



HYDROGEN, PILLAR OF CARBON-FREE MOBILITY



2020/2021 FULL-YEAR RESULTS

SUCCESSFUL FIRST YEAR OF THE 2021-2025 PLAN

- Strong growth momentum: revenue up 309% to €10.5m
- Tight control of expenses: EBITDA of €0.5m; EBIT and net income close to breakeven
- Tenfold increase in the order backlog since the IPO to €43.1m
- Commercial pipeline in development, selection or final negotiation of €112m
- 2021/2022 outlook: doubling of *Hydrogen stations* revenue and EBIT close to breakeven

Grenoble, October 7, 2021 - HRS, European designer and manufacturer of hydrogen refueling stations, today announced its audited 2020/2021 results (July 1, 2020 to June 30, 2021), approved by the Board of Directors at its meeting on October 6, 2021.

Hassen RACHEDI, founder, Chairman & CEO said: *“The 2020/2021 financial year closed a few months after our successful IPO and saw our ambitious 2021-2025 development plan get off to a strong start.” We have quadrupled year-to-year revenue, generated positive EBITDA, delivered our first new generation hydrogen refueling station to TotalEnergies and hired around 50% additional staff.*

Our sales momentum is also very strong, and we recently signed a major contract with the Gaussin group for 36 hydrogen stations to be delivered between 2021 and 2026, representing a tenfold increase in our order book.

The demand for hydrogen mobility is growing and is attracting significant investment and we are perfectly positioned to take advantage of the growth of this market.

More than ever, HRS is the leading player in France and one of the largest manufacturers in Europe, delivering large-scale projects at the forefront of the hydrogen revolution. Hiring new talents, our future industrial tool, and tripling our production capacity will enable us to develop unique large-scale stations, and further ramp-up our presence in the European hydrogen sector.

All of these factors confirm our confidence in our business plan, and our ability to double Hydrogen stations revenue in the short term, i.e. in the financial year beginning July 1, 2021.”

€000- Audited	2019/2020	2020/2021	Change
Revenue	2,564	10,488	+7,924
Operating expenses ¹	(3,354)	(10,027)	(6,673)
<i>Cost of sales</i>	(752)	(6,468)	(5,716)
<i>Personnel expenses</i>	(1,282)	(2,085)	(803)
<i>External expenses</i>	(1,237)	(1,426)	(189)
EBITDA²	(718)	461	+1,179
EBIT	(1,272)	(203)	+1,069
Financial income/(expense)	(28)	58	+86
Taxes	368	(20)	(388)
Net income/(loss)	(1,003)	(167)	+836

The audit of the financial statements has been carried out. The HRS Board of Directors met on October 6, 2021 to approve the 2020/2021 financial statements. The certification report will be issued in the next few days.

COMMERCIAL SUCCESS AND SIGNIFICANT INCREASE IN OPERATING PROFIT

This financial year was marked by the initial commercial success of the new offer of hydrogen refueling stations designed, manufactured and installed by HRS. In 2020/2021, HRS received nine orders for stations, six of which were placed between the initial public offering in February 2021 and the end of the financial year on June 30, 2021. Thanks to this sales momentum, HRS recorded sharp revenue growth of 309% to €10.5m over the year, €2.2m of which in the *Industrial piping* segment and €8.3m in the *Hydrogen stations* segment (recognized over time).

This considerable increase in business was coupled with tight control over expenses. Operating expenses for the two segments amounted to €10.0m, including €6.5m in purchasing costs, mainly comprising hydrogen station components, personnel expenses of €2.1m (up €0.6m), which support the Company's commercial and industrial deployment, and external expenses of €1.4m (up 0.1m).

EBITDA reached €0.5m for the year, up €1.2m compared to the previous year, demonstrating HRS' ability to post a profit on this indicator just four months after its IPO. After net depreciation, amortization and provisions of €0.7m (up €0.1m), EBIT (before non-recurring items) was close to breakeven at €0.2m, up €1.1m, broadly in line with expectations.

HRS is progressively improving its processes through a learning effect and the recruitment of experienced people at key positions in its value chain (technical department, procurement, logistics, etc.), which will gradually enable economies of scale to be achieved. The unique organization of our production makes it possible to deliver products to customers in just a few weeks, a record time in the sector and a decisive key point during commercial negotiations.

¹ Excluding depreciation, amortization and provisions

² EBITDA: according to the definition used by the Company, EBITDA is obtained by deducting from net income: the depreciation and amortization of assets recognized as part of a business combination; amortization of intangible assets and depreciation of PP&E; the costs of share-based payments, including those resulting from the deferral of the fair value of bonus shares and stock options granted to employees; other non-recurring operating income or expenses, net cost of debt and other financial income and expenses, and the tax charge for the year.



Financial income amounted to €0.1m and income tax remains marginal for the year. The Company net loss for 2020/2021 was at €0.2m, up €0.8m year on year.

SOUND FINANCIAL STRUCTURE AND LARGE-SCALE CAPACITY THANKS TO A SUCCESSFUL IPO

€000 - Audited	6/30/2020	6/30/2021	6/30/2020	6/30/2021	
Non-current assets	3,504	5,547	(303)	67,906	Shareholders' equity
Current assets	2,391	71,226	2,210	2,771	Non-current liabilities
Inventories	175	533	2,137	2,672	Loans and borrowings (>1 year)
Trade receivables	475	9,331	3,988	6,096	Current liabilities
Cash and cash equivalents	83	58,440	1,767	847	Loans and borrowings (<1 year)
TOTAL ASSETS	5,895	76,773	5,895	76,773	TOTAL EQUITY & LIABILITIES

Following **HRS'** successful IPO in February 2021, raising net funds of €67m, the balance sheet has been considerably strengthened in line with Company's bold ambitions. **HRS'** shareholders' equity amounted to €67.9m at June 30, 2021.

Cash flow from operating activities resulted in an outflow of €6.2m at June 30, 2021, comprising free cash flow after cost of net financial debt and taxes of €0.5m and a logical €6.7m increase in working capital linked to business growth over the year, the manufacturing of hydrogen stations not yet delivered and precautionary inventories in view of expected growth in 2021/2022.

Meanwhile, cash flow from investing activities amounted to an outflow of €0.8m, €0.3m of which was allocated to R&D and the fitting out of the head office, as well as a €0.5m investment in a vehicle fleet. Financial cash flow of €65.6m essentially comprises funds raised during the IPO, after transaction-related costs.

The Company therefore had a strong positive cash position of €58.4m at June 30, 2021, while gross debt totaled €3.5m.

Post-closing, **HRS** participated in a capital increase of the company GAUSSIN, a pioneer in clean and intelligent freight transport, to the tune of € 7.0m and concluded with the latter a term sheet aimed at the implementation of an exclusive partnership on the territory of the Member States of the European Union for the supply of 36 HRS hydrogen stations between 2021 and 2026 ([see press release](#)).

ONGOING POST-IPO STRATEGY

HRS aims to become a European leader in the design and manufacture of hydrogen refueling stations, with a focus on heavy mobility. In this context, the IPO in February 2021 provided the Company with financial resources necessary to deploy its ambitious strategy, with €67m net raised. Management was therefore able to step up its industrial and commercial deployment, particularly in the following areas:

- **the future production and R&D center** ([see press release](#)). This unique space will make it possible to respond to the significant step-up in demand by increasing production capacity to 180 stations



a year, as well as a range of hydrogen equipment and devices. **Groundbreaking for the works will take place on November 25, 2021, with delivery of the production center planned for October 2022 and the offices and laboratories for February 2023.**

- **recruitment plan to support robust business growth in France and Europe** In order to expand **HRS'** commercial presence in Europe and bolster its cutting-edge status, a large-scale recruitment plan has been launched targeting the recruitment of over 130 people between 2020 and 2025. **Under this plan, the Company has made 9 new hires and plans to recruit a least 30 more people over the coming year**, including sales people to open new offices outside France or establish local partnerships, in order to rapidly expand in the European market. The structure of the Company's operating chain is also a key factor in the recruitment drive, including a new Technical Officer, Operating Officer and a number of specialized engineers.
- **the integration of organizations at the heart of the sector**, which aim to massively develop hydrogen mobility, such as the *European Clean Hydrogen Alliance* and *Hydrogen Europe* where **HRS** own the chair of the working group on mobility.

STRENGTHENING HRS MANAGEMENT

Adamo Screnci joined **HRS** on September 1, 2021 as Deputy CEO ([see press release](#)) in order to strengthen the executive management team and support Company's development. Adamo Screnci was also co-opted as a Director of **HRS** at the Board of Directors meeting held of October 6, replacing Philippe Bottu, who resigned from his mandate as Director on September 29, 2021. Philippe Bottu also resigned from his position as Deputy CEO with effect from December 31, 2021.

TOTAL COMMERCIAL PIPELINE OF €155m, INCLUDING A 10-FOLD INCREASE IN THE ORDER BACKLOG

Since the launch of its new hydrogen refueling station offering in mid-2020, order intake has reached €51.4m, including:

- €10.8m in new orders during the 2020/2021 financial year, for the following orders:
 - 1 station for **Total** ([see press release](#)) with extended storage capacity, specifically designed to be easily dismantled and transported. This station, delivered in June 2021, is now fully operational.
 - 5 stations, including two new orders in March 2021 ([see press release](#)), by **Hympulsion under the ZEV** (Zero Emission Valley) project; These stations will be delivered between 2021 year-end and 2022;
 - 1 station for **Plug Power** currently being installed on site, ([see press release](#)) to supply hydrogen to a fleet of forklifts equipped with its fuel cell solution;
 - 1 station currently being installed on site for a regional green hydrogen mobility ecosystem under a call for tenders coordinated by **ENGIE Solutions** ([see press release](#));
 - 1 station for the **HyGO project**, to be delivered in H1 2022, supplying green hydrogen produced by electrolysis for light and heavy vehicles in Vannes ([see press release](#)) as well as the installation of industrial piping for the entire project.



- €40.6m³ in order intake at the start of the 2021-2022 financial year under the partnership agreement with Gaussin. **This major partnership provides for the delivery of 36 stations by HRS by 2026**, reflecting the Company's ability to book multi-year orders as part of ambitious development projects. The agreement provides for a gradual ramp-up set to begin with the supply of four 200 kg/day stations over the next 12 months, the first two of which will be supplied within 30 days of HRS subscribing to the GAUSSIN capital increase.

Taking into account the €8.3m⁴ in revenue already recognized during the 2020/2021 year, **the order book amounts to €43.1m to be recognized over the next five years, i.e. a 10-fold increase in less than 8 months.**

Furthermore, HRS is involved in a range of hydrogen station projects throughout France, but also Europe. HRS now has a significant potential order pipeline comprising:

- several stations at the final negotiation or selection stage in calls for tenders representing potential revenue of €20.1m with deliveries staggered over the 2021-2025 period; Some of these projects are now at an advanced stage and are expected to be finalized shortly;
- calls for projects answered by HRS for additional stations for delivery between 2021 and 2027, representing over €91.7m in potential revenue;

An agreement signed with Engie in January 2021 on the joint development of 15 projects between 2021 and 2025 as part of a commercial and industrial partnership, which is now being finalized.

2021/2022 OUTLOOK AND CONFIRMATION OF MEDIUM-TERM OBJECTIVES

Building on its order book and intake, HRS aims to double its revenue in the *hydrogen stations* segment by June 30, 2022, while maintaining EBIT income around breakeven in this phase of strong growth and structuring of the Company. Like the previous financial year, there will be a notable seasonal effect, resulting in a busier second half.

The sale of hydrogen stations will be supported by the future growth of the HRS sales team, as well as the leasing partnership set up with BNP PARIBAS Leasing Solutions ([see press release](#)). The Company is also keeping a close eye on growing global tensions in supply chains and is implementing solutions to avoid or mitigate the possible impacts of shortages, such as securing a supply of strategic components and building up inventories of stations in production.

HRS has confirmed its goal to reach €85m in revenue by June 30, 2025, aiming to deliver 100 new stations over the period. The Company also confirms its aim to maintain a positive EBIT margin (EBIT/revenue) or around breakeven throughout the plan term, to reach around 20% by June 30, 2025, thanks to the leverage effect of growth on profitability.

Next financial press release:

H1 2021/2022 revenue, January 20, 2022

³ Based on the historical sales price

⁴ Recognition of revenue using the percentage-of-completion method.



ABOUT HRS

Founded in 2004, Hydrogen-Refueling-Solutions (**HRS**), formerly TSM, is pioneer in hydrogen mobility. European designer and manufacturer of hydrogen refueling stations, for over ten years, the Company has been committed to reducing transport emissions.

Thanks to its unique experience and know-how, **HRS** has developed a complete range of hydrogen refueling stations for all types of fuel cell vehicles that is perfectly suited to the needs of a fast-growing European market. At its Champ-sur-Drac site, **HRS** has mass production capacities that enable it to assemble up to 60 units per year in record time, in as little as 8 weeks. A new 14,300m² production unit, planned for the fall of 2022, in the Grenoble metropolitan area in Champagnier (Isère), will increase **HRS**'s production capacity to 180 stations per year.

The Company posted 2020/2021 revenue of €10.5 million. As of June 30, 2021, the company had 38 employees. (ISIN code: FR0014001PM5 - ticker symbol: ALHRS).



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