

# Lhyfe

GREEN HYDROGEN PRODUCER



FOR INDUSTRY AND MOBILITY



## H1 2023 RESULTS

WEBCONFERENCE

27 SEPTEMBER 2023

LHYFE  
LISTED  
EURONEXT

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# AGENDA

- H1 2023 HIGHLIGHTS
- MARKET UPDATE
- INDUSTRIAL SCALE-UP ON TRACK
- OUR OFFSHORE MILESTONES
- H1 2023 RESULTS
- 2023 & BEYOND



**Matthieu Guesné**  
Founder & CEO



**Taia Kronborg**  
Chief Business Officer



**Maria Pardo Saleme**  
Chief Financial Officer

# H1 2023 HIGHLIGHTS

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# WHAT WE ACHIEVED DURING FIRST HALF 2023

- ✓ **Commercial ramp-up underway: +40% increase in revenue YoY** from sale of green H2 at €0.4m
- ✓ **Strong conversion of the pipeline to Construction stage with 7 sites now under construction in Europe** representing **up to ~13 tons of green H2 production capacity per day**
- ✓ **64 MW of projects at Awarded or Construction stage at end-June 2023** (+42 MW vs June 2022)
- ✓ **Accelerated business development momentum** with multiple partnerships signed during H1 2023
- ✓ **Finalizing recruitment plan with 2.4-fold increase in headcount YoY** (+111 FTE as of June 2023 vs June 2022)
- ✓ **Completing international footprint: 1 new subsidiary abroad in H1 2023**
- ✓ **€67m of grants secured<sup>2</sup>** as of September 2023



**Industrial scale-up underway:  
14x increase in production capacity at end 2023 (up to 4.3 t/day) as the first 5 MW modular sites come into operation**

# MARKET UPDATE

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# HEAVY SUPPORT FROM EUROPE TO SPEED UP GREEN HYDROGEN PRODUCTION

## RFNBO (Renewable Fuel of Non-Biological Origin)

- Finalized definition of green renewable hydrogen
- RFNBO should represent in Europe:
  - **42% of hydrogen used in industry in 2030 ie 10 million tons of hydrogen p.a.**
  - then 60% in 2035

## AFIR targets pan-European hydrogen network

- AFIR regulation sets **firm targets for installation of gaseous hydrogen refueling stations by 2030, starting in 2025 for electric heavy-duty vehicles**
- From 2030 onwards, **1 Hydrogen Refueling Station to be deployed in all urban nodes** (more than 420 cities) and **1 HRS every 200 km along the TENT-T network**
- Min. cumulative capacity for 1 HRS: 1 ton of hydrogen per day, 700 bars at least

## Hydrogen Bank: First pilot auction in H2 2023

- To reward renewable hydrogen production with a **fixed premium per kilogram produced**
- Auctions to be officially launched on Nov. 23, 2023

### Step-by-step auction process



- Maximum time to entry into operation: 5 years from the grant agreement signature date



# MULTIPLE AND ENHANCED NATIONAL SUPPORT SCHEMES FOR MOBILITY AND INDUSTRY

## Germany: mobility boosted at short term

- Overall target: **achieve 10 GW of installed production capacity by 2030** while industry view already targets 18 GW

### Short term plan : mobility

- Boost hydrogen mobility projects (from 2024)** through GHG quotas: **up to an estimated €6 value for each kg of green H2 (RFNBO)**
- Accelerate implementation of AFIR** regulation by significantly extending the existing network of H2 fueling stations: **€2.6bn dedicated budget**

### Mid to long term plan: industry

- Supporting industrial projects:** deployment of Contrasts for Differences, IPCEI projects and subsidy programme “Decarbonising the Industry” with a **€21bn dedicated budget**
- Hydrogen gas grid refurbishment plan ongoing**

## UK: new funding rounds to come

- Overall target to **achieve at least 5 GW of green H2 installed capacity by 2030**
- £240m** from Net Zero Hydrogen Fund to fund Capex/Devex
- Electrolytic Hydrogen Allocation Rounds** to support up to 20% Capex and ongoing CfD revenue
  - HAR1:** ongoing negotiations with project developers to **award contracts totalling up to 250 MW**
  - HAR2:** application to be opened in Q4 2023 with an aim to support **up to 750 MW of capacity in 2025**

## New French CFD plan

- €4bn programme** of investment aid and operating grants to **support 1 GW of electrolysis capacity over the next three years**
  - 15-years CFDs to cover the cost gap between green and grey H2**
  - First auction (150 MW) in 2024, second one (250 MW) in 2025 and last one (600 MW) in 2026



# OFFSHORE HYDROGEN: ACCELERATION MOMENTUM IN EUROPE

## Germany

July 2023

- Overall plan to have **10 GW** of installed capacity for green H2 production offshore of which **1 GW** by 2030
- **Area of the North Sea (SEN-1 zone)** already set aside exclusively for offshore green hydrogen production of up to 1 GW by 2030, which would be connected to shore via the Aquaductus H2 pipeline.
- Objective of offshore wind power generation capacity: 30 GW by 2030

## Netherlands

March 2023

- **Offshore tender: for a 500 MW green hydrogen project** in North Sea
- **As soon as late 2023:** plan to sanction a site for a smaller pilot project with **c. 50-100 MW of electrolyser capacity**, ahead of the larger plan

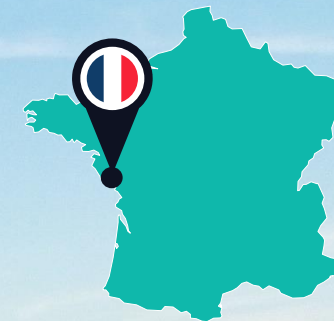


# LHYFE'S INDUSTRIAL SCALE-UP ON TRACK

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# BOUIN SITE: SUCCESSFULLY DELIVERING GREEN H2 SINCE END OF 2021



- **Lhyfe's first green hydrogen production site** with a current installed capacity of 1 MW (up to 300 kg green hydrogen/day)
- Serving mostly mobility clients
- Direct connection to a wind farm



# BOUIN SITE NOW SERVING AN EXTENDED CLIENT BASE, PRODUCTION CAPACITY INCREASE PLANNED FOR 2024

## Serving multiple clients by road

*Selection of offtakers:*



- ✓ **Recent contract signatures with new clients giving visibility** on green H2 offtake from Bouin for H2 2023
- ✓ **Production capacity to run at 100% by the end of 2023**
- ✓ **Upgrade of the site planned for 2024, bringing production capacity to max 1t/day, allowing to address increasing demand from customer base**



# DERISKED INDUSTRIAL SCALE-UP UNDERWAY




- ✓ **Modular approach for a de-risking of the industrial designs**
- ✓ **All key equipments secured at prices fixed in 2022**
- ✓ **Sites deployment sequenced in line with clients' developments and financing securitization (subsidies and debt financing)**



# ONGOING INDUSTRIAL EUROPEAN SCALE-UP STARTING IN FRANCE AND GERMANY

Our unique value proposition:  
Serve green H2 clients anywhere

Our ambition:  
To be a major player in green H2 bulk production  
in France and Germany by 2025

-  Countries where Lhyfe is currently developing projects
-  Projects under Construction stage (34 MW)
-  Currently in operation (2 MW)

Buléon (France)  
5 MW - COD End 2023  
Construction stage

Sealhyfe (Offshore)  
1 MW

Bouin (France) – 1 MW  
+1.5 MW - COD 2024  
Upgrade stage

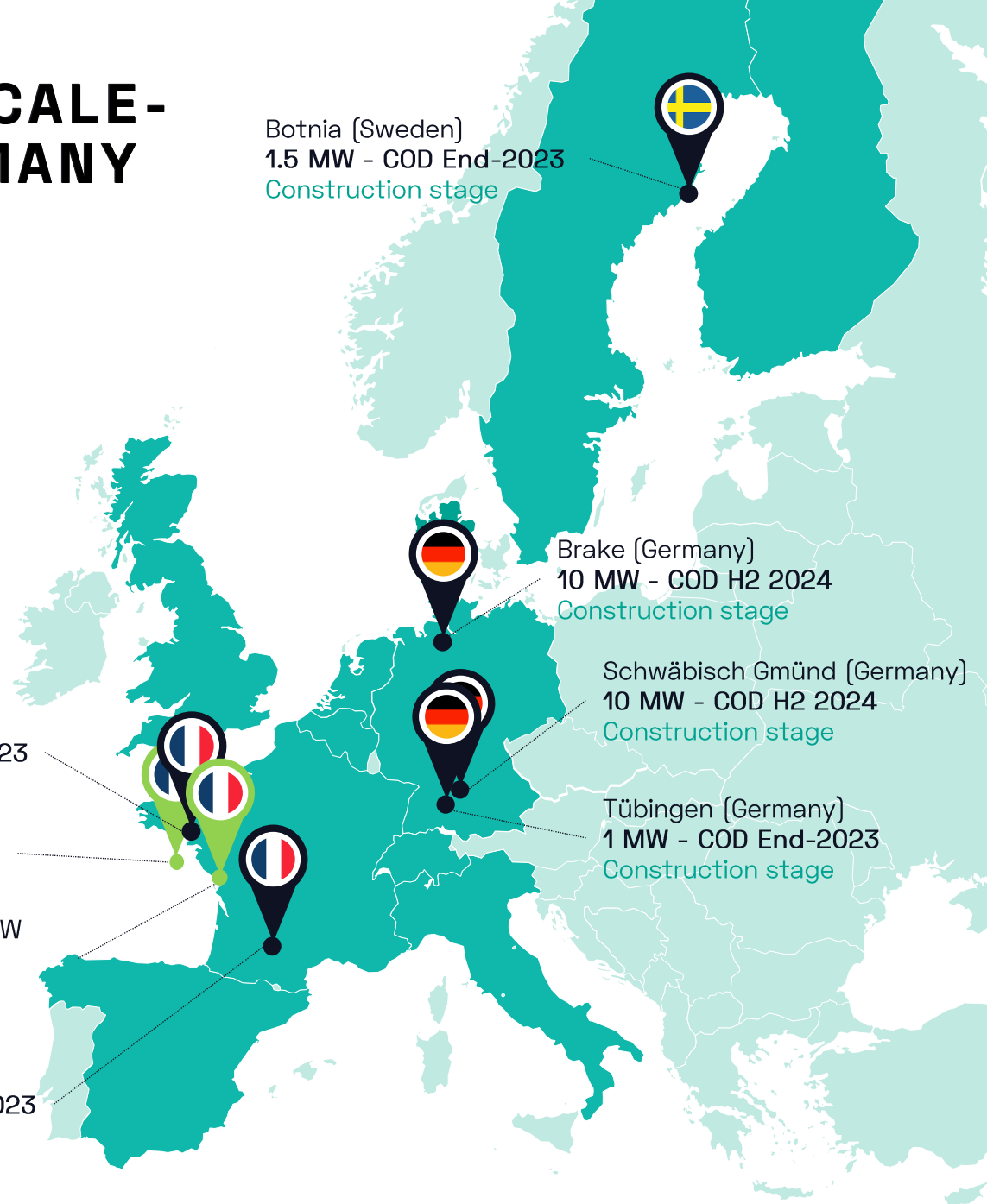
Bessières (France)  
5 MW - COD End 2023  
Construction stage

Botnia (Sweden)  
1.5 MW - COD End-2023  
Construction stage

Brake (Germany)  
10 MW - COD H2 2024  
Construction stage

Schwäbisch Gmünd (Germany)  
10 MW - COD H2 2024  
Construction stage

Tübingen (Germany)  
1 MW - COD End-2023  
Construction stage



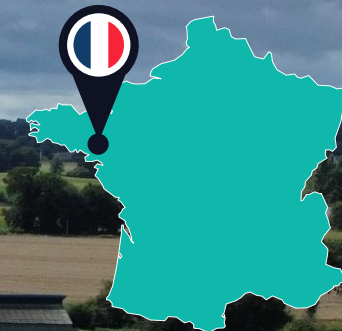


# BULEON (FRANCE) SITE UPDATE

- In Brittany (Morbihan, Buléon near Lorient)
- Production capacity: up to maximum 2 tonnes of green H2 per day (5 MW installed capacity)
- Markets:
  - Mobility (70%)
  - Bulk industry (30%)
- Main source of energy: Wind PPA with VSB énergies Nouvelles
- RFNBO ready : Yes

## PLANNING

- Planned COD: end 2023





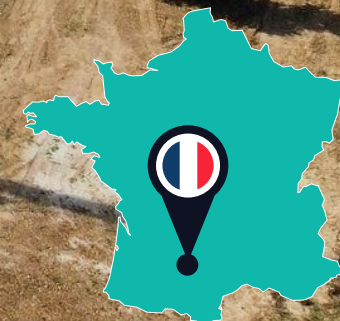
# BESSIÈRES (FRANCE) SITE UPDATE



- In Occitany (Bessières near Toulouse (Occitany))
- Production capacity: up to a maximum of 2 tonnes of green H2 per day (5 MW installed capacity)
- RENBO ready: Yes
- Winner of the Corridor H2 tender for projects

## PLANNING

- Planned COD: end 2023





# OUR OTHER SITES UNDER CONSTRUCTION

## BOTNIA (SWEDEN)



- Green H2 production capacity: up to 0.6 tpd (1.5 MW installed capacity)
- Land and connection secured
- Building permit received
- Groundwork started
- COD End-2023



## TÜBINGEN (GERMANY)



- Green H2 production capacity: up to 400 kg per day (1 MW installed capacity)
- Contract with DB signed
- COD End 2023
- Aimed at supplying hydrogen-powered trains on the Pforzheim-Horb-Tübingen line from 2024.



## SCHWÄBISCH GMÜND (GERMANY)



- Green H2 production capacity: up to 4 tpd (10 MW installed capacity)
- Use: mostly mobility
- Land secured with the city and building permit submitted
- Construction works onsite to be launched in H2 2023
- COD H2 2024



# A NEW SITE IN GERMANY TO ADDRESS MOBILITY: BRAKE

- ✓ Green H2 production capacity: up to 4 tpd
- ✓ Installed electrolyser capacity: 10 MW
- ✓ Use: 100% bulk
- ✓ Land and connection secured
- ✓ Building permit submitted
- ✓ Pre-consolidation works started
- ✓ COD planned end-2024



# PROJECTS EXECUTION IS WELL ON TRACK

## 7 SITES NOW IN CONSTRUCTION STAGE

Data as of June 30th, 2023

Unit already  
up and  
running  
green H2  
production

Onshore site	Installed capacity MW	Max. prod. capacity Tons per day	Land	Electricity sourcing / PPA	Construction permit	Start of construction onsite	Expected Commissioning
Bouin	1	0.3	✓	✓	✓	✓	✓
Tübingen	1	0.2	✓	✓	✓	✓	2023
Buléon	5	2	✓	✓	✓	✓	2023
Bessières	5	2	✓	✓	✓	✓	2023
Botnia	1.5	0.6	✓	✓	✓	✓	2023
Bouin upgrade	1.5	0.7	✓	✓	✓	2024	2024
Schwäbisch Gmünd	10	4	✓	🔄 <sup>1</sup>	🔄	H2 2023	2024
Brake (NEW)	10	4	✓	🔄 <sup>1</sup>	🔄	H2 2023	2024

✓ Completed

🔄 Ongoing

1 Contracts finalization



# OUR OFFSHORE MILESTONES

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# SEALHYFE FULLY OFFSHORE AND RUNNING, IN LINE WITH PLAN

1<sup>st</sup> offshore hydrogen production unit in the world in 2022

Producing green hydrogen offshore in the Atlantic Ocean since June 2023



1 MW PEPM electrolyser  
Up to 400 kg per day green hydrogen production



CHANTIERS  
DE L'ATLANTIQUE

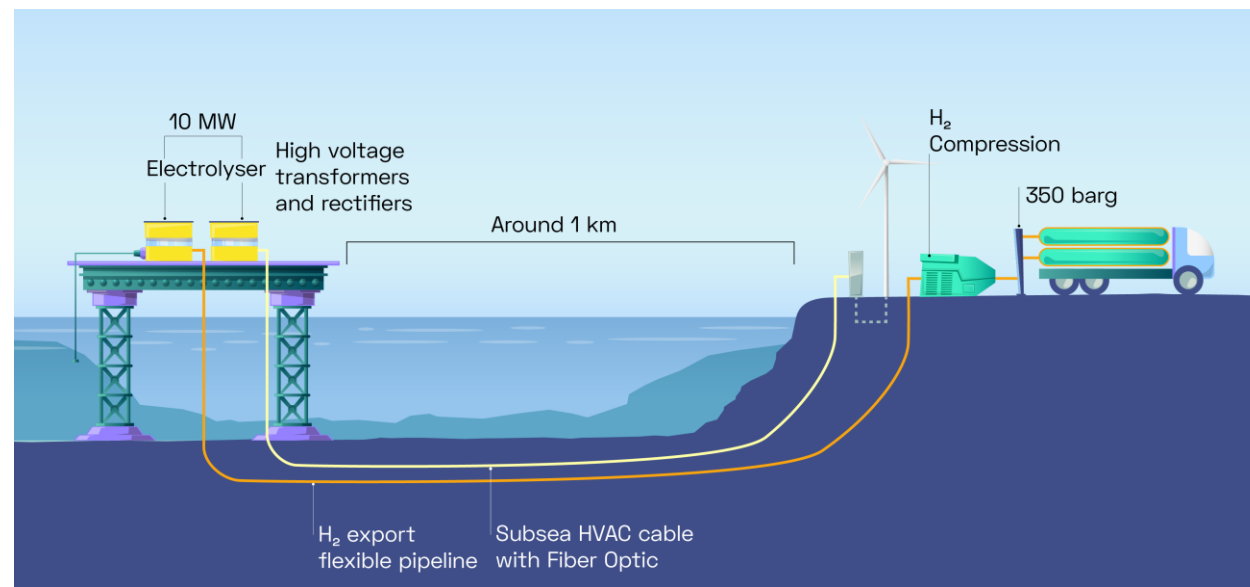


Région  
PAYS DE LA LOIRE



# HOPE PROJECT ON TRACK (HYDROGEN OFFSHORE PRODUCTION FOR EUROPE)

- For the first time in the world, green hydrogen will be produced at sea and then delivered ashore via a composite pipeline to local customers for use in industry and transport sectors
- Unprecedented scale: up to 4 tpd of green H<sub>2</sub> (10 MW of installed capacity)
- First kilos of HOPE green H<sub>2</sub> could be produced as early as 2026
- €33m grants awarded to fund design, supply of equipment, construction work as well as R&D, o/w €20m from EU and €13m from Belgian government<sup>1</sup>



Located in the North Sea, off the port of Ostend, in an offshore testing zone aiming to be the nerve centre of the green hydrogen industry in Belgium.

Project coordinated by Lhyfe and implemented together with 8 European partners



**Lhyfe well positioned to answer future offshore bids to be launched in Europe from 2024**

<sup>1</sup> Belgium grant received in July 2023

# STRENGTHENING EUROPEAN OFFSHORE PARTNERSHIPS WITH CAPITAL ENERGY AND CENTRICA

## MOU TO PRODUCE GREEN HYDROGEN AT SEA IN SPAIN AND PORTUGAL

- Collaboration agreement for the **joint development of offshore renewable hydrogen projects** with power from offshore wind farms in Spain and Portugal
- **At wind farm sites currently being developed by Capital Energy**, which has a development pipeline of more than 7.5 gigawatts (GW)
- Agreement could be extended to other markets in the future



Spanish energy producer and distributor aiming to become the first 100% renewable vertically integrated energy operator on the Iberian Peninsula.

## MOU TO DEVELOP OFFSHORE RENEWABLE GREEN HYDROGEN IN THE UK

- Combining expertise to **collaborate on a pilot green hydrogen production site** in the Southern North Sea
- Goal: proof that an end-to-end hydrogen production, storage, and distribution system is possible in UK
- Firms explore large scale partnership in drive to net zero

Centrica plc is an international energy services and solutions company





A blurred landscape photograph featuring a road in the foreground, green fields in the middle ground, and trees and buildings in the background under a bright sky. The text "FINANCIAL HIGHLIGHTS" is overlaid in white.

# FINANCIAL HIGHLIGHTS



# GROUP DELIVERIES AND REVENUES

## Consolidating clients base and pursuing operational excellence

- ✓ 100% of clients delivered on time
- ✓ First clients delivered in Germany
- ✓ c.€400k revenues in H1 : +c.40% vs H1 2022
- ✓ Contracts being signed
  - Consolidation of client portfolio → Bouin running at full capacity by year end
  - Target €1m revenues by end 2023 : +60% vs FY 2022

# INVESTMENTS IN LINE WITH GROWTH PLAN

€ m - IFRS standards	H1 2023	H1 2022
<b>Revenue</b>	<b>0.4</b>	<b>0.3</b>
Cost of purchases	(0.1)	(0.1)
Staff expenses	(10.1)	(4.4)
External expenses	(5.8)	(2.8)
Taxes	(0.1)	-
Other operating income & expenses	0.4	0.9
<b>EBITDA<sup>1</sup></b>	<b>(15.3)</b>	<b>(6.3)</b>
Current operating result (EBIT)	(16.2)	(6.7)
Operating result	(16.2)	(7.8)
Financial result	0.6	(6.2)
Net result	(15.9)	(13.9)

<sup>1</sup> EBITDA (Earnings before interest, taxes, depreciation, and amortization) represents operating income before depreciation and amortization

- **Increase in revenue from sale of green hydrogen: +40% YoY at €0.4m**
  - Production and commercial ramp-up of the Bouin site, in line with growth plan
  - Full production capacity to be reached at end of year (max 300 kg/day)
- **Staff expenses: +€5.7m YoY** reflecting headcount expansion over the period (192 employees at end of June 2023 ie +111 versus 30 June 2022) in line with activity level ; headcount at year end 2023 is estimated at c. 200 employees.
- **External expenses: +€3.0m YoY** reflecting the group's international development and structuring
- **EBITDA at €(15.3)m** reflecting Group's efforts to ensure its accelerated development
- **Net result of €(15.9)m** versus €(13.9)m in H1 2022 (which was negatively impacted by the effect of the accounting discount on convertible bonds converted following the IPO)



# STRONG CASH POSITION TO FUND COMPANY'S GROWTH

€ m - IFRS standards	H1 2023	H1 2022
Net result	(15.9)	(13.9)
Operating cashflow	(12.3)	(7.4)
Investing cashflow	(7.8)	(3.1)
Financing cashflow	3.4	126.1
<b>Change in cash &amp; cash equivalents</b>	<b>(16.8)</b>	<b>115.6</b>

€ m - IFRS standards	June 23	Dec 22
Cash & cash equivalents	127.8	144.5
Financial debt <sup>1</sup>	18.3	18.6
<b>Net cash<sup>2</sup></b>	<b>109.4</b>	<b>125.9</b>
Equity	118.6	133.6

<sup>1</sup> Financial debts excluding IFRS 16 lease liabilities

<sup>2</sup> Net cash = cash & cash equivalents – Financial debt excluding IFRS 16 lease liabilities

<sup>2</sup> Subsidies signed or granted with contract agreements under preparation. Excludes refundable advances granted by public institutions

- **Operating cashflow at €(12.3)m:** reflecting headcount increase and company structuring
- **Investing cashflow at €(7.8)m:**
  - Mainly related to equipment orders and development costs for future production sites
- **Financing cashflow at €3.4m**
  - Reflecting subsidies collection during the period
- **Strong cash position at €109.4m at end of June 2023** versus €125.0m at end 2022

**Subsidies secured<sup>3</sup> to date: €67m**

A blurred landscape at sunset. In the foreground, a road with white lane markings stretches into the distance. The middle ground is a green field, and the background shows a line of trees and some buildings under a warm, orange sky. A large, faint, semi-transparent '2023' watermark is overlaid diagonally across the center of the image.

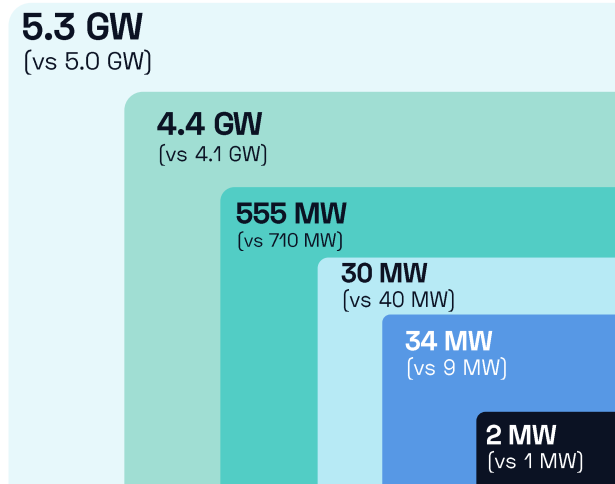
**2023 & BEYOND**



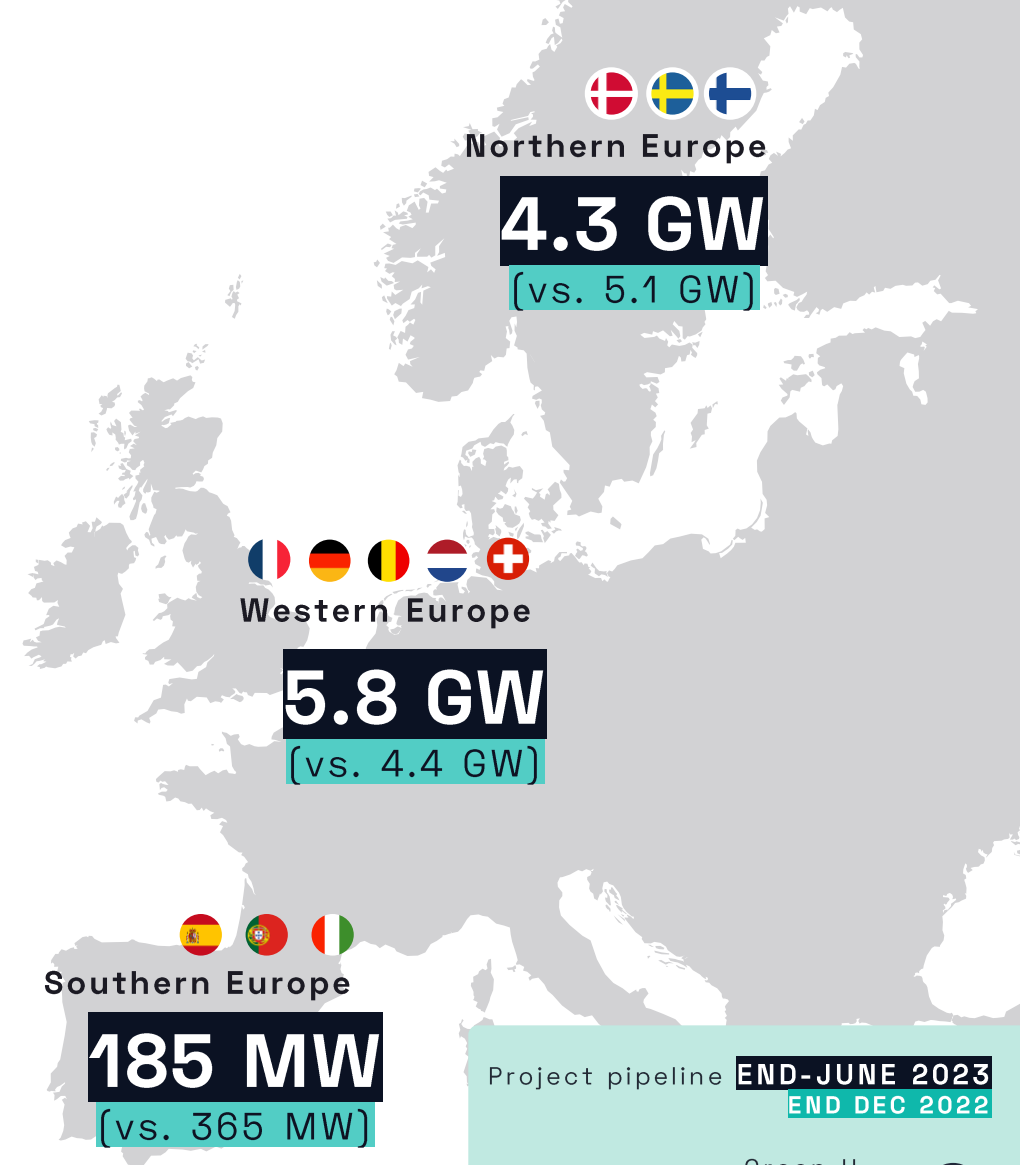
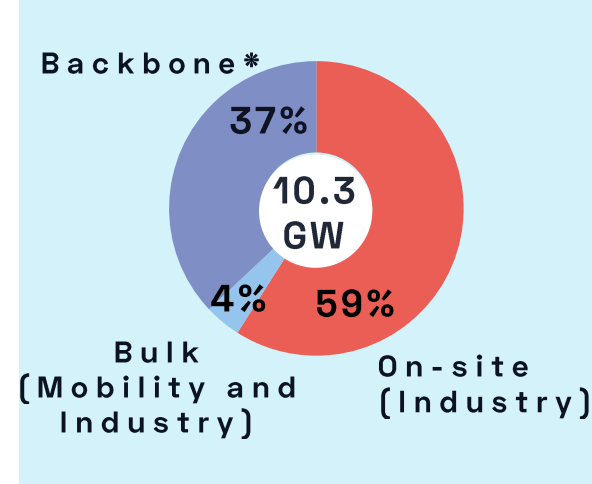
# A PIPELINE ENSURING WE DELIVER OUR LONG-TERM GOALS

## 10.3 GW AT END-JUNE 2023 (VS. 9.8 GW AT END DEC 2022)

### PIPELINE BY PHASES



### PIPELINE BY TYPE



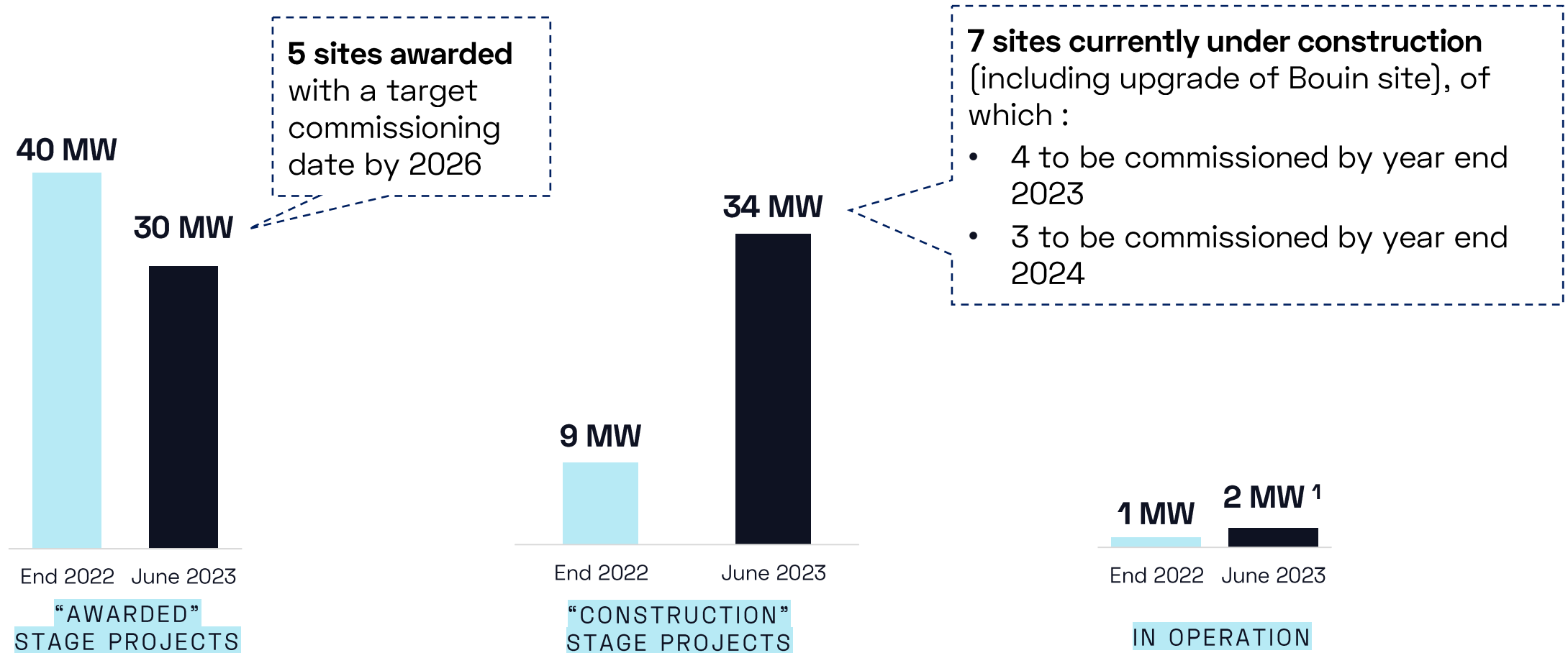
Project pipeline **END-JUNE 2023**  
**END DEC 2022**

Green H<sub>2</sub>  
production projects

(\*) Projects located close to the future European Hydrogen Backbone, expected to be commissioned as from end 2026 in some regions

# LHYFE TEAM FOCUSED ON DELIVERING THE PIPELINE INTO OPERATIONAL SITES

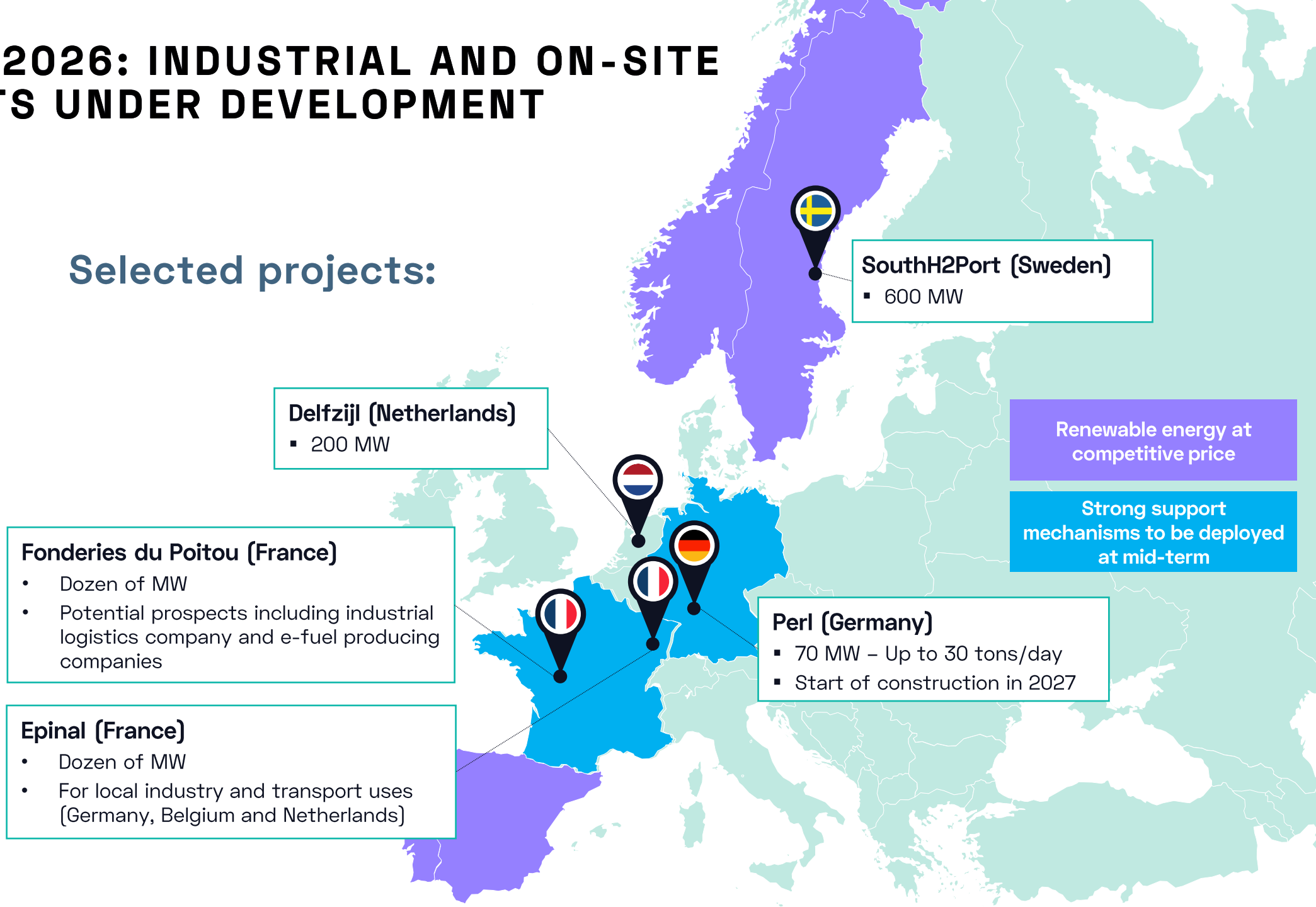
>60 MW OF PROJECTS AT CONSTRUCTION AND AWARDED STAGE<sup>1</sup>





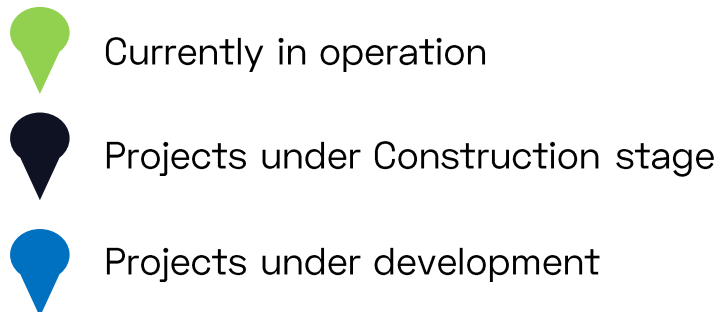
# BEYOND 2026: INDUSTRIAL AND ON-SITE PROJECTS UNDER DEVELOPMENT

## Selected projects:

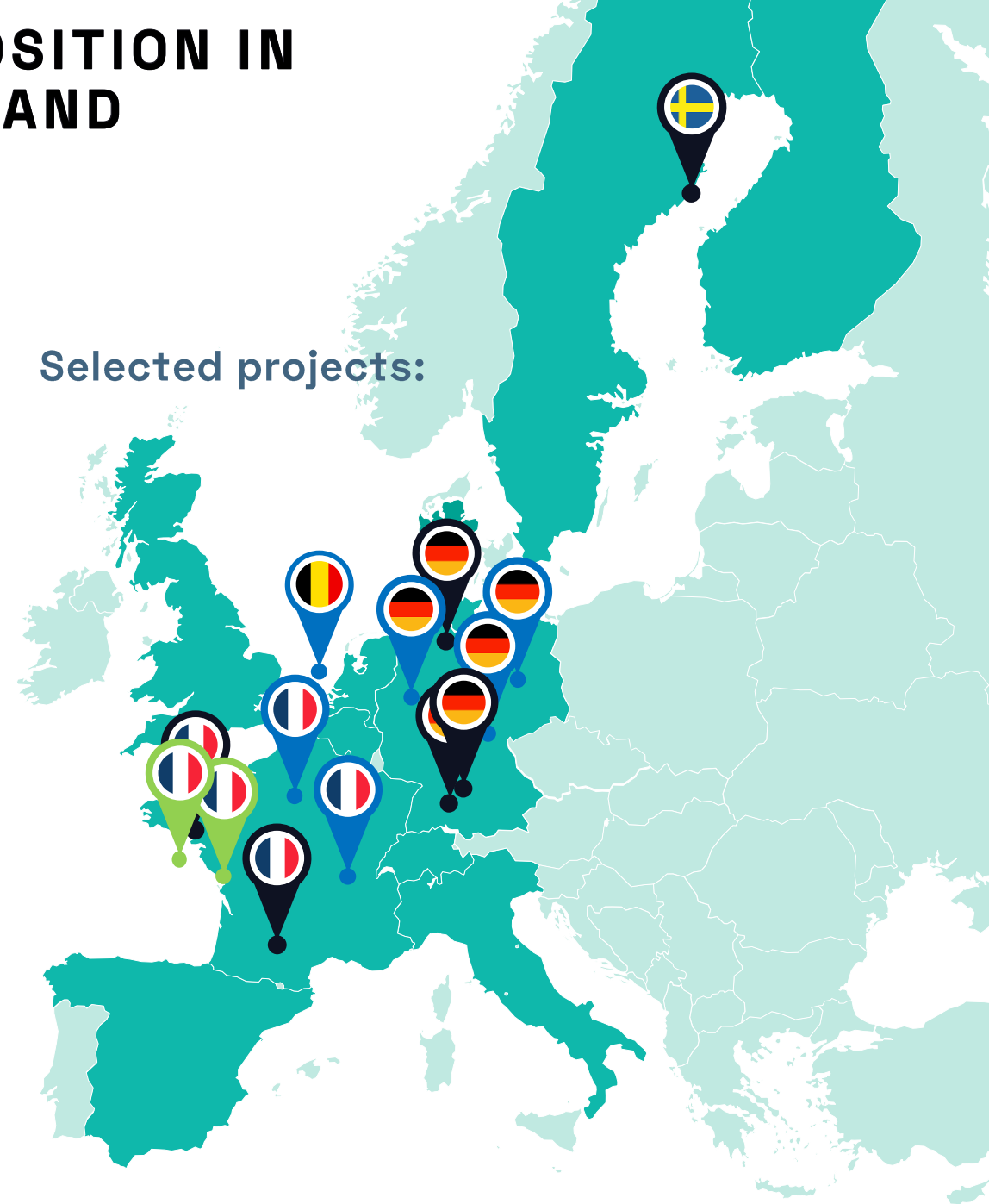


# BY 2026: TARGETING A LEADING POSITION IN GREEN H2 PRODUCTION IN FRANCE AND GERMANY

- ✓ Building a unique production infrastructure
- ✓ France and Germany as major targets for 2023-2026 projects
- ✓ Target a leading position in green H2 production for bulk industry and mobility
- ✓ Supported by clear regulation and support mechanisms in place

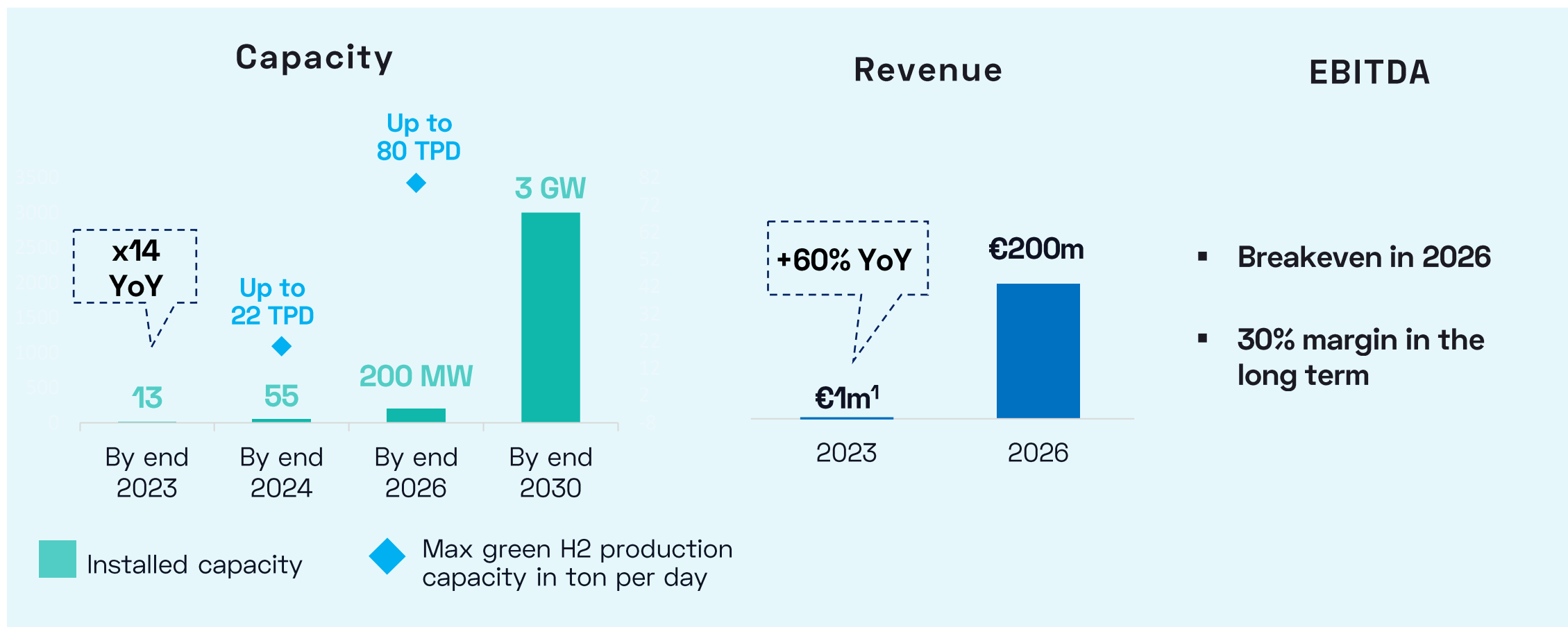


## Selected projects:





# GROUP'S OPERATIONAL AND FINANCIAL OBJECTIVES



<sup>1</sup>With Bouin plant running at full capacity by year end

# LHYFE, THE X-FOLD EFFECT

- ✓ 1 MW/€1m → 13 MW → 55 MW → 200 MW
- ✓ Delivering sites and commitments
- ✓ Operational excellence and expertise
- ✓ 200 experts
- ✓ €67m subsidies already secured
- ✓ Revenues & Customer focus: Bouin fully booked
- ✓ Major green bulk H2 producer in France and Germany by 2026
- ✓ First offshore H2 producer in the world by 2026







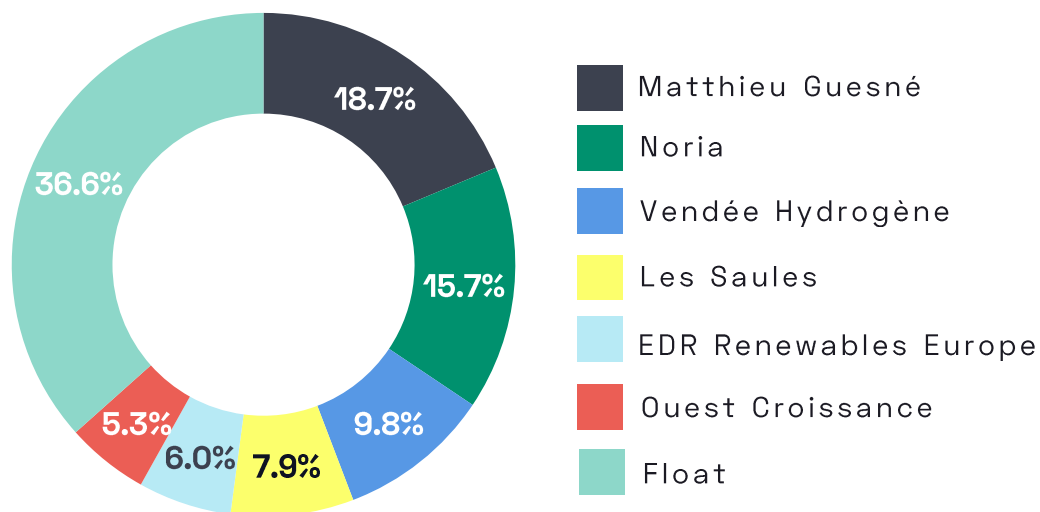
An aerial photograph of a rolling green landscape. In the center, a white wind turbine stands on a grassy hill. The fields are vibrant green with visible tire tracks. The sky is a deep blue with wispy white clouds. A large, faint, stylized watermark is visible across the center of the image.

# APPENDICES

# SHAREHOLDING & STOCK INFORMATION

## SHAREHOLDING STRUCTURE

47,900,448 shares as of end-June 2023



<b>Market:</b>	Euronext Paris (B Compartiment)
<b>ISIN:</b>	FR0014009YQ1
<b>Ticker:</b>	LHYFE
<b>Stock price:</b>	€6.08*
<b>Market cap.:</b>	€287 million*
<b>Daily average liquidity (YTD):</b>	€75K

\* At 22 September 2023

## AGENDA

**2023 annual results (audited):**

**28 March 2024**

Before Euronext Paris market opening

## Investor relations

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# LHYFE: AN EXTRA-FINANCIAL COMMITMENT IN OUR DNA

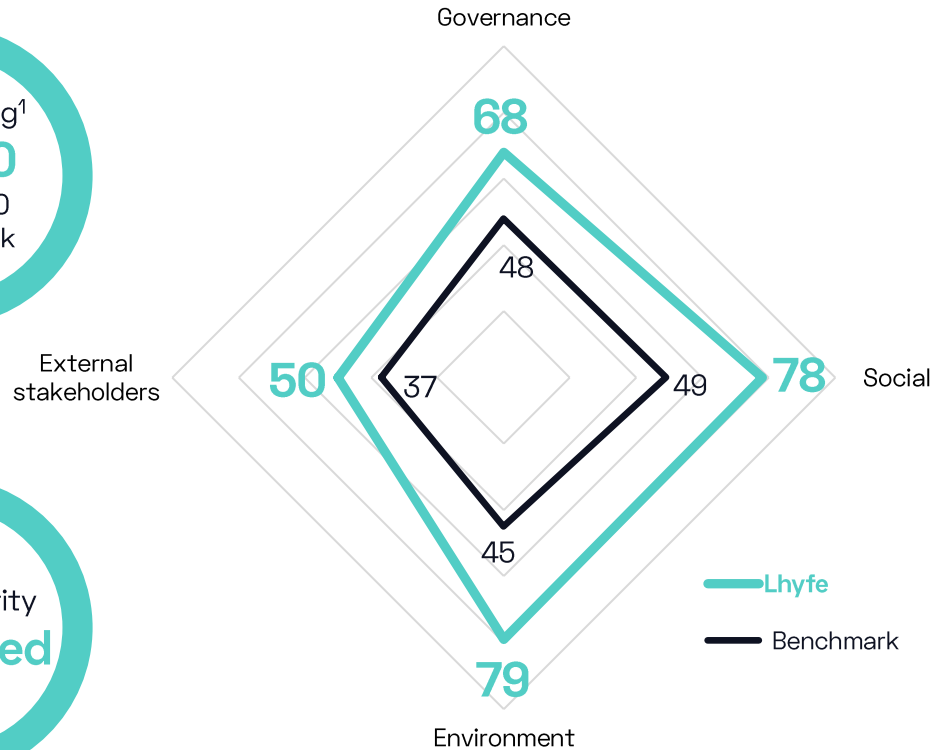
2021 Rating<sup>1</sup>

**71/100**

vs. 46/100  
benchmark

2021 maturity

**Advanced**



« Lhyfe's ESG rating corresponds to an **"Advanced"** level of performance on EthiFinance rating scale, which is an already significantly **higher level of ESG maturity than that of comparable companies**, in terms of workforce and industry. »

<sup>1</sup> Source: Lhyfe Group's 2021 rating corresponding to an "Advanced" level of extra-financial performance on the EthiFinance rating scale - ESG maturity report - EthiFinance March 2022

Benchmark criteria used: company size in number of employees (< 100), for the "Renewable Energy" sector - Sample of 2022 ratings, based on 2021 data

## EU TAXONOMY ASSESSMENT

**100%**

of 2021 turnover is  
aligned with the  
EU Taxonomy

- ✓ Contributes substantially to the "Climate change mitigation objective"
- ✓ Complies with 100% of the screening criteria defined in the EU Taxonomy
- ✓ Complies with all of 4 DNSH criteria (Do No Significant Harm)
- ✓ Complies with the minimum social safeguards

« **100% of Lhyfe's activity** falls within an eligible sub-sector identified by EU Taxonomy as **directly contributing to Climate Change Mitigation**. Moreover, the company's activity complies with all the listed screening criteria. »

