



## H1 2022 highlights & key figures

- **Net cash<sup>1</sup> increased to €148.6m at end-June 2022** thanks to the success of the IPO
- New strategic partnerships: **EDP Renewables and Mitsui**
- **Accelerated development and structuring of the company:** threefold increase in the headcount compared with H1 2021 and opening of two new international subsidiaries

## Confirmation of goal to become an independent European leader in green hydrogen production

- **Strong growth in the commercial pipeline at mid-September 2022**, now represent total installed production capacity of 9.8 GW by 2030 (vs. 4.8 GW in April 2022)
- Total installed capacity of **200 MW targeted in 2026**
- **Financial targets:** consolidated revenues of €200m and Group EBITDA<sup>2</sup> at breakeven in 2026

**Nantes (France) – 21 September 2022 - 6:00 p.m.** – At its meeting on 20 September 2022, the Board of Directors of **Lhyfe (Euronext Paris - FR0014009YQ1 - LHYFE)**, independent producer of green hydrogen to decarbonise industry and mobility, approved its consolidated financial statements for H1 2022 (from January 1<sup>st</sup> to June 30, 2022). These financial statements were the subject of a limited review by the Statutory Auditors. The half-year financial report to end-June 2022 is available on [Lhyfe's website](#), in the Investors section.

### Highlights of H1 2022

#### Structuring of the company

H1 2022 saw an acceleration in the development and structuring of the company to support its ambitious growth strategy.

In terms of human resources, the Group's headcount more than tripled in H1 2022 compared to H1 2021. At end-June 2022, Lhyfe's headcount was 102. This increase in headcount was mainly in engineering teams, to pursue the development of solutions and the roll-out of production sites, as well as in business development teams in all of the company's target geographies. To support growth of its workforce in France, Lhyfe moved to new headquarters premises in Nantes in July 2022.

As part of its international development, Lhyfe created two new international subsidiaries to drive

<sup>1</sup> Net cash = available cash – current and non-current financial debts (excluding IFRS16 lease debt)

<sup>2</sup> EBITDA: earnings before interest, taxes, depreciation and amortisation and provisions



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business development in Spain and the United Kingdom. The Company already has subsidiaries in Germany (opened in 2020), Denmark, the Netherlands and Sweden (2021) and is present in 10 European countries.

### Signing of new partnerships and top-ranking commercial agreements

Lhyfe concluded an agreement with **EDP Renewables Europe (EDPR)**, subsidiary of EDP Group, the Portuguese National Electricity company, to jointly develop green hydrogen production projects. As part of this collaboration agreement, EDPR became a shareholder of Lhyfe, with a 6.0% stake, investing €25m in the IPO.

Lhyfe entered into a strategic alliance agreement with the Japanese conglomerate **Mitsui & Co Ltd.**, with Mitsui investing €10m in Lhyfe's capital, representing a 2.7% stake. This alliance aims to develop green hydrogen produced by Lhyfe, and to accompany its roll-out internationally.

In Sweden, Lhyfe signed a memorandum of understanding with energy company **Skyborn Renewables** (ex-wpd) to construct and operate a green hydrogen production site, to be built in several phases starting 2025, with installed capacity of 600 MW (i.e. estimated production of 240 tonnes of green hydrogen/day), directly connected to an offshore wind farm in the North Sea.

Also in Sweden, Lhyfe and **Trelleborgs Energi**, a Swedish energy company, started an initial pre-study phase to set up a local green hydrogen production of around 5 MW in the south of the country. Trelleborgs is a major transportation hub, which will require hydrogen supply for distribution stations and hydrogen vehicles.

In Norway, Lhyfe and **Horisont Energi**, a provider of transport services and clean energy and CO<sub>2</sub> storage, signed a memorandum of understanding for the development of green ammonia production factories in Europe, fuelled by green hydrogen produced by Lhyfe, to supply Norway's important maritime sector.

### Progress of projects

The increase in production capacity at the Bouin unit (France), the leading industrial site in the world connected directly to a wind farm, is ongoing (permits and equipment orders). Current total production capacity of 750 kW, i.e. around 300 kg of green hydrogen a day, is set to rise to 2.5 MW (i.e. around 1 t/day) by the beginning of 2024 to meet growing demand in the region.

In Bretagne (France), a unit with a total capacity of 5 MW (i.e. around 2 t/day of green hydrogen) is under construction (permits pending) with commissioning planned for H2 2023. This unit is part of the VhyGo (*Vallée Hydrogène Grand Ouest* - Hydrogen Valley, West France) project, which aims to build the first supra-regional green hydrogen distribution infrastructure in France, supported by the ADEME for €2.8m. The consortium comprising HyGO, GNVert and Lhyfe has been awarded a Global Performance Contract by the Lorient agglomeration for the conception, construction, operation and maintenance of two renewable hydrogen refueling stations. Lhyfe will supply renewable hydrogen over a 10-year period.

In Occitanie (France), Lhyfe set up the Lhyfe Bessières SPV for the construction of a 5 MW unit in Bessières (Haute-Garonne), with commissioning expected at end-2023. This project won the Corridor H<sub>2</sub> call for projects by the Occitanie region.

In Germany, Lhyfe received approval from the city of Schwäbisch Gmünd for the construction of a 10 MW capacity (i.e. around 4 t/day) unit as well as a hydrogen distribution station for the general public and a pipeline to supply the future "H<sub>2</sub>-Aspen" technology park with green hydrogen. The plant is expected to be operational in H1 2024. This project is part of the HyFIVE (Hydrogen for Innovative Vehicles) project and has received a €33m funding from the European Regional Development Fund (ERDF).

### Success of the IPO: capital increase of €118.3m and conversion of convertible bonds of €47.8m

Thanks to the success of its IPO on the regulated Euronext market in Paris, Lhyfe carried out a capital increase for a total of €118.3m, in addition to the conversion of €47.8m of convertible bonds into shares.

This IPO aims to support the company's development and growth strategy, by financing equity investments to project companies covering production units, to strengthen the business development and engineering teams and contribute to funding R&D programs, in particular those related to offshore green hydrogen production, and the optimisation of production costs.

## 2022 half-year results

### First-half income statement

€m - IFRS standards	30/06/2022	30/06/2021
Revenue	0.3	-
EBITDA <sup>3</sup>	-6.3	-1.8
Current operating income	-6.7	-1.8
Operating income	-7.8	-1.8
Net financial income	-6.2	-0.1
Net income	-13.9	-1.9

H1 revenues of €0.3m consist exclusively of sales of green hydrogen produced at the Bouin site (Vendée - France) to Group customers (LIDL, Vendée department energy and equipment union, etc.). Over H1 2021, Lhyfe did not generate any revenues, as the production site was only commissioned in H2 2021.

EBITDA<sup>3</sup> came to -€6.3m in H1 2022, compared with -€1.8m a year earlier, reflecting investment carried out by Lhyfe, notably in workforce, to continue the structuring of the company and step up its development. As such, personnel costs increased fourfold in H1 2022 (to -€4.4m vs. -€1.0m in H1 2021). The increase in external expenses, from €0.9m in H1 2021, to €2.9m in H1 2022, was the result of the increase in general operating expenses (travel expenses, recruitment, advertising and marketing, etc.) and the acceleration in R&D studies carried out for the roll-out of the offshore green hydrogen production demonstrator (SEM-REV project).

Operating income amounted to -€7.8m, versus -€1.8m at end-June 2021. It includes the portion of expenses incurred in the IPO on Euronext which could not be deducted from the issue premium (€1.1m).

H1 net loss came to -€13.9m, versus -€1.9m a year earlier, impacted by financial expense (-€6.2m), which includes notably the accounting discount for the convertible bonds converted as part of the IPO (-€4.4m). This amount, which did not relate to any cash outlay, had no impact on Lhyfe's cash position.

### Balance sheet at 30 June 2022

€m - IFRS standards	30/06/2022	31/12/2021
Shareholders' equity	144.9	-6.2
Net cash <sup>4</sup>	148.6	-5.5

Following the IPO on Euronext and the conversion to equity of convertible bonds, Lhyfe's financial situation was significantly strengthened during H1 2022.

As of end-June 2022, the company's available cash amounted to €165.5m while borrowing and financial debt reduced to €16.8m<sup>5</sup>. Net cash<sup>3</sup> stood at €148.6m at the end of H1 2022. Lhyfe's consolidated shareholders' equity came to €144.9m.

Investments in H1 2022, amounting to €3.1m, were mainly related to (i) development costs linked to companies carrying production units, (ii) equipment being acquired for the operation of the SEM-REV project (as detailed below), and (iii) development costs linked to the design of a modular solution for the production of onshore green hydrogen and developments in Lhyfe's proprietary software tools.

## Strong prospects for building an independent European leader in green hydrogen production

### World first: inauguration of the world's first pilot site for offshore green hydrogen production

On Thursday 22 September 2022, at Saint-Nazaire, Lhyfe will inaugurate its offshore green hydrogen production demonstrator, the world's first pilot unit for offshore green hydrogen production, at SEM-REV, the leading European offshore multi-technology testing site off the coast of Le Croisic. The platform will have production capacity of 400 kg of green hydrogen per day, i.e total capacity of 1 MW.

<sup>3</sup> EBITDA: earnings before interest, taxes, depreciation and amortisation and provisions

<sup>4</sup> Net cash = available cash - current and non-current financial debts (excluding IFRS 16 lease debt of €6.2m)

<sup>5</sup> Excluding IFRS lease liabilities (€6.2m)

In parallel, in June 2022, Lhyfe and Chantiers de l'Atlantique signed a memorandum of understanding for the development of hydrogen production platforms not only offshore but also in port areas. For these offshore projects, the two companies plan to develop hydrogen production solutions with capacity of at least 100 MW, which will be installed on existing fixed structures, or on either fixed or floating foundations. By 2030-2035, offshore could therefore provide Lhyfe around 3 GW in additional installed capacity.

### **Conclusion of a collaboration and business development agreement with Plug and order for electrolyzers**

Lhyfe signed a partnership agreement with Plug, a major player in green hydrogen, to continue their collaboration and jointly develop green hydrogen production units across Europe. This collaboration aims to co-develop by 2025 a total hydrogen production capacity of 300 MW (i.e. up to 120 tonnes of green hydrogen per day) across Europe, which will mainly serve on-road and off-road mobility applications.

The agreement is backed by a collaboration initiated in 2021 between the two companies, which has already resulted in the deployment by Lhyfe of the world's first offshore hydrogen production unit, for which Plug provided its PEM electrolyser technology and which will be inaugurated on 22 September 2022, as well as in the order by Lhyfe of ten Plug Power electrolyzers of 5 MW each. These electrolyzers, with a total capacity of 50 MW (i.e. up to 20 tonnes per day), will enable Lhyfe to produce green hydrogen in several plants across Europe. This is the largest order for electrolyzers ever placed by a French company.

### **A commercial pipeline representing a total installed capacity of more than 9.8 GW at mid-September 2022**

Over the past months, Lhyfe's commercial portfolio has grown significantly, in a market environment supported by the European energy independence plan RepowerEU, which sets a target to produce 20 million tonnes of green hydrogen by 2030.

At mid-September 2022, Lhyfe's commercial pipeline<sup>6</sup> represented total installed capacity of 9.8 GW (i.e. estimated production of more than 3,300 tonnes of green hydrogen/day) by 2030 (versus capacity of more than 4.8 GW in April 2022).

Within the commercial portfolio, projects at an advanced stage of development<sup>7</sup> represent total installed capacity of 629 MW (vs. 380 MW in April 2022).

### **A reaffirmed ambition: to make Lhyfe one of the leading green hydrogen producers in Europe**

Based on a solid commercial pipeline, Lhyfe confirms the objectives set at the IPO to make the company one of the leading green hydrogen producers in Europe, by rapidly deploying onshore green hydrogen production units that could reach several hundred MW beyond 2025<sup>8</sup>.

Lhyfe aims to have a total installed capacity of 55 MW by 2024.

For 2026, Lhyfe has set a target for total installed capacity reaching 200 MW, which for the year ending 31 December 2026 means:

- around €200m in consolidated revenue; and
- Group EBITDA<sup>9</sup> at breakeven.

By 2030, the company plans to become a green hydrogen production reference player and more specifically to have over 3 GW in total installed capacity.

Long term, Lhyfe is targeting a Group EBITDA margin above 30%<sup>10</sup>.

### **Matthieu Guesné, founder and Chairman-CEO of Lhyfe:**

*"Against the backdrop of the energy crisis, green hydrogen is set to play a major role. While reducing of CO<sub>2</sub> emissions, it will contribute to strengthening Europe's energy independence, within the RepowerEU plan. In this respect, the recent European Union announcement of the creation of a new public bank dedicated to the development of hydrogen uses, with an investment envelope of €3bn to build the future market for this energy, constitutes a new strong impetus for our development. More than ever, we intend to pursue our development and accelerate our human, industrial, technological, and R&D investments, to make Lhyfe one of the leading producers of green hydrogen in Europe, leveraging our dense commercial pipeline."*

<sup>6</sup> The commercial pipeline does not include offshore projects

<sup>7</sup> Projects in "Tender ready", "Awarded, or "Construction" phases. The definitions of these phases are detailed in Section 10.1 of the Registration Document approved by the AMF on 21 April 2022 and available on Lhyfe's website

<sup>8</sup> Based on the assumptions detailed in Section 10.1 of the Registration Document approved by the AMF on 21 April 2022 and available on Lhyfe's website

<sup>9</sup> Group EBITDA: current consolidated operating profit before depreciation, amortisation and provisions

<sup>10</sup> Group EBITDA margin: ratio of "EBITDA to revenue"

## Financial calendar

Date	Release
Wednesday 25 January 2023	2022 activity
Wednesday 22 March 2023	FY 2022 results (audited)
Wednesday 20 September 2023	H1 2023 results (audited)

All press releases will be published after Euronext Paris market close.

## About Lhyfe

Created in Nantes in 2017, Lhyfe produces and supplies green hydrogen for mobility and industry. Its production plants and commercial pipeline are designed to provide green hydrogen in industrial quantities and form part of a virtuous energy model benefitting the environment. The company is a member of France Hydrogène and of Hydrogen Europe.

Lhyfe inaugurated its first green hydrogen industrial production site in the second half of 2021. The company currently has a commercial pipeline representing a total production capacity of 9.8 GW by 2030. An offshore research program initiated in 2019 should also lead to the start of a test phase in real conditions for the world's first floating electrolyser linked to a floating wind farm planned for September 2022.

For more information go to [Lhyfe.com](https://lhyfe.com)

## Contacts

### Investor relations

LHYFE  
 Maria Pardo Saleme - CFO  
[maria.pardosaleme@lhyfe.com](mailto:maria.pardosaleme@lhyfe.com)

### Financial press relations

ACTUS  
 Manon Clairret  
 +33 (0)1 53 67 36 73  
[mclairret@actus.fr](mailto:mclairret@actus.fr)

### Business press relations

Nouvelles Graines  
 Clémence Rebours  
 +33 (0)6 60 57 76 43  
[c.rebours@nouvelles-graines.com](mailto:c.rebours@nouvelles-graines.com)

## Appendices

### Condensed consolidated income statement

€k	Notes	30/06/2022	30/06/2021
Revenues	2.1.2	277	-
<b>Income from ordinary activities</b>		<b>277</b>	<b>-</b>
Cost of goods sold		-107	-2
External expenses	2.1.4	-2,837	-899
Personnel expenses	2.1.5	-4,427	-1,035
Taxes, and similar payments		-29	-14
Other current operating income and expenses	2.1.6	852	183
<b>EBITDA</b>	<b>2.1.3</b>	<b>-6,271</b>	<b>-1,765</b>
Depreciation and amortisation of fixed assets	2.1.7	-413	-77
Changes in provisions	2.1.7	-20	-
<b>Current operating income</b>		<b>-6,704</b>	<b>-1,843</b>
Other non-current operating income and expenses	2.1.8	-1,076	-
<b>Non-current operating income</b>		<b>-1,076</b>	<b>-</b>
<b>Operating income</b>		<b>-7,780</b>	<b>-1,843</b>
Net cost of financial debt	2.2	-6,152	-95
Other financial income and expenses	2.2	-5	16
<b>Net financial income</b>		<b>-6,157</b>	<b>-79</b>
<b>Earnings before taxes</b>		<b>-13,937</b>	<b>-1,922</b>
Income tax	2.3	0	0
<b>Net income</b>		<b>-13,937</b>	<b>-1,922</b>
Earnings per share (€)	2.4	(0.56)	(9.94)
Diluted earnings per share (€)	2.4	(0.56)	(9.86)

## Condensed consolidated statement of financial position

ASSETS €k	Notes	30/06/2022	31/12/2021
Intangible assets	3.1.1	2,760	1,686
Property, plant & equipment	3.1.2	6,192	4,948
Rights of use	3.1.2	5,982	2,832
Other non-current assets	3.3	1,158	633
Deferred tax assets		-	-
<b>Non-current assets</b>		<b>16,092</b>	<b>10,099</b>
Inventories		26	-
Trade receivables	3.4	449	224
Other current assets	3.3	3,152	2,345
Cash and cash equivalents	3.2	165,464	49,888
<b>Current assets</b>		<b>169,091</b>	<b>52,457</b>
<b>Assets</b>		<b>185,183</b>	<b>62,556</b>
LIABILITIES €k	Notes	30/06/2022	31/12/2021
Share capital	3.5.1	479	2
Premiums	3.5.1	163,821	3,939
Reserves	3.5.1	-5,470	-1,396
Net income		-13,937	-8,724
<b>Shareholders' equity</b>		<b>144,894</b>	<b>-6,180</b>
Non-current provisions	3.11	27	8
Non-current borrowings and financial debts	3.6	21,397	55,103
Non-current financial derivative instruments	3.7	-	132
Deferred tax liabilities	3.12	-	-
Other non-current liabilities	3.9	7,524	6,544
<b>Non-current liabilities</b>		<b>28,948</b>	<b>61,787</b>
Current provisions	3.11	1	-
Current borrowings and financial debts	3.6	1,695	3,238
Current financial derivative instruments	3.7	-	-
Trade payables	3.8	6,826	2,063
Other current liabilities	3.9	2,820	1,647
<b>Current liabilities</b>		<b>11,342</b>	<b>6,949</b>
<b>Liabilities</b>		<b>185,183</b>	<b>62,556</b>

## Condensed cash flow statement

€k	Notes	30/06/2022	30/06/2021
<b>Consolidated net income</b>		<b>-13,937</b>	<b>-1,922</b>
Eliminations:			
- of depreciation, amortisation and provisions	2.1.7	433	77
- of net financial income	2.2	6,157	79
- of share-based payments	2.1.5	32	29
- of subsidy income	2.1.8	-611	-156
Impact of change in WCR:			
- Change in inventories		-26	-
- Change in receivables	3.4	-225	-6
- Change in other current receivables (excluding subsidies)	3.3	-534	-300
- Change in trade payables	3.8	128	-53
- Change in other current debt	3.9	1,176	164
<b>Net cash flows from operating activities</b>		<b>-7,408</b>	<b>-2,087</b>
Acquisition of intangible fixed assets	3.1.1	-1,086	-352
Acquisition of property, plant and equipment	3.1.2	-1,455	-1,360
Acquisition of financial assets	3.3	-525	8
Financial interest received	2.2	-17	-2
<b>Net cash flows from investment activities</b>		<b>-3,084</b>	<b>-1,706</b>
Capital increases, net of expenses	3.5.1	112,558	7
New borrowings, net of expenses	3.6	9,498	1,061
Refundable prepayments received	3.6.3	-	-
Subsidies received	3.9	1,321	274
Repayment of borrowings and current accounts	3.6	-144	-
Change in WCR linked to financing, net of unpaid expenses linked to the IPO	3.8	3,535	-
Change in accrued interest not yet due	3.6	-700	-11
<b>Net cash flows from financing activities</b>		<b>126,068</b>	<b>1,330</b>
<b>Change in cash position</b>		<b>115,577</b>	<b>-2,462</b>
Cash position start of period		49,888	7,258
Cash position end of period	3.2	165,464	4,796
<b>Change in cash position</b>		<b>115,577</b>	<b>-2,462</b>