

Lhyfe

GREEN HYDROGEN PRODUCER



FOR INDUSTRY AND MOBILITY



FY 2023 RESULTS

WEBCONFERENCE

28 MARCH 2024

LHYFE
LISTED
EURONEXT



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► Agenda



Matthieu Guesné
Founder & CEO



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Chief Financial Officer

1. **FY 2023 HIGHLIGHTS**
2. **PAVING THE WAY ON OFFSHORE HYDROGEN PRODUCTION**
3. **FY 2023 FINANCIAL HIGHLIGHTS**
4. **AN ENHANCED MODEL TO ACCELERATE PROFITABILITY**

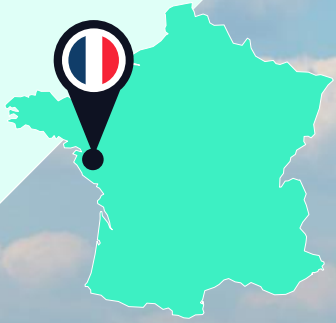
FY 2023 HIGHLIGHTS

► What we achieved during FY 2023

- ✓ 2023 revenues at €1.3m, **x2 compared to FY 2022**
- ✓ **Signature of multiple new clients** in France and Germany, including Avia, Manitou, Iveco, John Deer, Hypion, Hype, Symbio
- ✓ **2 new sites inaugurated in France** (Buléon and Bessières), making Lhyfe the first producer of renewable hydrogen in the country
- ✓ **8 other sites currently in construction or extension** mainly in France and Germany, more than any other player in the sector in Europe
- ✓ Continued innovation with the **world's first offshore green hydrogen production**
- ✓ **Boosting the scale-up, with €149m grant from the French government for 100 MW project** near Le Havre in France
- ✓ **Strengthened financing strategy**, with a €28m first green corporate syndicated loan and increase in secured¹ grants at c.230m as of December 2023

¹ Including grants already signed or being contractualised as of December 31, 2023

▶ Bouin (France) site running now at full speed



Among new clients signed in 2023

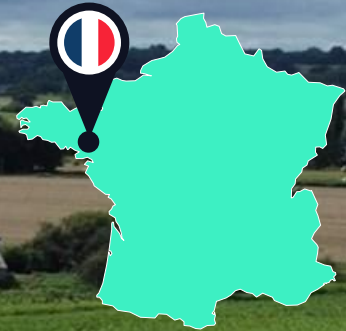


- Lhyfe's first green hydrogen production site with a current production capacity of up to 300 kg of green hydrogen/day (installed capacity of 0.75 MW)
- Direct connection to a wind farm, secured PPA with Vendée Energie
- Serving mostly mobility clients
- 100% success rate in deliveries

Extension planned for up to 1 tonne of green hydrogen /day

- Representing a 2.5 MW electrolysis installed capacity after extension
- Onsite storage capacity to be extended from 700 kg to 5 tonnes
- Scheduled by the end of FY 2024

► Buléon (France) site update



- In Brittany (Morbihan, Buléon near Lorient)
- Production capacity: up to 2 tonnes of green H2 per day or 700 tons/year (5 MW installed capacity)
- Markets:
 - Mobility (70%)
 - Bulk industry (30%)
- Main source of energy: Wind PPA with VSB énergies Nouvelles
- Client already signed:



Planning

- Site installed as of end 2023
- Commercial ramp-up to start by end of H1 2024

► Bessières (France) site update



- In Occitany (Bessières near Toulouse Occitany)
- Production capacity: up to 2 tonnes of green H2 per day or 700 tons/year (5 MW installed capacity)
- Main source of energy: Wind PPA
- Winner of the Corridor H2 tender for projects

Planning

- Under commissioning
- Commercial ramp-up to start by end of H1 2024

► Our other sites under construction - Germany

TÜBINGEN (GERMANY)



- Up to 200 kg per day (1 MW installed capacity)
- Aimed at supplying hydrogen-powered trains on the Pforzheim-Horb-Tübingen line from 2024.
- Contract with Deutsche Bahn signed
- Unit installed and ready for client's start of operations

SCHWÄBISCH GMÜND (GERMANY)



- Up to 4 t/pd (10 MW installed cap.)
- Use: mostly mobility
- Construction works launched at end of 2023

BRAKE (GERMANY)



- Up to 4 tpd (10 MW installed cap.)
- Use: 100% bulk
- Site construction started at end of 2023



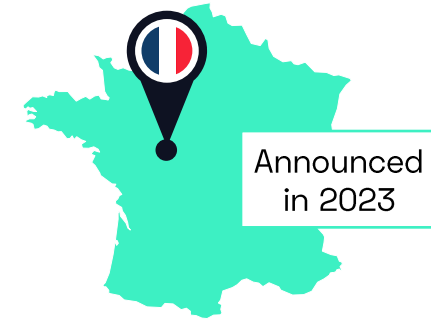
► Our other sites under construction - France

CROIXRAULT (FRANCE)



- Up to 2 tonnes of green hydrogen per day (5 MW of installed electrolysis capacity)
- Located on the Mine d'Or industrial area, alongside the A29 motorway
- **First production unit in the Hauts-de-France region to make renewable hydrogen available to a wide market**
- To supply local uses in mobility and industry
- Civil works started early 2024

SORIGNY (FRANCE)

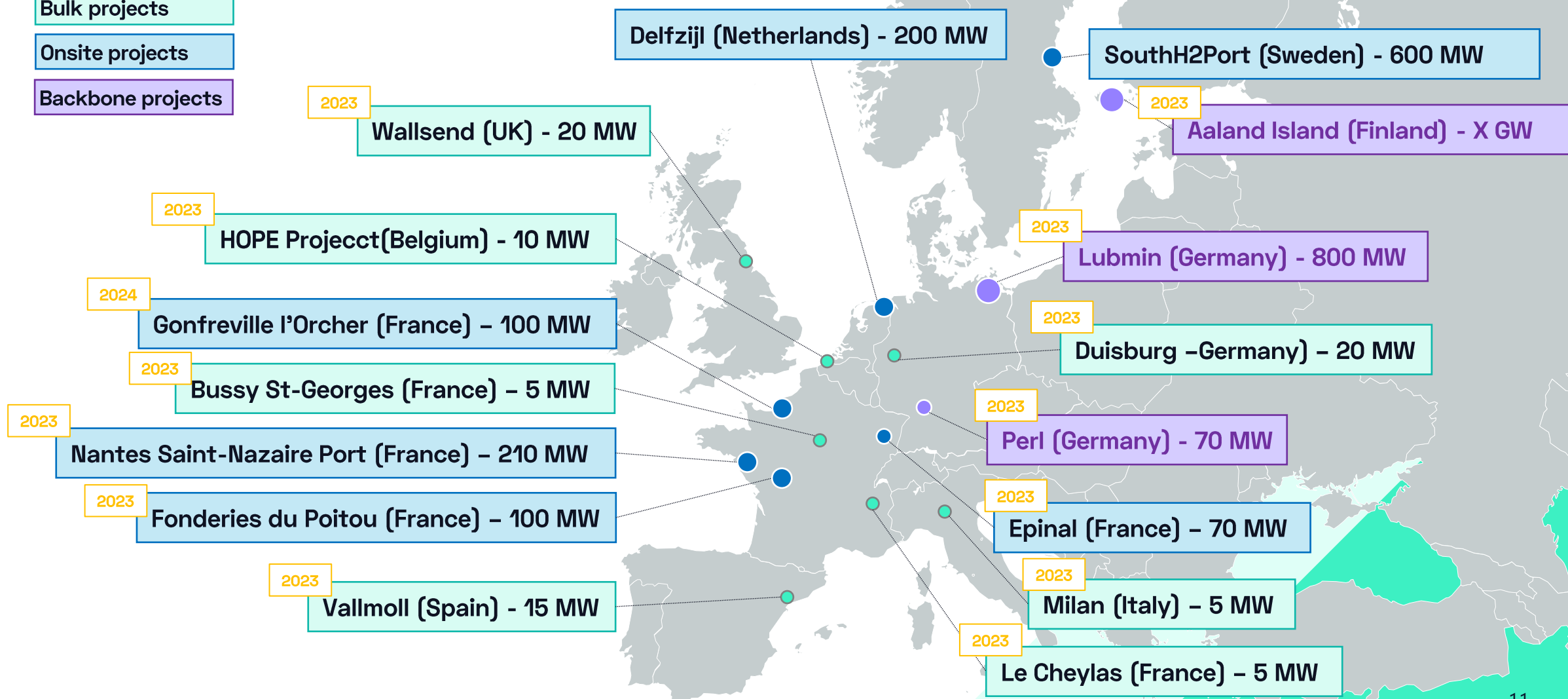


- Up to 2 tonnes of green hydrogen per day (5 MW of installed electrolysis capacity)
- Part of the Hy'Touraine project
- **Green H2 to be supplied for uses in mobility and industry**, with many local authorities and businesses already identified as having hydrogen needs in the area
- Civil works started early 2024

Fortress Pipeline

Excluding projects already under construction

- Bulk projects
- Onsite projects
- Backbone projects



▶ Boosting the scale-up: €149m grant secured from French government to support 100 MW project near Le Havre in France



100 MW

Up to 34 tons of green H₂/day



Up to €149m

French State aid granted to Lhyfe for the construction of the H₂ production unit



28,000 m²

Available space at the planned site of Gonfreville-l'Orcher

2025

2028

FID target

COD target



Green hydrogen to decarbonize ammonia among others

- Confirms **Lhyfe's** ability to raise significant subsidies and derisk large projects
- **Confirms** as well its status as a **key player** in the renewable hydrogen industry and **the know-how and expertise** of the Lhyfe teams, pioneers in the industry



Project approved by the European Commission as part of the third wave of IPCEI (Important Projects of Common European Interest) on H₂

Partners



PAVING THE WAY ON OFFSHORE HYDROGEN PRODUCTION

SEALHYFE pilot: a unique set of data for a concrete step-forward in H2 offshore development

1st offshore hydrogen production unit in the world in 2022

Producing green hydrogen offshore in the Atlantic Ocean during pilot period from May to Nov 2023



- Green H2 produced **under stressed conditions** (corrosion, direct connexion to wind mill, strong accelerations, fully remote operations)
- **Millions of data collected** to support next phase (HOPE project):
 - ✓ Reliability of H2 offshore production in an isolated environment
 - ✓ Management of the platform's movements
 - ✓ Environmental stresses
 - ✓ Validation of production software and algorithms
- Decommissioned end Nov 2023

1 MW PEM electrolyser
(up to 400 kg/day of green hydrogen)



Scale-up launched, supported by strong partners

HOPE (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
- **Up to 4 tpd of green H2** (10 MW installed cap.)
- Located in the North Sea, off the port of Ostend
- **Operations early as 2026**
- **€33m grants awarded**, o/w €20m from EU and €13m from Belgian government

Project coordinated by Lhyfe and implemented together with 8 European partners



ÅLAND ISLAND

- Project to develop large scale hydrogen production on Åland integrated with gigawatt scale offshore wind in Åland waters
- For use both on Åland and in the wider European region

MoU signed with



CIP is the world's largest dedicated fund manager within greenfield renewable energy investments and a global leader in offshore wind, green hydrogen

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

FY 2023 FINANCIALS HIGHLIGHTS

Consolidated P&L

€ m - IFRS standards	FY 2023	FY 2022
Revenue	1.3	0.6
Cost of goods sold	(0.6)	(0.4)
Employee expenses	(20.5)	(11.3)
External expenses	(12.4)	(7.3)
Taxes	-	(4)
Other operating income & expenses	1.9	1.4
EBITDA ¹	(28.1)	(16.3)
Current operating result (EBIT)	(34.0)	(18.2)
Operating result	(34.4)	(19.2)
Financial result	1.6	(6.6)
Consolidated net result	(33.6)	(25.8)

¹ EBITDA (Earnings before interest, taxes, depreciation, and amortization) represents operating income before depreciation and amortization, as well as expenses related to share-based payments

² Excluding expenses related to share-based payments

- **Total revenues for FY 2023 increased more than 2-fold at €1.3m** mainly driven by:
 - The supply and delivery of green hydrogen produced at the Bouin site reaching full production capacity (max 300 kg/day)
 - Commercial ramp-up in line with growth plan
- **EBITDA at €(28.1)m** versus €(16.3)m YoY reflecting the **continued acceleration of the Group's activity and its expansion, notably abroad:**
 - **Employee expenses²:**
 - +€7.5m YoY reflecting the headcount expansion over the period (195 employees at end December 2023 ie +46 versus end of December 2022) in line with activity level
 - In 2024 headcount is expected to stabilize at current level, with some additions in O&M business line following installation and commercial start-up at new sites
 - **External expenses:** +€5.2m YoY reflecting the group's **international development and structuring**
- **Financial result was positive at €1.6m** driven mostly by interest income from short term investments, while 2022 financial loss was due to the accounting discount on bonds converted at the time of the Company's IPO

Strong cash position to fund company's growth

€ m - IFRS standards	FY 2023	FY2022
Net result	(33.6)	(25.8)
Operating cashflow	(22.6)	(15.1)
Investing cashflow	(44.1)	(12.9)
Financing cashflow	36.5	122.6
Change in cash & cash equivalents	(30.2)	94.6

€ m - IFRS standards	Dec 23	Dec 22
Cash & cash equivalents	114.3	144.5
Financial debt ¹	45.7	18.6
Net cash²	68.6	125.9
Equity	102.5	133.6
Total assets	200.5	172.7

¹ Current and non-current financial debt (excluding IFRS 16 lease debt)

² Net cash = cash & cash equivalents – Financial debt (excluding IFRS 16 lease debt)

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

- Operating cashflow at €(22.6)m versus €(15.1)m YoY, driven **by the increase in headcount and the continued structuring of the Company**
- Investing cashflow at €(44.1)m mainly related to **equipment and containers orders** as well as **development and engineering costs** for production sites
- Financing cashflow at €36.5m reflecting the **€28m financing package closed in December 2023** and received grants for €7.9m
- Change in cash over the period was **€30.2m**:
- As of Dec 31, 2023, strong cash position at **€114.3m**
 - Net cash² at €68.6m**
- As of 31 December 2023, shareholders' **equity was €102.5m**
- Secured³ subsidies of €82m as of Dec 31, 2023, and of up to **c.€238m as of today, including notably the up to €149m grant** from the French government announced in March 2024

► Consolidating clients base and funding capacities

- ☑ **2023 revenue x2 reflecting** commercial ramp-up at Bouin site achieved over the year, notably in Q4
- ☑ **100% of clients delivered on time**, for >250 total deliveries since start
- ☑ **First clients delivered in Germany** during 2023
- ☑ **Reinforced balance sheet** and financial resources with €28 million in new financing closed in December 2023
- ☑ **€300m+ of firepower for our growth**: sound cash position at €114m end of 2023 and over €200m of subsidies secured to date

ESG excellence: Gold recognition by Ethifinance

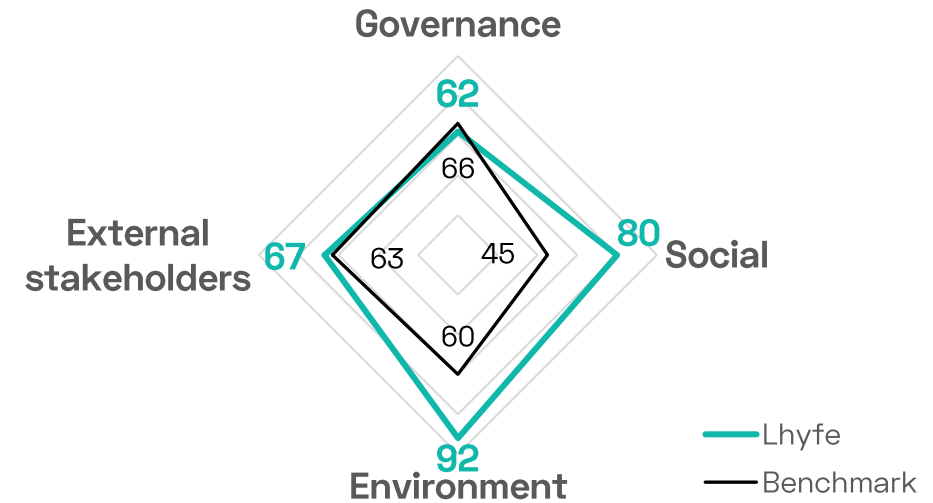
Improved ESG rating: +8 points

75/100 2022 Rating
vs. 55/100 for the sector¹
vs. **67/100** in 2021

8th over 50
Lhyfe's ranking
within its sector



Detailed scores by pillar



Green H2 carbon footprint

0.9 kg vs **11.1 kg**
Green H2 **Grey H2**

CO2 emission for the production of 1 kg of hydrogen²

New ESG action plan

80 actions
to be implemented over coming years to address the
Group's ESG strategic orientations

¹ Sample of 2023 ratings, based on 2022 data for 57 companies belonging to the sector "Utilities"

² Sources: carbon life cycle of the hydrogen produced at the Bouin site, ADEME footprint base (excluding transport of hydrogen to distribution point)

A track record of Development / Construction / Operation / Distribution

Lhyfe



Development

- ~75 projects under development
- 6 projects brought to FID
- 22 lands secured
- 12 permits submitted, 9 permits granted, 3 pending
- €230m+ subsidies secured
- ~20 H2 contracts signed



Construction

- 2 sites successfully built (Bouin and Sealhyfe)
- 5 sites currently under civil works/installation
- 3 sites under commissioning
- 2 sites under FEED/procurement phase



Operation

- 1 onshore plant in operation for 2y
- 100% of customer contract execution rate
- 1 offshore site in operation for 1 year
- Remote operations systems deployed
- >80t green H2 produced and sold to date



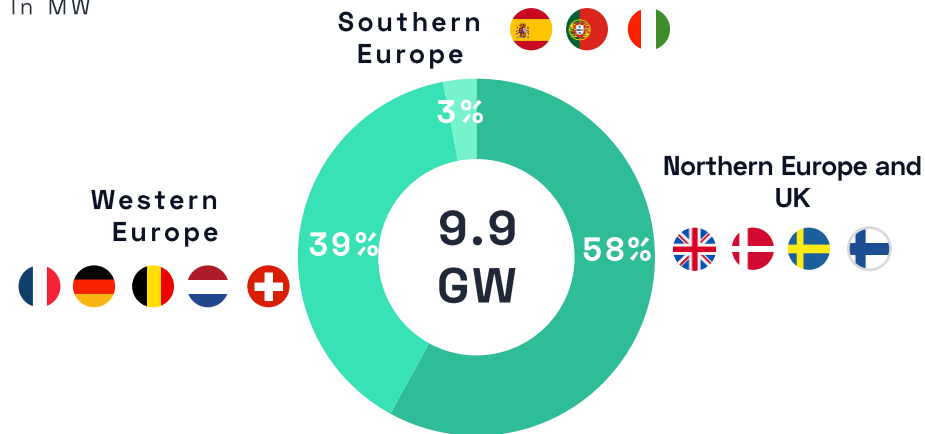
Distribution

- > 250 deliveries
- 100% success rate
- +70 containers fleet by end 2024
- Proprietary designed optimization software package

▶ A strong pipeline across Europe: 9.9 GW as of December 2023

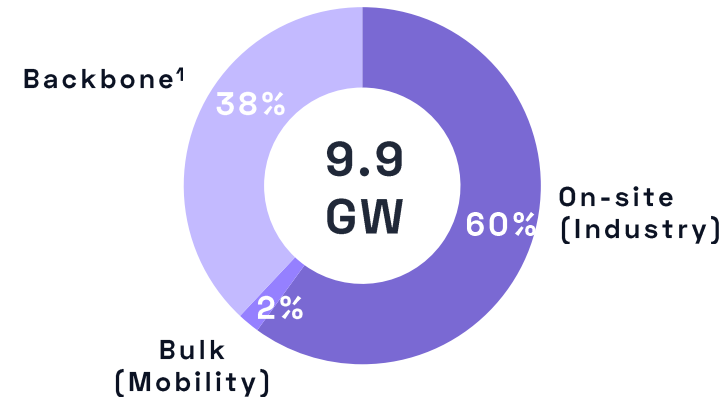
PIPELINE BY GEOGRAPHY

In MW



PIPELINE BY TYPE OF PROJECT

In MW



¹ Projects located close to the future European hydrogen backbone

AN ENHANCED MODEL TO ACCELERATE PROFITABILITY

► Hydrogen as a Service: towards an accelerated value creation

Two complementary activities to boost early profitability and secure resilient cash flows

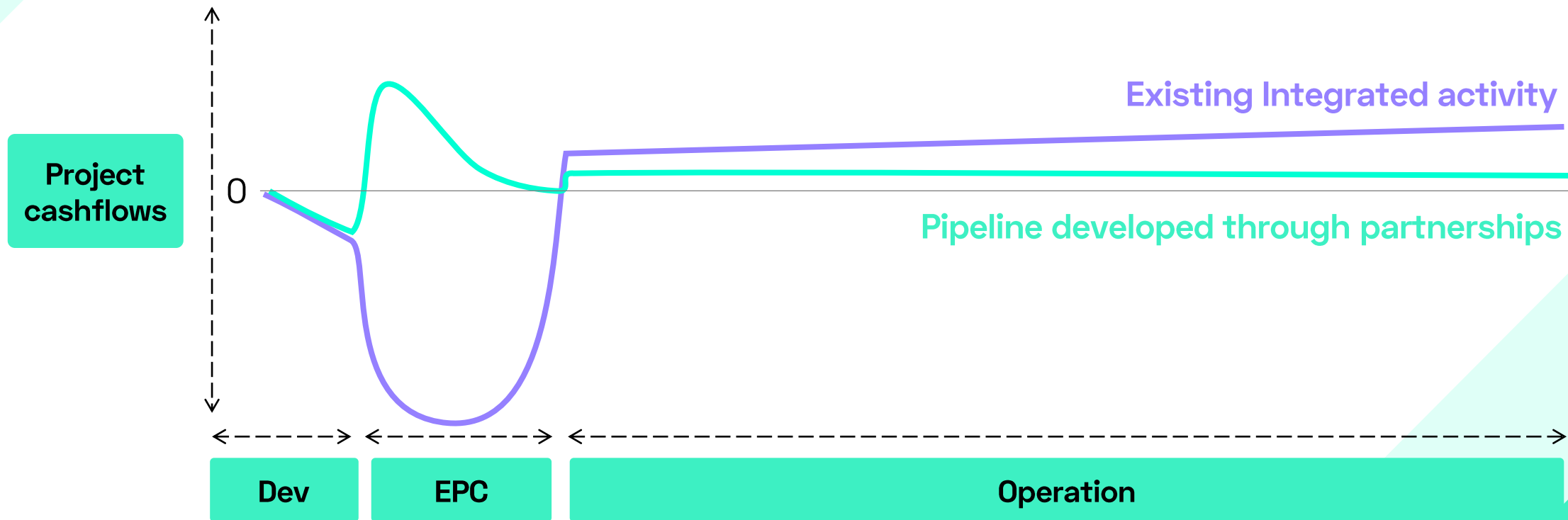
Existing integrated activity: continue to develop, hold and operate green H2 production units generating long-term resilient and recurrent cash flows based on the sale of renewable hydrogen



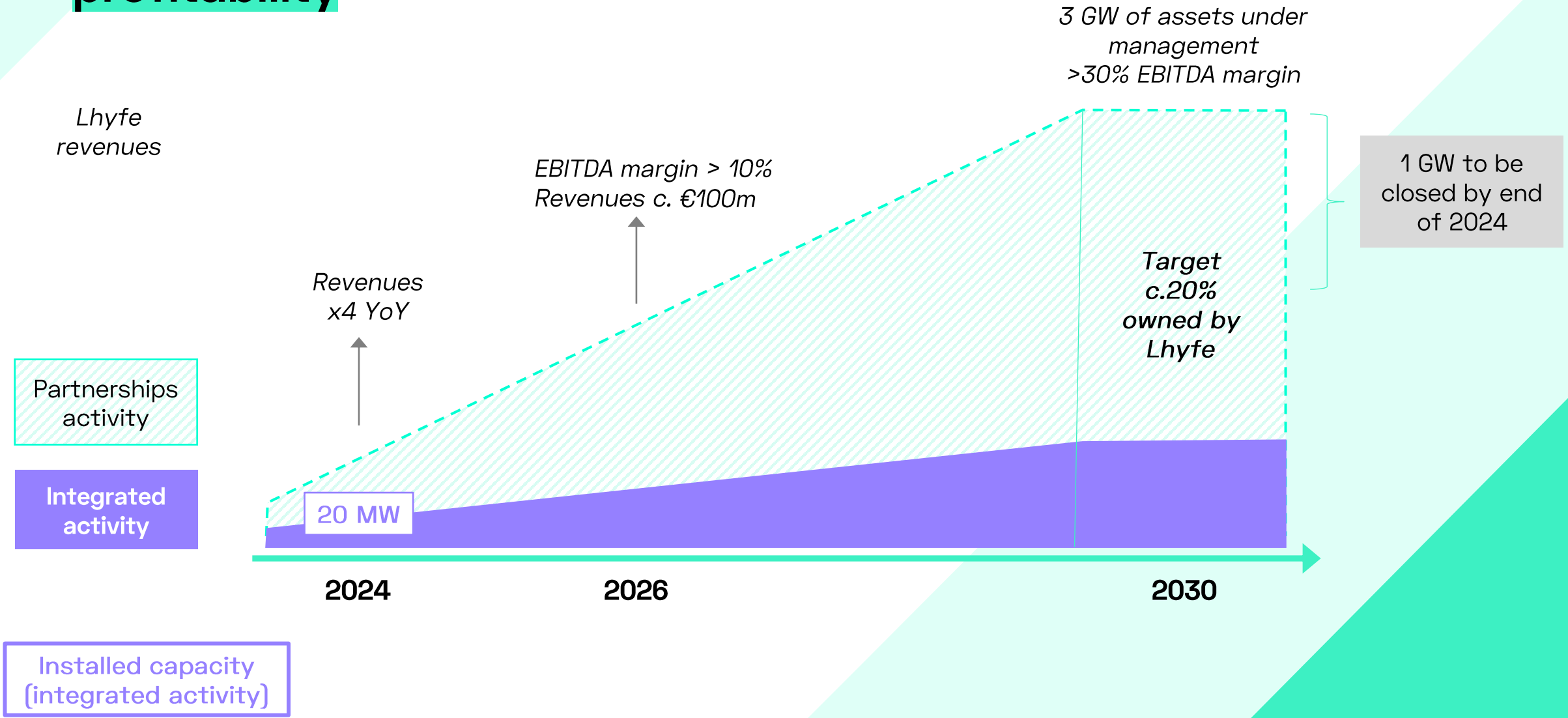
New activity based on partnerships: generate short-term income and site projects by monetising know-how:

- ✓ Capex light (projects financed by one or more partners)
- ✓ Generation of immediate earnings from development
- ✓ 1st partnership for 1 GW of projects to be concluded by end of 2024
- ✓ Resilient, long-term profitability from asset management

Capex light – Accelerated profitability



A new trajectory reflecting the model and the accelerated profitability



Appendices

► Heavy support from Europe to speed up green hydrogen production

Nov. 2023

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.** (vs Lhyfe's objective to produce 0.4m tons p.a. in 2030)
 - then 60% in 2035

AFIR targets pan-European hydrogen network

- AFIR regulation sets firm targets for installation of hydrogen refueling stations by 2030
- From 2025 onwards, fast recharging stations to be installed every 60 km along the TENT-T network
- From 2030 onwards, 1 HRS to be deployed in all urban nodes and every 200 km

Hydrogen Bank: First pilot auction in H2 2023

- Total of €3bn allocated for Innovation Fund Projects and H2 Bank Auctions for first auction rounds in 2023 and 2024
- Feed-in Tariffs vs. CFDs: Current pilot auction format awards a fixed market premium of €4.5 per kg green H₂. Both price and scheme may change to "real" CFDs as their higher price flexibility and adaptable cash flows ensure investment security



- Maximum time to entry into operation: 5 years from the grant agreement signature date
- First call launched on Nov 23

Multiple and enhanced national support schemes for mobility

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, **through a dedicated budget**
- Mid to long term plan: industry**
- Supporting industrial projects:** deployment of Contracts for Differences, IPCEI projects, with a **dedicated budget**

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: 11 projects awarded for 125 MW
 - HAR2: opened in Q4 2023 (for 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

► EU H2 backbone construction

Nov. 2023

German Backbone Construction

- Core backbone refurbishment (60 %) and new construction (40%) now enshrined into law. TSO plan foresees a network of 9.700 km pipes with entry capacity of 100 GW and exit capacity 87 GW for a total cost of 20 bn EUR to be finalised by 2032.
- Funding via Government Amortization Account: Construction first paid by TSOs. Aligned to EU Gas Package, entry and storage fees for green H2 will be discounted up to 100 %, exit fees to competitive level. Account reimburses grid fee ceilings to TSOs.

Nov. 2023

Backbone Construction via CPIs

- EU COM announced 166 Projects of Common Interests of which 65 are dedicated to H2 infrastructure. Projects include parts of the H2Med Pipeline linking Spain, France and Germany as well as the German SEN-1 offshore Pipeline „Aquaductus“.
- Projects will benefit from facilitated permitting procedures and subsidies under the Connecting Europe Facility.

Offshore hydrogen: acceleration momentum in Europe

July 2023

Germany

- 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

March 2023

Netherlands

- Overall objective: 4 GW of onshore electrolyser capacity in place by 2030
- Tender for a 500 MW offshore 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

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