continuing operations | -9,358 | -7,360 |
| Depreciation and amortisation | 2,558 | 2,118 |
| Impairment of assets net of reversals | 183 | 14 |
| EBITDA¹ | -6,617 | -5,228 |
| <i>As a percentage of revenue</i> | <i>-298.2%</i> | <i>-219.6%</i> |

¹ EBITDA: EBITDA is defined by the Company as current operating income before depreciation, amortisation and impairment net of reversals and additions to and reversals of provisions for risks and charges.

CATALYST OF CARBON TRANSITION

6.11. Risks borne by financial instruments

6.11.1. Analysis of covenants

The Company is not subject to any covenant for the 2021 and 2022 financial years.

6.11.2. Maturity of financial assets and liabilities

2022

| ASSETS (in thousands of euros) | Balance sheet value | Less than one year | At two years | At three years | At four years | At five years | At more than five years |
|--|---------------------|--------------------|--------------|----------------|---------------|---------------|-------------------------|
| Other financial assets | 10,664 | | | | | | |
| Other equity securities | 11 | | | | | | 11 |
| UCITS (in the form of bonds) | 10,000 | | | | 10,000 | | |
| Depreciation of UCITS (in the form of bonds) | -1,128 | | | | -1,128 | | |
| Other long-term investments (works council portions) | 55 | | | | | | 55 |
| Deposits and guarantees | 1,726 | | | | 750 | 200 | 776 |
| Other non-current assets | 35 | | 5 | 5 | 5 | 5 | 15 |
| Non-current financial assets | 10,699 | 0 | 5 | 5 | 9,627 | 205 | 856 |
| Inventories and work-in-progress | 4,550 | 4,550 | | | | | |
| Trade receivables | 2,319 | 2,319 | | | | | |
| Other current assets | 2,652 | | | | | | |
| Advances and deposits | 198 | 198 | | | | | |
| Social security receivables | 0 | 0 | | | | | |
| Tax receivables | 2,141 | 2,141 | | | | | |
| Other operating receivables | 56 | 56 | | | | | |
| Prepaid expenses | 257 | 257 | | | | | |
| Cash and cash equivalents | 30,247 | 30,247 | | | | | |
| Current financial assets | 39,768 | 39,768 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FINANCIAL ASSETS | 50,466 | 39,768 | 5 | 5 | 9,627 | 205 | 856 |

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| Liabilities (In thousands of euros) | Balance sheet value | Less than one year | At two years | At three years | At four years | At five years | At more than five years |
|--|---------------------|--------------------|--------------|----------------|---------------|---------------|-------------------------|
| Borrowings and financial debt | 19,605 | | | | | | |
| Bank borrowings | 12,423 | | 3,889 | 3,434 | 2,843 | 1,630 | 628 |
| ADEME advance | 1,006 | | 109 | 0 | 207 | 218 | 472 |
| Repayable EPI grants | 169 | | 96 | 74 | 0 | 0 | 0 |
| Repayable EPI grants | 465 | | 65 | 131 | 133 | 136 | 0 |
| PDL Region loan | 2,000 | | 400 | 400 | 400 | 400 | 400 |
| Liabilities on rentals | 3,430 | | 636 | 553 | 390 | 324 | 1,528 |
| Accrued interest | 110 | | 20 | 3 | 19 | 19 | 48 |
| Other non-current liabilities | 3,082 | | | | | | |
| R&D tax credit | 2,513 | | 335 | 335 | 335 | 335 | 1,172 |
| Investment tax credit | 129 | | 15 | 15 | 15 | 15 | 67 |
| EPI - Grant on zero-rate advance | 30 | | 9 | 10 | 7 | 4 | |
| Investment grants | 409 | | 16 | 16 | 16 | 16 | 346 |
| Non-current financial liabilities | 22,687 | 0 | 5,589 | 4,972 | 4,365 | 3,097 | 4,663 |
| Borrowings and financial debt | 4,918 | | | | | | |
| Bank borrowings | 3,855 | 3,855 | | | | | |
| ADEME advance | 103 | 103 | | | | | |
| Repayable EPI grants | 93 | 93 | | | | | |
| Total equity loan | 86 | 86 | | | | | |
| Liabilities on rentals | 686 | 686 | | | | | |
| Accrued interest | 95 | 95 | | | | | |
| Trade payables | 3,857 | 3,857 | | | | | |
| Other current liabilities | 1,302 | | | | | | |
| Tax and employee-related payables | 963 | 963 | | | | | |
| Other liabilities | 0 | 0 | | | | | |
| Prepaid products and services | 339 | 339 | | | | | |
| Current financial liabilities | 10,077 | 10,077 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FINANCIAL LIABILITIES | 32,764 | 10,077 | 5,589 | 4,972 | 4,365 | 3,097 | 4,663 |

CATALYST OF CARBON TRANSITION

2021

| ASSETS (in thousands of euros) | Balance sheet value | Less than one year | At two years | At three years | At four years | At five years | At more than five years |
|--|---------------------|--------------------|--------------|----------------|---------------|---------------|-------------------------|
| Other financial assets | 11,684 | | | | | | |
| Other equity securities | 1 | | | | | | 1 |
| UCITS (in the form of bonds) | 10,000 | | | | | 10,000 | |
| Depreciation of UCITS (in the form of bonds) | -69 | | | | | -69 | |
| Other long-term investments (works council portions) | 50 | | | | | | 50 |
| Deposits and guarantees | 1,703 | | | | | 750 | 953 |
| Other non-current assets | 45 | 5 | 5 | 5 | 5 | 5 | 20 |
| Non-current financial assets | 11,730 | 5 | 5 | 5 | 5 | 10,686 | 1,023 |
| Inventories and work-in-progress | 2,756 | 2,756 | | | | | |
| Trade receivables | 2,244 | 2,244 | | | | | |
| Other current assets | 3,443 | | | | | | |
| Advances and deposits | 51 | 51 | | | | | |
| Social security receivables | 7 | 7 | | | | | |
| Tax receivables | 3,005 | 3,005 | | | | | |
| Other operating receivables | 11 | 11 | | | | | |
| Prepaid expenses | 370 | 370 | | | | | |
| Cash and cash equivalents | 56,704 | 56,704 | | | | | |
| Current financial assets | 65,148 | 65,148 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FINANCIAL ASSETS | 76,877 | 65,153 | 5 | 5 | 5 | 10,686 | 1,023 |

CATALYST OF CARBON TRANSITION

| Liabilities (In thousands of euros) | Balance sheet value | Less than one year | At two years | At three years | At four years | At five years | At more than five years |
|--|---------------------|--------------------|--------------|----------------|---------------|---------------|-------------------------|
| Borrowings and financial debt | 21,196 | | | | | | |
| Bank borrowings | 13,811 | | 3,444 | 3,464 | 3,006 | 2,454 | 1,443 |
| ADEME advance | 1,104 | | 347 | 359 | 192 | 207 | 0 |
| Repayable BPI grants | 262 | | 93 | 96 | 74 | 0 | 0 |
| Repayable BPI grants | 0 | | 0 | 0 | 0 | 0 | 0 |
| PDL Region loan | 2,000 | | 0 | 400 | 400 | 400 | 800 |
| Total equity loan | 86 | | 86 | 0 | 0 | 0 | 0 |
| Liabilities on rentals | 3,818 | | 618 | 566 | 507 | 364 | 1,763 |
| Accrued interest | 115 | | 24 | 24 | 24 | 24 | 19 |
| Other non-current liabilities | 2,680 | | | | | | |
| Employee-related payables | 9 | | 9 | | | | |
| R&D tax credit | 2,158 | | 259 | 269 | 269 | 269 | 1,091 |
| Investment tax credit | 77 | | 9 | 9 | 9 | 9 | 42 |
| BPI - Grant on zero-rate advance | 13 | | 7 | 4 | 1 | | |
| Investment grants | 423 | | 18 | 16 | 16 | 16 | 358 |
| Non-current financial liabilities | 23,876 | 0 | 4,913 | 5,207 | 4,497 | 3,743 | 5,516 |
| Borrowings and financial debt | 3,701 | | | | | | |
| Bank borrowings | 2,623 | 2,623 | | | | | |
| Repayable BPI grants | 90 | 90 | | | | | |
| Repayable BPI grants | 0 | | | | | | |
| PDL Region loan | 0 | 0 | | | | | |
| Total equity loan | 147 | 147 | | | | | |
| Liabilities on rentals | 653 | 653 | | | | | |
| Various financial liabilities | 0 | 0 | | | | | |
| Trade payables | 5,808 | 5,808 | | | | | |
| Other current liabilities | 1,042 | | | | | | |
| Tax and employee-related payables | 757 | 757 | | | | | |
| Other liabilities | 10 | 10 | | | | | |
| Prepaid products and services | 274 | 274 | | | | | |
| Current financial liabilities | 10,550 | 10,550 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FINANCIAL LIABILITIES | 34,426 | 10,550 | 4,913 | 5,207 | 4,497 | 3,743 | 5,516 |

CATALYST OF CARBON TRANSITION

6.11.3. Fair value of financial assets and liabilities

The Company's assets and liabilities are measured as follows for each year according to the valuation categories defined by IFRS 9:

| In thousands of euros | 31/12/2022 | Value – statement of financial position under IFRS 9 | | |
|--|---|--|---------------------------|----------------|
| Sections in the statement of financial position | Value – Statement of financial position | Fair value through profit or loss | Fair value through equity | Amortised cost |
| Non-current financial assets | 10,664 | 10,000 | 664 | |
| trade receivables | 2,319 | | | 2,319 |
| Other receivables | 2,687 | | | 2,687 |
| Cash and cash equivalents | 30,247 | 30,247 | | |
| Total sections comprising an asset position | 45,917 | 40,247 | 664 | 5,006 |
| Current financial liabilities | 4,918 | | | 4,918 |
| Non-current financial liabilities | 19,605 | | | 19,605 |
| Trade payables | 3,857 | | | 3,857 |
| Other liabilities | 4,384 | | | 4,384 |
| Total sections comprising an asset position | 32,764 | - | - | 32,764 |

| In thousands of euros | 31/12/2021 | Value – statement of financial position under IFRS 9 | | |
|--|---|--|---------------------------|----------------|
| Sections in the statement of financial position | Value – Statement of financial position | Fair value through profit or loss | Fair value through equity | Amortised cost |
| Non-current financial assets | 11,684 | 10,000 | 1,684 | |
| Trade receivables | 2,244 | | | 2,244 |
| Other receivables | 3,488 | | | 3,488 |
| Cash and cash equivalents | 56,704 | 56,704 | | |
| Total sections comprising an asset position | 74,121 | 66,704 | 1,684 | 5,733 |
| Current financial liabilities | 3,701 | | | 3,701 |
| Non-current financial liabilities | 21,196 | | | 21,196 |
| Trade payables | 5,808 | | | 5,808 |
| Other liabilities | 3,722 | | | 3,722 |
| Total sections comprising an asset position | 34,426 | - | - | 34,426 |

CATALYST OF CARBON TRANSITION

6.11.4. Off-balance sheet commitments by maturity

Financial commitments at 31 December 2022

| In thousands of euros | TOTAL | 2023 | 2024 | 2025 | 2026 | 2027 | After 2025 |
|--------------------------------------|--------------|--------------|------------|--------------|------------|------------|---------------|
| <u>Commitments given</u> | | | | | | | |
| Pledging of term deposits | 1,000 | | | 1,000 | | | |
| Orders of non-current assets | 2,251 | 2,251 | | | | | |
| Interest on PIA 1 repayable advances | 252 | 55 | 26 | 30 | 55 | 43 | 43 |
| Total interest on conditioned loan | 0 | 0 | | | | | |
| Interest on PDL Region loan | 132 | 10 | 41 | 32 | 24 | 16 | 8 |
| Interest on borrowings | 748 | 257 | 207 | 145 | 89 | 41 | 8 |
| Interest on leases | 350 | 62 | 57 | 50 | 42 | 37 | 102 |
| Interest on rentals | 68 | 21 | 17 | 12 | 8 | 6 | 5 |
| Total commitments given | 4,801 | 2,657 | 348 | 1,269 | 219 | 142 | 166 |
| <u>Commitments received</u> | | | | | | | |
| Orders of non-current assets | 2,251 | 2,251 | | | | | |
| Interest on PIA 1 repayable advances | 252 | 55 | 26 | 30 | 55 | 43 | 43 |
| Total interest on conditioned loan | 0 | 0 | | | | | |
| Interest on PDL Region loan | 132 | 10 | 41 | 32 | 24 | 16 | 8 |
| Interest on borrowings | 748 | 257 | 207 | 145 | 89 | 41 | 8 |
| Interest on leases | 350 | 62 | 57 | 50 | 42 | 37 | 102 |
| Interest on rentals | 68 | 21 | 17 | 12 | 8 | 6 | 5 |
| Total commitments received | 3,801 | 2,657 | 348 | 269 | 219 | 142 | 166 |

CATALYST OF CARBON TRANSITION

Financial commitments at 31 December 2021

| In thousands of euros | TOTAL | 2022 | 2023 | 2024 | 2025 | 2026 | After 2025 |
|--------------------------------------|---------------|---------------|------------|------------|--------------|------------|------------|
| Commitments given | | | | | | | |
| Pledging of term deposits | 1,000 | | | | 1,000 | | |
| Orders of non-current assets | 9,885 | 9,885 | | | | | |
| Interest on FIA 1 repayable advances | 136 | 43 | 39 | 27 | 17 | 10 | |
| Total interest on conditioned loan | 2 | 2 | 0 | | | | |
| Interest on FDL Region loan | 172 | 10 | 41 | 41 | 32 | 24 | 24 |
| Interest on borrowings | 751 | 223 | 199 | 150 | 100 | 57 | 22 |
| Interest on rentals | 477 | 87 | 79 | 67 | 56 | 47 | 141 |
| Total commitments given | 12,424 | 10,250 | 358 | 284 | 1,206 | 139 | 187 |
| Commitments received | | | | | | | |
| Orders of non-current assets | 9,885 | 9,885 | | | | | |
| Interest on FIA 1 repayable advances | 136 | 43 | 39 | 27 | 17 | 10 | |
| Total interest on conditioned loan | 2 | 2 | 0 | | | | |
| Interest on FDL Region loan | 172 | 10 | 41 | 41 | 32 | 24 | 24 |
| Interest on borrowings | 751 | 223 | 199 | 150 | 100 | 57 | 22 |
| Interest on rentals | 477 | 87 | 79 | 67 | 56 | 47 | 141 |
| Total commitments received | 11,424 | 10,250 | 358 | 284 | 206 | 139 | 187 |

As collateral for a loan of €2,550 thousand taken out with a banking institution, whose outstanding capital was €1,336 thousand at 31 December 2022, HOFFMANN GREEN CEMENT TECHNOLOGIES pledged a term deposit for an amount of €1 million.

As guarantee for two loans of €435 thousand each with a total outstanding capital of €168 thousand at 31 December 2022, HOFFMANN BROYAGE granted a lender's privilege in the amount of €435 thousand for each of the two loans. These same loans are backed by a 33% OSEO guarantee.

HOFFMANN GREEN CEMENT TECHNOLOGIES is currently building its H2 building, near its existing H1 plant. In this respect, the amount of orders placed to date with workers on the construction site amounted to €22.4 million, of which €21.5 million had already been invoiced and recorded at 31 December 2022. The reciprocal commitment on H2 construction therefore amounts to €0.9 million at 31 December 2022.

HOFFMANN GREEN CEMENT TECHNOLOGIES is also studying the construction of a storage project at the port of La Rochelle. In this respect, the amount of orders placed to date with workers on the construction site amounts to €335 thousand, of which €235 thousand was already invoiced and recorded at 31 December 2022. The reciprocal commitment on the project therefore amounts to €100 thousand at 31 December 2022. The estimated overall budget to date amounts to €10.0 million.

HOFFMANN GREEN CEMENT TECHNOLOGIES is also building an "R&D" concrete mixing plant. In this respect, the amount of orders placed to date with workers on the construction site amounts to €2,250 thousand, of which €1,987 thousand was already invoiced and recorded at 31 December 2022. The reciprocal commitment on the project therefore amounts to €263 thousand at 31 December 2022. The estimated overall budget to date amounts to €2.3 million.



CATALYST OF CARBON TRANSITION

6.11.5. Operating segments

The breakdown of revenue between cement sales and services and the breakdown of revenue between France and Export is presented in section 6.8.1.

The Company has no export business.

Revenue is low. The Company is in the start-up phase.



CATALYST OF CARBON TRANSITION

2.2. STATUTORY AUDITOR'S REPORT ON THE IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 - CONSOLIDATED FINANCIAL STATEMENTS IFRS 2022 AND 2021

CATALYST OF CARBON TRANSITION



KPMG S.A.
7 Boulevard Albert Einstein
BP 41125
44311 Nantes Cedex 3

Hoffmann Green Cement Technologies S.A.

***Statutory auditors' report on the consolidated
financial statements***

For the year ended December 31st, 2022
Hoffmann Green Cement Technologies S.A.
La Bretauillère - Chaillé-sous-les-Ormeaux - 85310 Rives de l'Yon
Reference : GC-23-71

CATALYST OF CARBON TRANSITION



KPMG S.A.
7 Boulevard Albert Einstein
BP 41125
44311 Nantes Cedex 3

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Hoffmann Green Cement Technologies S.A.

Registered office: La Bretauillère - Chaillé-sous-les-Ormeaux - 85310 Rives de l'Yon

Statutory auditors' report on the consolidated financial statements

For the year ended December 31st, 2022

Dear Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Hoffmann Green Cement Technologies S.A. for the year ended December 31st, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31st, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

CATALYST OF CARBON TRANSITION



*Hoffmann Green Cement Technologies S.A.
Statutory auditors' report on the consolidated financial statements
17 April 2023*

Independence

We conducted our audit engagement in compliance with independence requirements of the french Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors' rules applicable to us, for the period from January 1st 2022 to the date of our report.

Justification of Assessments

In accordance with the requirements of article L.823-9 and R.823-7 of the French Commercial Code ("Code de commerce") relating to the justification of our assessments, we inform you that the most important assessments made by us according to our professional judgment focused on the appropriateness of the accounting principles used, the reasonableness of the significant estimates and the presentation of consolidated financial statements taken as a whole, relating particularly to the following matters : The recognition of deferred taxes relating to activated deficits.

These assessments were made in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

CATALYST OF CARBON TRANSITION



*Hoffmann Green Cement Technologies S.A.
Statutory auditors' report on the consolidated financial statements
17 April 2023*

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

CATALYST OF CARBON TRANSITION



*Hoffmann Green Cement Technologies S.A.
Statutory auditors' report on the consolidated financial statements
17 April 2023*

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Nantes, on the 17 April 2023

The Statutory Auditor

French original signed by Gwenaël Chedaleux - Partner



CATALYST OF CARBON TRANSITION

2.3. PARENT COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

SADIR HOFFMANN GREEN CEMENT TECHNOLOGIES

La Bretaudière
CHAILLE SOUS LES ORMEAUX
85310 RIVES DE L'YON

Financial Statements from 01/01/2022 to 31/12/2022



CATALYST OF CARBON TRANSITION

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CATALYST OF CARBON TRANSITION

▀ Presentation of the annual financial statements

PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

In accordance with the mission entrusted to us, we carried out a presentation of the annual financial statements of the company SADIR HOFFMANN GREEN CEMENT TECHNOLOGIES for the financial year from 01/01/2022 to 31/12/2022.

These annual financial statements are attached to this report. They contain the following data:

| | Amounts in € |
|---------------------------------------|--------------------|
| Total statement of financial position | 91,927,918 |
| Revenue | 2,008,207 |
| Net income (loss) | -10,648,868 |

We performed the procedures required by the professional standards of the *Conseil Supérieur de l'Ordre des Experts-Comptables* applicable to the presentation of the financial statements.

*Signed in Les Herbiers
on 21 March 2023*

*Julien Morand
Chartered Accountant*

*Philippe Aucher
Chartered Accountant*



CATALYST OF CARBON TRANSITION

Annual financial statements 

CATALYST OF CARBON TRANSITION

Income statement

| | 31/12/2022 | 31/12/2021 | Abs.(M) | Abs.(%) |
|---|--------------------|-------------------|-------------------|----------------|
| Operating income⁽¹⁾ | | | | |
| Sales of goods | 228 | 9,533 | -9,304 | -97.80 |
| Production sold (goods) | 1,627,402 | 2,233,308 | -605,906 | -27.13 |
| Production sold (services) | 380,576 | 223,415 | 157,161 | 70.35 |
| Net revenue | 2,008,207 | 2,466,256 | -458,049 | -18.57 |
| <i>Of which for export and intra-EU deliveries</i> | 214,370 | 147,721 | 66,649 | 45.12 |
| Production held as inventory | 133,224 | 1,213 | 132,011 | NS |
| Capitalised production | 2,210,937 | 2,130,902 | 80,035 | 3.76 |
| Operating subsidies | 6,653 | 67,989 | -61,336 | -90.21 |
| Reversals of provisions (& deprec.), Other expenses | 131,415 | 106,198 | 25,216 | 23.74 |
| Other products | 148,891 | 6,767 | 142,124 | NS |
| Total operating income (I) | 4,639,327 | 4,779,326 | -139,999 | -2.93 |
| Operating expenses⁽²⁾ | | | | |
| Purchases of goods | 47,655 | 31,982 | 15,673 | 49.01 |
| Changes in inventories | -31,455 | -18,654 | -12,801 | 68.62 |
| Purchases of raw materials and other supplies | 3,573,251 | 4,513,289 | -940,018 | -20.83 |
| Changes in inventories | -1,474,289 | -2,690,681 | 1,216,392 | -45.21 |
| Other purchases and external expenses (a) | 6,420,433 | 5,846,976 | 573,457 | 9.81 |
| Taxes and similar payments | 86,732 | 67,351 | 19,381 | 28.78 |
| Wages and salaries | 2,375,257 | 1,776,800 | 598,457 | 33.68 |
| Social security charges | 1,106,922 | 747,862 | 359,060 | 48.01 |
| Depreciation, amortisation and impairment: | | | | |
| - On non-current assets: depreciation allowance | 1,893,553 | 1,586,146 | 307,407 | 19.38 |
| - On non-current assets: provisions for impairment | | | | |
| - On current assets: provisions for impairment | 220,000 | | 220,000 | |
| - For risks and charges: allocations to provisions | | | | |
| Other expenses | 166,855 | 82,617 | 84,238 | 101.96 |
| Total operating expenses (II) | 14,384,914 | 11,943,668 | 2,441,245 | 20.44 |
| OPERATING INCOME (I-II) | -9,745,587 | -7,164,342 | -2,581,244 | 36.03 |
| Share of income from operations | | | | |
| Profit allocated or loss transferred (III) | | | | |
| Loss incurred or profit transferred (IV) | | | | |
| Financial income | | | | |
| Participation ⁽³⁾ | 106 | | 106 | |
| Other securities and receivables | | | | |
| Other interest income ⁽³⁾ | 430,489 | 414,954 | 15,535 | 3.74 |
| Reversals of provisions and impairment | 73,095 | 112,295 | -39,199 | -34.91 |
| Positive exchange differences | | | | |
| Net proceeds on disposals of marketable securities | | | | |
| Total financial income (V) | 503,691 | 527,248 | -23,558 | -4.47 |
| financial expenses | | | | |
| Depreciation, amortisation and impairment | 1,127,788 | 4,363 | 1,123,425 | NS |
| Interest and similar expenses ⁽⁴⁾ | -368,487 | 276,626 | 91,861 | 33.21 |
| Negative exchange differences | 57 | 29 | 28 | 98.14 |
| Net expenses on sales of marketable securities | | | | |
| Total financial expenses (VI) | 1,496,332 | 281,018 | 1,215,314 | 432.47 |
| FINANCIAL INCOME (V-VI) | -992,641 | 246,230 | -1,238,872 | -503.14 |
| CURRENT PROFIT before tax | -10,738,228 | -6,918,112 | -3,820,116 | 55.22 |

CATALYST OF CARBON TRANSITION

Income statement (continued)

| | 31/12/2022 | 31/12/2021 | Abs.(M) | Abs.(%) |
|---|--------------------|-------------------|-------------------|---------------|
| Exceptional income | | | | |
| On management transactions | -41,874 | 4,700 | 37,174 | 790.94 |
| On capital transactions | 123,365 | 89,151 | 34,214 | 38.38 |
| Reversals of provisions and impairment and other expenses | | | | |
| Total non-recurring income (VII) | 165,239 | 93,851 | 71,388 | 76.06 |
| Exceptional expenses | | | | |
| On management transactions | 15,186 | 822 | 14,364 | NS |
| On capital transactions | 274,091 | 38,797 | 235,294 | 606.47 |
| Depreciation, amortisation and impairment | 476,540 | 287,955 | 188,586 | 65.49 |
| Total exceptional expenses (VIII) | 765,817 | 327,574 | 438,243 | 133.78 |
| EXCEPTIONAL INCOME (VII-VIII) | -600,578 | -233,723 | -366,855 | 156.96 |
| Employee profit-sharing (IX) | | | | |
| Income tax (X) | -689,938 | -874,788 | 184,850 | -21.13 |
| Total income (I + III + V + VII) | 5,308,257 | 5,400,426 | -92,169 | -1.71 |
| Total expenses (II + IV + VI + VIII + IX + X) | 15,957,125 | 11,677,472 | 4,279,653 | 36.65 |
| PROFIT OR LOSS | -10,648,868 | -6,277,046 | -4,371,822 | 69.65 |
| <i>(a) Including:</i> | | | | |
| - Real estate leasing fees | 174,191 | 156,722 | 17,469 | 11.15 |
| - Real estate leasing fees | 296,676 | 296,100 | 576 | 0.19 |
| <i>(1) Including income from prior years</i> | | | | |
| <i>(2) Including expenses relating to prior years</i> | | | | |
| <i>(3) Of which income from related entities</i> | | | | |
| <i>(4) Of which interest from related entities</i> | | | | |

CATALYST OF CARBON TRANSITION

Balance sheet asset

| | Gross | Amortisation Impairment | Net as at 31/12/2022 | Net as at 31/12/2021 |
|--|-------------------|----------------------------|-------------------------|-------------------------|
| Uncalled subscribed capital | | | | |
| NON-CURRENT ASSET | | | | |
| Intangible assets | | | | |
| Start-up costs | 3,529 | 3,529 | 1 | 209 |
| Research and development expense | 6,704,761 | 1,025,272 | 5,679,489 | 4,211,568 |
| Concessions, patents, licences, software, rights & similar | 355,232 | 99,637 | 255,595 | 266,677 |
| Goodwill ⁽¹⁾ | | | | |
| Other intangible assets | 767,820 | | 767,820 | 740,058 |
| Advances and prepayments on intangible assets | | | | |
| Property, plant and equipment | | | | |
| Land | 823,702 | 127,011 | 696,691 | 732,355 |
| Buildings | 1,082,602 | 182,245 | 900,357 | 944,931 |
| Technical facilities, industrial equipment and tools | 8,294,978 | 3,563,235 | 4,731,743 | 5,357,791 |
| Other property, plant and equipment | 1,989,815 | 616,196 | 1,373,619 | 1,233,815 |
| Property, plant and equipment in progress | 25,847,487 | | 25,847,487 | 12,986,610 |
| Advances and deposits | | | | |
| Financial assets⁽²⁾ | | | | |
| Investments (equity method) Other investments | 1,792,947 | | 1,792,947 | 500 |
| Receivables from investments Other long-term investments | 50,000 | | 50,000 | 50,000 |
| Loans | | | | |
| Other financial investments | 2,369,955 | | 2,369,955 | 2,510,369 |
| TOTAL NON-CURRENT ASSETS | 50,082,827 | 5,617,124 | 44,465,703 | 29,034,878 |
| CURRENT ASSETS | | | | |
| Inventories and work-in-progress | | | | |
| Raw materials and other supplies | 4,210,777 | | 4,210,777 | 2,736,488 |
| Work in progress (goods and services) | | | | |
| Intermediate and finished products | 134,437 | | 134,437 | 1,213 |
| Goods | 50,109 | | 50,109 | 18,654 |
| Advances and deposits paid on orders | 197,869 | | 197,869 | 50,677 |
| Receivables⁽³⁾ | | | | |
| trade receivables | 2,483,731 | 220,000 | 2,263,731 | 2,249,633 |
| Other receivables | 2,091,775 | | 2,091,775 | 3,057,262 |
| Capital subscribed and called, not paid | | | | |
| Miscellaneous | | | | |
| Investment securities | 32,423,423 | 1,127,788 | 31,295,635 | 50,416,948 |
| Cash at bank and in hand | 6,888,520 | | 6,888,520 | 16,218,510 |
| Prepaid expenses ⁽³⁾ | 329,363 | | 329,363 | 443,104 |
| TOTAL CURRENT ASSETS | 48,810,003 | 1,347,788 | 47,462,215 | 75,192,490 |
| Loan issuance costs to be amortised | | | | |
| Bond redemption premiums | | | | |
| Currency translation adjustments | | | | |
| GRAND TOTAL | 98,892,830 | 6,964,912 | 91,927,918 | 104,227,369 |
| (1) Including lease rights | | | | |
| (2) Of which at less than one year (gross) | | | 179,393 | 285,721 |
| (3) Of which at more than one year (gross) | | | 49,076 | 85,537 |

CATALYST OF CARBON TRANSITION

Liability balance sheet

| | 31/12/2022 | 31/12/2021 |
|--|--------------------|--------------------|
| EQUITY | | |
| Capital | 14,634,736 | 14,602,387 |
| Share premiums, merger premiums, contribution premiums, etc. | 83,321,358 | 83,356,049 |
| Revaluation difference | | |
| Legal reserve | 1,042 | 1,042 |
| Statutory or contractual reserves | | |
| Regulated reserves | | |
| Other reserves | | |
| Retained earnings | -21,831,742 | -15,554,695 |
| INCOME FOR THE FINANCIAL YEAR (profit or loss) | -10,648,868 | -6,277,046 |
| Investment grants | 423,003 | 429,178 |
| Regulated provisions | 1,027,094 | 550,554 |
| TOTAL EQUITY | 66,926,623 | 77,107,468 |
| OTHER CAPITAL | | |
| Income from the issuance of participating securities | | |
| Conditional advances | 3,874,084 | 3,565,419 |
| TOTAL OTHER CAPITAL | 3,874,084 | 3,565,419 |
| PROVISIONS FOR CONTINGENCIES AND CHARGES | | |
| Provisions for risks | | |
| Provisions for expenses | 135,092 | 99,430 |
| TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES | 135,092 | 99,430 |
| LIABILITIES⁽¹⁾ | | |
| Convertible bonds | | |
| Other bonds | | |
| Borrowings and debts from credit institutions ⁽²⁾ | 16,110,518 | 16,433,741 |
| Miscellaneous loans and borrowings ⁽³⁾ | 254,685 | 408,088 |
| Advances and deposits received on orders in progress | | |
| Trade payables | 2,584,124 | 2,915,301 |
| Tax and employee-related payables | 891,477 | 608,952 |
| Amounts payable on non-current assets and related accounts | 1,135,919 | 3,072,912 |
| Other liabilities | 15,395 | 16,057 |
| Prepaid products and services | | |
| TOTAL DEBT | 20,992,119 | 23,455,052 |
| Translation differences - liabilities | | |
| GRAND TOTAL | 91,927,918 | 104,227,369 |
| (1) Of which at more than one year (a) | 12,496,916 | 14,109,376 |
| (1) Of which at less than one year (a) | 8,495,202 | 9,345,676 |
| (2) Of which bank overdrafts and balances | | |
| (3) Of which participating loans | 242,263 | 398,419 |
| (a) With the exception of advances and deposits received on orders in progress | | |



CATALYST OF CARBON TRANSITION

Appendix 

CATALYST OF CARBON TRANSITION

Significant events

Significant events during the financial year with an accounting impact

ACCOUNTING TRANSACTIONS AND OPTIONS

1) Treasury shares in HOFFMANN GREEN CEMENT TECHNOLOGIES

During the 2022 financial year, HGCT repurchased some of its shares. The main changes during the year are as follows:

- number of shares in stock at 1 January 2021: 9,554 shares;
- number of shares purchased during the financial year: 58,338 shares;
- total purchase value of the shares: €756,700;
- number of shares sold during the financial year: 54,201 shares;
- total value of the sale of shares: €711,459.

This resulted in an overall capital loss of €174,252 and an overall capital gain of €18,413.

The value of the shares at 31/12/2022 was €10.16 per share.

At 31/12/2022, HGCT held 13,691 shares valued at the original acquisition price of €135,924 (account 277100). The valuation of these 13,691 shares at 31 December 2021 was €139,101, *i.e.* an unrealised capital gain of €3,177.

2) Comments on intangible assets

HGCT records development costs that comply with the capitalisation conditions as assets.

These costs can be capitalised because they relate to clearly individualised projects with a serious chance of technical success and commercial profitability.

As the company complied with all the activation criteria, the following amounts were capitalised:

- for the 2017 financial year: €308 thousand;
- for the 2018 financial year: €462 thousand;
- for the 2019 financial year: €1,068 thousand;
- for the 2020 financial year: €1,145 thousand;
- for the 2021 financial year: €2,131 thousand;
- for the 2022 financial year: €2,211 thousand.

The capitalised production for the year at 31/12/2022 is recorded in intangible assets for an amount of €1,944 thousand, in intangible assets in progress for €55 thousand and in Property, plant and equipment in progress for €212 thousand (H2 building and concrete plant).

This product mainly concerns the development of products related to existing and new technologies. These amounts relate to clearly individualised projects.

CATALYST OF CARBON TRANSITION

Significant events

These costs are therefore recognised in accounts 203000 and 232000 by the counterparty of a capitalised production account 722000. These costs relate to personnel costs allocated to projects, the depreciation of equipment needed for research and subcontracting to research organizations approved by the Ministry.

These assets are subject to economic depreciation over a period of ten years and tax-exempt depreciation over five years.

As a result of a merger, the HGCT company acquired €552,576 corresponding to the recovery of a unique industrial process. This intangible asset is recognised in 208100 account and is not subject to economic amortisation or impairment at 31/12/2022. This process can be duplicated in the construction of new plants.

3) Aid and subsidies

3.1 New grants during the year

HGCT was awarded an operating grant of:

- €5,000 for export - regional system;
- €1,653 for the energy springboard by ADEME.

This aid is fully recognized in income over the financial year.

3.2 Existing BPI grant

- €400,000 for the H2 investment.

As the new production unit (H2) is under construction, the corresponding subsidy is not amortised at 31/12/2022; no income is therefore recognised for the financial year. The €200,000 subsidy was received on 06/12/2022.

3.3 FEDER 2 grant

The outstanding FEDER grant, for an amount of €993,360 was received in September 2022 and December 2022.

CATALYST OF CARBON TRANSITION

Significant events

3.4 Obtaining a BPI repayable advance (PIA 4)

On 14 April 2022, BpiFrance awarded the HGCT company an innovation grant for the following project:
Development of H-EVA technology.

Part of this recoverable advance of €700,000 was received during the 2022 financial year, in the amount of €490,000.

This advance represents a grant rate of 44.91% on eligible expenses of €1,558,551. The balance of the subsidy (€210,000) must be received in December 2023.

It will be repaid in instalments from 2024 to 2028 (five annual instalments of €140,000).

4) Consequences of the COVID-19 event on the annual financial statements:

The impact of the COVID-19 health crisis on the Company's assets, financial position and results is as follows:

In 2020, lockdown measures and border closures due to the COVID-19 health crisis had an impact on the Company's ordinary course of business.

In 2022, the Company was impacted by the effects of the COVID-19 crisis but to a lesser extent than in 2020 and 2021.

The impact is not measurable.

5) Implementation of a free share allocation plan for the Company's ordinary shares

By decision of the Management Board on 18 January 2022, it was decided to grant free shares of the Company to employees subject to conditions.

This is a new plan, in addition to plans Nos. 1, 2 and 3 already in place. It includes the following procedures:

Plan 4: 14,443 shares to be issued

The shares will only vest after a vesting period of three years, *i.e.* on 18 January 2025. These shares must be retained and may not be disposed of by the beneficiaries until one year after the vesting period.

CATALYST OF CARBON TRANSITION

Significant events

6/ Capital increase

On 13/01/2022 and 04/01/2021, the Management Board decided to grant free Company shares to employees subject to conditions:

- Plan 1: 29,038 shares;
- Plan 2: 8,094 shares.

The shares are only definitively acquired after a vesting period of 04/01/2022 (Plan no. 2) and 13/01/2022 (Plan no. 1).

These shares must be retained and may not be disposed of by the beneficiaries until one year after the vesting period.

The Management Board decided to grant these shares to employees in accordance with the grant conditions dated 04/01/2022 for plan No. 2 and 13/01/2022 for plan No. 1.

In this respect, new shares were issued under the following conditions during the 2022 financial year:

- Plan No. 2 on 4 January 2022: 8,094 shares at the price of €24.10 (current price), *i.e.* a value of € 195,065;
- Plan No. 1 as of 13 January 2022: 24,255 shares at the price of €22.50 (current price), *i.e.* a value of €545,738.

These free allocations generated social security contributions (social lump sum) of €148,161.

As a result, the Company's share capital will be increased by €32,349 corresponding to 32,349 new shares issued at a par value of €1.

The amount of share capital therefore amounts to €14,634,736 at 31 December 2022, broken down into 14,634,736 shares with a par value of €1.

7/ Allocation of costs related to the capital increase to the share premium

The company has opted to allocate the costs related to the capital increase to the share premium. In respect of an adjustment of expenses for the 2021 financial year, the company allocated an amount of €3,123 on the share premium generating a corporate tax of €781, *i.e.* a net charge of €2,342.

CATALYST OF CARBON TRANSITION

Significant events

8/ Equity investments

8.1 - Hoffmann Broyage

By decision of the Management Board on 3 June 2022, HGCT acquired 100% of the shares of ABC Broyage. The latter, itself holding 100% of the shares of AB Cesar.

This acquisition forms part of a strategy to control its manufacturing process and its supply of raw materials.

The acquisition of the 8,830 shares comprising the share capital of ABC Broyage, amounted to €1,696,322 (excluding acquisition costs).

Hoffmann Green Cement Technologies is appointed as Chairperson of the Company, as of 15 September 2022.

By decision of the sole shareholder, dated 14 November 2022, the company changed its name to HOFFMANN BROYAGE.

By decision of the sole partner, ABC Cesar (absorbed) was merged with Hoffmann Broyage (absorbing) with legal effect from 21 December 2022, with retroactive tax and accounting effect at 1 January 2022.

8-2 Hoffmann Green Cement Technologies Suisse SA

HGCT acquired a stake in Hoffmann Green Cement Technologies Switzerland in June 2022.

This equity investment is carried out as part of the creation of a public limited company under Swiss law. The equity investment corresponds to 10% of the Company's share capital (10,000 shares out of a total of 100,000) for 10,000 Swiss francs, corresponding to €9,853.

The purpose of this company will be to manufacture and market innovative cements with a very low carbon footprint and related products in Switzerland, under a license agreement entered into with HGCT.

9/ Construction H2

To develop its activities and increase production volumes, HGCT decided to build a new plant named H2, based in Bournezeau, near the H1 plant.

The amount of investments as at 31 December 2022 amounted to €21.5 million (non-current assets) out of an overall budget estimated at €22.4 million to date.

CATALYST OF CARBON TRANSITION

Accounting policies, rules and methods

Company name: SADIR HOFFMANN GREEN CEMENT TECHNOLOGIES

Notes to the balance sheet before distribution for the financial year ended 31 December 2022, for which the total is €91,927,918 and to the income statement for the financial year, presented in list form, showing a loss of €10,648,868.

The financial year lasts 12 months, covering the period from 1 January 2022 to 31 December 2022.

The notes and tables below form an integral part of the annual financial statements.

General rules

The annual financial statements for the year as at 31 December 2022 were prepared in accordance with Regulation 2014-03 of the French Accounting Standards Authority (*Autorité des Normes Comptables*) of 5 June 2014, updated with various additional regulations at the date of the preparation of the aforementioned annual financial statements.

The accounting agreements have been applied fairly in accordance with the principle of prudence, in accordance with the basic assumptions:

- going concern;
- consistency of accounting policies from one financial year to the next;
- independence of financial years;

and in accordance with the general rules for the preparation and presentation of annual financial statements.

The basic method used to value the items recorded in the accounts is the historical cost method.

Only significant information is stated. Unless otherwise stated, amounts are expressed in €.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are valued at their acquisition cost for assets acquired against payment, at their production cost for assets produced by the company, at their market value for assets acquired free of charge and by way of exchange.

The cost of a non-current asset consists of its purchase price, including customs duties and non-recoverable taxes, after deduction of rebates, commercial discounts and payment discounts of all directly attributable costs incurred to bring the asset into profit. in place and in working order for its intended use. Transfer taxes, fees or commissions and legal costs related to the acquisition are not included in this acquisition cost. All costs that are not part of the purchase price of the asset and that cannot be directly related to the costs necessary to put the asset in place and in working condition in accordance with planned use are recognised in expenses.

CATALYST OF CARBON TRANSITION

Accounting policies, rules and methods

The cost of a non-current asset produced by the company for itself is determined using the same principles as for an acquired non-current asset. This production cost includes the purchase price of the materials consumed and the costs attributable to preparation for the intended use after deduction of rebates and payment discounts. Interest on loans specific to the production of non-current assets is not included in the production cost of these non-current assets.

Depreciations

Depreciation is calculated on a straight-line basis over the expected useful life.

- * Concessions, software and patents: 2 to 8 years
- * Other intangible assets:
 - Research and development costs: 10 years
 - Industrial process: not amortised
- * Land and development:
 - Land and facilities: 5 to 8 years
- * Buildings: 15 to 30 years
- * Technical facilities:
 - Industrial process amortised in batches of 1 to 10 years.
- * Industrial equipment and tools: 3 to 5 years
- * General installations, fixtures and fittings: 5 to 15 years
- * Transport equipment: five years
- * IT equipment: two to five years
- * Furniture: three to five years

The depreciation period used is the useful life for assets that cannot be broken down at the outset. At the reporting date, based on the internal and external information at its disposal, the Company assessed whether there was any evidence that the assets could have significantly lost value.

The Company uses accelerated depreciation in order to benefit from the depreciation tax deduction for non-current assets whose accounting period is longer than the period of tax use.

Start-up costs

The incorporation, transformation and initial establishment costs have been recorded as start-up costs under assets.

CATALYST OF CARBON TRANSITION

Accounting policies, rules and methods

Equity securities

Equity securities are valued at their acquisition cost including ancillary costs.

Accelerated depreciation is then recorded to take into account the depreciation of these ancillary costs.

The inventory value of the shares corresponds to the value in use for the company. It is determined according to the net assets of the subsidiary, its profitability and its future prospects. When the inventory value is less than the acquisition cost, an impairment loss is recognized for the difference.

Inventories

The acquisition costs of inventories include the purchase price, customs duties and other taxes, excluding taxes that may subsequently be recovered by the entity from the tax authorities, as well as transport, handling and other costs, costs directly attributable to the cost of raw materials, goods, work in progress and finished products. Trade discounts, rebates, cash discounts and other similar items are deducted to determine acquisition costs.

Manufactured products are valued at production cost including consumption, direct and indirect production costs, and depreciation of goods used in production. The cost of sub-activity is excluded from the value of inventories. Interest is excluded when valuing inventories.

Inventories are valued using the weighted average cost method. For practical reasons and unless there are significant differences, the last known purchase price was used.

An impairment of inventories equal to the difference between the gross value determined according to the methods indicated above and the current market price or realisable value less proportional selling costs, is taken into account when this gross value is greater than the other term stated.

Receivables

Receivables are valued at their nominal value. Impairment is recorded when the inventory value is lower than the carrying amount.

Provisions

Any current obligation resulting from a past event of the Company with regard to a third party, likely to be estimated with sufficient reliability, and covering identified risks, is recognised as a provision.

CATALYST OF CARBON TRANSITION

Accounting policies, rules and methods

Loan issuance costs

Loan issuance costs are recognised immediately in expenses for the year.

Exceptional income and expenses

Non-recurring income and expenses include items that are not related to the Company's normal activity.

Pension commitment

The Company's commitments in terms of retirement benefits are calculated using the projected unit credit method with final salaries, taking into account the provisions of the Collective Agreement, life expectancy and presence in company, and a financial discount.

The actuarial assumptions used are as follows:

- discount rate: 3.77%;
- salary growth rate: 4%;
- retirement age: 62;
- mortality rate table: (INSEE table 2014-2016).

Consequences of Covid-19

Covid-19 is likely to have significant impacts on the assets, financial position and results of companies. Relevant accounting information on these impacts is a key element of the financial statements for the period in question.

To this end, the Company has adopted a targeted approach consisting of presenting the main relevant impacts on performance over the financial year and on its financial position. This approach is recommended by the *Autorité des Normes Comptables* in its note of 18 May 2020 to provide information on the effects of Covid-19 in the financial statements.

As Covid-19 is still ongoing at the date of preparation of the annual financial statements, the Company is unable to assess the precise consequences for future financial years.

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Non-current asset

Table of non-current assets

| | At start of the financial year | Increase | Decrease | At year-end |
|--|--------------------------------|-------------------|------------------|-------------------|
| - Start-up and development costs | 4,763,827 | 1,944,463 | | 6,708,290 |
| - Goodwill | | | | |
| - Other intangible assets | 1,062,492 | 93,356 | 32,796 | 1,123,052 |
| Intangible assets | 5,826,318 | 2,037,819 | 32,796 | 7,831,341 |
| - Land | 823,702 | | | 823,702 |
| - Buildings on freehold land | | | | |
| - Buildings on non-freehold land | 1,082,602 | | | 1,082,602 |
| - General facilities, fixtures and fittings | | | | |
| - Technical facilities, industrial equipment and tools | 7,856,868 | 565,610 | 127,500 | 8,294,978 |
| - General facilities, miscellaneous fittings | 1,338,549 | 268,183 | | 1,606,732 |
| - Transport equipment | 55,337 | 37,930 | | 93,267 |
| - Office equipment and furniture | 207,387 | 34,560 | | 241,928 |
| - Recoverable packaging and miscellaneous | 47,889 | | | 47,889 |
| - Property, plant and equipment in progress | 12,986,610 | 13,445,366 | 584,489 | 25,847,487 |
| - Advances and deposits | | | | |
| Property, plant and equipment | 24,398,923 | 14,351,649 | 711,989 | 38,038,584 |
| - Investments valued using the equity method | | | | |
| - Other investments | 500 | 1,792,947 | 500 | 1,792,947 |
| - Other long-term investments | 50,000 | | | 50,000 |
| - Loans and other financial investments | 2,514,732 | 765,907 | 910,684 | 2,369,955 |
| Financial investments | 2,565,232 | 2,558,855 | 911,184 | 4,212,902 |
| NON-CURRENT ASSET | 32,790,473 | 18,948,323 | 1,655,969 | 50,082,827 |

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Cash flows can be analysed as follows:

| | Intangible assets | Property, plant and equipment | Financial investments | Total |
|----------------------------------|-------------------|-------------------------------|-----------------------|-------------------|
| Breakdown of increases | | | | |
| Inter-item transfers | | | | |
| Transfers from current assets | | | | |
| Acquisitions | 38,746 | 14,139,788 | 2,558,855 | 16,737,388 |
| Contributions | | | | |
| Creations | 1,999,073 | 211,864 | | 2,210,937 |
| Revaluations | | | | |
| Increases during the year | 2,037,819 | 14,351,649 | 2,558,855 | 18,948,323 |
| Breakdown of decreases | | | | |
| Inter-item transfers | 32,796 | 584,489 | | 617,285 |
| Transfers to current assets | | | | |
| Disposals | | 127,500 | 911,184 | 1,038,684 |
| Spin-offs | | | | |
| Decommissioning | | | | |
| Decreases during the year | 32,796 | 711,989 | 911,184 | 1,655,969 |

Intangible assets

Start-up costs

| | Net value | Rate (in %) |
|------------------------|-----------|-------------|
| Formation expenses | 1 | 20.00 |
| Start-up costs | | |
| Capital increase costs | | |
| Total | 1 | |

Industrial process

HGCT acquired the amount of €552,576 via merger, corresponding to the valuation of a unique Industrial process. This intangible asset is recognised in a 208100 account and is not subject to economic amortisation or impairment at 31 December 2022. This process can be duplicated for the construction of new plants

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Research and development expense

Explanation of the exemption from depreciation rules over a maximum period of five years.

Research and development costs are amortised over a period of ten years economically and five years for tax purposes.

In this respect, accelerated depreciation is recorded.

The amount of R&D costs in progress at 31/12/2022 amounted to €215 thousand corresponding to technologies under development (including €187 thousand in progress at 31 December 2021).

| | Gross amount | Term |
|--|------------------|------|
| HP2A technology project | 154,120 | 10 |
| HUKR technology project | 1,209,791 | 10 |
| HEVA technology project | 367,664 | 10 |
| Improvement and new development HUKR 2020 | 1,103,082 | 10 |
| Improvement and new development HEVA 2020 | 20,192 | 10 |
| Improvement and new development HP2A 2020 | 6,465 | 10 |
| Improvement and new development HUKR 2021 | 1,377,213 | 10 |
| Improvement and new development HEVA 2021 | 258,551 | 10 |
| Improvement and new development HP2A 2021 | 75,921 | 10 |
| Technology development HIONA 2021 | 187,289 | 10 |
| Improvement and new development HUKR 2022 | 1,243,625 | 10 |
| Improvement and new development HEVA 2022 | 474,749 | 10 |
| Improvement and new development HIONA 2022 | 226,089 | 10 |
| Research costs | 6,704,761 | |

Property, plant and equipment

Assets in progress

Amount of expenses recognised: €13,445,366

Amount of new expenses recognised at 31 December 2022: €13.4 million, representing a total amount of non-current assets in progress of €26 million, consisting mainly of:

- new H2 production unit: €21.5 million;
- concrete mixing plant: €2 million;
- buildings/offices: €2 million (pending allocation by component) - Acquisition of 19 December 2022;
- storage silos Port La Rochelle: €235 thousand;
- ongoing bagging project: €73 thousand.

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Financial investments

Financial investments in the amount of €4.2 million include:

- loan collateralised accounts and deposits: €1.7 million;
- Hoffmann Grinding shares: €1.8 million;
- Hoffmann Suisse shares: €10 thousand;
- lessee advance on property lease: €526 thousand;
- treasury shares: €136 thousand;
- investment securities: €50 thousand;
- miscellaneous deposits: €8 thousand.

List of subsidiaries and equity investments

Table in Kilo- €

(1) Capital - (2) Equity other than capital - (3) Share of capital held (in percentage)

(4) Gross carrying amount of securities held - (5) Net carrying amount of securities held

(6) Loans and advances granted by the company and not yet repaid - (7) Guarantees and pledges given by the company

(8) Revenue excluding taxes for the last financial year - (9) Net income for the last financial year

(10) Dividends received by the company during the financial year

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|--|-----|-------|--------|-------|-------|-----|-----|-----|------|------|
| A. DETAILED INFORMATION ON EACH SECURITY | | | | | | | | | | |
| - Subsidiaries (+50% owned) | | | | | | | | | | |
| SARL HOFFMANN BROYAGE | 230 | 1,288 | 100.00 | 1,782 | 1,782 | | | 594 | -158 | |
| - Equity investments (between 10% and 50% held) | | | | | | | | | | |
| HOFFMAN GREEN CEMENT TECH | 99 | | 10.00 | 10 | 10 | | | | | |
| B. OVERALL INFORMATION ON OTHER SECURITIES | | | | | | | | | | |
| - Other French subsidiaries | | | | | | | | | | |
| - Other foreign subsidiaries | | | | | | | | | | |
| - Other investments | | | | | | | | | | |
| - Other investments | | | | | | | | | | |

The capitalisation method for acquisition costs on equity interests is applied. The costs are therefore added to the value of the securities held and amortised over a period of five years through exceptional amortisation.

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

As the amount of the acquisition costs of the subsidiary's shares is not definitively known at the closing date of the annual financial statements, the Company has chosen to amortise them as of 1 January 2023.

The amount of accelerated depreciation not applied at 31 December 2022 is not material.

Depreciation of non-current assets

| | Provisions at the start of the financial year | Increase | Decreases | Provisions at the end of the financial year |
|--|---|------------------|---------------|---|
| - Start-up and development costs | 552,051 | 476,749 | | 1,028,800 |
| - Goodwill | | | | |
| - Other intangible assets | 55,759 | 43,878 | | 99,637 |
| Intangible assets | 607,810 | 520,627 | | 1,128,437 |
| - Land | 91,348 | 35,685 | | 127,011 |
| - Buildings on freehold land | | | | |
| - Buildings on non-freehold land | 137,672 | 44,573 | | 182,245 |
| - General facilities, fixtures and fittings. | | | | |
| - Technical facilities, industrial equipment and tools | 2,499,077 | 1,091,819 | 27,680 | 3,583,235 |
| - General facilities, miscellaneous fittings | 301,408 | 132,949 | | 434,355 |
| - Transport equipment | 2,585 | 14,782 | | 17,348 |
| - Office equipment and furniture | 110,242 | 50,928 | | 161,168 |
| - Recoverable packaging and miscellaneous | 1,112 | 2,213 | | 3,325 |
| Property, plant and equipment | 3,143,421 | 1,372,926 | 27,660 | 4,488,687 |
| NON-CURRENT ASSET | 3,751,232 | 1,893,553 | 27,660 | 5,617,124 |

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Current assets

Statement of receivables

Total receivables at the end of the financial year amounted to €7,274,823 and the breakdown by maturity is as follows:

| | Gross amount | Due within one year | Maturing in more than one year |
|---|------------------|---------------------|--------------------------------|
| Non-current asset receivables: | | | |
| Receivables related to equity investments | | | |
| Loans | | | |
| Other | 2,388,955 | 179,393 | 2,190,562 |
| Receivables from current assets: | | | |
| Trade receivables | 2,483,731 | 2,483,731 | |
| Other | 2,091,775 | 2,057,559 | 34,216 |
| Subscribed capital - called, not paid | | | |
| Prepaid expenses | 329,363 | 314,501 | 14,862 |
| Total | 7,274,823 | 5,035,183 | 2,239,640 |
| Loans granted during the year | | | |
| Loans recovered during the year | | | |

Income receivable

| | Amount |
|--------------------------------|----------------|
| Customer invoices to be issued | 48,327 |
| Trade payables receivable | 19,049 |
| Accrued interest/securities | 273,379 |
| Total | 340,755 |

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Investment securities

At the end of the financial year, the market value of the main components of the portfolio amounted to €8,872,255 for a carrying amount of €10,000,043. The amount of the corresponding unrealised losses is €1,127,788.

The portfolio of marketable securities at the end of the financial year was as follows:

| | Historical value | Net asset value | Unrealised gains | Unrealised losses |
|--------------|-------------------|------------------|------------------|-------------------|
| UCITS | 10,000,043 | 8,872,255 | | 1,127,788 |
| TOTAL | 10,000,043 | 8,872,255 | | 1,127,788 |

Term deposit

The company subscribed to various term accounts for a total amount of €22.15 million, with different maturities.

Equity

Composition of share capital

Share capital of €14,634,736.00 broken down into 14,634,736 shares with a par value of €1.00.

| | Number | Nominal value |
|--|------------|---------------|
| Shares comprising share capital at the beginning of the financial year | 14,602,387 | 1.00 |
| Securities issued during the year | 32,349 | 1.00 |
| Securities redeemed during the year | | |
| Shares comprising share capital at the end of the financial year | 14,634,736 | 1.00 |

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Appropriation of net income

Decision of the General Meeting of 3 June 2022.

| | Amount |
|--|--------------------|
| Carried forward from the previous financial year | -15,554,895 |
| Profit(loss) from the previous financial year | -6,277,046 |
| Deductions from reserves | |
| Total origins | -21,831,742 |
| Allocations to reserves | |
| Distributions | |
| Other distributions | |
| Retained earnings | -21,831,742 |
| Total allocations | -21,831,742 |

Table of change in equity

| | Balance at 01/01/2022 | Appropriation of earnings | Increases | Decreases | Balance at 31/12/2022 |
|------------------------------|--------------------------|------------------------------|--------------------|-------------------|--------------------------|
| Capital | 14,802,387 | | 32,349 | | 14,834,736 |
| Share premiums | 83,356,049 | | | 34,691 | 83,321,358 |
| Legal reserve | 1,042 | | | | 1,042 |
| Retained earnings | -15,554,895 | -6,277,046 | -6,277,046 | | -21,831,742 |
| Profit (loss) for the period | -6,277,046 | 6,277,046 | -10,648,868 | -6,277,046 | -10,648,868 |
| Investment grant | 429,178 | | | 6,175 | 423,003 |
| Regulated provisions | 550,554 | | 478,540 | | 1,027,094 |
| Total equity | 77,107,468 | | -16,417,025 | -6,236,180 | 66,926,623 |

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Regulated provisions

| | Provisions at start of the financial year | Appropriations during the financial year | Reversals during the year | Provisions at end of the financial year |
|--|--|---|---------------------------------|--|
| Reconstruction of oil deposits | | | | |
| For investments | | | | |
| For price increases | | | | |
| Special depreciation allowances | 550,554 | 476,540 | | 1,027,094 |
| Installation loans | | | | |
| Other provisions | | | | |
| Total | 550,554 | 476,540 | | 1,027,094 |
| Breakdown of allocations and reversals: | | | | |
| Operations | | | | |
| Exceptional financial | | 476,540 | | |

Exceptional depreciation corresponds to the amortisation of research and development costs over an economic period of ten years, and over a tax period of five years.

As specified, the acquisition costs of equity interests will be subject to exceptional amortisation from 1 January 2023.

Provisions

Provisions table

| | Provisions at start of the financial year | Appropriations during the financial year | Reversals used of the financial year | Reversals not used during the financial year | Provisions at end of the financial year |
|-------------------------------------|--|---|--|--|--|
| Special depreciation allowances | 550,554 | 476,540 | | | 1,027,094 |
| Provision for taxes | 99,430 | 35,862 | | | 135,099 |
| Provision for financial investments | 4,383 | | 4,383 | | |
| On customer accounts | 27,385 | 220,000 | 27,385 | | 220,000 |
| Other provisions for impairment | 68,532 | 1,127,788 | 68,532 | | 1,127,788 |
| Total | 750,284 | 1,859,990 | 100,280 | | 2,509,974 |

The provision for taxes recognised in the financial statements represents the corporate income tax payable when the real estate leasing option is exercised.

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Liabilities

Statement of liabilities

Total liabilities at the end of the financial year amounted to €20,992,119. Detailed classification by maturity is as follows:

| | Gross amount | Due within one year | Maturing in more than one year | Due Portion at more than five years |
|---|-------------------|---------------------|--------------------------------|-------------------------------------|
| Convertible bonds (*) | | | | |
| Other bonds (*) | | | | |
| Borrowings (*) and debts from credit institutions of which: | | | | |
| - at no more than one year originally | | | | |
| - at more than one year originally | 16,110,518 | 3,797,759 | 11,684,571 | 628,187 |
| Miscellaneous loans and borrowings (*) (**) | 254,685 | 174,217 | 48,282 | 32,188 |
| Trade payables and related accounts | 2,584,124 | 2,484,421 | 40,904 | 58,799 |
| Tax and employee-related payables | 891,477 | 891,477 | | |
| Liabilities on non-current assets and related accounts | 1,135,919 | 1,135,919 | | |
| Other liabilities (**) | 15,395 | 11,408 | 2,578 | 1,411 |
| Prepaid products and services | | | | |
| Total | 20,992,119 | 8,495,202 | 11,776,333 | 720,583 |
| (*) Borrowings taken out during the year | 2,300,000 | | | |
| (*) Loans repaid during the year | 2,623,223 | | | |
| (**) Of which to shareholders | | | | |

Financial debts also include participating loans not mentioned in total liabilities.

As part of the participating loans granted to HGCT, the following loans for a total amount of €3,874,084 break down as follows:

- ADEME participating loan (PIA 1): €1,109,084;
- BPI participating loan (PIA 3): €275,000;
- PDL region loan: €2,000,000;
- BPI participating loan (PIA 4): €490,000.

Provisional repayments are as follows:

- Less than one year: €202,897;
- Maturing in more than one year and less than five years: €2,798,703;
- Maturing in more than five years: €872,483;

Total liabilities at the end of the financial year amounted to €24,866,202.

CATALYST OF CARBON TRANSITION

Notes to the statement of financial position

Accrued expenses

| | Amount |
|---|------------------|
| Accrued supplier invoices | 718,030 |
| Non-current assets, accrued supplier invoices | 68,125 |
| Accrued interest on participating loans | 158,086 |
| Accrued interest on other borrowings | 12,423 |
| Personnel, accrued leave | 213,095 |
| Accrued employee expenses | 80,000 |
| Corporate bodies, accrued leave | 91,762 |
| Corporate bodies, other accrued expenses | 45,510 |
| Apprenticeship tax | 2,071 |
| Statement of other accrued expenses | 6,878 |
| Clients to be granted | 1,200 |
| Debit credit accrued expenses | 13,980 |
| Total | 1,409,161 |

Other information

Treasury shares

In account 2771 or 2772 at the reporting date of the financial year:

- number: 13,691;
- value: €135,924.

Accruals

Prepaid expenses

| | Operating expenses | Financial expenses | Exceptional expenses |
|------------------|--------------------|--------------------|----------------------|
| Prepaid expenses | 329,363 | | |
| Total | 329,363 | | |

CATALYST OF CARBON TRANSITION

Notes to the income statement

Revenue

Breakdown by business sector

| Sector of activity | 31/12/2022 |
|-----------------------------|------------------|
| Product sales | 1,627,630 |
| Services | 325,798 |
| Other ancillary income | 3,854 |
| Carriage and costs invoiced | 50,925 |
| TOTAL | 2,008,207 |

The company sold 12,010 metric tons during the financial year.

Operating and financial expenses and income

Compensation of the Statutory Auditors

Statutory Auditor

Fee for certification of financial statements: €52,619

Fees for other services: €0

CATALYST OF CARBON TRANSITION

Notes to the income statement

Net finance income (expense)

| | 31/12/2022 | 31/12/2021 |
|--|------------------|----------------|
| Investment income | 108 | |
| Income from other securities and receivables from non-current assets | | |
| Other interest and similar income | 430,489 | 414,954 |
| Reversals of provisions and expense transfers | 73,095 | 112,295 |
| Positive exchange differences | | |
| Net income on disposal of marketable securities | | |
| Total financial income | 503,691 | 527,248 |
| Depreciation, amortisation and provisions | 1,127,788 | 4,363 |
| Interest and similar expenses | 368,487 | 276,626 |
| Negative exchange differences | 57 | 29 |
| Net expenses on sales of marketable securities | | |
| Total financial expenses | 1,496,332 | 281,018 |
| Net finance income (expense) | -992,641 | 246,230 |

Exceptional expenses and income

Exceptional income

Transactions during the year

| | Expenses | Products and services |
|---|----------------|-----------------------|
| Penalties, tax and criminal fines | 3,932 | |
| Other non-recurring expenses on management transactions | 11,254 | |
| Carrying values of assets sold | 99,840 | |
| Other expenses | 174,252 | |
| Special depreciation allowances | 476,540 | |
| Other non-recurring income on management transactions | | 41,874 |
| Proceeds from asset disposals | | 98,777 |
| Investment grants transferred to profit or loss | | 6,175 |
| Other products | | 18,413 |
| TOTAL | 765,817 | 165,239 |

CATALYST OF CARBON TRANSITION

Notes to the income statement

Income and income tax

| | Amount |
|--------------------------------|---------|
| Tax credits | |
| Competitiveness and Employment | |
| Research loan | 659,448 |
| Innovation loan | 65,463 |
| Apprenticeship loan | |
| Family loan | |
| Investment in Corsica | |
| Corporate philanthropy loan | 1,470 |
| Other allocations | |
| | |

Impact of exceptional tax assessments

| | Amount |
|--|--------------------|
| Net income for the year after tax | -10,648,868 |
| + Income tax | -689,938 |
| + Tax supplement related to distributions | |
| - Income tax receivables | |
| Profit (loss) before tax | -11,338,806 |
| Change in regulated provisions | |
| Provision for investments | |
| Provision for price increases | |
| Special depreciation allowances | 476,540 |
| Tax provisions | |
| Other regulated provisions | |
| Income excluding special tax assessments (before tax) | -10,862,266 |
| | |

CATALYST OF CARBON TRANSITION

Notes to the income statement

Tax breakdown

| | Profit (loss) before tax | Corresponding tax (*) | Income after tax |
|--|-----------------------------------|--------------------------|------------------------|
| + Recurring income | -10,738,228 | -689,938 | -10,048,290 |
| + Exceptional income | -600,578 | | -600,578 |
| Accounting income | -11,338,806 | -689,938 | -10,648,868 |
| (*) includes tax credits (amount taken from the "Corresponding tax" column) | | | |

CATALYST OF CARBON TRANSITION

Notes to the income statement

Increases and reductions in future tax debt

The deferred tax position, taking into account a corporate tax rate valued at 25%, shows a future receivable in the amount of €10,343,898. This amount does not take into account any payment of the social security contribution on profits.

| | Amount |
|--|-------------------|
| Amount increases in future tax liability | |
| Related to accelerated depreciation allowances | 1,027,094 |
| Related to provisions for price increases | |
| Related to capital gains to be reintegrated | |
| Relating to other items | |
| A. Total bases contributing to increasing future debt | 1,027,094 |
| Reductions in future tax debt | |
| Related to provisions for paid leave | |
| Related to provisions and non-deductible accrued expenses for the year | 1,383,450 |
| Relating to other items | |
| <i>Provision for taxes</i> | 99,430 |
| A. Total bases contributing to increasing future debt | 1,482,880 |
| C. Tax loss carryforwards | 40,919,805 |
| D. Long-term capital losses | |
| Estimated amount of future receivables | 10,343,898 |
| Base = (A - B - C - D) | |
| Tax valued at the rate of 25%. | |

CATALYST OF CARBON TRANSITION

Other information

Events after the reporting period

Subsequent event related to free share allocation plans.

By decision of the Management Board on 4 January 2021, it was decided to grant free shares of the Company to employees subject to conditions.

- Plan 3: 5,665 shares

The shares will only vest after a vesting period from 4 January 2023.

These shares must be retained and may not be disposed of by the beneficiaries until one year after the vesting period.

The Management Board decided to grant these shares to employees in accordance with the grant conditions on 4 January 2023.

In this respect, new shares were issued under the following conditions during the 2023 financial year:

Plan No. 2 as of 4 January 2023: 1,957 shares at the price of €10.60 (current price), *i.e.* a value of €20,744.20

These free allocations will generate social security contributions (social security contribution) of €4,149. These social charges have not been provisioned in the financial statements for the year ended 31 December 2022.

As a result, the Company's share capital will be increased by €1,957 corresponding to 1,957 new shares issued at a par value of €1 during the 2023 financial year.

By decision of the Management Board on 16 January 2022, it was decided to grant free shares of the Company to employees subject to conditions:

- Plan no. 5: 22,147 shares for employees who have joined the company since 19 January 2022

The shares will only vest after a vesting period of three years, from 16 January 2026.

These shares must be retained and may not be disposed of by the beneficiaries until one year after the vesting period.

- Plan No. 6: 20,500 shares for certain employees who are also members of the Extended Management Committee

The shares will only vest after a vesting period of three years, from 16 January 2024.

These shares must be retained and may not be disposed of by the beneficiaries until one year after the vesting period.

CATALYST OF CARBON TRANSITION

Other information

Headcount

Average headcount: 39 people, including one apprentice.

| | Personnel |
|-----------------------------|-----------|
| Executives | 22 |
| Supervisors and technicians | 13 |
| Employees | 4 |
| Workers | |
| Total | 39 |

Information on executives

Compensation allocated to members of the management bodies

This information is not mentioned because it would indirectly indicate individual compensation.

CATALYST OF CARBON TRANSITION

Other information

Financial commitments

Commitments given

| | Amounts in € |
|---|------------------|
| Unmatured discounted notes | |
| Pledges and guarantees | |
| Pension commitments | |
| Equipment leasing commitments | 451,281 |
| Real estate leasing commitments | 3,230,852 |
| <i>Commitment on orders of non-current assets</i> | 2,250,605 |
| <i>Interest on loans and participating loans</i> | 1,126,592 |
| <i>Pledging of term deposits</i> | 1,000,000 |
| <i>Pledge of lessee's deposit in favour of lessor</i> | 526,411 |
| Other commitments given | 4,903,608 |
| Total | 8,585,741 |
| Of which relating to: | |
| Directors | |
| Subsidiaries | |
| Participations | |
| Other related companies | |
| Commitments on actual sureties | |

As collateral for a loan of €2,550,000 taken out with a banking institution, HGCT pledged a term deposit account for an amount of €1,000,000.

CATALYST OF CARBON TRANSITION

Other information

Commitments received

| | Amounts in € |
|---|------------------|
| Authorised overdraft limits | |
| Pledges and guarantees | |
| <i>Commitment on orders of non-current assets</i> | 2,250,605 |
| <i>Commitments on equipment leasing</i> | 451,281 |
| <i>Commitments on real estate leases</i> | 3,230,852 |
| <i>Participating loan receivable (PIA 4)</i> | 210,000 |
| Other commitments received | 6,142,738 |
| Total | 6,142,738 |
| Of which relating to: | |
| Directors | |
| Subsidiaries | |
| Participations | |
| Other related companies | |
| Commitments on actual sureties | |

HGCT is in the process of constructing its H2 building near its existing H1 plant.

In this respect, the amount of orders placed to date with workers on the construction site amounts to €22.4 million, of which €21.5 million already invoiced and recorded at 31 December 2022.

The reciprocal commitment on the H2 building therefore amounts to €0.9 million at 31 December 2022, included in the above commitments.

HGCT is also studying the construction of a storage project at the port of La Rochelle.

In this respect, the amount of orders placed to date with workers on the construction site amounts to €335 thousand, of which €235 thousand already invoiced and recorded at 31 December 2022.

The reciprocal commitment on the project therefore amounts to €100 thousand at 31 December 2022, included in the above commitments.

The estimated overall budget to date amounts to €10 million.

CATALYST OF CARBON TRANSITION

Other information

Credit leasing

| | Land | Buildings | Equipment tools | Other | Total |
|---|---------|-----------|-----------------|-------|-----------|
| Original value | 408,550 | 3,395,440 | 1,035,000 | 6,019 | 4,845,009 |
| Cumulation of previous financial years | | 241,967 | 462,464 | 925 | 705,356 |
| Appropriations during the financial year | | 87,672 | 147,857 | 301 | 235,830 |
| Depreciations | | 329,639 | 610,321 | 1,226 | 941,186 |
| Cumulation of previous financial years | 102,022 | 783,437 | 492,805 | 1,503 | 1,379,767 |
| Financial year | 31,552 | 264,763 | 155,623 | 465 | 452,402 |
| Fees paid | 133,573 | 1,048,199 | 648,428 | 1,968 | 1,832,168 |
| At one year or more | 31,632 | 265,286 | 155,623 | 466 | 453,007 |
| At more than one year and at less than five years | 127,344 | 1,066,476 | 285,308 | 1,876 | 1,481,005 |
| At more than five years | 185,572 | 1,549,466 | | 2,734 | 1,737,772 |
| Fees outstanding | 344,548 | 2,881,228 | 440,931 | 5,076 | 3,671,784 |
| At one year or more | | | | | |
| At more than one year and at less than five years | | | 10,350 | | 10,350 |
| At more than five years | | 1 | | | 1 |
| Residual value | | 1 | 10,350 | | 10,351 |
| Amount paid during the financial year | | | | | |

CATALYST OF CARBON TRANSITION

Other information

Table of the last five financial years

| | N-4 | N-3 | N-2 | N-1 | N |
|---|-----------|------------|------------|------------|-------------|
| Share capital at year-end | | | | | |
| Share capital | 2,120,462 | 13,602,387 | 13,602,387 | 14,602,387 | 14,634,738 |
| Number of ordinary shares | 2,120,462 | 13,602,387 | 13,602,387 | 14,602,387 | 14,634,738 |
| Operations and income: | | | | | |
| Revenue (excl. Tax) | 539,397 | 629,633 | 513,582 | 2,466,256 | 2,008,207 |
| Profit (loss) before tax, shareholders, depreciation and amortisation and provisions | -283,095 | -6,304,148 | -6,349,697 | -5,385,665 | -7,721,405 |
| income tax | -195,302 | 507,434 | -724,403 | -874,788 | -689,938 |
| Income after tax, profit-sharing, depreciation and amortisation and provisions | -148,038 | -7,721,972 | -7,476,873 | -6,277,046 | -10,648,868 |
| Earnings per share | | | | | |
| Income after tax, profit-sharing, but before depreciation and amortisation and provisions | -0.04 | -0.50 | -0.41 | -0.31 | -0.53 |
| Income after tax, profit-sharing, depreciation and amortisation and provisions | -0.07 | -0.57 | -0.55 | -0.43 | -0.73 |
| Dividend distributed | | | | | |
| Personnel | | | | | |
| Employees | 5 | 15 | 17 | 27 | 39 |
| Total payroll | 346,192 | 1,476,654 | 1,191,725 | 1,776,800 | 2,375,257 |
| Amount paid in employee benefits | 165,244 | 646,121 | 500,973 | 747,862 | 1,106,922 |

Pension commitments

Amount of commitments made in terms of pensions, supplementary pensions and similar benefits: €38,345



CATALYST OF CARBON TRANSITION

Complementary Statements 

CATALYST OF CARBON TRANSITION

Income statement

| | 31/12/2022 | 31/12/2021 | Abs.(M) | Abs.(%) |
|---|------------------|------------------|-----------------|---------------|
| Operating income (1) | | | | |
| Sales of goods | | | | |
| 70710000 - Sales of oils - fr | 228 | 7,999 | -7,771 | -97.14 |
| 70719000 - Sale of oils - export | | 461 | -461 | -100.00 |
| 70719200 - Sales of oils - eu | | 1,073 | -1,073 | -100.00 |
| | 228 | 9,533 | -9,304 | -97.60 |
| Production sold (goods) | | | | |
| 70100000 - Sales of finished products | 1,373,882 | 2,087,121 | -713,239 | -34.17 |
| 70100008 - Finished products - fr - not billed | 12,451 | | 12,451 | |
| 70130000 - Sale of low-carbon concrete | 26,699 | | 26,699 | |
| 70190000 - Sales of finished products expor | 147,001 | 59,474 | 87,527 | 147.17 |
| 70192000 - Sales of intra-community finished products | 67,369 | 86,713 | -19,344 | -22.31 |
| | 1,627,402 | 2,233,308 | -605,906 | -27.13 |
| Production sold (services) | | | | |
| 70612000 - Initial fees | 299,000 | 137,500 | 161,500 | 117.45 |
| 70615000 - Carbon credit | 26,798 | | 26,798 | |
| 70850000 - Carriage and costs invoiced | 50,925 | 57,144 | -6,219 | -10.88 |
| | 376,723 | 194,644 | 182,079 | 93.54 |
| Production sold (services) | | | | |
| 70880000 - Other income from ancillary activities | 3,854 | 28,771 | -24,917 | -86.61 |
| | 3,854 | 28,771 | -24,917 | -86.61 |
| Net revenue | 2,008,207 | 2,466,256 | -458,049 | -18.57 |
| Of which for export and intra-EU deliveries | 214,370 | 146,187 | 68,183 | 46.64 |
| Production held as inventory | | | | |
| 71350000 - Change in finished goods inventories | 133,224 | 1,213 | 132,011 | NS |
| | 133,224 | 1,213 | 132,011 | NS |
| Capitalised production | | | | |
| 72200000 - Production of intangible assets | 2,210,937 | 2,130,902 | 80,035 | 3.76 |
| | 2,210,937 | 2,130,902 | 80,035 | 3.76 |
| Operating subsidies | | | | |
| 74000000 - Operating subsidies | 6,653 | 67,989 | -61,336 | -90.21 |
| | 6,653 | 67,989 | -61,336 | -90.21 |
| Other products | | | | |
| 75800000 - Other income: current management | 22,887 | 4,430 | 18,457 | 416.65 |
| 75820000 - Proceeds from refinancing operations | 126,004 | 2,337 | 123,667 | NS |
| 78174000 - Reversals on provisions for impaired receivables | 27,385 | | 27,385 | |
| 79110000 - Transfer of external service charges | 2,689 | 11,719 | 9,030 | -77.06 |
| 79120000 - Reclassification of expenses, exception expenses | | 373 | -373 | -100.00 |
| 79130000 - Reclassification of tax expenses & t | | 345 | -345 | -100.00 |
| 79140000 - Reclassifications of expenses. | 17,233 | 35,730 | -18,497 | -51.77 |
| 79141000 - Reclassification of expenses, pers/av | 84,108 | 58,032 | 26,077 | 44.94 |
| | 280,306 | 112,966 | 167,341 | 148.13 |
| Total operating income | 4,639,327 | 4,779,326 | -139,999 | -2.93 |
| Operating expenses | | | | |
| Purchases of goods | | | | |
| 60710000 - Oil purchases - fr | 47,655 | 31,982 | 15,673 | 49.01 |
| | 47,655 | 31,982 | 15,673 | 49.01 |
| Change in inventory (goods) | | | | |

CATALYST OF CARBON TRANSITION

| | | | | |
|---|---------|---------|---------|-------|
| 60370000 - <i>Change in goods inventory</i> | -31,455 | -18,654 | -12,801 | 68.62 |
| | -31,455 | -18,654 | -12,801 | 68.62 |

CATALYST OF CARBON TRANSITION

Breakdown of the income statement

| | 31/12/22 | 31/12/21 | Abs.(M) | Abs.(%) |
|--|------------|------------|-----------|---------|
| Purchases of raw materials & other supplies | | | | |
| 60100000 - Raw material purchases | 679,245 | 787,389 | -108,144 | -13.73 |
| 60100008 - Purchase of raw materials f | 7,249 | 24,451 | -17,202 | -70.35 |
| 60120000 - Purchases of intra-EU raw materials | 644 | | 644 | |
| 60131000 Mineral fillers | | 4,143 | -4,143 | -100.00 |
| 60190000 - Purchases of raw materials | 2,568,475 | 2,276,491 | 291,985 | 12.83 |
| 60191000 - Purchases of raw materials | 47,024 | 31,528 | 15,496 | 49.15 |
| 60223000 - Purchases of laboratory supplies | 38 | 43,660 | -43,622 | -99.91 |
| 60260000 - Purchases of packaging + big bag | 127,948 | 86,738 | 41,210 | 47.51 |
| 60810000 - Transport of raw materials | 60,798 | 756,947 | -696,149 | -91.97 |
| 60820000 - Ancillary costs on supplies | 81,830 | 501,921 | -420,092 | -83.70 |
| | 3,573,251 | 4,513,289 | -940,018 | -20.83 |
| Change in inventory (raw materials) | | | | |
| 60310000 - Change in raw materials inventory | -1,422,791 | -2,684,563 | 1,261,772 | -47.00 |
| 60320000 - Change in inventories and other supplies | -51,498 | -6,118 | -45,380 | 741.75 |
| | -1,474,289 | -2,690,681 | 1,216,392 | -45.21 |
| Other purchases & external expenses | | | | |
| 60611000 - Water | 3,055 | 3,020 | 36 | 1.18 |
| 60612000 - Liquid air gas | 19,402 | 7,162 | 12,239 | 170.88 |
| 60614000 - Electricity | 95,009 | 77,694 | 17,315 | 22.29 |
| 60615000 - Fuel | 73,766 | 39,540 | 34,226 | 86.56 |
| 60630000 - Purchases of maintenance services and small equipment | 903 | 86,315 | -85,412 | -98.95 |
| 60631000 - Maintenance and small equipment | 75,025 | | 75,025 | |
| 60632000 - Work clothing | 17,036 | 26,507 | -9,471 | -35.73 |
| 60633000 - IT supplies | 10,016 | | 10,016 | |
| 60634000 - Maintenance supplies | 91,981 | | 91,981 | |
| 60640000 - Purchase of administrative supplies | 13,323 | 16,424 | -3,101 | -18.88 |
| 60850000 - Incidental costs on equipment | 45 | 771 | -726 | -94.16 |
| 61220000 - Real estate leasing fees | 174,191 | 156,722 | 17,469 | 11.15 |
| 61250000 - Real estate leasing fees | 296,676 | 296,100 | 576 | 0.19 |
| 61320000 - Argilus real estate rentals | 86,792 | 56,288 | 30,504 | 54.19 |
| 61320100 - Lease SCI JG Golf Club | 11,280 | 7,200 | 4,080 | 56.67 |
| 61321000 - Other real estate leases | 36,000 | | 36,000 | |
| 61322000 - Miscellaneous property leasing | | 23 | -23 | -100.00 |
| 61323000 - Argiwest equipment rental | 17,500 | | 17,500 | |
| 61324000 - Earl la Mouhee leasing | 19,040 | | 19,040 | |
| 61325000 - Mervent warehouse rental | 18,066 | | 18,066 | |
| 61350000 - Other one-off leases | 42,520 | 16,414 | 26,106 | 159.05 |
| 61350001 - Cougnaud rentals | 76,212 | 76,392 | -180 | -0.24 |
| 61350002 - Novelis leasing | 6,720 | 6,720 | | |
| 61350005 - Grenke telephone leasing | 12,672 | 12,672 | | |
| 61350006 - Industrial building leasing | 18,108 | 18,107 | 1 | 0.01 |
| 61350008 - Newtown square leasing | 3,000 | 15,000 | 12,000 | -80.00 |
| 61350009 - Leasing of trolley + stacker Loire OC | 21,087 | 20,856 | 231 | 1.11 |
| 61351000 - Vehicle leasing | 4,592 | 4,606 | -14 | -0.29 |
| 61351001 - Car leasing - free2move | 90,940 | 76,720 | 14,220 | 18.53 |
| 61351003 - Vehicle leasing - cgifinance | 37,744 | 18,805 | 18,939 | 100.71 |
| 61353000 - Atral leasing - alarm | 540 | 315 | 225 | 71.43 |
| 61354000 - Locam leasing - telephone | 7,003 | 7,498 | -495 | -6.60 |

CATALYST OF CARBON TRANSITION

| | | | | |
|---|-------|-------|--------|--------|
| <i>server</i> | | | | |
| 61355000 - Grenke leasing - Photocopier | 222 | 888 | -666 | -75.00 |
| 61355100 - BNP leasing - Photocopier | 111 | 666 | -555 | -83.33 |
| 61355110 - CIC leasing - Photocopier | 1,046 | 3,393 | -2,347 | -69.18 |
| 61355200 - BNP leasing - iPhone 8 + swift | 7,010 | 7,010 | | |
| 61355300 - BNP leasing - ipad pro | 913 | 685 | 228 | 33.33 |

CATALYST OF CARBON TRANSITION

Breakdown of the income statement

| | 31/12/22 | 31/12/21 | Abs.(M) | Abs.(%) |
|--|----------|----------|---------|---------|
| 61355400 - BNP leasing - central unit | 1,048 | 2,328 | -1,279 | -54.96 |
| 61355500 - BNP leasing - lecturer | 1,188 | 891 | 297 | 33.33 |
| 61355600 - BNP leasing - Galaxy S9 | 2,967 | 2,967 | | |
| 61356000 - Phone leasing IP server | 626 | 2,740 | -2,114 | -77.16 |
| 61357000 - Coyote leasing | 260 | 745 | -485 | -65.15 |
| 61358000 - BNP leasing - Lenovo equipment | 5,832 | 5,832 | | |
| 61359000 - Grenke leasing- Blackberry | | 403 | -403 | -100.00 |
| 61360000 - EUDONET CRM leasing | | 8,404 | -8,404 | -100.00 |
| 61400000 - Leasing expenses & co-ownership | 61,343 | 61,990 | -647 | -1.04 |
| 61520000 - Maintenance and repair of property | 7,650 | 34,724 | -27,074 | -77.97 |
| 61520100 - Maintenance nil | 52,415 | 47,590 | 4,826 | 10.14 |
| 61520200 - Exterior maintenance | 18,521 | | 18,521 | |
| 61550000 - Maintenance of movable property | 3,175 | 1,523 | 1,652 | 108.45 |
| 61551000 - Maintenance repair, equipment & tools | 5,357 | 22,771 | -17,415 | -76.48 |
| 61552000 - Maintenance repair, trans equipment | 31,618 | 28,103 | 3,515 | 12.51 |
| 61553000 - Maintenance repair, b | 1,044 | 12,908 | -11,864 | -91.91 |
| 61560000 - Maintenance | 55,324 | 104,632 | -49,308 | -47.13 |
| 61561000 - IT maintenance | 46,130 | | 46,130 | |
| 61562000 - ERP software maintenance | 74,681 | | 74,681 | |
| 61563000 - Maintenance solutions | 28,748 | | 28,748 | |
| 61600000 - Insurance premiums | 2,285 | | 2,285 | |
| 61600200 - Grenke leasing insurance | 2,172 | 1,980 | 192 | 9.70 |
| 61600300 - Locam contract insurance | 273 | 468 | -195 | -41.67 |
| 61610000 - Multi-risk insurance | 284,990 | 354,375 | -69,385 | -19.58 |
| 61620000 - Compulsory damage insurance | 3018 | 3018 | | -0.01 |
| 61630000 - Transport insurance | 22,711 | 15,194 | 7,517 | 49.47 |
| 61700000 - Studies and research | 899,660 | 562,048 | 337,613 | 60.07 |
| 61810000 - General documentation | 6,707 | 3,680 | 3,027 | 82.25 |
| 61850000 - Training | 12,715 | 3,925 | 8,790 | 223.95 |
| 61880000 - External services | 37,403 | 37,710 | -307 | -0.81 |
| 62110000 - Temporary staff | 42,239 | 12,401 | 29,838 | 240.61 |
| 62210000 - Commissions and brokerage fees | 1,431 | 561 | 870 | 155.15 |
| 62220000 - Commissions and brokerage fees | 35,000 | | 35,000 | |
| 62260000 - Accounting fees | 40,489 | 54,511 | -14,022 | -25.72 |
| 62260100 - Consolidation fees | 60,000 | 26,000 | 34,000 | 130.77 |
| 62260200 - Miscellaneous exceptional fees | 46,369 | 57,121 | -10,752 | -18.82 |
| 62260300 - Company fees | 13,657 | 12,818 | 839 | 6.55 |
| 62260500 - Recruitment fees | 126,045 | | 126,045 | |
| 62261000 - Brand fees | 20,966 | 40,290 | -19,324 | -47.96 |
| 62261100 - Exceptional fees | 10,000 | | 10,000 | |
| 62262000 - Miscellaneous project fees | | 60,692 | -60,692 | -100.00 |
| 62263000 - Patent fees | 70,762 | 59,281 | 11,481 | 19.37 |
| 62265000 - CAC fees | 52,619 | 45,900 | 6,719 | 14.64 |
| 62266000 - Legal fees | | 43,717 | -43,717 | -100.00 |
| 62266200 - Legal fees | 61,200 | 14,021 | 47,179 | 336.47 |
| 62267000 - Sharpstone fees | 58,000 | 30,000 | 28,000 | 93.33 |
| 62268000 - Porzamparc fees | 39,000 | 42,000 | -3,000 | -7.14 |
| 62268100 - Euroclear fees | 5,906 | 5,900 | 5 | 0.09 |
| 62270000 - Legal and litigation costs | 3,982 | | 3,982 | |
| 62271000 - Euronext fees | 18,184 | 16,940 | 1,244 | 7.34 |

CATALYST OF CARBON TRANSITION

| | | | | |
|--------------------------------|---------|---------|----------|--------|
| 62272000 - Newcap fees | 119,951 | 79,953 | 39,998 | 50.03 |
| 62273000 - SYD fees | 23,574 | | 23,574 | |
| 62275000 - Oddo fees | 29,167 | 110,000 | -80,833 | -73.48 |
| 62281000 - CSTB education fees | 483,978 | 941,339 | -457,361 | -48.59 |

CATALYST OF CARBON TRANSITION

Breakdown of the income statement

| | 31/12/22 | 31/12/21 | Abs.(M) | Abs.(%) |
|---|-----------|-----------|---------|---------|
| 62282000 - Lab test fees | 500,002 | 557,133 | -57,131 | -10.25 |
| 62283000 - Sourcing fees | 25,619 | 39,321 | -13,702 | -34.85 |
| 62284000 - Miscellaneous audit fees | 34,146 | 118,734 | -84,588 | -71.24 |
| 62285000 - Socotec fees- technical advice | 32,920 | 84,644 | -51,724 | -61.11 |
| 62300000 - Advertising, publications | | 80,336 | -80,336 | -100.00 |
| 62310000 - Communication costs | 54,292 | 12,952 | 41,341 | 319.20 |
| 62312000 - Contract communication costs | 126,204 | 142,179 | -15,975 | -11.24 |
| 62313000 - Onex communication costs | 114,798 | | 114,798 | |
| 62314000 - Communication costs - site and tools | 11,955 | | 11,955 | |
| 62330000 Trade fairs and exhibitions | 120,637 | | 120,637 | |
| 62340000 - Gifts | 13,307 | 14,500 | -1,193 | -8.23 |
| 62360000 - Catalogues - prints - video | 139,077 | 185,494 | -46,408 | -25.02 |
| 62361000 - Video reports - smartme | 78,612 | | 78,612 | |
| 62380000 - Current donations | 1,500 | 11,750 | -10,250 | -87.23 |
| 62410000 - Transport | 275,460 | 56,278 | 219,182 | 389.46 |
| 62420000 - Transport of sales | 84,578 | 53,514 | 31,065 | 58.05 |
| 62420008 - Supplier order | | 83 | -83 | -100.00 |
| 62510000 - Travel | 74,567 | 60,434 | 14,132 | 23.38 |
| 62510100 - Hotel | 27,618 | 13,528 | 14,090 | 104.15 |
| 62510200 - Meals | 47,247 | 26,914 | 20,333 | 75.55 |
| 62510300 - Parking | 1,404 | 1,135 | 269 | 23.72 |
| 62510500 - Taxi | 25,063 | 8,842 | 16,221 | 183.47 |
| 62510700 - Motorway | 26,213 | 19,721 | 6,492 | 32.92 |
| 62560000 - Missions | 82,343 | 41,396 | 40,947 | 98.92 |
| 62570000 - Deliveries | 14,089 | 30,315 | -16,225 | -53.52 |
| 62610000 - Fax telephone | 38,311 | 35,561 | 2,750 | 7.73 |
| 62620000 - Postage | 3,992 | 14,477 | -10,484 | -72.42 |
| 62700000 - Banking and similar services | 25,546 | 22,046 | 3,500 | 15.88 |
| 62720000 - Fees and commissions | 1,410 | 67,912 | -66,502 | -97.92 |
| 62780000 - Other fees and commissions/benefits | 19 | 1,122 | -1103 | -98.35 |
| 62810000 - Miscellaneous contributions | 11,621 | 19,226 | -7606 | -39.56 |
| 62840000 - Personnel recruitment costs | 5,959 | 92,535 | -86,576 | -93.56 |
| | 6,420,433 | 5,846,976 | 573,457 | 9.81 |
| Taxes and similar payments | | | | |
| 63120000 - Apprenticeship tax | 16,653 | 10,939 | 5,714 | 52.23 |
| 63330000 - Tax, employer contributions | 12,795 | 8,980 | 3,816 | 42.49 |
| 63511000 - Cfe (corporate real estate tax) | 43,253 | 35,863 | 7,390 | 20.61 |
| 63513000 - Other local taxes | 4,023 | 4,144 | -121 | -2.92 |
| 63514000 - Taxes on company vehicles | 6,877 | 7,425 | -548 | -7.38 |
| 63541000 - Transfer taxes | 1,637 | | 1,637 | |
| 63543000 - Vignettes and registration documents | 1,494 | | 1,494 | |
| | 86,732 | 67,351 | 19,381 | 28.78 |
| Wages and salaries | | | | |
| 64110000 - Appointment salary, commissions | 2,217,154 | 1,550,512 | 666,642 | 42.99 |
| 64120000 - Paid leave | 54,206 | 67,627 | -13,421 | -19.85 |
| 64130000 - Bonuses and gratuities | -7,050 | 87,050 | -94,100 | -108.10 |
| 64140000 - Allowances and benefits | 84,108 | 58,032 | 26,077 | 44.94 |
| 64140100 - Meal vouchers | 26,048 | 13,144 | 12,904 | 98.17 |
| 64142000 - Allowances not subject to | 790 | 435 | 355 | 81.61 |
| | 2,375,257 | 1,776,800 | 598,457 | 33.88 |
| Social security charges | | | | |
| 64510000 - URSSAF (social security) contributions | 773,579 | 436,611 | 336,968 | 77.18 |



CATALYST OF CARBON TRANSITION

| | | | | |
|-----------------------------|---------|---------|--------|-------|
| 64520000 - Mutual insurance | 89,778 | 75,270 | 14,508 | 19.28 |
| 64532000 - Retirement | 210,462 | 150,011 | 60,450 | 40.30 |

CATALYST OF CARBON TRANSITION

Breakdown of the income statement

| | 31/12/22 | 31/12/21 | Abs.(M) | Abs.(%) |
|---|--------------------|-------------------|-------------------|----------------|
| 64583000 - Accrued employee expenses | -10,404 | 40,914 | -51,318 | -125.43 |
| 64590000 - Social security expenses on paid leave | 22,694 | 28,879 | -6,185 | -21.42 |
| 64750000 - Occupational medicine and pharm | 3,346 | 1,872 | 1,474 | 78.76 |
| 64780000 - Other social security contributions | 15,946 | 14,305 | 1,641 | 11.47 |
| 64800000 - Other personnel expenses | 1,521 | | 1,521 | |
| | 1,106,922 | 747,862 | 359,060 | 48.01 |
| Depreciation and provisions | | | | |
| 68111000 - Depreciation of intangible assets | 520,627 | 325,415 | 195,212 | 59.99 |
| 68112000 - Amortisation of fixed assets | 1,372,926 | 1,260,731 | 112,195 | 8.90 |
| 68174000 - Depreciation of receivables | 220,000 | | 220,000 | |
| | 2,113,553 | 1,586,146 | 527,407 | 33.25 |
| Other expenses | | | | |
| 65110000 - Concession fees | 2,245 | 56,822 | 54,577 | -96.05 |
| 65300000 - Directors' fees | 10,000 | 10,000 | | |
| 65440000 - Losses on irrecoverable debt for the year | 27,385 | | 27,385 | |
| 65800000 - Operating expenses | 1,221 | 13,458 | -12,237 | -90.93 |
| 65820000 - Expenses on refinancing transactions | 126,004 | 2,337 | 123,667 | NS |
| | 168,855 | 82,617 | 84,238 | 101.96 |
| Total operating expenses | 14,384,914 | 11,943,668 | 2,441,245 | 20.44 |
| OPERATING INCOME | -9,745,587 | -7,164,342 | -2,581,244 | 36.03 |
| Financial income | | | | |
| 76110000 - Other equity securities | 106 | | 106 | |
| 76380000 - Income from other receivables | | 94 | -94 | -100.00 |
| 76400000 - Income on securities | 428,713 | 407,866 | 20,847 | 5.11 |
| 76800000 - Other financial income | 1,776 | 6,993 | -5,218 | -74.61 |
| 78650000 - Reversals on provisions for financial income | 4,363 | | 4,363 | |
| 78665000 - Reversals on impairment of investment assets | 68,732 | 112,295 | -43,563 | -38.79 |
| | 503,691 | 527,248 | -23,558 | -4.47 |
| financial expenses | | | | |
| 66110000 - Interest on borrowings and debt | 149,426 | 63,789 | 85,637 | 134.25 |
| 66120000 - Interest on participating loans | 208,567 | 201,240 | 7,328 | 3.64 |
| 66160000 - Bank interest | | 816 | -816 | -100.00 |
| 66400000 - Losses on receivables related to investments | 461 | | 461 | |
| 66600000 - Foreign exchange losses | 57 | 29 | 28 | 98.14 |
| 66800000 - Other financial expenses | 10,033 | 10,781 | -749 | -6.94 |
| 68665000 - Provisions for depreciation of marketable securities | 1,127,788 | 4,363 | 1,123,425 | NS |
| | 1,496,332 | 281,018 | 1,215,314 | 432.47 |
| NET FINANCE INCOME (EXPENSE) | -992,641 | 246,230 | -1,238,872 | -503.14 |
| CURRENT PROFIT before tax | -10,738,228 | -6,918,112 | -3,820,116 | 55.22 |
| Exceptional income | | | | |
| 77180000 - Other exceptional income | 41,874 | 4,700 | 37,174 | 790.94 |

CATALYST OF CARBON TRANSITION

| | | | | |
|--|----------------|---------------|---------------|--------------|
| 77520000 - Non-current property sold | 98,777 | | 98,777 | |
| 77700000 - Share of grants for investments | 6175 | 6,178 | -3 | -0.05 |
| 77830000 - Bonis proeven.rachat par entr | 18,413 | 82,973 | -64,560 | -77.81 |
| | 165,239 | 93,851 | 71,388 | 76.06 |
| Exceptional expenses | | | | |
| 67120000 - Exceptional fines and penalties | 3,932 | 822 | 3,110 | 378.49 |

CATALYST OF CARBON TRANSITION

Breakdown of the income statement

| | 31/12/22 | 31/12/21 | Abs.(M) | Abs.(%) |
|---|--------------------|-------------------|-------------------|---------------|
| 67180000 - Other exceptional expenses | 11,254 | | 11,254 | |
| 67520000 - Carrying value of transferred assets | 99,840 | | 99,840 | |
| 67830000 - Malis proven.rachat par entr.a | 174,252 | 38,797 | 135,454 | 349.13 |
| 68725000 - Derogatory depreciation | 476,540 | 287,955 | 188,586 | 65.49 |
| | 765,817 | 327,574 | 438,243 | 133.78 |
| Exceptional income | -600,578 | -233,723 | -366,855 | 156.96 |
| Income tax | | | | |
| 68900000 - Provisions for tax | 35,662 | 35,841 | -179 | -0.50 |
| 69510000 - Taxes | 781 | 210,910 | -210,129 | -99.63 |
| 69950000 - Research tax credit | -659,448 | -1,058,158 | 398,710 | -37.68 |
| 69970000 - Innovation tax credit | -65,463 | -54,831 | -10,632 | 19.39 |
| 69983000 - Patronage tax relief | -1,470 | -8,550 | 7,080 | -82.81 |
| | -689,938 | -874,788 | 184,850 | -21.13 |
| PROFIT OR LOSS | -10,648,868 | -6,277,046 | -4,371,822 | 69.65 |

CATALYST OF CARBON TRANSITION

Breakdown of balance sheet

| | Gross | Amortisation Impairment | Net at 31/12/22 | Net at 31/12/21 |
|---|-----------|----------------------------|--------------------|--------------------|
| Assets | | | | |
| Intangible assets | | | | |
| Start-up costs | | | | |
| 20110000 - Formation expenses | 3,529 | | 3,529 | 3,529 |
| 28011000 - Amortisation of formation expenses | | 3,529 | -3,529 | -3,320 |
| | 3,529 | 3,529 | 1 | 209 |
| Research and development expense | | | | |
| 20300000 - Research and development costs | 6,704,761 | | 6,704,761 | 4,760,298 |
| 28030000 - Amortisation of research & development costs | | 1,025,272 | -1,025,272 | -548,731 |
| | 6,704,761 | 1,025,272 | 5,679,489 | 4,211,568 |
| Concessions, patents and similar rights | | | | |
| 20500000 - Licensing patents | 355,232 | | 355,232 | 322,436 |
| 28050000 - Amortisation of patent licenses | | 99,637 | -99,637 | -55,759 |
| | 355,232 | 99,637 | 255,595 | 268,677 |
| Other intangible assets | | | | |
| 20810000 - Industrial process | 552,576 | | 552,576 | 552,576 |
| 23200000 - Assets in R&D | 215,244 | | 215,244 | 187,480 |
| | 767,820 | | 767,820 | 740,058 |
| Property, plant and equipment | | | | |
| Land | | | | |
| 21110000 - Undeveloped land | 618,879 | | 618,879 | 618,879 |
| 21200000 - Design & development of land | 204,822 | | 204,822 | 204,822 |
| 28120000 - Amortised design & layout of | | 127,011 | -127,011 | -91,346 |
| | 823,702 | 127,011 | 696,691 | 732,355 |
| Buildings | | | | |
| 21410000 - Buildings on non-freehold land | 1,082,602 | | 1,082,602 | 1,082,602 |
| 28141000 - Depreciation of buildings on non-freehold land | | 182,245 | -182,245 | -137,672 |
| | 1,082,602 | 182,245 | 900,357 | 944,931 |
| Technical facilities, equipment and tools | | | | |
| 21500000 - Machinery and equipment | 458,068 | | 458,068 | 394,783 |
| 21530000 - Special installations | 7,206,092 | | 7,206,092 | 6,867,477 |
| 21540000 - Industrial equipment | 630,818 | | 630,818 | 594,608 |
| 28150000 - Depreciation of machinery & equipment | | 295,486 | -295,486 | -216,928 |
| 28153000 - Depreciation of facilities with specific characteristics | | 2,930,323 | -2,930,323 | -2,106,508 |
| 28154000 - Depreciation of industrial facilities and equipment | | 337,427 | -337,427 | 175,641 |
| | 8,294,978 | 3,563,235 | 4,731,743 | 5,357,791 |
| Other property, plant and equipment | | | | |
| 21810000 - Design, development, installation | 1,606,732 | | 1,606,732 | 1,338,549 |
| 21820000 - Transport equipment | 93,267 | | 93,267 | 55,337 |
| 21830000 - Office & IT equipment | 168,471 | | 168,471 | 137,957 |
| 21840000 - Furniture | 73,457 | | 73,457 | 69,410 |
| 21871410 - Merger deficit on construction | 47,889 | | 47,889 | 47,889 |
| 28181000 - Depreciation, design and development of facilities | | 434,355 | -434,355 | -301,406 |
| 28182000 - Depreciation, transport equipment | | 17,348 | -17,348 | -2,565 |
| 28183000 - Depreciation, office & IT equipment | | 112,195 | -112,195 | -73,308 |
| 28184000 - Depreciation, furniture | | 48,973 | -48,973 | -36,934 |

CATALYST OF CARBON TRANSITION

| | | | | |
|--|------------|---------|------------|------------|
| <i>28187141 - Depreciation on technical loss</i> | | 3,325 | -3,325 | -1,112 |
| | 1,989,815 | 616,196 | 1,373,619 | 1,233,815 |
| Assets under construction/advances and deposits | | | | |
| <i>23110000 - Assets in progress h1 c</i> | 14,197 | | 14,197 | |
| <i>23111000 - H2 building assets</i> | 21,486,000 | | 21,486,000 | 12,626,503 |
| <i>23112000 - Infrastructure assets</i> | 234,508 | | 234,508 | 52,300 |

CATALYST OF CARBON TRANSITION

Balance sheet breakdown

| | Gross | Amortisation Impairment | Net at 31/12/22 | Net at 31/12/21 |
|---|-------------------|----------------------------|--------------------|--------------------|
| 23113000 - Central assets, concrete | 1,987,000 | | 1,987,000 | |
| 23114000 - Assets in progress h3 | 23,204 | | 23,204 | |
| 23130000 - Maison gillalzeau | 118,756 | | 118,756 | |
| 23131000 - Buildings Rive de l'Yon | 1,880,700 | | 1,880,700 | |
| 23132000 - Nesmy Parking | 62,056 | | 62,056 | |
| 23160000 - Hopper/process improvement | 49,960 | | 49,960 | 307,607 |
| | 25,847,487 | | 25,847,487 | 12,986,610 |
| Financial investments | | | | |
| Equity investments and related receivables | | | | |
| 26111000 - ABC bro equity securities | 1,696,322 | | 1,696,322 | |
| 26111100 - Equity investment, hof/sults | 0,663 | | 0,663 | |
| 26112000 - Expenses on equity investments | 86,023 | | 86,023 | |
| 26600000 - Other forms of investment | 760 | | 760 | 600 |
| | 1,792,947 | | 1,792,947 | 600 |
| Other long-term investments | | | | |
| 27150000 - Other long-term investments | 60,000 | | 60,000 | 60,000 |
| | 50,000 | | 50,000 | 50,000 |
| Other financial investments | | | | |
| 27600000 - Deposits & guarantees paid | 1,700,000 | | 1,700,000 | 1,700,000 |
| 27610000 - Down-payment BA/TIROC | 626,411 | | 626,411 | 608,664 |
| 27660000 - Guarantees | 7,620 | | 7,620 | 2,000 |
| 27710000 - Treasury shares or owner's shares | 136,924 | | 136,924 | 243,276 |
| 29760000 - Impairment miscellaneous receivables | | | | -4,363 |
| | 2,369,955 | | 2,369,955 | 2,510,369 |
| TOTAL NON-CURRENT ASSETS | 50,082,827 | 5,617,124 | 44,465,703 | 29,034,878 |
| Inventories | | | | |
| Raw materials and other supplies | | | | |
| 31000000 - Raw materials inventories | 4,146,723 | | 4,146,723 | 2,723,932 |
| 32600000 - Inventories of packaging | 64,064 | | 64,064 | 12,666 |
| | 4,210,777 | | 4,210,777 | 2,736,488 |
| Intermediate and finished products | | | | |
| 36600000 - Finished goods inventories | 134,437 | | 134,437 | 1,213 |
| | 134,437 | | 134,437 | 1,213 |
| Goods | | | | |
| 37000000 - Goods inventories | 60,109 | | 60,109 | 18,654 |
| | 50,109 | | 50,109 | 18,654 |
| Advances, down-payments on orders | | | | |
| 40910000 - Trade payables | 38,272 | | 38,272 | 21,663 |
| 40911000 - Advance payments CSTB | 169,697 | | 169,697 | 29,014 |
| | 197,869 | | 197,869 | 50,677 |
| Receivables | | | | |
| Trade receivables | | | | |
| 41100000 - Customers | 2,171,404 | | 2,171,404 | 2,242,667 |
| 41800000 - Doubtful or disputed trade receivables | 264,000 | | 264,000 | 32,662 |
| 41810000 - Customer invoices to be issued | 48,327 | | 48,327 | 1,269 |
| 49100000 - Impairment of trade receivables | | 220,000 | -220,000 | -27,366 |
| | 2,483,731 | 220,000 | 2,263,731 | 2,249,633 |
| Supplier debtors | | | | |
| 49900000 - Non-recoverable trade payables | 19,049 | | 19,049 | |



CATALYST OF CARBON TRANSITION

19,049

19,049

CATALYST OF CARBON TRANSITION

Balance sheet breakdown

| | Gross | Amortisation Impairment | Net at 31/12/22 | Net at 31/12/21 |
|--|------------|----------------------------|--------------------|--------------------|
| Personnel - Social organisations | | | | |
| 43780000 - Meal vouchers | 179 | | 179 | 4,652 |
| 43870000 - Income receivable from corporate bodies | | | | 2,000 |
| | 179 | | 179 | 6,652 |
| State, Income tax | | | | |
| 44400000 - State, income tax | 739,160 | | 739,160 | 1,125,769 |
| | 739,160 | | 739,160 | 1,125,769 |
| State, Sales taxes | | | | |
| 44562000 - State, VAT on non-current assets | 424,447 | | 424,447 | 227,993 |
| 44562100 - VAT on assets to be regularized | 132,333 | | 132,333 | 48,872 |
| 44566000 - State, VAT on other property | 32,292 | | 32,292 | 28,594 |
| 44566001 - State, VAT on abs - 10% | 870 | | 870 | 1,882 |
| 44566010 - VAT on abs to be regularized | 279,334 | | 279,334 | 200,628 |
| 44566011 - VAT on abs to be regularized - in | 1,104 | | 1,104 | 978 |
| 44583000 - Reimbursement of turnover tax | 318,270 | | 318,270 | |
| 44586000 - VAT to be regularised on accrued supplier invoices and aa | 123,368 | | 123,368 | 196,385 |
| | 1,312,019 | | 1,312,019 | 705,332 |
| Other receivables | | | | |
| 44110000 - State - Investment grants receivable | | | | 1,208,360 |
| 46703000 - Miscellaneous debtors | 787 | | 787 | |
| 46716000 - Notary | 13,874 | | 13,874 | |
| 46770000 - Solid | 6708 | | 6,708 | 6,708 |
| 46790000 - SCI JG Golf Club | | | | 4,442 |
| | 21,368 | | 21,368 | 1,219,510 |
| Miscellaneous | | | | |
| Investment securities | | | | |
| 50300000 - UCITS | 10,000,043 | | 10,000,043 | 10,000,043 |
| 50810800 - Dat CE no. 8409 | 500,000 | | 500,000 | 500,000 |
| 50810900 - Dat CE no. 5918594 | 500,000 | | 500,000 | 500,000 |
| 50811000 - Dat EC no. 28682 | 500,000 | | 500,000 | 500,000 |
| 50811100 - Dat CE no. 38770 | 500,000 | | 500,000 | 500,000 |
| 50811200 - Dat CE no. 58946 | 500,000 | | 500,000 | 500,000 |
| 50811300 - Dat CE no. 69034 | 500,000 | | 500,000 | 500,000 |
| 50811400 - Dat CE no. 79122 | 500,000 | | 500,000 | 500,000 |
| 50811500 - Dat CE no. 89210 | 500,000 | | 500,000 | 500,000 |
| 50811600 - Dat CE no. 99395 | 500,000 | | 500,000 | 500,000 |
| 50811700 - Dat CE no. 09483 | 500,000 | | 500,000 | 500,000 |
| 50811800 - Dat CE no. 19571 | 500,000 | | 500,000 | 500,000 |
| 50811900 - Dat CE no. 29659 | 500,000 | | 500,000 | 500,000 |
| 50812000 - Dat CE no. 30047 | 500,000 | | 500,000 | 500,000 |
| 50812100 - Dat CE no. 40135 | 500,000 | | 500,000 | 500,000 |
| 50812200 - Dat CE no. 50223 | 500,000 | | 500,000 | 500,000 |
| 50812300 - Dat CE no. 70496 | | | | 500,000 |
| 50812400 - Dat CE no. 80584 | | | | 500,000 |
| 50812500 - Dat CE no. 90672 | | | | 500,000 |
| 50812600 - Dat CE no. 00760 | | | | 500,000 |
| 50812700 - Dat CE no. 10848 | | | | 500,000 |
| 50813300 - Dat CE no. 81561 | | | | 500,000 |
| 50813400 - Dat CE no. 91649 | | | | 500,000 |



CATALYST OF CARBON TRANSITION

| | | | | |
|------------------------------|--|--|--|---------|
| 50813500 - Dat CE no. 118258 | | | | 500,000 |
| 50813600 - Dat CE no. 21913 | | | | 500,000 |
| 50813700 - Dat CE no. 42186 | | | | 500,000 |
| 50813800 - Dat CE no. 33964 | | | | 500,000 |

CATALYST OF CARBON TRANSITION

Balance sheet breakdown

| | Gross | Amortisation Impairment | Net at 31/12/22 | Net at 31/12/21 |
|---|------------|----------------------------|--------------------|--------------------|
| 50813900 - Dat CE no. 03603 | | | | 500,000 |
| 50814000 - Dat CE no. 023876 | | | | 500,000 |
| 50814100 - Dat CE no. 13788 | | | | 500,000 |
| 50814200 - Dat revenue - cash + | 500,000 | | 500,000 | 3,500,000 |
| 50814300 - Dat revenue no. 100359 | 500,000 | | 500,000 | 5,000,000 |
| 50814400 - Dat revenue no. 100362 | 500,000 | | 500,000 | 5,000,000 |
| 50814500 - Dat revenue no. 100363 | 500,000 | | 500,000 | 5,000,000 |
| 50815000 - Dat CIC - 310602 | 400,000 | | 400,000 | 1,000,000 |
| 50815100 - Dat CIC - 310603 | 500,000 | | 500,000 | 500,000 |
| 50815200 - Dat CIC - 310604 | 500,000 | | 500,000 | 500,000 |
| 50815300 - Dat CIC - 310605 | | | | 500,000 |
| 50815400 - Dat CIC - 310606 | | | | 500,000 |
| 50815500 - Dat CIC - 310607 | | | | 500,000 |
| 50815600 - Dat cic - 310608 | | | | 500,000 |
| 50815800 - Dat CE €750,000 | 750,000 | | 750,000 | 750,000 |
| 50815900 - Dat CE €1 million | 1,000,000 | | 1,000,000 | 1,000,000 |
| 50815910 - Dat ce | | | | 500,000 |
| 50815911 - Dat ce | | | | 500,000 |
| 50815912 - Dat ce | | | | 500,000 |
| 50816000 - Dat BNP no. 52366827 | 500,000 | | 500,000 | |
| 50816001 - Dat BNP no. 52366924 | 500,000 | | 500,000 | |
| 50816002 - Dat BNP no. 52367021 | 500,000 | | 500,000 | |
| 50816003 - Dat BNP no. 52367118 | 500,000 | | 500,000 | |
| 50816004 - Dat BNP no. 52367215 | 500,000 | | 500,000 | |
| 50816005 - Dat BNP no. 52367312 | 500,000 | | 500,000 | |
| 50816006 - Dat BNP no. 52367409 | 500,000 | | 500,000 | |
| 50816007 - Dat BNP no. 52367506 | 500,000 | | 500,000 | |
| 50816008 - Dat BNP no. 52367603 | 500,000 | | 500,000 | |
| 50816009 - Dat BNP no. 52367797 | 500,000 | | 500,000 | |
| 50816010 - Dat BNP no. 52367894 | 500,000 | | 500,000 | |
| 50816011 - Dat BNP no. 52367991 | 500,000 | | 500,000 | |
| 50816012 - Dat BNP no. 52368088 | 500,000 | | 500,000 | |
| 50816013 - Dat BNP no. 52368185 | 500,000 | | 500,000 | |
| 50817001 - Ouv cat - 33924212961/00000 | 500,000 | | 500,000 | |
| 50817002 - Ouv cat - 33924212961/00000 | 500,000 | | 500,000 | |
| 50817003 - Ouv cat - 33024220527/00000 | 475,000 | | 475,000 | |
| 50817004 - Ouv cat - 33024220527/00000 | 475,000 | | 475,000 | |
| 50817005 - Ouv cat - 33024220527/00000 | 475,000 | | 475,000 | |
| 50817006 - Ouv cat - 33524220527/00000 | 575,000 | | 575,000 | |
| 50880000 - Accrued interest on securities | 273,379 | | 273,379 | 235,637 |
| 5903000 - Impairment of marketable securities | | 1,127,788 | -1,127,788 | -68,732 |
| | 32,423,423 | 1,127,788 | 31,295,635 | 50,416,948 |
| Cash at bank and in hand | | | | |
| 51211300 - Bnp etebac hgct | 841,601 | | 841,601 | 515,942 |
| 51211500 - BNP short-term liquidity | 89,215 | | 89,215 | 137,699 |
| 51212500 - Edr - CCons 221336045 | 406 | | 406 | 6,802,969 |
| 51212600 - Revenue | 867,889 | | 867,889 | 6,693 |
| 51212700 - Cic | 181,778 | | 181,778 | 29,032 |
| 51212800 - La Banque Postale | 231,837 | | 231,837 | 68,637 |
| 51213000 - Epgo | 2,348,590 | | 2,348,590 | |
| 51220000 - Caisse epargne | 2,327,204 | | 2,327,204 | 8,657,539 |
| | 6,888,520 | | 6,888,520 | 16,218,510 |

CATALYST OF CARBON TRANSITION

Balance sheet breakdown

| | Gross | Amortisation Impairment | Net at 31/12/22 | Net at 31/12/21 |
|-----------------------------|-------------------|----------------------------|--------------------|--------------------|
| Prepaid expenses | | | | |
| 48600000 - Prepaid expenses | 329,363 | | 329,363 | 443,104 |
| | 329,363 | | 329,363 | 443,104 |
| TOTAL CURRENT ASSETS | 48,810,003 | 1,347,788 | 47,462,215 | 75,192,490 |
| TOTAL ASSETS | 98,892,830 | 6,964,912 | 91,927,918 | 104,227,369 |

CATALYST OF CARBON TRANSITION

Balance sheet breakdown

| | Net at 31/12/22 | Net at 31/12/21 |
|--|--------------------|--------------------|
| Liabilities | | |
| Share capital | | |
| 10130000 - Subscribed capital called paid | 14,634,736 | 14,602,387 |
| | 14,634,736 | 14,602,387 |
| Share premiums, merger premiums, contribution premiums, etc. | | |
| 10410000 - Share premiums | 80,216,206 | 80,250,897 |
| 10420000 - Merger premiums | 1,042,455 | 1,042,455 |
| 10420100 - Merger premium (bonus) | 1,937,697 | 1,937,697 |
| 10421000 - Loss of retroactivity | 125,000 | 125,000 |
| | 83,321,358 | 83,356,049 |
| Legal reserve | | |
| 10610000 - Legal reserve | 1,042 | 1,042 |
| | 1,042 | 1,042 |
| Retained earnings | | |
| 11900000 - Retained earnings debit balance | -21,831,742 | -15,554,695 |
| | -21,831,742 | -15,554,695 |
| Profit (loss) for the period | -10,648,888 | -6,277,046 |
| Investment grants | | |
| 13100000 - Investment grant | 42,132 | 42,132 |
| 13110000 - Investment grant bpi-h2 | 400,000 | 400,000 |
| 13910000 - Amortisation of grants | -19,128 | -12,954 |
| | 423,003 | 429,178 |
| Regulated provisions | | |
| 14500000 - Special depreciation allowances | 1,027,094 | 550,554 |
| | 1,027,094 | 550,554 |
| TOTAL EQUITY | 66,926,623 | 77,107,468 |
| Conditional advances | | |
| 16740000 - FIA 1 Repayable advance | 1,109,084 | 1,190,419 |
| 16740100 - FIA 3 Repayable advance | 275,000 | 375,000 |
| 16740200 - BPI repayable advance | 490,000 | |
| 16742000 - Pays de Loire region loan: €2 million | 2,000,000 | 2,000,000 |
| | 3,874,084 | 3,565,419 |
| TOTAL OTHER CAPITAL | 3,874,084 | 3,565,419 |
| Provisions for expenses | | |
| 15500000 - Provision for taxes | 135,092 | 99,430 |
| | 135,092 | 99,430 |
| TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES | 135,092 | 99,430 |
| Borrowings | | |
| 16420000 - Caisse d'Epargne loan €2,550,000 | 1,335,549 | 1,845,173 |
| 16430000 - BNP loan €2,550,000 | 1,292,890 | 1,802,854 |
| 16440000 - BPI-EIF loan €4 million | 4,000,000 | 4,000,000 |
| 16450000 - La Banque Postale loan €3 million | 2,357,143 | 2,785,714 |
| 16460000 - BNP loan €3 million | 2,413,595 | 3,000,000 |
| 16470000 - Caisse d'Epargne loan €3 million loan | 2,411,341 | 3,000,000 |
| 16480000 - BPGO loan €2.3 million | 2,300,000 | |
| | 16,110,518 | 16,433,741 |
| Borrowings and debts from credit institutions | 16,110,518 | 16,433,741 |
| Miscellaneous loans and borrowings | | |
| 16750000 - Total development loan €300,000 | 96,177 | 232,744 |
| 16887500 - Accrued interest on participating loans | 156,086 | 163,676 |
| 16888000 - Accrued interest on other borrowings | 12,423 | 11,669 |
| | 254,685 | 408,088 |

CATALYST OF CARBON TRANSITION

Balance sheet breakdown

| | Net at 31/12/22 | Net at 31/12/21 |
|--|--------------------|--------------------|
| Trade payables | | |
| 40100000 - Suppliers | 1,065,091 | 1,354,136 |
| 40110000 - EU suppliers | 790,062 | 101,427 |
| 40120000 - Export suppliers | 10,941 | |
| 40810000 - Accrued supplier invoices | 718,030 | 1,234,456 |
| 40811000 - Accrued supplier invoices - EU | | 225,283 |
| | 2,584,124 | 2,915,301 |
| Personnel | | |
| 42100000 - Accrued compensation | 149,537 | 5,051 |
| 42500000 - Personnel, advances and deposits | 5,994 | |
| 42820000 - Personnel, accrued leave | 213,095 | 158,889 |
| 42860000 - Accrued employee expenses | 80,000 | 87,302 |
| | 448,627 | 251,242 |
| Social organisations | | |
| 43100000 - Social security | 113,470 | 80,581 |
| 43720000 - Mutual insurance | 20,924 | 16,082 |
| 43731000 - Executives pensions (AGIRC) | 37,113 | 28,090 |
| 43770000 - Providence | 16,270 | 12,699 |
| 43820000 - Corporate bodies, accrued leave | 91,762 | 69,068 |
| 43860000 - Corporate bodies, other accrued expenses | 45,510 | 55,914 |
| 43863000 - Continuous training | | 6,378 |
| 43865000 - Apprenticeship tax | 2,071 | 7,250 |
| | 327,121 | 276,063 |
| State, Sales taxes | | |
| 44551000 - State VAT payable | | 53,877 |
| 44571000 - State VAT collected | 47,250 | |
| 44571001 - VAT collected 20% expected | 41,121 | 10,631 |
| 44587000 - VAT to be regularised on invoices not yet received and assets yet to be established | 7,855 | 211 |
| | 96,225 | 64,720 |
| Other tax and employee-related payables | | |
| 44210000 - Deductions at source (irrecoverable) | 12,626 | 10,472 |
| 44860000 - Statement of other accrued expenses | 6,878 | 6,455 |
| | 19,504 | 16,927 |
| Tax and employee-related payables | 891,477 | 608,952 |
| Amounts payable on non-current assets and related accounts | | |
| 40400000 - Suppliers of non-current assets | 1,067,794 | 3,065,262 |
| 40840000 - Non-current assets, accrued supplier invoices | 68,125 | 7,650 |
| | 1,135,919 | 3,072,912 |
| Other liabilities | | |
| 41980000 - Customer discounts, rebates and reductions to be granted | 1,200 | |
| 46701000 - Miscellaneous creditors | 215 | 291 |
| 46860000 - Debit credit accrued expenses | 13,980 | 15,766 |
| | 15,395 | 16,057 |
| TOTAL DEBT | 20,992,119 | 23,455,052 |
| TOTAL LIABILITIES | 91,927,918 | 104,227,369 |

CATALYST OF CARBON TRANSITION

Borrowings table

| Name Capital organisation Interest rate | First Term End conclusion | Balance as of 01/01/2022 | Movements | | Balance as of 31/12/2022 | Outstanding capital | | |
|--|--|--------------------------------|------------|------------|--------------------------------|--------------------------|----------------------|-------------------------------|
| | | | Subscribed | Reimbursed | | Less than one year | One to five years | At more than five years |
| CE loan €2,550,000 + 2,559,866.52 0.80% | 05/02/2020 66 month 24/12/2019 05/07/2025 | 1,845,173.46 | | 509,624.25 | 1,335,549.21 | 513,716.24 | 821,832.97 | |
| Repayable advance pia 3 + 500,000.00 0.00% | 30/06/2020 66 month s 04/09/2018 30/09/2025 | 375,000.00 | | 100,000.00 | 275,000.00 | 100,000.00 | 175,000.00 | |
| Total development loan + 400,000.00 1.00% | 15/08/2018 60 month s 15/07/2018 15/07/2023 | 232,743.71 | | 146,567.12 | 86,176.59 | 86,176.59 | | |
| BNP loan €2,550,000 + 2,550,000.00 0.80% | 23/01/2020 66 months 13/01/2020 23/06/2025 | 1,802,853.63 | | 509,964.07 | 1,292,889.56 | 514,058.75 | 778,830.81 | |
| FEI/BPI FRANCE Innovation loan 4,000,000.00 2.88% | 15/03/2021 84 months 15/12/2020 15/12/2027 | 4,000,000.00 | | | 4,000,000.00 | 800,000.00 | 3,200,000.00 | |
| PDL region loan €2 million + 2,000,000.00 2.00% | 04/04/2022 84 months 01/04/2021 04/04/2028 | 2,000,000.00 | | | 2,000,000.00 | | 1,600,000.00 | 400,000.00 |
| LBP loan €3 million + 3,000,000.00 1.43% | 15/07/2021 84 months 07/04/2021 15/04/2028 | 2,785,714.28 | | 428,571.44 | 2,357,142.84 | 428,571.44 | 1,714,285.76 | 214,285.64 |

CATALYST OF CARBON TRANSITION

Borrowings table

| Heading Capital organisation Interest rate | First Term End conclusion | Balance as of 01/01/2022 | Movements | | Balance as of 31/12/2022 | Outstanding capital | | |
|--|--|--------------------------------|---------------------|---------------------|--------------------------------|--------------------------|----------------------|-------------------------------|
| | | | Subscribed | Reimbursed | | Less than one year | One to five years | At more than five years |
| CE loan €3 million - 3,000,000.00 0.95% | 05/01/2022 80 months 05/04/2021 05/12/2026 | 3,000,000.00 | | 588,659.01 | 2,411,340.99 | 594,275.88 | 1,817,065.31 | |
| BNP loan €3 million - 3,000,000.00 1.14% | 01/01/2022 80 months 01/08/2021 01/12/2026 | 3,000,000.00 | | 588,405.03 | 2,413,594.97 | 593,125.07 | 1,820,469.90 | |
| BPGO loan €2.3 million - 2,300,000.00 3.13% | 28/01/2023 72 months 24/12/2022 28/12/2028 | | 2,300,000.00 | | 2,300,000.00 | 354,012.50 | 1,532,085.78 | 413,901.74 |
| Repayable advance pia 4 - 700,000.00 0.00% | 30/09/2024 80 months 14/04/2022 30/09/2028 | | 490,000.00 | | 700,000.00 | | 560,000.00 | 140,000.00 |
| 24,009,866.52 | TOTAL | 19,041,485.08 | 2,790,000.00 | 2,869,790.92 | 19,171,694.16 | 3,983,936.27 | 4,019,570.51 | 1,168,187.38 |

CATALYST OF CARBON TRANSITION

Interim management balances

| | 31/12/22 | % | 31/12/21 | % | Abs.(M) | Abs.(%) |
|---|--------------------|----------------|-------------------|----------------|-------------------|---------------|
| Sales of goods | 228 | 100.00 | 9,533 | 100.00 | -9,304 | -97.60 |
| Cost of goods sold | 16,200 | NS | 13,328 | 139.81 | 2,872 | 21.55 |
| SALES MARGIN | -15,972 | NS | -3,795 | -39.81 | -12,177 | 320.84 |
| Production sold | 2,007,978 | 100.00 | 2,456,723 | 100.00 | -448,744 | -18.27 |
| Production held as inventory | 133,224 | 6.83 | 1,213 | 0.05 | 132,011 | NS |
| Capitalised production | 2,210,937 | 110.11 | 2,130,902 | 88.74 | 80,035 | 3.76 |
| Materials and subcontracting company | 2,099,007 | 104.53 | 1,823,359 | 74.22 | 275,648 | 15.12 |
| PRODUCTION MARGIN | 2,253,132 | 112.21 | 2,765,479 | 112.57 | -512,347 | -18.53 |
| Revenue (excl. Tax) | 2,008,207 | 100.00 | 2,466,256 | 100.00 | -458,049 | -18.57 |
| OVERALL GROSS MARGIN | 2,237,160 | 111.40 | 2,761,684 | 111.98 | -524,523 | -18.99 |
| Other purchases and external expenses | 6,417,699 | 319.57 | 5,834,113 | 236.56 | 583,586 | 10.00 |
| VALUE ADDED | -4,180,539 | -208.17 | -3,072,430 | -124.58 | -1,108,109 | 36.07 |
| Operating subsidies | 6,653 | 0.33 | 67,989 | 2.76 | -61,336 | -90.21 |
| Taxes and similar payments | 86,732 | 4.32 | 67,006 | 2.72 | 19,726 | 29.44 |
| Employee benefits expense | 3,380,837 | 168.35 | 2,430,900 | 98.57 | 949,937 | 39.08 |
| GROSS OPERATING SURPLUS | -7,641,455 | -380.51 | -5,502,346 | -223.11 | -2,139,109 | 38.88 |
| Reversals of expenses | 27,385 | 1.36 | | | 27,385 | |
| Other products | 148,891 | 7.41 | 6,767 | 0.27 | 142,124 | NS |
| Allocation to depreciation and provisions | 2,113,553 | 105.25 | 1,586,146 | 64.31 | 527,407 | 33.25 |
| Other expenses | 166,855 | 8.31 | 82,617 | 3.35 | 84,238 | 101.96 |
| OPERATING INCOME | -9,745,587 | -485.29 | -7,164,342 | -290.49 | -2,581,244 | 36.03 |
| Share of joint income | | | | | | |
| Financial income | 503,691 | 25.08 | 527,248 | 21.38 | -23,558 | -4.47 |
| financial expenses | 1,498,332 | 74.51 | 281,018 | 11.39 | 1,215,314 | 432.47 |
| CURRENT PROFIT BEFORE TAX | -10,738,228 | -534.72 | -6,918,112 | -280.51 | -3,820,116 | 55.22 |
| Exceptional income | 165,239 | 8.23 | 93,851 | 3.81 | 71,388 | 76.06 |
| Exceptional expenses | 765,817 | 38.13 | 327,574 | 13.28 | 438,243 | 133.78 |
| Exceptional income | -600,578 | -29.91 | -233,723 | -9.48 | -366,855 | 156.96 |
| Employee profit-sharing | | | | | | |
| income tax | -689,938 | -34.36 | -674,788 | -35.47 | 184,850 | -21.13 |
| Profit (loss) for the period | -10,648,868 | -530.27 | -6,277,046 | -254.52 | -4,371,822 | 69.65 |

CROSS-REFERENCES: see Table 2053) *An explanation of this section is included in Note No. 2032.



CATALYST OF CARBON TRANSITION

**2.4. STATUTORY AUDITOR'S REPORT ON THE ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

CATALYST OF CARBON TRANSITION



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Hoffmann Green Cement Technologies S.A.

***Statutory Auditors' report on the financial
statements***

For the year ended December 31st, 2022
Hoffmann Green Cement Technologies S.A.
La Bretauière - Chaillé-sous-les-Ormeaux - 85310 Rives de l'Yon
Reference : GC-23-68

CATALYST OF CARBON TRANSITION



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*This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditor's report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Hoffmann Green Cement Technologies S.A.

Registered office: La Bretauillère - Chaillé-sous-les-Ormeaux - 85310 Rives de l'Yon

Statutory Auditors' report on the financial statements

For the year ended December 31st, 2022

Dear Shareholders,,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Hoffmann Green Cement Technologies S.A. for the year ended December 31st, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

CATALYST OF CARBON TRANSITION



Hoffmann Green Cement Technologies S.A.
Statutory Auditors' report on the financial statements
17 April 2023

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors rules applicable to us, for the period from January 1st 2022 to the date of our report.

Justification of Assessments

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code ("Code de commerce") relating to the justification of our assessments, we inform you that the most important assessments made by us according to our professional judgment focused on the appropriateness of the accounting principles used relating particularly to the following matters: valuation of tangible and intangible assets.

These assessments were made in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on Corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L.225-37-4 of the French Commercial Code.

Other information

In accordance with French Law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

CATALYST OF CARBON TRANSITION



*Hoffmann Green Cement Technologies S.A.
Statutory Auditors' report on the financial statements
17 April 2023*

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditor' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

CATALYST OF CARBON TRANSITION



*Hoffmann Green Cement Technologies S.A.
Statutory Auditors' report on the financial statements
17 April 2023*

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Nantes, on the 17th April 2023

French original signed by Gwenaél Chedaleux - Partner

CATALYST OF CARBON TRANSITION

3. REPORT OF THE SUPERVISORY BOARD ON CORPORATE GOVERNANCE

3.1. ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND EXECUTIVE MANAGEMENT BODIES

GENERAL INFORMATION ON THE FOUNDERS, MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES

The Company was transformed into a public limited company with Management Board and Supervisory Board by a decision of the General Shareholders' Meeting of 3 September 2019.

The Company is managed by a Management Board, chaired by Julien Blanchard.

3.1.1.1. Composition of the Management Board and Supervisory Board

At the date of Annual Financial Report, the Company's Management Board is composed of the following two (2) members:

| Name | Term of office | Main role in the Company | Main role outside the Company | Start and end of term of office |
|---------------------|-------------------------------------|------------------------------------|-------------------------------------|---|
| Julien BLANCHARD | Chairperson of the Management Board | - | Chairperson of JB Finance | Appointed by the Supervisory Board at its meeting of 3 September 2019, up to 3 September 2025 |
| David HOFFMANN | Member of the Management Board | Scientific and Innovation Director | Manager of Hoffmann Capital Holding | Appointed by the Supervisory Board at its meeting of 3 September 2019, up to 3 September 2025 |

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At the date of Annual Financial Report, the Company's Supervisory Board is composed of the following seven (7) members:

| Name | Term of office | Main role in the Company | Main role outside the Company | Start and end of term of office |
|--------------------|---|--------------------------|--|---|
| Eric Cougnaud | Vice-Chairperson of the Supervisory Board | - | Chairperson of the Cougnaud Group | Appointed by the General Meeting of 3 September 2019 until 2025, and renewed by the General Meeting of 3 June 2022 until 2025, at the end of the meeting called to approve the financial statements for the financial year ended 31 December 2024 |
| Gil Briand | Member of the Supervisory Board | - | Chairperson of the Briand Group | Appointed by the General Meeting of 26 June 2020 until 2023, at the end of the meeting called to approve the financial statements for the financial year ended 31 December 2022 |
| Thierry Didelon | Member of the Supervisory Board | - | Co-Manager of Didelon Machines Tools | Appointed by the General Meeting of 4 June 2021 until 2024, at the end of the meeting called to approve the financial statements for the financial year ended 31 December 2023 |
| Isabelle Mommessin | Member of the Supervisory Board | - | Former Sales Director in the construction industry | Appointed by the General Meeting of 4 June 2021 until 2024, at the end of the meeting called to approve the financial statements for the financial year ended 31 December 2023 |
| Philippe Duval | Independent member of the Supervisory Board | - | Head of development Family Business Oddo BHF Group | Appointed by the General Meeting of 3 June 2019, and renewed by the General Meeting of 3 June 2022 until 2025, at the end of the meeting called to approve the financial |

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| | | | | |
|-------------------|---|---|---|---|
| | | | | statements for the financial year ended 31 December 2024 |
| Alessandra Gaudio | Independent member of the Supervisory Board | - | Director of Wealth Solutions at Generali France | Appointed by the General Meeting of 4 June 2021 until 2024, at the end of the meeting called to approve the financial statements for the financial year ended 31 December 2023 |
| Hervé Montjotin | Independent member of the Supervisory Board | - | Chief Executive Officer of Socotec France | Appointed by the General Meeting of 26 June 2020 until 2023, at the end of the meeting called to approve the financial statements for the financial year ended 31 December 2022 |

The Company's registered office is located at La Bretaudière, Chaillé-sous-les-Ormeaux, 85310 Rives de l'Yon.

3.1.1.2. Other corporate offices

- Other current mandates:

| Name | Nature of term of office | Company |
|------------------|---|--|
| Julien BLANCHARD | Chairperson Manager Chairperson | JB Finance SCI JG Golf Club 14 Financière JG Holding |
| David HOFFMANN | Chairperson | Hoffmann Capital Holding |
| Eric Cougnaud | Chairperson Chief Executive Officer Chief Executive Officer Co-manager | Eludom Cougnaud Guillet Production ALL-CGD |
| Gil Briand | Chairperson Chairperson Chairperson Manager Chairperson | Briand Group Finergie Winston SCI Heloi Proxinno association |
| Thierry Didelon | Co-manager Co-manager | Dagual Didelon Machines Tools |

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| | | |
|--------------------|---|--|
| | Co-manager manager Co-manager Co-manager Manager Co-manager | Galda Gfa Bethi Mark Techno Sofid Sogimod SCF Hardy |
| Philippe Duval | Member of the Strategy Committee Independent director Strategic consulting Board member | OKWind Mousset Group Mutualia Implid |
| Alessandra Gaudio | Vice-Chairwoman of the Supervisory Board Director | Altaprofits Cercle des Epargnants |
| Hervé Montjotin | Executive Chairperson and Director Independent director Chairperson Chairperson Chairperson Chairperson Vice-Chairperson of the Supervisory Board Manager Manager Independent director | Socotec Group ID Logistics Socotec Gestion Socotec Environnement HSM Participations HSM 2 BP2 R PAMA SCI CORDEE SCI Dentressangle |
| Isabelle Mommessin | Founder and Director | MOMMESSIN BERGER endowment fund |

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- Offices held during the last five financial years and having ended to date:

| Name | Nature of term of office | Company |
|-----------------------|--|---|
| Julien BLANCHARD | N/A | |
| David HOFFMANN | N/A | |
| Eric Cougnaud | N/A | |
| Gil Briand | N/A | |
| Thierry Didelon | N/A | |
| Philippe Duval | Member of the Supervisory Board Chairperson of the Management Committee | Edrac Edmond de Rothschild Corporate Finance |
| Alessandra Gaudio | Chief Executive Officer Member of the Executive Committee (CIO) Member of the Management Committee director director | Swiss Life Gestion Privée Swiss Life Private Bank Swiss Life France Association of Foreign Banks in France Leverage Capital Holdings NV - Edmond de Rothschild Group |
| Hervé Montjotin | Chairperson of the Management Board Vice-Chairperson of the Supervisory Board | Norbert Dentressangle SA * Socotec France |
| Isabelle Mommessin | N/A | |

* listed company.

3.1.1.3. Biographies of the members of the Management Board and Supervisory Board

- **Julien Blanchard** (42 years old) - Chairperson of the Management Board:

Julien Blanchard is co-founder of the Company.

After business school in France and Canada, Julien Blanchard became an entrepreneur in construction materials (clay, terracotta, plaster, cement).

Julien BLANCHARD specialises in innovative clay-based products.

- **David Hoffmann** (54 years old) - Member of the Management Board:

David Hoffmann is co-founder and Scientific Director of the Company.

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David Hoffmann is a chemical engineer specialising in solid-state chemistry. From 1991 to 2016, he worked at Trédi, a subsidiary of the Séché Environnement Group as a chemical engineer working in research and processes.

David Hoffmann specialises in inorganic binders and has over 25 years' experience in chemical processes.

- **Eric Cougnaud** (62 years old) - Chairperson of the Supervisory Board:

At the age of 20, Eric Cougnaud joined the family business “Yves Cougnaud” which specialises in the construction of industrialised buildings, where he held various technical and commercial positions for more than 10 years. In 1991, he and his three brothers acquired a majority holding and then the entire Cougnaud group.

For more than 39 years, he has contributed to the development of the Cougnaud group nationwide, with private companies (industry/services/construction) and local authorities, offering them solutions for tertiary or social spaces, both for sale and for rent.

Eric Cougnaud holds a bachelor's degree in administration, finance and commerce.

- **Gil Briand** (46 years old) - Member of the Supervisory Board:

Gil Briand began his career in 2002 in the corporate finance department of Andersen, where he took part in company valuation, business plan creation, acquisition audits and *vendor due diligence*.

In 2004, he joined the Briand family business managed by his father Roger Briand. He initially held a position as account manager for the subsidiary Briand Construction Métallique, before becoming CEO of this subsidiary in 2005, then becoming Chairperson of the group in 2007.

Gil Briand is a graduate of HEC (HEC Entrepreneurship) and ICAM, a general engineering school.

- **Thierry Didelon** (62 years old) - Member of the Supervisory Board:

Thierry Didelon began his career in 1984 at Vérandas de l'Ouest as a technical sales representative for the Vendée region and then for the Paris region. In 1990, he created Didelon Machines Tools, a used machine tool trading company. Today, Didelon Machines Tools offers a complete machine tool service, from technology watch to production start-up and after-sales service, including tooling recommendations, financing and user training.

Thierry Didelon received training in sales and distribution - business management at the Nantes Chamber of Commerce.

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- **Isabelle Mommessin** (74 years old) - Member of the Supervisory Board:

Isabelle Mommessin began her career in 1974 at Coopers and Lybrand as an auditor. She then successively held the positions of export director in wine trading (1979), subsidiary director in mass distribution (1984) and company director in import-export (1987).

Isabelle Mommessin ended her career in 2008 after having been Sales Director for 15 years in the construction industry.

Isabelle Mommessin is a graduate of the IEP of Paris (1970), and holds a degree in history from the University of Paris-Sorbonne (1972), a degree in law from the University of Paris-Sorbonne (public law option) (1973) and the Diplôme d'Etudes Comptables Supérieures (1979).

- **Philippe Duval** (62 years old) - Independent member of the Supervisory Board:

Philippe Duval began his career in the corporate banking department of Societe Generale. He worked as head of the corporate market at Banque de Savoie, then spent eight years in the corporate banking department of ABN AMRO with international groups.

In 2002, he joined Edmond de Rothschild as Head of private banking regions and, from 2016, served as Chairperson of the Management Committee of the subsidiary in charge of the corporate finance activity (Edmond de Rothschild Corporate Finance).

In 2021, he joined Oddo BHF as Head of development Family Business.

Philippe Duval completed a postgraduate degree in economics at IAE.

- **Alessandra Gaudio** (57 years old) - Independent member of the Supervisory Board:

Alessandra Gaudio began her career in Paris in 1990 as a financial analyst at BNP Paribas and subsequently joined the bank's asset management position as senior manager. In 1998, she joined Crédit Agricole Asset Management as Senior Fund Manager. From 2001 to 2007, she served as Head of Investments for the subsidiary of Crédit Agricole Asset Management in Italy, then as Chief Investment Officer of Indosuez Gestion, a Crédit Agricole Group company, from 2007 to 2013. She also served as Global Chief Investment Officer Private Banking at Banque Privée Edmond de Rothschild in Geneva from 2014 to 2015. From 2016 to 2019, she was Chief Executive Officer and Head of Investments at Swiss Life Gestion Privée in Paris. Since October 2019, she has been Director of Wealth Solutions at Generali France. Since January 2020, it has also been Vice-Chairwoman of the Supervisory Board at Altaprofits.

Alessandra Gaudio holds a PhD in economics from the Cattolica del Sacro Cuore University, obtained in 1989 in Milan, and a specialisation in finance in the United States. In 2019, she obtained the corporate director certificate issued by the Institut Français des Administrateurs (IFA) and Sciences Po.



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- **Hervé Montjotin** (57 years old) - Independent member of the Supervisory Board:

Hervé Montjotin began his career in 1989 at Bossard Consultants. In 1995, he joined the Norbert Dentressangle Group, where he successively served as Chief HR and Organisation Officer, Chief Executive Officer in charge of the Transport Division (2005) and Chairperson of the Management Board (2012).

Since September 2016, he has served as Executive Chairperson and member of the Board of Directors of the Socotec Group. He is also an independent director of ID Logistics.

Hervé Montjotin is a graduate of the École Normale Supérieure, has a degree in social sciences and holds a master's degree from ESCP.

3.1.1.4. Declarations concerning members of management

To the Company's knowledge, there are no family ties between the persons listed above. There are no members of the Management Board elected by employees.

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CORPORATE OFFICER SHAREHOLDINGS AND STOCK OPTIONS

At the date of the Annual Financial Report, no free shares, options or warrants were allocated to corporate officers.

The shareholding of corporate officers in the Company's share capital is detailed below:

| Names | Direct participation | Indirect participation |
|---|----------------------|------------------------|
| Julien Blanchard | 18.72% | 12,76% ⁽¹⁾ |
| David Hoffmann | 18.55% | 0.19% ⁽²⁾ |
| Eric Cougnaud | - | 5.80 ⁽³⁾ |
| Isabelle Mommessin⁽⁸⁾ | 3.14% | |
| Thierry Didelon | - | 1.72% ⁽⁴⁾ |
| Gil Briand⁽⁵⁾ | - | 1.18% |
| Alessandra Gaudio⁽⁶⁾ | - | NS |
| Hervé Montjotin⁽⁷⁾ | - | NS |
| Philippe Duval | - | - |

⁽¹⁾ Julien Blanchard holds 57.52% of JB Finance, which holds 74.42% of Gillaizeau Terre Cuite, a shareholder of the Company (1,867,961 shares).

⁽²⁾ David Hoffmann holds 99.9% of Hoffmann Capital, a shareholder of the Company (27,900 shares).

⁽³⁾ Eric Cougnaud holds 25% of ELUDOM, a shareholder of the Company (848,218 shares).

⁽⁴⁾ Thierry Didelon holds 99.9% of SCP Ardi, a shareholder of the Company (251,100 shares).

⁽⁵⁾ It is specified that Hestia, wholly owned by Gil Briand, is a shareholder of the Company (172,235 shares).

⁽⁶⁾ Alessandra Gaudio holds 2,758 Company shares.

⁽⁷⁾ Hervé Montjotin holds 4.542 Company shares

⁽⁸⁾ Isabelle Mommessin holds 459,963 Company shares

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CONFLICTS OF INTEREST AT THE LEVEL OF THE ADMINISTRATIVE, SUPERVISORY AND EXECUTIVE MANAGEMENT BODIES

With the exception of Philippe Duval, all the other members of the Management Board and the Supervisory Board are shareholders of the Company, directly or indirectly. The Articles of Association provide that members of the Management Board (Article 16) and Supervisory Board members (with the exception of independent members) (Article 12) must hold at least 1,000 Company shares.

In order to resolve potential conflicts of interest within the Supervisory Board, internal rules came into force on 3 September 2019 and details their duties to the members of the Supervisory Board. In addition, these internal rules provide, on the one hand, that any member must inform the Supervisory Board of any situation of conflict of interest, even potential, with the Company and, on the other hand, that in the event of conflict of interest, the member concerned will be excluded from the discussions and must abstain from voting on the corresponding resolution.

In addition, in the event of recourse by the Company to a service provider or in the event of the purchase of goods from a supplier, the Company's policy is to call for competing estimates. The services or purchases are chosen according to criteria of price, quality, expertise and geographical proximity. The purpose of this policy is to limit the risk of conflicts of interest with corporate officers who are managers of companies that could potentially provide the Company with services or goods.

To the Company's knowledge, apart from the fact that David Hoffmann is an employee of the Company and as such has an employment contract, there is no potential conflict of interest at the date of the Annual Financial Report between the duties of the members of the Supervisory Board and the Management Board with respect to the Company and their private interests.

At the date of the Annual Financial Report, to the best of the Company's knowledge, there is no pact or agreement entered into with shareholders, customers, suppliers or other parties under which any of the members of the Supervisory Board or the Supervisory Board Management Board was appointed in this capacity.

At the date of the Annual Financial Report, to the best of the Company's knowledge, there are no restrictions accepted by the members of the Supervisory Board or the Company's Management Board concerning the sale of their shareholding in the Company's share capital, with the exception of the rules relating to the prevention of insider trading and the lock-up commitments made to the underwriting syndicate as part of the IPO transaction, as described in the Prospectus relating to this transaction. In addition, each member of the Supervisory Board or Management Board must directly or indirectly hold at least 1,000 Company shares, it being specified that this condition does not apply to members of the Supervisory Board who qualify as independent.

3.1.1.5. Presentation of the management team: an experienced and visionary team

The Hoffmann Green industrial project is led by a team with complementary profiles and skills, at the crossroads of scientific and industrial fields. The members of this visionary team are all

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driven by a common ambition: to participate in the environmental transition of the construction sector by offering high-performance decarbonised cements that break with existing technologies and can meet the challenges of climate change.

Julien Blanchard - Chairperson of the Management Board



Julien Blanchard is the co-founder and Chairperson of the Management Board of the Company.

After business school in France and Canada, Julien Blanchard became an entrepreneur in the field of construction materials (clay, terracotta, plaster, cement).

Julien Blanchard specialises in innovative clay-based products.

David Hoffmann - Chief Scientific Officer, member of the Management Board



David Hoffmann is the co-founder and Scientific Director of the Company. He is also a member of the Company's Management Board.

David Hoffmann is a chemical engineer specialising in solid-state chemistry. From 1991 to 2016, he worked at Trédi, a subsidiary of the Séché Environnement Group as a chemical engineer working in research and processes. David Hoffmann specialises in inorganic binders and has over 25 years' experience in chemical processes.

Jérôme Caron - Chief Financial Officer



Jérôme Caron joined the Company in 2019 to take on the duties of Chief Financial Officer.

A graduate of the IPAG business school and holder of a Diplôme d'Etudes Comptables et Financières (DECF), Jérôme Caron has extensive experience as administrative and financial director in France and internationally, within the Suez and Engie groups.

As part of his professional experience, Jérôme Caron has participated in the development of projects in high-growth contexts and has acquired solid skills in management control, financing and mergers and acquisitions.

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Patrick Nieuport - Chief Operating Officer



Patrick Nieuport joined the Company in 2017 as Chief Operating Officer.

An electrical mechanic by training, Patrick Nieuport has 15 years of experience as a multi-site operations manager within the Durand TP group. This professional experience has enabled Patrick Nieuport to develop strong skills in the management of industrial sites, as well as in the design and optimisation of processes.

David Guglielmetti - Director of Development



David Guglielmetti joined the Company in 2018 as Director of Development.

With dual training in civil engineering and management, David Guglielmetti has 22 years of experience at HeidelbergCement, a group where he worked before taking over the position of Director of Marketing and Innovation for all business lines of the group. During his career, David Guglielmetti has participated in the development of numerous innovation projects.

David Guglielmetti has an excellent knowledge of the cement and concrete market in France, enabling him to identify key strategic partnerships for the Company.

Julien Blanchard, David Hoffmann, Jérôme Caron, Patrick Nieuport and David Guglielmetti together make up the Company's Executive Committee. The Executive Committee meets once a week to deal with matters relating to the Company's management.

3.2. COMPENSATION AND BENEFITS

COMPENSATION OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

3.2.1.1. Compensation of members of the Executive Board

Tables 1, 2 and 11 of Appendix 2 of AMF Position-Recommendation No. 2021-02 are presented below. The other tables are not applicable:

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Table 1: Summary of compensation and options and shares granted to each executive corporate officer

| Summary table of compensation and options and shares granted to each executive corporate officer | | | | |
|--|---------------------------------|---------------------|---------------------------------|---------------------|
| In € | Financial year ended 31/12/2022 | | Financial year ended 31/12/2021 | |
| Julien Blanchard Chairperson of the Management Board | Amounts owed | Amounts paid | Amounts owed | Amounts paid |
| Compensation due for the year | €137,398 | €137,398 | €137,714 | €137,714 |
| Valuation of variable multi-annual compensation allocated for the year | N/A | N/A | N/A | N/A |
| Valuation of options allocated during the year | N/A | N/A | N/A | N/A |
| Valuation of free shares allocated | N/A | N/A | N/A | N/A |
| TOTAL | €137,398 | €137,398 | €137,714 | €137,714 |
| David Hoffmann Member of the Management Board ⁽¹⁾ | Amounts owed | Amounts paid | Amounts owed | Amounts paid |
| Compensation due for the year | N/A | N/A | N/A | N/A |
| Valuation of variable multi-annual compensation allocated for the year | N/A | N/A | N/A | N/A |
| Valuation of options allocated during the year | N/A | N/A | N/A | N/A |
| Valuation of free shares allocated | N/A | N/A | N/A | N/A |
| TOTAL | N/A | N/A | N/A | N/A |

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- (1) David Hoffmann is compensated under an employment contract covering his functions as Scientific and Innovation Director (see table 11 below).

Table 2: Summary table of the compensation of each executive corporate officer

| Summary table of compensation | | | | |
|---|------------------------------------|-----------------|------------------------------------|-----------------|
| In € | Financial year ended 31/12/2022 | | Financial year ended 31/12/2021 | |
| Julien Blanchard, Chairperson of the Management Board | Amounts owed | Amounts paid | Amounts owed | Amounts paid |
| Fixed compensation | € 132 000 | € 132 000 | € 132 000 | € 132 000 |
| Variable annual compensation | N/A | N/A | N/A | N/A |
| Variable multi-annual compensation | N/A | N/A | N/A | N/A |
| Exceptional compensation | N/A | N/A | N/A | N/A |
| Compensation allocated for director's office | N/A | N/A | N/A | N/A |
| Benefits in kind | €5,398 | €5,398 | € 5 714 | € 5 714 |
| TOTAL | €137,398 | €137,398 | €137,714 | €137,714 |
| David Hoffmann Member of the Management Board⁽¹⁾ | Amounts owed | Amounts paid | Amounts owed | Amounts paid |
| Fixed compensation | N/A | N/A | N/A | N/A |
| Variable annual compensation | N/A | N/A | N/A | N/A |
| Variable multi-annual compensation | N/A | N/A | N/A | N/A |

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| | | | | |
|--|------------|------------|------------|------------|
| Exceptional compensation | N/A | N/A | N/A | N/A |
| Compensation allocated for director's office | N/A | N/A | N/A | N/A |
| Benefits in kind | N/A | N/A | N/A | N/A |
| TOTAL | N/A | N/A | N/A | N/A |

⁽¹⁾ David Hoffmann is compensated under an employment contract covering his functions as Scientific and Innovation Director (see table 11 below).

Summary of the compensation policy for Julien Blanchard for the current fiscal year

At the Supervisory Board meeting of September 3, 2019, the compensation of Julien Blanchard for his duties as member and Chairperson of the Management Board was set at the sum of € 132,000 gross over twelve (12) months.

This fixed compensation will be supplemented by a variable compensation corresponding to one percent (1%) of the gross margin arising from the Company's financial statements (under IFRS), it being specified that this is calculated as follows: revenue - purchases of raw materials. Variable compensation will in any event be capped at € 20 000 gross.

Julien Blanchard is also entitled to the reimbursement of expenses incurred in the course of his duties, upon presentation of receipts.

Summary of the compensation policy for David Hoffmann for the current fiscal year

At the Supervisory Board meeting of September 3, 2019, the compensation of David Hoffmann for his duties as a member of the Management Board was set as follows:

- no fixed compensation;
- variable compensation corresponding to one percent (1%) of the gross margin arising from the Company's financial statements (under IFRS), it being specified that this is calculated as follows: revenue - purchases of consumed materials. Variable compensation will in any event be capped at € 20 000 gross.

David Hoffmann is also entitled to the reimbursement of expenses incurred in the course of his duties, upon presentation of receipts.

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Table 11: Details of the compensation conditions and other benefits granted to executive corporate officers

| Executive corporate officers | Employment contract | | Supplementary pension plan | | Compensation or benefits due or likely to be due as a result of termination or change of function | | Compensation relating to a non-compete clause | |
|--|--|----|----------------------------|----|---|----|---|------------------|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| Julien Blanchard, Chairperson of the Management Board | | x | | x | | x | | x |
| <i>Commencement date of term of office:</i> | Appointed by the Supervisory Board meeting of September 3, 2019 as Chairperson of the Management Board | | | | | | | |
| <i>End date of term of office:</i> | Up to 3 September 2025 | | | | | | | |
| David Hoffmann, Member of the Management Board | x ⁽¹⁾ | | | x | | x | | x ⁽²⁾ |
| <i>Commencement date of term of office:</i> | Appointed by the Supervisory Board meeting of September 3, 2019 as a member of the Management Board | | | | | | | |
| <i>End date of term of office:</i> | Up to 3 September 2025 | | | | | | | |

⁽¹⁾ David Hoffmann's employment contract was signed on April 16, 2018 in respect of his duties as Scientific and Innovation Director.

⁽²⁾ David Hoffmann's employment contract provides for the payment of compensation by the Company to David Hoffmann under a non-compete clause. In return for his non-compete obligation, David Hoffmann would receive a monthly payment, for a period of 24 months from the termination of his duties, of an amount equal to 65% of the average gross monthly salary (which is fixed) paid to him during his last 12 months with the Company. Any breach of the non-compete clause by David Hoffmann would render him liable for a penalty to be paid to the Company. David Hoffmann's employment contract does not provide for the payment of any other compensation.

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3.2.1.2. Compensation of members of the Supervisory Board

The members of the Supervisory Board do not benefit from any specific pension commitments, severance pay or non-compete benefits.

It is specified that the members of the Supervisory Board may receive directors' fees, the amount of which is voted annually by the Ordinary General Meeting and the distribution of which is freely decided by the Supervisory Board, based on the attendance of Supervisory Board members and the time they devote to their duties, it being specified that only Supervisory Board members who are independent members may receive attendance fees.

Under resolution 7 of the resolution of the general meeting of 3 June 2022, the shareholders of the Company set the total compensation of the members of the Supervisory Board (formerly Directors' fees) at €10,000 to be distributed among each member for the 2022 financial year. It will be proposed, at the next Ordinary General Meeting of the Company, to renew this total amount to €10,000.

In addition, each member of the Supervisory Board is entitled, upon presentation of the corresponding supporting documents, to be reimbursed for all travel expenses incurred in the performance of his or her corporate office.

Table 3 of Appendix 2 of AMF Position-Recommendation No. 2021-02 is presented below:

Table 3: Compensation allocated and received by non-executive corporate officers

| Non-executive corporate officers | Amounts allocated for the 2021 financial year | Amounts paid in 2021 | Amounts allocated for the 2022 financial year | Amounts paid in 2022 |
|---|--|-----------------------------|--|-----------------------------|
| Eric Cougnaud | | | | |
| Compensation allocated | N/A | N/A | N/A | N/A |
| Other compensation | N/A | N/A | N/A | N/A |
| Gil Briand | | | | |
| Compensation allocated | N/A | N/A | N/A | N/A |
| Other compensation | N/A | N/A | N/A | N/A |
| Thierry Didelon | | | | |
| Compensation allocated | N/A | N/A | N/A | N/A |

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| | | | | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
| Other compensation | N/A | N/A | N/A | N/A |
| Philippe Duval | | | | |
| Compensation allocated | 3.333 € | € 3 846 | €3,572 | 3.333 € |
| Other compensation | N/A | N/A | N/A | N/A |
| Alessandra Gaudio | | | | |
| Compensation allocated | € 2,667 | 3.077 € | €3,572 | € 2,667 |
| Other compensation | N/A | N/A | N/A | N/A |
| Isabelle Mommessin | | | | |
| Compensation allocated | N/A | N/A | N/A | N/A |
| Other compensation | N/A | N/A | N/A | N/A |
| Hervé Montjotin | | | | |
| Compensation allocated | € 4,000 | 3.077 € | €2,857 | € 4,000 |
| Other compensation | N/A | N/A | N/A | N/A |
| TOTAL | 10.000 € | 10.000 € | 10.000 € | 10.000 € |

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RATIO BETWEEN COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE MINIMUM WAGE

In accordance with recommendation No 16 of the Middlenext Code as revised in September 2021, the equity ratio used to compare the level of compensation of the members of the Management Board with the minimum wage is as follows:

| | Ratio |
|------------------|-------|
| Julien BLANCHARD | 7.0 |
| David HOFFMANN | 7.0 |

AMOUNTS PROVISIONED OR RECOGNISED BY THE COMPANY OR ITS SUBSIDIARIES FOR THE PAYMENT OF PENSIONS, RETIREMENT OR OTHER BENEFITS TO MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES

The Company has not set aside any provisions for the payment of pensions, retirement or other benefits to corporate officers.

The Company did not grant any arrival or departure bonuses to corporate officers.

FREE SHARES GRANTED, STOCK WARRANTS AND STOCK OPTIONS GRANTED TO CORPORATE OFFICERS

At the date of the Annual Financial Report, no free shares, options or warrants were allocated to corporate officers.

AGREEMENTS ENTERED INTO BY THE COMPANY WITH ITS EXECUTIVES OR MAIN SHAREHOLDERS

David Hoffmann holds an employment contract entered into prior to his appointment to the Management Board by the Supervisory Board at its meeting of September 3, 2019.

LOANS AND GUARANTEES GRANTED TO CORPORATE OFFICERS

None.

3.3. OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

The Company's Articles of Association are available on the Company's website.

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MANAGEMENT OF THE COMPANY

3.3.1.1. Management Board

The Company is managed by a Management Board composed of two members (see section 3.1.1.1 “Composition of the Management Board and Supervisory Board” of the Annual Financial Report). The Management Board is governed in accordance with the legal provisions and the stipulations of Articles 16, 17 and 18 of the Company’s Articles of Association.

The members of the Management Board are appointed for a term of six (6) years by the Supervisory Board, which appoints one of them as Chairperson. The Supervisory Board determines their compensation.

In addition to the legal requirements for prior authorisations by the Supervisory Board, the Executive Board may not carry out the following transactions without the Supervisory Board’s prior authorisation:

- a. any investment or equity investment, in any form whatsoever, of an amount exceeding three (3) million euros;
- b. any major transaction likely to substantially modify the scope of activity of the Company and the group it controls;
- c. any merger, spin-off or contribution to which the Company is a party;
- d. any financing transaction likely to substantially modify the Company’s financial structure, in an amount exceeding five (5) million euros;
- e. any loan, including bonds, in an amount exceeding five (5) million euros.

3.3.1.2. Supervisory Board

The Supervisory Board exercises permanent control over the management of the Company by the Management Board. It is composed of seven members (see section 3.1.1.1 “Composition of the Management Board and Supervisory Board” of the Annual Financial Report). The Supervisory Board is governed in accordance with the legal provisions and the provisions of Articles 12, 13, 14 and 15 of the Company’s Articles of Association, as well as by the Supervisory Board’s internal rules.

Any individual or legal entity may be appointed to the Supervisory Board, subject to owning or becoming the owner, directly or indirectly, of at least 1,000 shares of the Company within three (3) months of this appointment. However, this condition does not apply to members of the Supervisory Board deemed independent.

The members of the Supervisory Board are appointed for a term of three (3) years; their duties end at the end of the Ordinary General Meeting called to approve the financial statements for

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the past financial year and held during the year in which their term of office expires. The terms of office are renewed on a rotating basis, meaning that the members of the Supervisory Board are renewed regularly in the most equal proportions possible. By way of exception, the Ordinary General Meeting may appoint a member of the Supervisory Board for a shorter term. The Supervisory Board authorises the Management Board to carry out the transactions set out above in Section 3.3.1.1 of the Annual Financial Report, for which its prior approval is required.

The Supervisory Board may decide to create committees to examine issues submitted to them by the Supervisory Board or its Chairperson; it sets their composition, their powers and, where applicable, the compensation of their members.

The General Meeting may allocate annual compensation to the members of the Supervisory Board (formerly called “directors’ fees”).

The Supervisory Board may freely distribute the total amount allocated among its members.

The Chairperson of the Supervisory Board will receive no compensation other than that allocated to him or her for his or her office (formerly known as “directors’ fees”).

AGREEMENTS BETWEEN MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES WITH THE COMPANY

As at the date of the Annual Financial Report, there are no service contracts binding the members of the Management Board or Supervisory Board to the Company or its subsidiary, providing for the granting of benefits.

SPECIALISED COMMITTEES

At the date of Annual Financial Report, there are no specialised committees.

The Middlednext Code recommends that the Board, which remains the decision-making body for the establishment of specialised committees, decides, according to its size, needs and current events, to organise itself with or without specialized committees. The Supervisory Board considered that it was not appropriate to set up such committees at this stage.

CORPORATE GOVERNANCE STATEMENT

For the sake of transparency and public information in view of the admission of its shares to trading on the Euronext Growth Paris market, the Company has undertaken a comprehensive review of corporate governance practices.

The Company has designated the Middlednext Code as the reference code with which it intends to comply as from the admission of its shares to trading on the Euronext Growth Paris market.

CATALYST OF CARBON TRANSITION

The table below shows the Middlednext¹² recommendations with which the Company complies, and those it intends to follow in the future:

| Recommendations of the Middlednext Code | Compliant | Plans to comply | Considers not appropriate |
|---|-----------|-----------------|---------------------------|
| R1: Ethics of Board members | x | | |
| R2: Conflicts of interest | x | | |
| R3: Composition of the Board - Presence of independent members on the Board | x* | | |
| R4: Information for Board members | x | | |
| R5: Training of Board members | | x | |
| R6: Organisation of Board and Committee meetings | x | | |
| R7: Establishment of committees | x** | | |
| R8: Establishment of a specialised CSR committee | | x | |
| R9: Implementation of internal rules for the Board | x | | |
| R10: Choice of each director | x | | |
| R11: Term of office of Board members | x | | |
| R12: Director's compensation | x | | |
| R13: Implementation of an assessment of the Board's work | x*** | | |
| R14: Relations with "shareholders" | x | | |

¹² The Middlednext recommendations stemming from the Corporate Governance Code (updated in September 2021) for mid and small caps are available on the Middlednext website: <http://middlednext.com>.

CATALYST OF CARBON TRANSITION

| | | | |
|--|----------|----------|--|
| R15: Diversity and equity policy within the company | x | | |
| R16: Definition and transparency of the executive compensation of corporate officers | x | | |
| R17: Preparation of the succession of “executives” | | x | |
| R18: Combination of employment contract and corporate office | x | | |
| R19: Severance payments | x | | |
| R20: Supplementary pension plans | x | | |
| R21: Stock options and allocation of free shares | | x | |
| R22: Review of points of vigilance | x | | |

* Philippe Duval, Alessandra Gaudio and Hervé Montjotin comply with the five independence criteria set by the Middlednext Code, namely: (i) not to have been over the last five years or currently be an employee or executive corporate officer of the Company or a company of its Group, (ii) not to have been over the last two years or currently be in a material business relationship with the Company or its Group, (iii) not to be a shareholder of the Company or hold a significant percentage of voting rights, (iv) not to have a close relationship with a corporate officer or a reference shareholder, (v) not to have been Statutory Auditor of the Company in the last six years.

** The Middlednext Code recommends that the Board, which remains the decision-making body for the establishment of specialised committees, decides, according to its size, needs and current events, to organise itself with or without specialised committees. The Supervisory Board considered that it was not appropriate to set up such committees at this stage.

*** The procedure for assessing the work of the Supervisory Board was approved at the Board meeting of October 2, 2020. The Company plans to carry out a new assessment of the Board’s work

It is specified that the Company intends to comply with recommendation No 17 during the 2023 financial year.

The indication relating to recommendation No 21 is placed in the “plans to comply” box as no allocation has been made to date. The Company will comply with this recommendation when considering whether to grant stock options or free shares to corporate officers.

CATALYST OF CARBON TRANSITION

3.4. RELATED-PARTY TRANSACTIONS

AGREEMENTS WITH RELATED PARTIES

Details of transactions with related parties as covered by the standards adopted in accordance with European Regulation (EC) 1606/2002 and entered into by the Company during the 2019, 2020, 2021 and 2022 financial years are provided in note 6.10.2 to the IFRS financial statements presented in section 2.1 “Financial statements prepared under IFRS for the financial year ended 31 December 2022” in the Annual Financial Report.

REGULATED AGREEMENTS

The Company did not enter into any related-party agreements during the 2022 financial year.

Since 1st of July 2017, tenant of offices and premises La Bretaudière - Chaillé-sous-les-Ormeaux - 85310 Rives de l'Yon, held by the simplified joint stock company Argilus of which Mr Julien Blanchard, Chairperson of the Management Board, is the majority shareholder. Since that date, the Company has made more than €1 million in improvements and investments on the site and paid annual rent of €71,000 to Argilus, excluding taxes and charges, to benefit from offices with a surface area of 689 m² and a warehouse with an area of 191m².

On 19 December 2022, the Company acquired the site (excluding the quarries) from Argilus, including offices, a warehouse and a storage area with an area of 4,000 m² and land with an area of 3 ha for an amount of €1.9 million excluding taxes.

The companies Gillaizeau Terre Cuite (held 87.90% by J.B. Finance, itself held 57.52% by Mr Julien Blanchard up to and Argilus, subsequently became tenants of the warehouse held by the Company, thus generating payment to the Company of an annual rent, excluding taxes and charges, of €30,000.

In this context, the Supervisory Board, on 9 December 2022, authorised the conclusion of the agreement for the acquisition of offices and premises with Argilus, of which Mr Julien Blanchard is the majority shareholder.

It should also be noted that only one related-party agreement was entered into during financial year 2020. As part of the construction of the “H2” production unit, the Company entered into a “general contractor” contract with Design & Build, a subsidiary of the Briand Group, for an amount of more than €5 million. As Mr Gil Briand, a member of the Supervisory Board, is the majority shareholder of the Briand Group the Supervisory Board gave its authorisation on February 28, 2020, prior to the conclusion of the contract, after the Company had carried out a tendering procedure. Design & Build was selected for the following reasons:

- Design & Build has extensive technical expertise;
- it has the necessary resources; and



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- it agreed to be paid on the basis of a “cost plus fee”, offering transparency and flexibility in the choice of processes to be implemented

The special report of the Company’s Statutory Auditors on the regulated agreements and commitments referred to in Article L. 225-86 of the French Commercial Code for the 2022 financial year is presented in section 3.4.3 “Statutory Auditors’ special report on related-party agreements” in the Annual Financial Report below.



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STATUTORY AUDITOR'S SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

CATALYST OF CARBON TRANSITION



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7 boulevard Albert Einstein
BP 41125
44311 Nantes

Hoffmann Green Cement Technologies S.A.

Rapport spécial du commissaire aux comptes sur les conventions
réglementées

Assemblée générale d'approbation des comptes
de l'exercice clos le 31 décembre 2022
Hoffmann Green Cement Technologies S.A.
La Bretauillère Chaillé-sous-les-Ormeaux 85310 RIVES DE L'YON

KPMG S.A., société d'expertise comptable et de
commissaires aux comptes inscrite au Tableau de l'Ordre des
experts comptables de Paris sous le n° 14-30080101 et
rattachée à la Compagnie régionale des commissaires aux
comptes de Versailles et du Centre.
Société française membre du réseau KPMG constitué de
cabinets indépendants affiliés à KPMG International Limited,
une société de droit anglais (private company limited by
guarantee).

Société anonyme à conseil
d'administration
Siège social :
Tour EQHO
2 avenue Gambetta
CS 60055
92066 Paris La Défense Cedex
Capital social : 5 497 100 €
775 726 417 RCS Nanterre

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Hoffmann Green Cement Technologies S.A.

La Bretaudière Chaillé-sous-les-Ormeaux 85310 RIVES DE L'YON

Rapport spécial du commissaire aux comptes sur les conventions réglementées

Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2022

À l'assemblée générale de la société Hoffmann Green Cement Technologies S.A.,

En notre qualité de commissaire aux comptes de votre société, nous vous présentons notre rapport sur les conventions réglementées.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques, les modalités essentielles ainsi que les motifs justifiant de l'intérêt pour la société des conventions dont nous avons été avisés ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions. Il vous appartient, selon les termes de l'article R. 225-58 du code de commerce, d'apprécier l'intérêt qui s'attachait à la conclusion de ces conventions en vue de leur approbation.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations prévues à l'article R. 225-58 du code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions déjà approuvées par l'assemblée générale.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission. Ces diligences ont consisté à vérifier la concordance des informations qui nous ont été données avec les documents de base dont elles sont issues.

| | |
|--|--|
| KPMG S.A., société d'expertise comptable et de commissaires aux comptes inscrite au Tableau de l'Ordre des experts comptables de Paris sous le n° 14-30080101 et rattachée à la Compagnie régionale des commissaires aux comptes de Versailles et du Centre. | Société anonyme à conseil d'administration |
| Société française membre du réseau KPMG constitué de cabinets indépendants affiliés à KPMG International Limited, une société de droit anglais (private company limited by guarantee). | Siège social : Tour EQHO 2 avenue Gambetta CS 60055 92066 Paris La Défense Cedex Capital social : 5 497 100 € 775 726 417 RCS Nanterre |

CATALYST OF CARBON TRANSITION



CONVENTIONS SOUMISES À L'APPROBATION DE L'ASSEMBLEE GENERALE

Conventions autorisées et conclues au cours de l'exercice écoulé

En application de l'article L. 225-88 du code de commerce, nous avons été avisés des conventions suivantes conclues au cours de l'exercice écoulé qui ont fait l'objet de l'autorisation préalable de votre conseil de surveillance.

Contrat d'acquisition de bureaux et de locaux avec la société Argilus

— **Personne concernée :**

Monsieur Julien Blanchard, Président du Directoire d'HGCT et actionnaire majoritaire d'Argilus.

— **Nature et objet :**

Contrat d'acquisition de bureaux et de locaux.

— **Modalités :**

La Société a acquis le 19 décembre 2022 auprès d'Argilus le site (hors carrières), comprenant des bureaux, un entrepôt et une zone de stockage d'une superficie de 4.000 m² et des terrains d'une superficie de 3 ha pour un montant de 1.9 millions d'euros hors taxes. Cette convention a été autorisée par le Conseil de Surveillance du 9 décembre 2022.

— **Motifs justifiant de son intérêt pour la société :**

HGCT était locataire d'Argilus pour la location de ces locaux depuis le 1^{er} juillet 2017. Depuis cette date, la Société a réalisé des travaux d'aménagements et d'investissements sur le site et payé un loyer annuel.

De manière concomitante à l'acquisition du 19 décembre 2022, les sociétés Gillaizeau Terre Cuite et Argilus sont devenues locataires d'une partie de l'entrepôt détenue par HGCT contre le versement d'un loyer annuel hors taxes et hors charges de 30.000 euros.

CONVENTIONS DÉJÀ APPROUVÉES PAR L'ASSEMBLEE GENERALE

Conventions approuvées au cours d'exercices antérieurs dont l'exécution s'est poursuivie au cours de l'exercice écoulé

En application de l'article R. 225-57 du code de commerce, nous avons été informés que l'exécution des conventions suivantes, déjà approuvées par l'assemblée générale au cours d'exercices antérieurs, s'est poursuivie au cours de l'exercice écoulé.

Contrat de contractant générale avec la société Design and Build filiale du Groupe Briand

— **Personne concernée :**

Monsieur Gil Briand, membre du Conseil de Surveillance.

Hoffmann Green Cement Technologies S.A.

Rapport spécial du commissaire aux comptes sur les conventions réglementées
Assemblée générale d'approbation des comptes
de l'exercice clos le 31 décembre 2022

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CATALYST OF CARBON TRANSITION



— **Nature et objet :**

Contrat de « contractant général » avec la société Design & Build, filiale du Groupe Briand.

— **Modalités :**

Dans le cadre de la construction de l'unité de production « H2 », la Société a conclu le 10 septembre 2020 un contrat de « contractant général » avec la société Design & Build, filiale du Groupe Briand, pour un montant de plus de 5 M€. Cette convention a été autorisée par le Conseil de Surveillance du 28 février 2020.

— **Motifs justifiant de son intérêt pour la société :**

La société Design & Build a notamment été retenue pour les raisons suivantes :

- La société Design & Build jouit d'une grande expertise technique ;
- Elle dispose des ressources nécessaires ;
- Elle accepte d'être rémunérée sur la base d'un « *cost plus fee* », offrant une transparence et une flexibilité dans le choix des procédés à mettre en oeuvre.

Nantes, le 17 avril 2023

KPMG S.A.

Gwenaël CHEDALEUX
Associé

Hoffmann Green Cement Technologies S.A.
Rapport spécial du commissaire aux comptes sur les conventions réglementées
Assemblée générale d'approbation des comptes
de l'exercice clos le 31 décembre 2022

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CATALYST OF CARBON TRANSITION

3.5. SUMMARY TABLE OF DELEGATIONS OF POWERS AND AUTHORITY GRANTED BY THE GENERAL MEETING

At the date of the Annual Financial Report, the Company's share capital amounts to €14.636.693, divided into 14,636,693 shares with a par value of €1 each, all fully subscribed and paid up.

The General Meeting of the Company's shareholders of 3 June 2022 decided on the following delegations or authorisations granted to the Management Board to increase or reduce the share capital:

| Subject of resolution | Term of validity from 3 June 2022 | Maximum nominal amount (in €) | Procedures for determining price | Use of delegation |
|--|-----------------------------------|--|---|---|
| Authorisation to be granted to the Management Board to trade in the Company's shares (share buyback programme) - resolution 8 | 18 months | € 10,000,000 10% of share capital | Max. price € 60 per share | This delegation was used as part of the liquidity contract for a total amount of € 300,000. |
| Delegation of authority to be granted to the Management Board to issue, with preferential subscription rights, shares and/or securities giving access to new Company shares - resolution 9 | 26 months | 1.000.000 €* | | Delegation not used |
| Delegation of authority to be granted to the Management Board to issue, with cancellation of preferential subscription rights, shares and/or securities giving access to new Company shares in accordance with Article L. 225-136 of the French Commercial Code, in particular in the context of a public offering - resolution 10 | 18 months | 1.000.000 €* 20% of the share capital per year for public offers referred to in Article L. 411-2 1° of the French Monetary and Financial Code | The issue price of the new shares must be at least equal to the volume-weighted average of the prices of the last three (3) trading sessions on the Euronext Growth Paris market prior to the start of the public offering within the meaning of Regulation (EU) No. 2017/1129, potentially reduced by a maximum discount of 20%; | Delegation not used |

CATALYST OF CARBON TRANSITION

| Subject of resolution | Term of validity from 3 June 2022 | Maximum nominal amount (in €) | Procedures for determining price | Use of delegation |
|--|---|--|---|---------------------|
| Delegation of authority to be granted to the Management Board to issue shares and/or securities giving access to new shares, with waiver of preferential subscription rights, in favour of a category of persons - resolution 11 ** | 18 months | 1.000.000 €* | The issue price of the new shares must be at least equal to the volume-weighted average of the share prices of the last three (3) trading sessions on the Euronext Growth Paris market prior to its setting, potentially reduced by a maximum discount of 20% | Delegation not used |
| Authorisation to be granted to the Management Board to increase, in accordance with Article L. 225-135-1 of the French Commercial Code, the number of securities to be issued on the occasion of issues carried out with maintenance or removal of pre-emptive subscription rights - resolution 12 | 26 months 30 months (it being specified that this authorisation must be implemented within 30 days of the closing of the subscription to the capital increase in question). | 15% of the amount of the initial issue | - | Delegation not used |
| Delegation of authority to be granted to the Management Board to issue shares and/or securities giving access to new Company shares to employees who are members of a company savings plan, with cancellation of preferential subscription rights in accordance with | 26 months | 1% of share capital * | Price determined under the conditions provided for in Articles L. 3332-20 et seq. of the French Labour Code | Delegation not used |

CATALYST OF CARBON TRANSITION

| Subject of resolution | Term of validity from 3 June 2022 | Maximum nominal amount (in €) | Procedures for determining price | Use of delegation |
|---|-----------------------------------|--|----------------------------------|--|
| Article L. 225-129-6 of the French Commercial Code - resolution 13 | | | | |
| Authorisation to be given to the Management Board to allocate free shares to eligible employees or corporate officers of the Company and related companies - resolution 15 | 38 months | 10% of share capital | - | Grant of 42,647 shares on 16 January 2023 22,147 shares under Plan 5 and 20,500 shares under Plan 6), representing less than 1% of the share capital at the time of the grant, which may only be vested at the end of a three-year vesting period under Plan 5 and one year under Plan 6. |
| Delegation of powers to be granted to the Management Board to increase the share capital by incorporation of reserves, premiums, profits or other in accordance with Article L. 225-130 of the French Commercial Code - resolution 16 | 26 months | The share capital may be raised on one or more occasions and in the proportion and at the dates determined by the Management Board | - | Delegation not used |
| Authorisation to be given to the Management Board to reduce the share capital by cancelling shares - resolution 17 | 24 months | 10% of share capital per 24-month periods | - | Delegation not used |

*the maximum nominal amount of capital increases that may be carried out, immediately or in the future, is deducted from the overall limit on authorisations for issuance in cash of €1,000,000 (resolution 14 of the General Meeting of 3 June 2022).

** definition of the category of persons:

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- French or foreign investment companies or collective savings funds, which regularly invest or have invested more than € 5 million in the last 36 months in medium and small companies (i) operating in the construction sector or (ii) having an activity whose objective or consequence is to reduce CO₂ emissions;
- French or foreign companies or groups operating in these sectors,
- French or foreign companies or groups that have entered into a partnership with the Company as part of the conduct of its business, or
- creditors holding liquid receivables, whether due or not, against the Company having expressed their wish to have their receivable converted into Company shares and for which the Company's Management Board deems it appropriate to offset their receivables with Company shares,

it being specified that the number of beneficiaries, which the Management Board will identify within the above category, may not exceed thirty (30) per issue.

There is also a previous delegation in force granted to the Management Board on the occasion of the General Meeting of 4 June 2021:

| Subject of resolution | Period of validity from 4 June 2021 | Maximum nominal amount (in €) | Procedures for determining price | Use of delegation |
|---|-------------------------------------|-------------------------------|----------------------------------|---------------------|
| Authorisation to be given to the Management Board to grant stock options or purchase of shares to employees of the Company or related companies - resolution 18 | 38 months | 10% of share capital | - | Delegation not used |

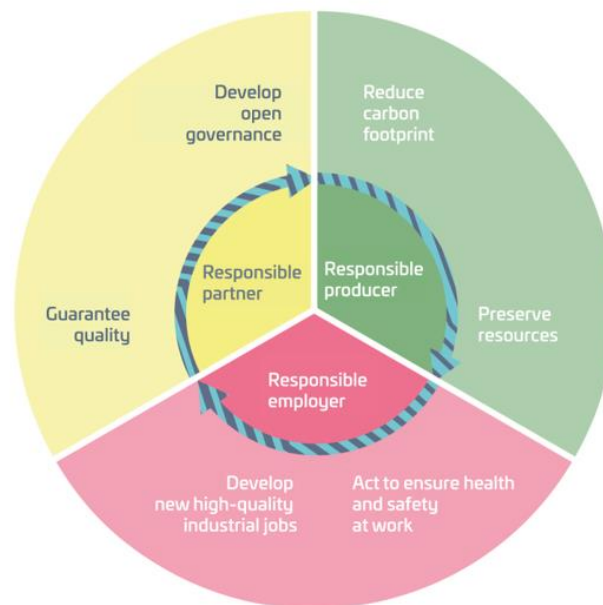
At the date of Annual Financial Report, there is no commitment to increase the share capital.

CATALYST OF CARBON TRANSITION

4. CORPORATE SOCIAL RESPONSIBILITY REPORT

INTRODUCTION

Through its design and production of clinker-free decarbonised cement, Hoffmann Green Cement Technologies undoubtedly brings societal added value to the construction sector. The Company is therefore aware of raising other expectations in terms of overall, social and environmental performance consistent with its corporate purpose. Also, while being focused on its development objectives, Hoffmann Green Cement intends to translate its commitment into its organisation and to demonstrate this transparently through a few non-financial indicators illustrating its CSR approach in three areas:



To select these indicators, Hoffmann Green relied on its materiality analysis of societal issues carried out in 2020, reinforced by voluntary non-financial ratings from Gaïa d'Ethifinance and Sustainalytics. Hoffmann Green also wanted to highlight the actions implemented since its creation, and in particular since the launch of the first plant in early 2019, which demonstrate and ensure the relevance of its development model. Thus, this year, Hoffmann Green reported on seven issues:

- Responsible producer: reducing the carbon footprint; Preserving resources
- Responsible employer: developing new high-quality industrial jobs; take action for health and safety at work.
- Responsible partner: guaranteeing quality, developing open governance, regional anchoring



CATALYST OF CARBON TRANSITION

RESPONSIBLE PRODUCER

Cement is the most used material in the world after water. Its traditional production method has remained virtually unchanged since its creation 200 years ago. It consists of extracting limestone from the ground, heating it at 1,450° C for 18 hours to obtain clinker, which constitutes the cement powder.

The difference of Hoffmann Green cement comes from a revolutionary production process that reduces the **carbon footprint** and promotes the **preservation of natural resources**.

The challenge of reducing the carbon footprint

According to IPCC experts¹³, to keep climate change within a trajectory of + 2°C by 2100, we must halve our greenhouse gas emissions by 2030 and achieve carbon neutrality by 2050.

- **ASPECT 1: REDUCING THE CARBON FOOTPRINT OF CEMENT**

Cement production alone accounts for 5 to 7% of CO₂ emissions worldwide.

In the update of the French National Low Carbon Strategy (SNBC) in 2020, the achievement of construction objectives is subject to five factors, including “increasing the use of low-carbon construction products and equipment with good energy and environmental performance, such as those resulting from the circular or biosourced economy, via performance objectives on the carbon footprint of buildings over their life cycle, for both renovation and construction”¹⁴.

Reducing the carbon footprint of cement is the purpose of the company. The new cements developed by Hoffmann Green Cement Technologies reduce CO₂ emissions fivefold¹⁵ compared to traditional Portland cement (CEM I) thanks to a new industrial cold activation process, without a kiln.

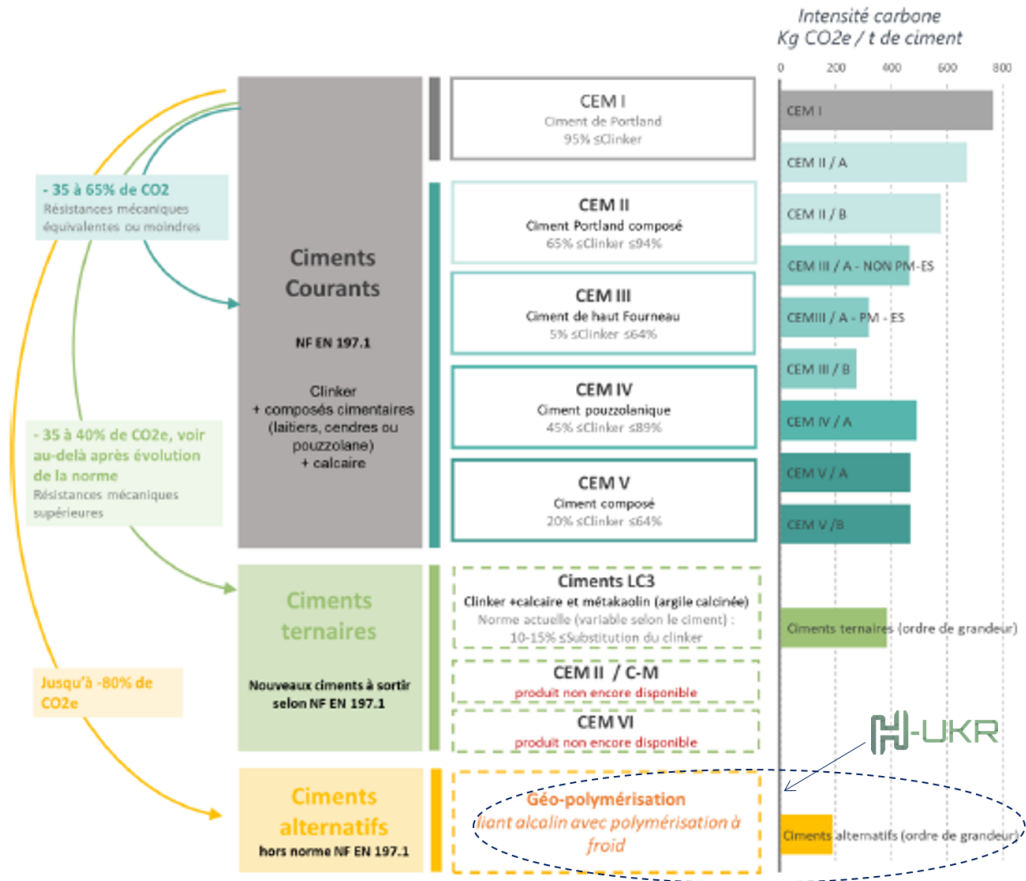
¹³ IPCC: Intergovernmental Panel on Climate Change

¹⁴ Revised SNBC completes: https://www.ecologie.gouv.fr/sites/default/files/2020-03-25_MTES_SNBC2.pdf

¹⁵ H-IONA Cement has a carbon footprint of 161 kg/ton of cements produced

CATALYST OF CARBON TRANSITION

Cement mapping and carbon intensity¹⁶



¹⁶ Source: "Concrete Sector Brief", Hub for Low Carbon specifiers, produced by Carbone 4 and Ifpeb, December 2020. https://www.ifpeb.fr/wp-content/uploads/2020/12/IFPEB-Carbone4_Messages-cles_Brief-Filiere-Beton_20201208.pdf

CATALYST OF CARBON TRANSITION

ACTIONS IMPLEMENTED

October 2018 - Inauguration of the first plant

At the end of 2018, Hoffmann Green Cement inaugurated its first pilot plant at the Bournezeau site in the Vendée region. With a production capacity of 50,000 metric tons, this first unit made it possible to test and refine a production process unique in the world:

- Without furnace: co-products are activated cold in a mixer;
- No waste from the production process;
- Nearly a quarter of energy produced and consumed on site thanks to solar trackers.

This new type of plant 4.0 makes it possible to produce new decarbonised clinker-free cements.

March 2020: publication of Life Cycle Inventories (LCI) on the INIES database for H-UKR and H-EVA cements

Hoffmann Green is the first French cement manufacturer to publish its ICV. The LCI tables summarise the assessment of all incoming and outgoing flows of raw materials and energy resources used in the manufacture of its H-UKR and HEVA cements in order to assess their environmental impacts. They are used as input data for the software used to analyse the life cycle of a construction product, often composed of several materials.

November 2020: Environmental and Health Declaration Sheets (FDES) obtained for concrete floors and walls made from its H-UKR cement.

These two EDP are part of a continuous and voluntary certification process for Hoffmann Green's new innovative cements. These standardised documents present the results of the Life Cycle Analysis of concrete carried out on Hoffmann Green H-UKR cement for floor and wall elements as well as health information that makes it possible to calculate the environmental and health performance of a building with a view to its eco-design. The EDP are published on the INIES database, the national reference database on environmental and health characteristics for buildings. The EDP provides users of concrete made from Hoffmann Green cement with multi-criteria, objective, quantitative and qualitative information for all phases of the product's life (production, transport, processing, life in use and end-of-life). It is an irreplaceable tool for assessing the environmental performance of buildings made from Hoffmann Green concrete, in particular within the framework of the new Environmental Regulation RE 2020: positive energy building, minimising the carbon impact across its entire life cycle.

December 2020: launch of the second production site



CATALYST OF CARBON TRANSITION

This exceptional structure, located next to the first “H1” production site, in Bournezeau in the Vendée (85) and built entirely from Hoffmann Green cements, will have a production capacity of 250,000 metric tons per year. The concept and design of “H2” were based on feedback from “H1”.

Thus, equipped with a 70-meter-high mixing tower, “H2” is a vertical plant whose cement production will follow a gravity-based process to optimise the unit’s productivity. The verticality of this site also means the land area can be reduced to 1.5 hectares: the land area of “H2” is thus half that of “H1” while increasing production capacity fivefold.

The optimised land footprint enables Hoffmann Green to preserve natural spaces.

September 2021: launch of H-IONA, the most carbon-free cement on the European market

Hoffmann Green Cement Technologies launched H-IONA, its fourth low-carbon technology. The manufacture of this new cement is part of the existing production unit and emits six times less CO₂ than traditional Portland cement, i.e. a carbon footprint of less than 150 kilograms per ton. As an extension of the technologies already developed, in particular for H-UKR, Hoffmann Green Cement has developed an innovative specific activation system that allows it to manufacture this technology cold, in its fully automated 4.0 plant, while preserving natural resources by recycling co-products from industry. This cement is mainly composed of ground blast furnace slag and calcium sulphates. H-IONA is the first decarbonised cement to obtain CE marking.

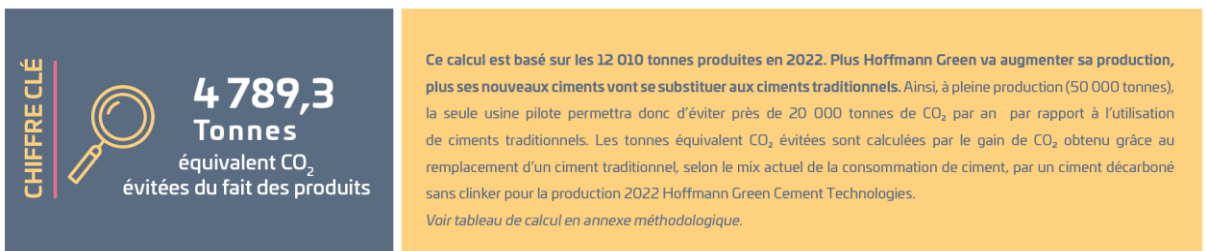
May 2022: Hoffmann Green announces the establishment of its third production site (H3) in the Grand Port Maritime de Dunkerque.

Hoffmann Green reached a key stage in its development with the signature of a 40-year Temporary Occupation Authorisation (AOT) for the Grand Port Maritime de Dunkerque (GPMD) with a view to building the Company’s third production site (“H3”) on 5 hectares of land. To date, this agreement takes the form of a reservation protocol. Hoffmann Green will take possession of the land when the current occupant has finalised its exit operations.

This location fits perfectly into the Company’s strategic plan since it is located near a rail and river junction and offers a new maritime access that will connect with the storage silos located in the port of La Rochelle. It also corresponds to GPMD’s strategy to develop the industry that generates new maritime flows at its port terminals.

The year 2022 is marked by the finalisation of the “H2” production site which comes into service **in the first half of 2023**.

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See the detailed calculation in the appendix of the report

- **ASPECT 2: REDUCING THE COMPANY'S CARBON FOOTPRINT**

Faced with climate challenges, every degree counts, every ton of CO₂ saved counts. Hoffmann Green applies this principle at every level of the company. In production, with its low-carbon solutions, but also in the life of the Company.

ACTIONS IMPLEMENTED

Carrying out a carbon assessment[®] scope 3

Since 2020, in order to identify its main sources of greenhouse gas emissions, Hoffmann Green has carried out an annual carbon assessment, including a scope including direct emissions, (scope 1), indirect emissions related to energy consumption (scope 2), and emissions caused by the Company's activity (scope 3): non-current assets, inputs, purchase of raw materials, services or other products, employee travel, upstream and downstream transport of goods. These carbon assessments[®], on the three scopes, thus provide an overview of the Company's carbon footprint and its evolution over time.

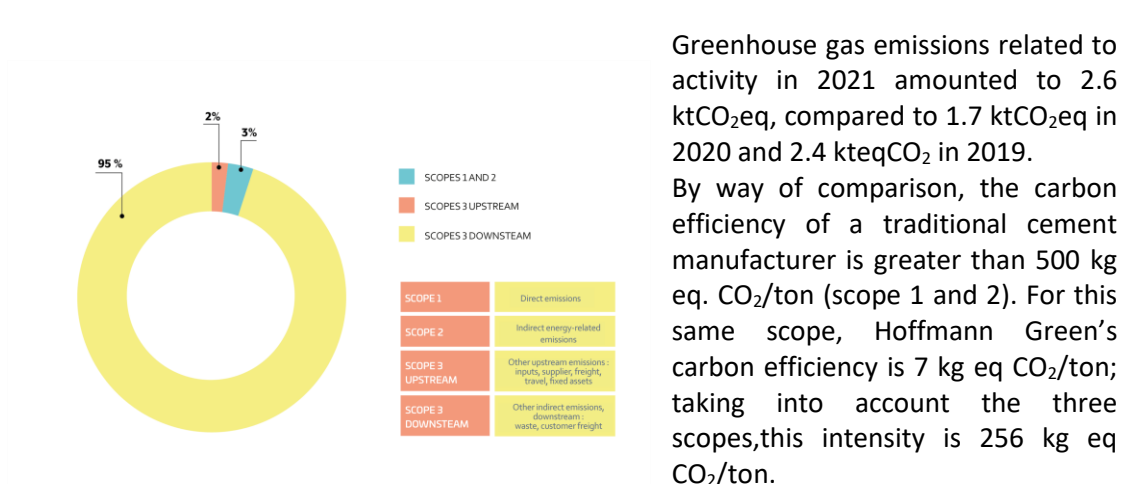
Marketing of carbon credits

Since the end of 2022, Hoffmann Green has been marketing carbon credits that correspond to the CO₂ emissions avoided thanks to the use of 0% clinker cements developed by Hoffmann Green. The generation of carbon credits is based on a methodology validated and published by a certifier. It is an alternative financing solution that makes it possible to recover non-emitted carbon. This serves two purposes. First, the revenue from the carbon contribution will enable Hoffmann Green to strengthen the competitiveness of its low-carbon solutions and thus enable their adoption in the face of more polluting traditional solutions. The second objective is to increase R&D funding for products ever more virtuous for the environment. To date, Hoffmann Green has 10,000 carbon credits available for sale.

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Bilan Carbone® at a glance

Bilan Carbone® Scope 1,2,3 (in tons of CO₂ equivalent)¹⁷



Greenhouse gas emissions related to activity in 2021 amounted to 2.6 ktCO₂eq, compared to 1.7 ktCO₂eq in 2020 and 2.4 kteqCO₂ in 2019. By way of comparison, the carbon efficiency of a traditional cement manufacturer is greater than 500 kg eq. CO₂/ton (scope 1 and 2). For this same scope, Hoffmann Green's carbon efficiency is 7 kg eq CO₂/ton; taking into account the three scopes, this intensity is 256 kg eq CO₂/ton.

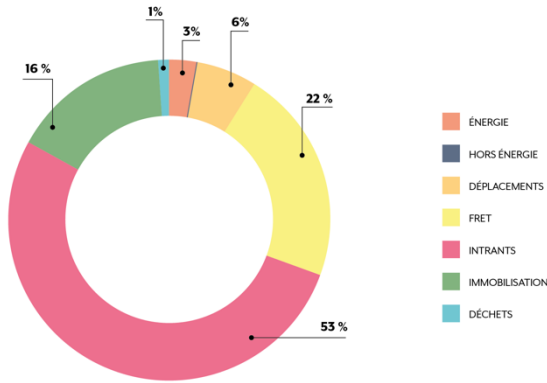
The lack of transparency of the other players in the sector in this scope 3 scope does not allow for comparison.

¹⁷ Bilan Carbone® carried out by EVEA (www.evea-conseil.com) in June 2020 on the 2019 data, in December 2021 on the 2020 data and in December 2022 on the 2021 data.

CATALYST OF CARBON TRANSITION

Breakdown and changes in issues by item

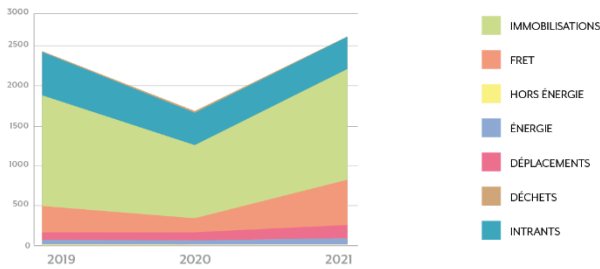
Répartition des émissions par poste



The item that contributes the most to these emissions is inputs (53%), followed by non-current assets and then freight.

Production purchases (materials - products) account for 61% of GHG emissions related to inputs. The rest is mainly related to service purchases.

Nearly three-quarters of the emissions are generated by the first plant located in Bournezeau. As with any industrial innovation, the initial investments weigh on the model through capitalisation. Thus, machines account for 77% of the GHG emissions of this emission item, i.e. 12% of total business

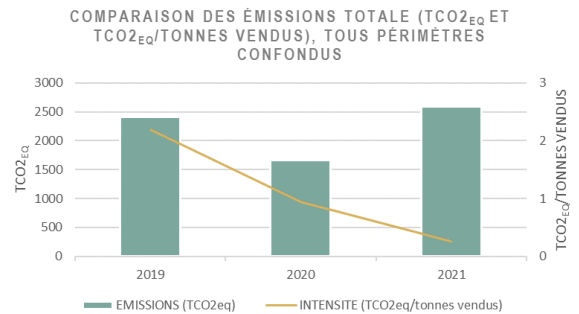
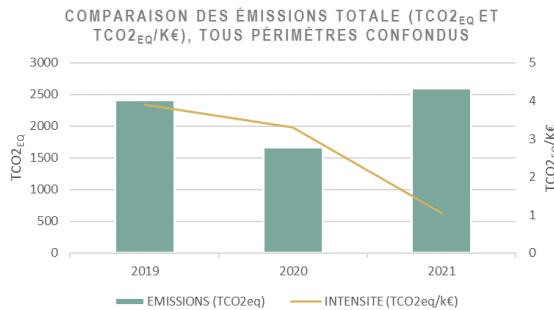


emissions, down 5 points compared to the previous year.

The increase in emissions is mainly due to the increase in production. However, the increase in production and the economies of scale achieved allow a reduction in carbon intensity.

| Répartition des émissions par poste | Breakdown of emissions by item |
|-------------------------------------|--------------------------------|
| 16 % | 16% |
| 1 % | 1% |
| 3 % | 3% |
| 6 % | 6% |
| 22 % | 22% |
| 53 % | 53% |

CATALYST OF CARBON TRANSITION



A specific freight policy to reduce the carbon footprint

Upstream freight in tank trucks accounts for 84% of the freight item's GHG emissions, i.e. 18% of the activity's total emissions. To reduce this footprint, Hoffmann Green is developing a sourcing diversification policy that favours proximity. The optimisation of the transport of upstream materials (industrial co-products) is systematically taken into account in the Company's development plan. Thus, the strategy for siting future production units includes the proximity of maritime, river or rail transport hubs for supply.

What contribution to SNBC?

Based on the Net Zero Initiative® framework developed by Carbone 4, Hoffmann Green has initiated its assessment of its contribution to carbon neutrality in 2050.

| | | Les émissions GES de l'entreprise (en t eq CO ₂) Données 2021 | Réductions émissions GES induites chez les clients par les solutions Hoffmann Green (en t eq CO ₂) - Données 2021 | Contribution aux puits de carbone (en t eq CO ₂) Données 2021 |
|-----------------------|-----------|--|---|--|
| Émissions directes | (scope 1) | 3,89 | | |
| Émissions indirectes | (scope 2) | 73,39 | 4619,8 | |
| | (scope 3) | 2518,12 | | |
| Hors chaîne de valeur | | | | 50 ⁵ |
| TOTAL | | 2596 | 4619,8 | 50 |



CATALYST OF CARBON TRANSITION

Today, the weight of direct and indirect carbon emissions (related to energy consumption) (scopes 1 and 2) is already lower than the emission reductions caused by the use of Hoffmann Green cement rather than traditional cement.

The extension to scope 3 emissions and in particular the integration of non-current assets, inputs, and upstream and downstream freight are all ways of reducing the impact of Hoffmann Green Ciment Technologies, in particular with a view to quickly ramping up production.

As part of its contribution to carbon sinks, Hoffmann Green signed a **partnership with Reforest'Action** in 2018. In this context, Hoffmann Green Cement supported the planting of 10,000 trees during the 2019-2020 season in Occitanie. B Corp certified, Reforest'Action is a social company created in 2010 by Stéphane Hallaire, whose primary mission is to raise awareness and take action for forests: to raise awareness among as many people as possible about the power of forests and the need for them, and to protect them, preserve and restore forests in France and around the world.

This action is part of a global low-carbon strategy implemented by the company: reduce, avoid, offset.

Hoffmann Green committed to the ACT - Assessing low Carbon Transition® approach

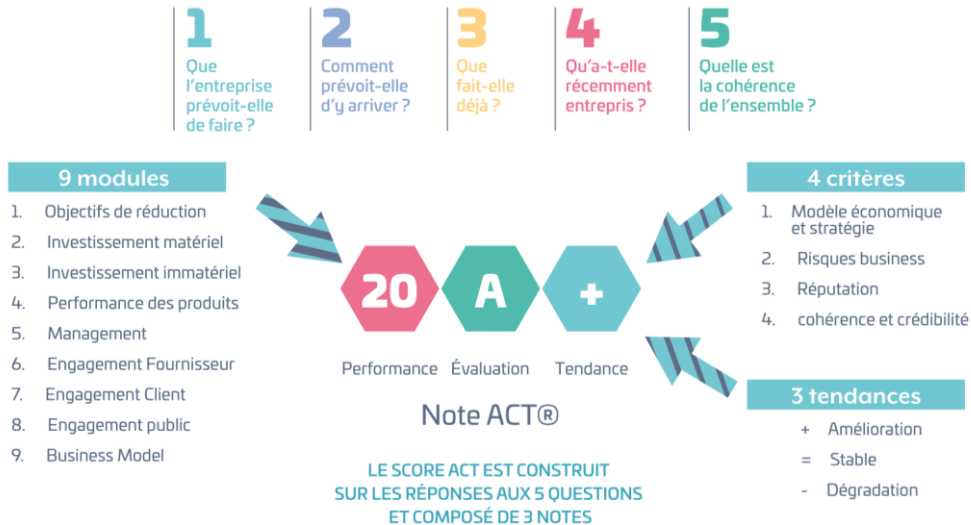
The ACT - Assessing low Carbon Transition® initiative was developed by ADEME and the CDP (Carbon Disclosure Project) to assess the climate strategies of companies, regardless of their size or their markets, and compare them with the requirements of a low-carbon world. In 2020, Hoffmann Green took part in a voluntary experiment in the cement market.

Hoffmann Green obtained a score of 13A+.

A high rating in the ACT benchmark. The average of cement companies participating in the ACT experiment in France in 2020 was 9B+.

CATALYST OF CARBON TRANSITION

Comprendre la notation ACT



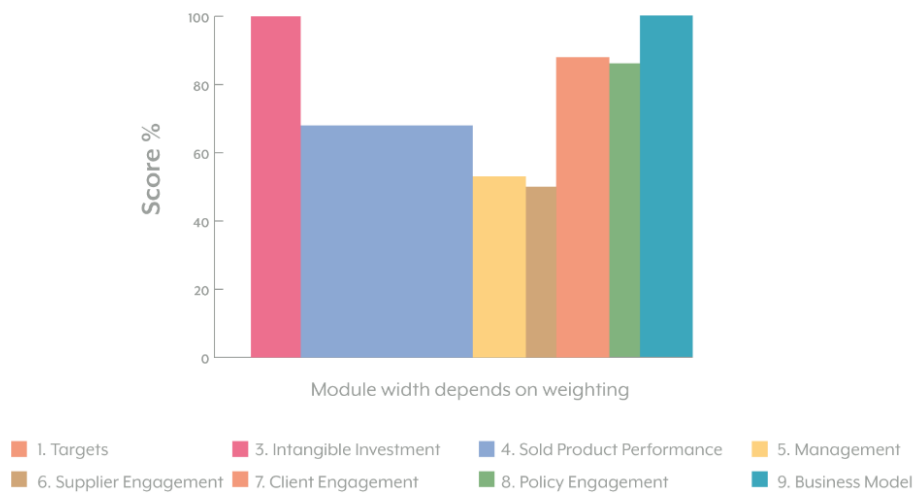
The company's analysis highlights the positive aspect, in the low-carbon contribution, of the Hoffmann clinker-free cements. The score obtained also highlights the integration of climate change issues into the management system and customer commitment.

The assessment highlights that the company has not set targets for reducing its emissions. Emissions are already very low compared to international values.

Finally, areas for improvement are related to the young age of the company which, to go further, should formalise a transition plan and objectives (a work initiated in 2021 which will continue in 2022). Increased customer engagement, particularly in aspects related to the life cycle of buildings, could also improve this rating.

Performance score by module

CATALYST OF CARBON TRANSITION



The graph shows the performance scores of the nine ACT modules. The width of the bars indicates the weight of the module in the overall calculation of the performance score. The height of the bar indicates the score obtained by the company.

The company obtained the best scores in terms of intangible investment (100%), business model (100%), customer engagement (88%) and political commitment (87%).

Average scores were obtained for the performance of products sold (68%), management (53%) and supplier engagement (50%).

The final performance score is 13/20.

Concerning the trend rating, Hoffmann Green is positioned at the highest level. According to the appraisal report: *“The company has already addressed the major changes to the business model to be compatible with the low-carbon transition. The performance score is not higher due to the lack of a formalised transition plan and emission reduction targets. However, the company is on the right track to improve its score and must formalise its strategy while increasing its production.”*

Issue: Preservation of natural resources

In a world of finite resources, GDP must be decoupled from the consumption of resources, whether energy, natural resources or water, by relying on three levers: (i) avoid unnecessary waste and consumption; (ii) reduce by increasing efficiency; (iii) reuse/recycle by integrating business models into the circular economy.

CATALYST OF CARBON TRANSITION

- **ASPECT 1: Optimise energy consumption**

The production of traditional Portland cement consumes a great deal of energy, which represents 30 to 40% of the cost price of traditional cement¹⁸ (excluding depreciation costs). The price of cement is thus very dependent on that of energy.

Today, as part of the energy transition, the aim is to massively reduce energy consumption and develop the use of renewable energies. It is both a national and a regional issue. Some regions, such as the Pays de la Loire region, are highly dependent on energy, and their energy autonomy is estimated at 9% of its consumption¹⁹.

Taking full account of the national and regional energy challenge, Hoffmann Green is committed to building low-energy sites, integrating renewable energy production, and reducing the impact of freight.

Thus, the production of Hoffmann cement requires 82 kilowatt-hours per metric ton²⁰ when the production of traditional Portland cement requires 800 to 1,300 kilowatt-hours per metric ton²¹, production that is 10 to 15 times less energy-intensive. Energy efficiency is particularly valuable in a context of inflationary energy prices.

| Consommation d'énergie par type | | 2019 | 2020 | 2021 | 2022 |
|---|-----|------|------|-------|-------|
| Consommation d'électricité | MWh | 635 | 743 | 709 | 1179 |
| Production d'électricité d'origine renouvelable | MWh | 120 | 125 | 125,3 | 135,5 |
| Consommation de gaz | MWh | 50 | 0 | 1,8 | 87,9 |

¹⁸ http://media.energie-industrie.com/Presentation/011_149_diag_energ_cimenterie_313507.pdf

¹⁹ https://ceser.paysdelaloire.fr/wp-content/uploads/2020_07_07_Etude_Energie.pdf

²⁰ ICV verified H-UKR, registration No 20220930840, CSTB

²¹ (PDF) Environmental and energy assessment of the use of Andesite in cement (researchgate.net), Analyses of parameters affecting energy consumption in a cement rotary kiln and possible energy optimisation solutions (archives-ouvertes.fr) & <https://docplayer.fr/1106340-Le-diagnostic-energetique-d-une-cimenterie.html>



CATALYST OF CARBON TRANSITION

In 2021, energy consumption has fallen as production has increased. Energy efficiency due to thermal insulation work in the production area of the H1 plant to prevent heat loss and leaks.

In 2022, energy consumption increased due to the construction of the second production unit and the increase in production.

The gas is consumed by a material drier that was not used in 2020. The production of Hoffmann cements does not require fossil energy, unlike traditional cement plants.

ACTIONS IMPLEMENTED

Green electricity

Hoffmann Green produces and consumes nearly a quarter of its energy needs directly at its production site thanks to solar trackers. At the end of 2022, the fleet of solar trackers had increased from three to twelve trackers.

To supplement this consumption, in 2020, Hoffmann Green signed a green electricity purchase contract with Engie to cover 100% of its consumption in 100.

Optimised industrial facilities

Hoffmann Green's industrial process is designed to optimise energy consumption. The Hoffmann Green plants thus have limited production capacity compared to traditional cement plants: 50,000 metric tons for the first plant and 250,000 metric tons for plants 2 and 3 compared to several million metric tons per year for a traditional cement plant. This dimensioning means plants can be located as close as possible to projects and customers to optimise freight.

CATALYST OF CARBON TRANSITION

CHIFFRE CLÉ



Efficacité
énergétique
98
kWh/t

L'efficacité énergétique représente l'électricité consommée pour une tonne de ciment produit en kWh/t. Elle s'élève à 98 kWh/t en 2022, contre 70 kWh/t en 2021, et 418 kWh/t en 2020.

CHIFFRE CLÉ



Taux d'ENR dans
la consommation
d'électricité
en 2022
100%

Fin 2020, Hoffmann Green a souscrit un contrat d'énergie verte auprès d'Engie.

* the energy efficiency of 98 kWh / t includes all Hoffmann Green's electricity consumption in relation to the metric tons produced, while the energy efficiency of 82 kWh / t presented previously only concerns the electricity consumption required for cement production.

- **ASPECT 2: Reducing the use of natural resources**

In fifty years, resource extraction has more than tripled worldwide. In total in 2017, the world removed nearly 44 billion metric tons of non-metallic minerals (sand, gravel, clay)²².

Limestone extracted from a quarry is the raw material for traditional cements. Quarries are a source of pollution for the environment and nuisance for local residents and they also damage biodiversity. There are 3,600 active quarry operations in France, including around 500 that extract around 418,300 m³ of limestone per year²³.

The preservation of resources is at the heart of Hoffmann Green Cement's action. Thus, all the solutions developed by Hoffmann Green use co-products (blast furnace slag, clay sludge, gypsum and desulfogypsum) as raw materials. In use, Hoffmann cements do not require more sand and water than traditional cement.

²² Source: International Resource Panel, <https://www.resourcepanel.org/>

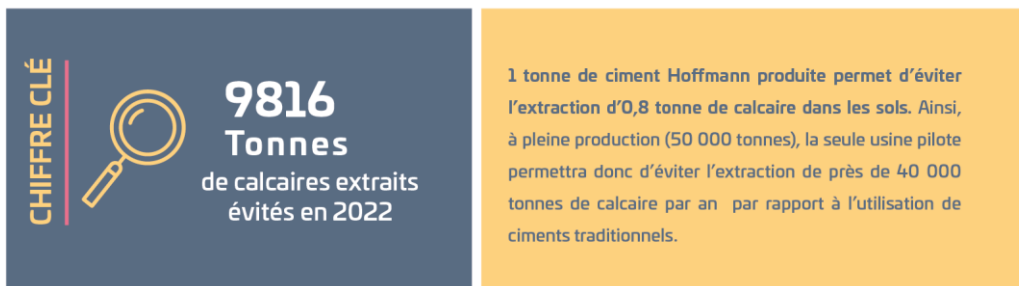
²³ Source: <http://www.mineralinfo.fr/ecomine/carte-carrieres-francaises-en-activite-d-Equipements#:text=Au%20aujourd'hui%20l'industrie,environ%2095%20%25%20de%20la%20production>.

CATALYST OF CARBON TRANSITION

ACTIONS IMPLEMENTED

New cements to preserve resources

The manufacture of one ton of clinker, used in traditional cements, requires the extraction of 1.3 metric tons of limestone. The use of industrial co-products as a raw material thus provides an immediate and concrete response to preserve this resource and limit the exploitation of quarries. Co-products represent 98% of the materials used to produce these new cements.



Details of the calculation are available in the appendix.

Focus on... a waterless production process:

According to the World Resources Institute think tank seventeen countries are in a situation of "severe water stress", meaning that they consume almost all the water they have. In France, water withdrawals for industry represent 3.3 billion m³ of water, i.e. 10% of withdrawals but 25% of the water consumed (water that is not discharged into nature)^{24, 25}

Hoffmann Green has developed new industrial processes that do not require any water supply. In addition, during use, Hoffmann cement does not require more water than any other cement. In 2021, all sites consumed 181 m³ of water in total for cleaning the machines and the site.

²⁴ <https://www.cieau.com/le-metier-de-leau/ressource-en-eau-eau-potable-eaux-usees/connaiss-vous-les-usages-non-domestiques-de-leau/>

²⁵ <https://www.usinenouvelle.com/article/voici-pourquoi-l-eau-est-enjeu-majeur-pour-l-industrie.N878690>



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- **ASPECT 3: Reduce the amount of industrial waste**

In 2016, all establishments in the industry produced 37% of non-hazardous non-mineral waste excluding sludge. The manufacturing industry alone generates half of this, with 19% of all waste.²⁶ Today, 30% of waste is either incinerated or buried.

Hoffmann Green has designed its entire industrial process without waste directly linked to on-site production.

A waste-free production process

Entirely based on the principles of the circular economy, the production of Hoffmann cements recovers industrial co-products that become the main raw material for de-carbonised cements. A virtuous approach applied at each stage of production, which itself generates no waste. Incoming products are delivered by truck, stored in tanks and pass through the production line by automated conveyors. No packaging is used.

Hoffmann cements are delivered by tank truck. Packaging is thus reduced to the strict minimum. The only significant waste is the result of R&D and production of inconclusive tests, i.e. 221 metric tons in 2022, compared to 241 metric tons in 2021. The low recycling rate is due to the classification, by default, of R&D waste as hazardous waste, until proof of its harmlessness; which is not feasible in a development phase where the formulation changes regularly.

“Responsible Producer” perspective

Hoffmann Green exists to provide concrete solutions to reduce the environmental impact of cements and, more generally, construction. Hoffmann Green is pursuing this objective through two cross-functional actions

- **Commissioning of “H2”, the new Hoffmann Green plant**

This new plant, with a production capacity of 250,000 metric tons, compared with 50,000 for the industrial pilot plant, is in production testing since January 2023. It will be fully operational in the first half of 2023. Its vertical design reduces the occupied land footprint and the associated soil sealing, as well as preserving natural spaces. This vertical plant is designed for a gravity-based production method, using the natural weight of materials in the industrial process, allowing energy optimisation.

²⁶ <https://www.insee.fr/fr/statistique/4255826?sommaire=4256020#consult-sommaire>



CATALYST OF CARBON TRANSITION

- **Continuation of preparatory work for the construction of “H3”**

In May 2022, Hoffmann Green signed a 40-year Temporary Occupation Authorisation (AOT) for the Grand Port Maritime de Dunkerque (GPMD) in order to build the Company’s third production site (“H3”) on a 5 hectares of land. To date, this agreement takes the form of a reservation protocol. Hoffmann Green will take possession of the land when the current occupant has finalised its exit operations. This location fits perfectly into the Company’s strategic plan since it is located near a rail and river junction and offers a new maritime access that will connect with the storage silos located in the port of La Rochelle.

- **Development of maritime freight**

In February 2022, Hoffmann Green signed a 25-year Temporary Occupancy Authorisation for the port of La Rochelle to install storage silos. This facility in a major port on the Atlantic coast gives Hoffmann Green privileged maritime access for both raw materials supplies and finished product shipments. Located 45 minutes from the Bournezeau industrial site, this facility is a major point in the Company’s sustainable logistics strategy.

- **Start of a reflection on the 2° C climate trajectory**

In 2020, Hoffmann Green carried out its first carbon assessment[®] and an ACT assessment - Assessing low Carbon Transition[®] - led by ADEME. These initial elements were used to draw up an inventory of the company’s carbon emissions and will constitute the basis for considering the inclusion of the strategy in the contribution to carbon neutrality in 2050.

CATALYST OF CARBON TRANSITION

RESPONSIBLE EMPLOYER

Responsible production relies not only on innovative and efficient facilities, but also on the men and women of the company. Creating **mixed and quality employment**, protecting employees' **health and safety** in short, being a responsible employer is a sine qua non for the Company's attractiveness and therefore for the success of its business model. In 2022, Hoffmann Green employs 43 people with regular recruitment planned for the coming years. The implementation of a work environment that promotes employee development is one of the pillars of the Company's CSR policy.

The challenge of mixed and qualitative employment

Industrial employment is subject to multiple tensions. The development of Industry 4.0, for example, is leading to changes in skills and working methods. The industry faces prejudice and a lack of attractiveness. Industry accounts for 13.3% of salaried employment in France (3.9 points below the European average)²⁷.

Since November 2017, France has thus embarked on a proactive industrial recovery strategy. This strategy is based on four pillars: (i) improving cost competitiveness, (ii) innovation, (iii) training and (iv) a strong regional presence.

- **ASPECT 1: develop new high-quality industrial jobs**

The industrialisation of an innovation calls on new talents at all levels of the company. Hoffmann Green Cement Technologies must meet a triple challenge:

- Recruit talent and retain them in a region with a very high employment rate that is relatively far from urban areas. With an unemployment rate of 7% in Pays de la Loire, the lowest of the French regions, the job market is tight, particularly in industry and construction.
- Train employees on unique products and processes:
 - o in laboratories with specific research areas,
 - o in the fully automated factory with specially trained operators,
 - o at the commercial level with specific knowledge to be acquired
 - o on construction sites with partners to ensure proper use of these new cements.

²⁷ <https://www.insee.fr/fr/statistique/4277675?sommaire=4318291>



CATALYST OF CARBON TRANSITION

- Develop its human resources management processes to support the development of the company.

In addition, Hoffmann Green pays particular attention to the employment and training of young people, particularly in the current context of the health and economic crisis.

ACTIONS IMPLEMENTED

Systematic annual individual interviews with each employee.

Individual interviews are useful for taking stock of each person's position and their potential development and training needs. Given the youth and size of the company (43 employees in 2022), each position is new and unique. Employees each have a defined area of expertise and responsibilities.

Distribution of free shares for all employees

Following the IPO, the members of the Management Board of Hoffmann Green wanted to involve all employees in the future development of the company. All Hoffmann Green employees are shareholders of the company. Thus, 0.2% of the share capital is held by employees.

Focus on long-term employment

Hoffmann Green favours long-term employment with a predominant share of permanent contracts (97.8% in 2022 compared to 90.9% in 2021 and 85.7% in 2020), which makes it possible to build long-term relationships between the company and its employees. All employees are on long-term contracts, the rest are apprenticeship contracts that allow the gradual integration and training of young working people.

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Changes in the Company's workforce

| | UNITÉS | 2019 | 2020 | 2021 | 2022 |
|---|-------------|------|-------|-------|--------|
| Effectifs au 31/12 | nb salariés | 16 | 21 | 33 | 43 |
| Recrutement (évolution nette de l'effectif) | | 3 | 7 | 13 | 11 |
| Turn over% | | 32% | 47% | 60% | 36% |
| Nb apprentis/alternants | | 1 | 3 | 3 | 1 |
| Part de CDI dans les effectifs % | | 82% | 85,7% | 90,9% | 97,78% |
| Part de personnel intérimaire % | | 0 | 0 | 0 | 0 |

The workforce increased continuously between 2018 and 2022 with a stabilisation of employees and a decreasing turnover rate. Through apprenticeships, the company relies on the training of young people for its new business lines related to the production of low-carbon cement. This commitment also aims to facilitate the entry of young people into the job market, in solidarity with the actions of the region.

CHIFFRE CLÉ



34%
de femmes
dans l'entreprise

En tant que jeune entreprise industrielle, Hoffmann Green met en place de nouveaux standards. Les femmes représentent encore une trop faible part dans l'industrie (16% des emplois) et dans le secteur du BTP. A cheval entre ces deux mondes, Hoffmann Green s'engage pour assurer la mixité de ses collaborateurs à chaque niveau de l'entreprise.



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The issue of health and safety at work

According to French health insurance, in 2019, there were 655,715 work-related accidents (+0.6% compared to 2018) and 50,392 cases of occupational illness (+ 1.7% compared to 2018). Musculoskeletal disorders are the cause of 88% of them²⁸.

Hoffmann Green is committed to the health and safety of its employees. Established only in France, Hoffmann Green implements all the measures necessary to secure the working environment for its employees and for all persons working on its sites.

Starting from a blank sheet of paper for the creation of the first factory, the teams established adapted and very strict safety standards.

ACTIONS IMPLEMENTED

Implementation of an occupational health and safety management system

The commissioning of the first pilot plant was accompanied by the implementation of a safety policy under the responsibility of the Chief Operating Officer. Based on their feedback, the production teams were asked to establish, “safety” criteria adapted to the production process. Since 2020, safety awareness sessions have been held every month by the director and the operations manager, who are the site’s quality, health and safety officers. These meetings covered, among other things, the wearing of Personal Protective Equipment (PPE), clearances (electrical, sanitary, first aid, fire), the use of safety kits and the presentation of safety sheets by post.

Dust management

Dust control was specifically treated to guarantee air quality for operators in the plant. Thus, all production is carried out in a closed process to limit air contact with the products. In December 2019, a dust exposure assessment was carried out by CARSAT to obtain an inventory of the situation in the first pilot plant. This work resulted in the implementation of specific actions such as reinforcement of filtration elements at operator stations, the use of assisted ventilation masks for maintenance operations and handling of certain products. Sweepers and vacuum cleaners were also used for cleaning. The plans for the “H2” plant incorporated this initial feedback.

²⁸ <https://assurance-maladie.ameli.fr/qui-somme-nous/publications-reference/assurance-maladie-risques-professionnels/rapports-annuels>

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RESPONSIBLE EMPLOYER OUTLOOK:

The year 2022 was marked by the construction of the second production unit on the Bournezeau site in the Vendée region. Hoffmann Green is committed to ensuring that the site meets the highest health and safety standards, in particular **appointing a safety officer to monitor the H2 site** in conjunction with all service providers.

Hoffmann Green is currently working on updating its internal rules to promote the well-being of each employee in the Company.



CATALYST OF CARBON TRANSITION

RESPONSIBLE PARTNER

As a newcomer, Hoffmann Green is attracting great interest. To promote their acceptance, its new clinker-free cements must guarantee the highest level of **quality** - without this, it would be impossible to influence the purchasing behaviour of construction players. Similarly, **governance** must be exemplary to implement the development plan in a relationship of dialogue and trust with the various stakeholders. Lastly, Hoffmann Green is committed to non-profit organisations and economic players in the service of solidarity and the environment.

The challenge of qualitative cement

The estimated life of a building is between 70 and 100 years. Construction materials therefore serve a triple purpose: performance, reliability and durability. Cements developed by Hoffmann Green are currently “non-standard” in the sense that they do not comply with the EN 197-1 standard which defines cement, in particular by the presence of clinker (with the exception of H-IONA, which meets the NF EN 15743 standard). Thus, the disruptive solutions proposed by the company must prove their performance.

To guarantee performance levels at least equivalent to those of traditional cements, Hoffmann Green relies in particular on an R&D team that makes up one-third of the Company’s total workforce. In charge of developing solutions, it relies on independent certifying bodies to validate the quality of these new cements. The solution certification process thus meets all the certification steps for other cements. Operated by an independent body, the CSTB certifications obtained since 2019 reflect the commitments made and the quality guarantee of Hoffmann solutions.

ACTIONS IMPLEMENTED

Continuous customer-oriented quality control

To guarantee the quality of these new cements, Hoffmann Green Cement Technologies has set up a quality control system at each stage of production. Various new hires were made to coordinate this monitoring and guarantee the same level of standards:

- An innovation project manager who acts as a link between the laboratory and customers to support the development of products made from Hoffmann cements.
- A quality technician who manages the quality control of the plant in Bournezeau: control of inputs before use and control of finished products at the end of the line.
- In early 2021, a site monitoring manager joined the company to ensure the proper use of Hoffmann cements on site and provide assistance to customers. This on-site monitoring is accompanied by prior training of all customers in Hoffmann technologies.

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Development of the "quality" laboratory

The year 2021 was marked by the development of the "quality" laboratory with the arrival of new people to constitute a fully-fledged team in direct contact with the production teams. A new laboratory was set up on the H1 production site to optimise this quality monitoring. The new equipment deployed as well as the quality monitoring methodology made it possible to obtain AFNOR certification for H-IONA cements.

First clinker-free cement in the world validated under ATE^x²⁹ of case A by CSTB

After four years of physical, chemical and mechanical tests, H-UKR cement benefits from a Technical Assessment (ATE^x of case A) issued by CSTB, the public company that guarantees the quality and safety of buildings. This assessment covers a very large number of structures ranging from single-family houses to high-rise buildings for structural applications (floors, walls, beams, posts, etc.). The design of HUKR cement-based concrete structures is carried out in accordance with Eurocode 2 and Eurocode 8, calculation standards recognised in France and Europe. The Technical Assessment of Products and Materials (ETPM) of the H-UKR technology has just been enriched and further assesses the durability and quality of the H-UKR cement by validating the expected useful life of 100 years, thus opening the way for the use of H-UKR cement-based concrete in civil engineering structures (bridges, tunnels, etc.).

The certifications can be downloaded from the Hoffmann cement website: <https://www.ciments-hoffmann.fr/technologies/telechargements/>

Two new favourable assessments by CSTB for H-UKR

In 2022, Hoffmann Green continued the assessment plan for its H-UKR cement with two new assessments issued by the benchmark public company in terms of building quality, sustainability and safety. Identifiable thanks to the numbers 3019_V1 and 3020_V1, these two ATE^x validate the use of H-UKR cement-based concrete for superstructure and foundation applications of all types of buildings: Residential, Establishments Receiving the Public (ERP), office buildings, high-rise buildings, etc. All applications used to create the interior and exterior structure of the building are targeted: footings, stringers, rafters, floors, columns, beams, walls and slabs.

Governance challenge

²⁹ Created at the initiative of the CSTB and construction stakeholders, ATE^x is a rapid technical assessment procedure formulated by a group of experts for any innovative product, process or equipment.

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Good governance practices help coordinate the short, medium and long term, integrate the social and environmental issues of the activities, be attentive to the interests of the Company's stakeholders, thus promoting more balanced decisions and lasting relationships with partners based on trust, ethics and transparency.

Listed on the stock market in November 2019, Hoffmann Green Cement Technologies has adopted the Middlednext code, and has structured its governance to continue to develop its activity in transparency with its stakeholders.

ACTIONS IMPLEMENTED

Structuring of the CSR strategy

Given the consistency of CSR with the contribution of its products to society, since 2019 the company has structured its CSR approach by defining three main areas fueled by concrete actions updated annually. These actions are assessed during the year and reported annually. The CSR strategy is thus placed under the immediate responsibility of the Chairman of the Management Board. However, Hoffmann Green remains a young company (six years) and must structure its development by relying on what is still a small team (43 people in 2022). Corporate Responsibility is, by the very nature of its activity, included in its strategy with strong immediate challenges in terms of the "responsible producer" pillar. The completion in 2020 of a materiality analysis of societal issues related to the Company's activity should lead to a rebalancing with the other two CSR pillars by strengthening actions on these subjects.

Dual governance

Hoffmann Green has opted for dual governance with a Management Board and a Supervisory Board in order to separate its management and control functions. This governance structure facilitates management of the Company and helps reconcile the short, medium and long term. The Supervisory Board has seven members, three of whom are independent directors chosen for their experience. Two women sit on the Supervisory Board.

Stakeholder involvement

Given the innovative nature of the Company's products and their contribution to society, the Company's stakeholders are heavily involved in the development model.

- **Local investors**

From its inception, Hoffmann Green has been supported by a pool of local partners who financed the first plant and supported industrial development. These initial investor partners, most of whom are based in the Vendée region, contributed their expertise as entrepreneurs and their industrial know-how. Some currently sit on the Supervisory Board.

- **Business partners**

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For its commercial development, Hoffmann Green has signed partnership agreements with its customers to jointly experiment with the use and deployment of these new cements. Hoffmann Green has one person dedicated to this relationship with partners, who acts as the link between the R&D department and field teams.

- **Local companies**

The vast majority of factories are built by local companies. These are local partners who provide all the expertise needed to build these new types of plants. Thus, the investment of each plant (€ 22 million for the second plant under construction) comes back to the local area.

100% aligned with green taxonomy

In 2022, Ethifinance assessed the eligibility and alignment of the Hoffmann Green Cement Technologies Group’s activities with regard to the available texts structuring the European Taxonomy updated in 2022. It shows that 100% of the company’s activities are aligned with this classification.

The European taxonomy allows investors and companies to determine which economic activities and investments contribute substantially to one of the six environmental objectives of the EU:

1. Climate change mitigation
2. Adaptation to climate change
3. Sustainable use and protection of aquatic resources
4. Transition to the circular economy
5. Pollution prevention and reduction
6. Protection and restoration of biodiversity and ecosystems

| ELIGIBILITÉ | | ALIGNEMENT | | | |
|---|--------------|---|---|---|---|
| Activité éligible | % CA associé | Satisfaction des TSC* | Satisfaction des DNSH** | Satisfaction des MS*** | Alignement Taxonomie |
| <input checked="" type="checkbox"/> Fabrication de ciment 0% clinker Trois produits commercialisés à ce jour : <ul style="list-style-type: none"> ◆ HUKR – 96% du CA ◆ HIONA – 2.2% du CA ◆ HEVA – 1.8% du CA | 100% | <input checked="" type="checkbox"/> Satisfait | <input checked="" type="checkbox"/> Satisfait | <input checked="" type="checkbox"/> Satisfait | 100% du CA, et des CAPEX / OPEX associés est <div style="background-color: #004a60; color: white; padding: 5px; display: inline-block; border-radius: 5px;">Aligné</div> |
| TOTAL % éligible | 100% | | | | |

* TSC – Technical Screening Criteria ** DNSH – Do No Significant Harm

*** MS – Minimum Social safeguards

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Two voluntary ESG assessments

To measure its activity and strategy through the prism of ESG criteria³⁰ the company was assessed by two non-financial independent rating agencies.

Gaïa Rating



Note ESG globale

L'entreprise **Hoffmann Green Cement Technologies** obtient, pour la campagne Gaïa Research 2022, une note de **63 / 100**. Cette note porte sur les données de l'année 2021.

Les notes vont de 0 à 100, où 100 est la meilleure.

³⁰ ESG: Environment Social & Governance: Environment, Social & Societal, Governance

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| Notation | 2019 | 2020 | 2021 | Tendance 2020-2021 |
|----------------------------|------|------|------|--------------------|
| GOUVERNANCE | 54 | 58 | 59 | ↗ |
| SOCIAL | 42 | 51 | 43 | ↘ |
| ENVIRONNEMENT | 61 | 73 | 84 | ↗ |
| PARTIES PRENANTES EXTERNES | 75 | 75 | 81 | ↗ |
| Note Globale | 54 | 61 | 63 | ↗ |

Hoffmann Green's rating continued to improve in 2021 (+2 points) after a progression of 7 points in 2020.

In 2021, this rating placed Hoffmann Green in 131st place in Gaïa Rating's ESG 230 panel and in 23rd position among the 78 companies in the panel with revenue of less than €150 million.



Résultat de la campagne Gaïa Rating 2020 Classement Global : **131/230**

Classement au sein de la catégorie de chiffre d'affaires < 150 millions d'euros : **23/78**

| | |
|--|--|
| Gaïa RATING | Gaïa RATING |
| EthiFinance | EthiFinance |
| Résultat de la campagne Gaïa Rating 2020 | Results of the Gaïa Rating 2020 campaign |
| Classement Global : 131/230 | Global ranking: 131/230 |
| Classement au sein de la catégorie de chiffre d'affaires <150 millions d'euros : 23/78 | Ranking within the revenue category <€150 million: 23/78 |

Sustainalytics

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ESG Risk Rating

COMPREHENSIVE



20.8 Medium Risk



Ranking

Industry Group (1st = lowest risk)

Construction Materials

5 out of 128

Universe

Global Universe

3823 out of 14766

Last Update: Oct 7, 2021

Score: 20.8

The rating corresponds to the low value of a medium risk (rating between 20 and 30). Hoffmann Green thus ranks 5th out of 128 companies producing construction materials.

The challenge of regional anchoring

Companies are major players in their regions. Through their activity, they participate in the economy. Through their commitments, they support community life.

As a company rooted in a region, Hoffmann Green is committed to local sports associations, which promote the cohesion and dynamism of the region. Entirely committed to meeting environmental challenges, Hoffmann Green is also committed to associations and companies that share its struggles.

Sponsorship of local sports clubs

Hoffmann Green is a partner of many local sports clubs: Basket Club Aizenay, ASPTT Nantes Handball, Tennis Entente Yonnaise (La Roche sur Yon), Sables Etudiants Club (Les Sables d'Olonne), Vendée Fontenay Foot (Fontenay-le-Comte), US Bournezeau Saint-Hilaire.

Involvement alongside local non-profit organisations is part of the company's commitment to its region.

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Member of the WWF Entreprendre pour la Planète Club

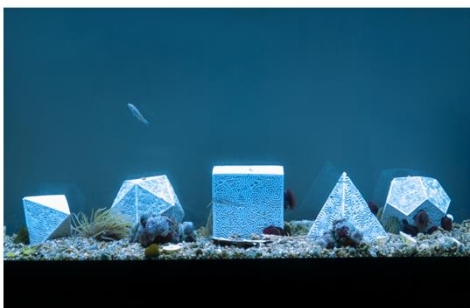


The objective of the EPP Club is to bring together companies that have made commitments to the environment, have been recognised by WWF France as part of their activity and wish to support the action of WWF France. The aim of the club is for its members to be able to discuss their commitment to the environment, participate in events, but also create a virtuous network of committed companies.

Partner of the Corail artefact project

Corail artefact, led by the artist Jérémy Gobé, imagines a global solution to combat the disappearance of corals. Jérémy Gobé and his partners develop ecological, buildable and submersible materials to create a structure that allows the coral to rebuild itself after it is destroyed. Concrete made from Hoffmann cements is used in this adventure.

Since the summer of 2019, the first prototypes of these structures have been tested with anemones at the Trégastel Aquarium. This showed that the structures are conducive to the adhesion, perennial setting and reproduction of cnidarians, without releasing any toxic substance. Further improved prototypes are being built for initial installation in Guadeloupe in 2022. Barrier reefs are a great sink for absorbing CO₂. Thus, according to Françoise Gaill, research director at CNRS "30% of carbon dioxide emissions due to human activities are captured by the ocean. It contains 50 times more than the atmosphere. From this point of view, it is more efficient than forests."



Structure en béton Hoffmann – Juin 2019 (photo de gauche) et Septembre 2021 (photos de droite) - Aquarium Dourven



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RESPONSIBLE PARTNER PERSPECTIVES:

In 2021, Hoffmann Green had **its quality control processes validated by an external organisation and obtained the AFNOR standard for its new H-IONA technology.** Certification a guarantee of confidence and quality guarantee for these new cements.

In 2022, Hoffmann Green is continuing to strengthen its quality process as part of a continuous improvement approach.

Currently, Hoffmann Green is working on an ethics charter to engage and align all its stakeholders on the same approach.

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APPENDIX: SCOPE & METHODOLOGY

The report covers the period corresponding to the financial year 2022, from January 1st 2022 and December 31st 2022, except for the carbon footprint® data for 2019, 2020 and 2021.

The scope covers the sites in the Vendée at Bournezeau and Chaillé, i.e. all activities.

- Carbon footprint issue / cements

Indicator: metric tons of CO₂ equivalent avoided due to the use of Hoffmann Green cements: 4,789.3, 2 tons eq CO₂

By replacing a traditional cement, according to the current cement consumption mix, by a de-carbonised cement without clinker for 2022 production, Hoffmann Green Cement Technologies' carbon footprint is as follows (taking into account the three Hoffmann technologies in proportion to their distribution in terms of revenue):

| Technologies | Pourcentage du CA | Quantité (en tonne) | Empreinte carbone |
|--------------|-------------------|---------------------|-----------------------------------|
| H-UKR | 96% | 11529,6 | 0,252 Teq CO ₂ / tonne |
| H-IONA | 2,2% | 264,22 | 0,161 Teq CO ₂ / tonne |
| H-EVA | 1,8% | 216,18 | 0,272 Teq CO ₂ / tonne |

| H-UKR | Proportion dans la consommation globale en % (Source INSEE) | Émission T eq. CO ₂ /tonne moyenne | Gain par tonne avec les ciments H-UKR (0,252 Teq CO ₂ / tonne) | Gain 2022 (en tonnes) sur la base des 11 529,6 tonnes de ciment H-UKR produites calcul : proportion x quantité produite x gain eq. CO ₂ / tonne |
|--|---|---|---|--|
| CEM I | 23,9 | 0,881 | 0,629 | 1733,26 |
| CEM II | 57,4 | 0,650 | 0,398 | 2 633,96 |
| CEM III ET V | 11 | 0,420 | 0,168 | 213,06 |
| Autres ciments (ciments Spéciaux, ciments divers, liants géotechnique) | 7,06 | Non pris en compte dans le calcul | | |

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| H-IONA | Proportion dans la consommation globale en % (Source INSEE) | Émission T eq. CO ₂ /tonne moyenne | Gain par tonne avec les ciments H-IONA (0,161 Teq CO ₂ / tonne) | Gain 2022 (en tonnes) sur la base des 264,22 tonnes de ciment H-IONA produites calcul : proportion x quantité produite x gain eq. CO ₂ / tonne |
|---|--|--|---|--|
| CEM I | 23,9 | 0,881 | 0,720 | 45,5 |
| CEM II | 57,4 | 0,650 | 0,489 | 74,16 |
| CEM III ET V | 11 | 0,420 | 0,259 | 7,52 |
| Autres ciments (ciments Spéciaux, ciments divers, liants géotechnique) | 7,06 | Non pris en compte dans le calcul | | |

| H-EVA | Proportion dans la consommation globale en % (Source INSEE) | Émission T eq. CO ₂ /tonne moyenne | Gain par tonne avec les ciments H-EVA (0,272 Teq CO ₂ / tonne) | Gain 2022 (en tonnes) sur la base des 216,18 tonnes de ciment H-EVA produites calcul : proportion x quantité produite x gain eq. CO ₂ / tonne |
|---|--|--|--|---|
| CEM I | 23,9 | 0,881 | 0,609 | 31,46 |
| CEM II | 57,4 | 0,650 | 0,378 | 46,9 |
| CEM III ET V | 11 | 0,420 | 0,148 | 3,51 |
| Autres ciments (ciments Spéciaux, ciments divers, liants géotechnique) | 7,06 | Non pris en compte dans le calcul | | |

- Carbon footprint issue / company

Indicator: Bilan Carbone®

The Company's direct and indirect greenhouse gas emissions, in tons of CO₂ equivalent calculated using the Bilan Carbone® methodology

Scope:

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PÉRIMÈTRE TEMPOREL

2021

PÉRIMÈTRE GÉOGRAPHIQUE



PÉRIMÈTRE D'ACTIVITÉ

Ensemble de l'activité

Emission sources:

| Scope 3 - activités « amont » | Scope 1 | Scope 3 - activités « aval » |
|---|--|--|
| <ul style="list-style-type: none"> 8. Amont de l'énergie¹ 14. Actifs en leasing amont | <ul style="list-style-type: none"> 1. Sources fixes de combustion¹ 2. Sources mobiles de combustion¹ | <ul style="list-style-type: none"> 17. Transport de marchandises aval |
| <ul style="list-style-type: none"> 9. Achat de produits et services 10. Amortissements | <ul style="list-style-type: none"> 3. Procédés hors énergie 4. Fugitives 5. Biomasse (sols et forêts) | <ul style="list-style-type: none"> 11. Déchets 19. Fin de vie des produits vendus |
| <ul style="list-style-type: none"> 9. Achat de produits et services | <ul style="list-style-type: none"> 6. Consommation d'électricité¹ | <ul style="list-style-type: none"> 18. Utilisations des produits vendus 20. Franchise aval 21. Leasing aval |
| <ul style="list-style-type: none"> 12. Transport de marchandises amont | <ul style="list-style-type: none"> 7. Consommation de vapeur, chaleur, froid | |
| <ul style="list-style-type: none"> 13. Déplacements professionnels 16. Transports de visiteurs et de clients 22. Déplacements domicile-travail | | |

Les postes d'émissions suivants ne sont pas inclus dans le périmètre de l'évaluation : 5, 14, 16, 18, 19, 20 et 21

- Resource conservation / Energy issue

Indicator: Energy consumption by type

Electricity and natural gas consumption according to our suppliers' bills (in MWh)

Indicator: Energy efficiency

Electricity consumed per metric ton of cement produced in kWh/t

Calculation: Electricity consumption (kWh) / production in metric tons

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Indicator: share of renewable energy

Share of electricity consumed from renewable sources in %

Calculation: Renewable energy production / Electricity consumption

- Resource conservation / Limestone issue

Indicator: Limestone extraction avoided: 9,816 metric tons

Quantity of limestone saved by replacing conventional cement with de-carbonised clinker-free cement for the quantity of cement produced by Hoffmann Green in 2022.

Based on the current cement consumption mix in France, calculation of a weighted average of the limestone used to produce the same quantity of cement as the Hoffmann Green production in 2022. This amount corresponds to the extraction of limestone avoided due to the replacement of conventional cements by Hoffmann Green cements.

It takes 1.3 metric tons of limestone to produce one metric ton of clinker.

Calculation: proportion x quantities produced x percentage of clinker x ton of limestone / ton of clinker

| | Mix de la consommation globale de ciment en % (Source INSEE) | Pourcentage de clinker ²⁰ | Extraction de calcaire évitée 2022 (sur la base de 12 210 tonnes de ciment produites) |
|--|--|---|---|
| CEM I | 23,9 | 95 | 3544,9 |
| CEM II | 57,4 | 65 | 5922,2 |
| CEM III ET V | 11 | CEM III/A, B ou C : 20 à 64 % CEM III/ C : 5 à 19% CEM V/A ou B : 20 à 64 % (moyenne basse utilisée : 20%) | 349,2 |
| Autres ciments (ciments Spéciaux, ciments divers, liants géotechnique) | 7,06 | Non pris en compte dans le calcul | |

- Mixed and qualitative employment issue

Indicator: change in the Company's workforce

- Workforce at 31 December: number of employees at 31 December 2022
- Recruitment: net change in headcount over the 2022 period Calculation: number of employees at 31 December 2022 - number of employees at 31 December 2021

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- *Turnover: Turnover = [(Number of departures in 2022 + Number of new hires in 2022)/2]/Headcount at 31 December 2021*
- Number of apprentices / work-study students: number of apprentices/work-study students on work-study contracts with the company as of 31 December 2022
- Percentage of permanent employees in the workforce: salaried workforce at 31 December 2021 with permanent contracts / total workforce at 31 December 2022
- Percentage of temporary staff: not applicable to date

Indicator: Gender balance

Percentage of female employees among the Company's employees

Calculation: female workforce as of 31 December 2022 / Total workforce at 31 December 2022

- Occupational health and safety issue

Indicator: accidentology

- Workplace accident frequency rate: (no. of accidents entailing medical leave of absence/hours worked) x 1,000,000
- Workplace accident severity rate: (number of days lost due to temporary disability/hours worked) x 1,000



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5. DOCUMENTS AVAILABLE

Copies of the Annual Financial Report are available free of charge at the Company's registered office.

The Annual Financial Report may also be consulted on the Company's website (www.ciments-hoffmann.fr).

The Articles of Association, minutes of General Meetings and other corporate documents of the Company, as well as historical financial information and any valuation or statement prepared by an expert at the Company's request that must be made available to shareholders, in accordance with the applicable legislation may be consulted, free of charge, at the Company's registered office.

Regulated information within the meaning of the provisions of the AMF General Regulation are also available on the Company's website (www.ciments-hoffmann.fr).

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6. GLOSSARY

| | |
|------------------|--|
| ADEME | French Environment Agency for Energy Management. |
| AOT | Authorisation for the temporary occupation of public property. |
| CNRS | National Centre for Scientific Research. |
| CSTB | Building Science and Technology Centre. |
| Decarbonation | CO release reaction ₂ contained in limestone raw materials under the action of heat. |
| Circular economy | For ADEME; the circular economy is “an economic system of exchange and production that aims to increase the efficiency of the use of resources and reduce our impact on the environment. The aim is to decouple the consumption of resources from growth of gross domestic product (GDP) while ensuring a reduction in environmental impacts and an increase in well-being”. |
| ETPM | Technical Assessment of Products and Materials, issued by CSTB. |
| FCPI | Innovation Mutual Fund. |
| FDES | Environmental and Health Declaration Form. |
| ICPE | Installations Classified for the Protection of the Environment. |
| INPI | National Institute of Industrial Property. |
| MPa | Megapascal. Unit of pressure or constraint equal to one million pascals. |
| PIA | Investments for the Future Program. This is an investment program initiated by the French State in 2010 to invest in higher education and vocational training, in research, in industry and SMEs, in sustainable development and in all sectors of the future such as digital technology, biotechnology and nuclear energy. |
| EU ETS | European Union Emissions Trading Scheme. |
| SFIC | Syndicat Français de l’Industrie Cimentière. |
| EU | European Union. |

CATALYST OF CARBON TRANSITION



**HOFFMANN
GREEN CEMENT**

Catalyst of
Carbon Transition

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Industrial site Vendéopôle - Vendée Center, 57 rue Henri Adolphe Archereau, 85480
Bournezeau

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Hoffmann Green Cement Technologies A public limited company (société anonyme) with a Management Board and a Supervisory Board with a capital of €14,634,736. Registered office: La Bretauière, Chaillé-sous-les-Ormeaux, 85310