L'HYDROGÈNE, PILIER DE LA
MOBILITÉ DÉCARBONÉE

H1 2021/2022 RESULTS
COMMERCIAL SUCCESS AND INVESTMENTS IN THE GROUP'S DEVELOPMENT

- Continued strong growth momentum: *Hydrogen Stations* revenue up 183%;
- EBITDA loss close to breakeven at €0.7m thanks to tight control of expenses and strong operating performance amid team structuring and strong growth;
- Net cash position at €41m (excluding IFRS 16);
- Current order backlog in stations of €70m, multipled by 4 from €17.3m last year;
- Commercial pipeline of €249m at the prospecting, selection or final negotiation stage;
- Confirmation of full-year target of doubling *Hydrogen Stations* revenue.

Grenoble, April 28, 2022 – HRS, a European designer and manufacturer of hydrogen refueling stations, presents its interim results for the 2021/2022 financial year[1] (from July 1, 2021 to December 31, 2021), approved by the Board of Directors on April 28, 2022.

Hassen RACHEDI, founding Chairman & CEO said: *"These half-year results for 2021/2022 once again demonstrate our ability to combine strong growth and control of our operating performance.*

Our sales momentum accelerated significantly in the first half. We are addressing large-scale projects at the core of the green hydrogen revolution. We have signed contracts for the supply of 45 stations, including the first of the large-capacity stations for Hype. As a result, our order backlog has quadrupled since the same time last year to over €70 million.

The needs in respect of hydrogen mobility are mounting significantly, which is why we have also established defining commercial partnerships that will enable us to benefit from growth drivers. One of them is our collaboration with Haffner Energy, where our stations are embedded in a joint offer combining green hydrogen infrastructure, production and distribution.

We will step up the pace further over the coming years with large-capacity stations capable of delivering 1 or more tonnes of hydrogen a day. Manufactured in our future industrial site, these stations,which are the most advanced on the market, will enable us to further consolidate our position as sector leader in France and one of the largest manufacturers in Europe.

Our achievements underpin our confidence in the continuation of our development plan over the short and medium term."

[1] These consolidated accounts to IFRS standards include the accounts of HRS as well as the accounts of its subsidiary AEI under full consolidation following the acquisition of AEI by HRS. The group formed by the companies HRS and AEI is hereinafter referred to as the "Group".

€000	H1 2020/2021	H1 2021/2022	Change
Revenue	**2,790**	**4,591**	**+1,801**
Operating expenses[2]	-2,473	-5,268	-2,795
Purchases consumed	-976	-2,476	-1,500
Personnel expenses	-845	-1,877	-1,032
External expenses	-625	-878	-253
EBITDA[3]	**317**	**-677**	**-994**
EBIT (before non-recurring items)	4	-1,027	-1,031
Financial income/(expense)	35	-17	-52
Taxes	5	242	+237
Net income/(loss)	**45**	**-794**	**-839**

CONTINUED COMMERCIAL SUCCESS, OPERATING PERFORMANCE UNDER CONTROL

The first half of this financial year 2021/2022 saw a major upswing for **HRS**, as illustrated by the sharp ramp-up in business development. Over the period, **HRS** was selected to supply 45 new-generation hydrogen stations:

- 36 for Gaussin, a pioneer in clean and smart freight transport (see press release);
- 8 stations including 6 one-tonne stations for Hype, operator of the first hydrogen taxi fleet (see press release), with potential for up to 55 additional stations over the coming years;
- 1 station, after the interim closing date, for Hopium, France's leading manufacturer of high-end hydrogen-powered sedans, which has ordered a 200 kg/day dual-pressure transportable hydrogen refueling station for its testing and development facility (see press release).

HRS has started building the first stations under these contracts, which contributed €2.7 million to first-half revenue. Together with the €1.1 million generated from the construction of stations ordered the previous financial year, first-half revenue from Hydrogen Stations totaled €3.8 million, representing stellar growth of 183%. Meanwhile, the legacy Industrial Piping business generated €0.7 million revenue.

Total first half revenue amounted to €4.6 million, up 64%.

This strong increase in business was accompanied by consummate control of operating expenses, despite extensive hiring to support the Group's expansion. As such, operating expenses amounted to €5.3 million, including €2.5 million in purchases, mainly comprising hydrogen station components, €1.9 million in personnel expenses (up €1.0 million), mainly due to the hiring of 42 new employees in less than a year, including 18 from recently acquired AEI, and external expenses of €1.0 million representing a limited increase of €0.4 million.

[2] Excluding depreciation, amortization and provisions

[3] According to the definition used by the Group, EBITDA is obtained by eliminating the following items from net income: depreciation and amortization of assets recognized in respect of business combinations; depreciation and amortization of intangible assets and property, plant and equipment; share-based payment expense, including expensing of the fair value of bonus shares and stock options granted to personnel over the vesting period; other non-recurring operating income and expenses; net cost of debt and other financial income and expense; income tax expense for the year.

As a result, the Group recorded an EBITDA loss of €0.7 million for the period, close to breakeven. After net depreciation, amortization and provisions of €0.3 million, the Group posted an EBIT loss of €1.0 million before non-recurring items.

After tax income of €0.2 million and a small amount of net financial income, the Group posted a net loss of €0.8 million for the first half of 2021/2022 representing a limited decline of €0.8 million year on year.

SOUND FINANCIAL STRUCTURE AND TARGETED STRATEGIC INVESTMENTS

€000	6/30/2021	12/31/2021	6/30/2021	12/31/2021	
Non-current assets	5,547	18,537	67,905	68,297	Shareholders' equity
Current assets	71,226	58,291	2,771	2,936	Non-current liabilities
Inventory	533	2,345	1,178	1,293	Loans and borrowings (> 1 year)
Trade payables	9,331	10,877	6,096	5,595	Current liabilities
Cash and cash equivalents	58,440	42,701	434	386	Loans and borrowings (< 1 year)
TOTAL ASSETS	76,773	76,828	76,773	76,828	TOTAL EQUITY & LIABILITIES

Operating cash flow for the six months ended December 31, 2021 amounted to a €3.9 million outflow, comprising a gross operating cash outflow of €0.5 million after net cost of debt and tax and a €3.2 million increase in working capital caused by first half business growth, the manufacture of hydrogen stations for delivery and the constitution of inventories of stations and key components in view of the expected increase in orders in the second half of 2021/2022.

Meanwhile, cash flow from investing activities amounted to an €11.6 million outflow mainly arising from the €7,0 million subscription to a Gaussin capital increase on September 30, 2021, €0.4 million of R&D expenditure and the development of industrial facilities (€3.9 million), of which 3.2 million for the new production and research facility. Cash flow from financing activities amounted to a €0.4 million outflow mainly comprising loan repayments over the period.

Accordingly, the Gruoup was in a cash position with gross cash and cash equivalents of €42.7 million as of December 31, 2021, compared to €58 million as of June 30, 2021, and gross borrowings of €1.7 million excluding lease liabilities.

Furthermore, HRS is currently awaiting a response for two grants, destined to support investment in the new facility.

In addition, out of the 1,129,032 Gaussin shares subscribed in September 2021 at a unit price of €6.2, **HRS** sold, after the 31th Decembre 2021, 597,200 shares on the date of the press release for a total amount of €4,0 million, at an average price of €6.71, i.e. €0.52 per share more than the price at which they were subscribed.
After the closing date, Bpifrance increased its support for **HRS**'s bold development plans by granting three loans (green loan, R&D loan and innovation loan) for a total amount of €3.0 million.

In January 2022, to give all employees a stake in the Group's development plan and to reward performance, the Board of Directors decided to implement a plan involving the grant of 23,400 bonus shares to employees. The shares will vest after one year and will then be subject to an additional one-year lock-in period.

2021-2025 BUSINESS DEVELOPMENT PLAN WELL UNDERWAY

The new partnerships signed with Hype and Gaussin are fully in line with **HRS'**s bold development plan to build 100 stations over the 2021-2025 period. **As a result, less than a year after its IPO, the Group has already signed contracts for stations to be deployed or already deployed covering nearly half of this target.**

The Group can also rely on growth drivers through strategic distribution partnerships. The agreement with Haffner Energy is an illustration. It is aimed at establishing a comprehensive green H_2 production/distribution product that will allow the partners to offer joint mobility solutions, including the production of Hynoca®, Haffner Energy's green hydrogen, and **HRS** stations.

Order intake since the beginning of the financial year amounts to €71.4 million, bringing the total order intake since the February 2021 HRS' IPO to €82.2 million. Thus, after deducting the revenue already recognized in 2020/2021 and H1 2021/2022, the order book stands at €70.1 million as of April 28, 2022; the corresponding revenue will be recognized between 2022 and 2026.

The order book is expected to grow further over the coming weeks. The pipeline of identified projects has increased sharply since the start of the financial year (up 137%), reaching €249 million in potential orders compared to €124 million as of July 1, 2021. In detail, the pipeline comprises:

- several stations at the final negotiation or selection stage in calls for tenders representing potential revenue of €48 million (up 134% since the start of the financial year), with deliveries staggered over the 2022-2025 period. Some of these deals with key accounts have now reached the final stages and are expected to be closed soon;
- calls for projects answered by **HRS** for additional stations to be delivered between 2022 and 2027, representing potential revenue of over €202 million (up 110% since the start of the financial year).

CONFIDENCE IN ACHIEVING FY 2021/2022 AND MEDIUM-TERM TARGETS

Based on its strong order backlog and rapid accumulation of new projects, **HRS** is confirming its **goal of doubling *Hydrogen Stations* revenue by June 30, 2022**. This objective is based on progress with building stations currently at the assembly stage and the start of construction work on new stations before the end of the financial year, notably through new orders.

Besides the order backlog, **HRS** can count on the strength of current partnerships, particularly Hype, new partners' sales networks, including those of Haffner Energy and Burckhardt Compression in Switzerland, and the finalization of the partnership with Engie covering around 15 projects.

The Group is pursuing its business plan aimed at turning it into a European leader in the design and construction of hydrogen refueling stations, with a focus on heavy transport and captive fleets. Management is accordingly pursuing its industrial and commercial deployment plan, particularly in the following areas:

- **development of large-capacity stations**.. To that end, in March 2022 **HRS** signed a partnership with Burckhardt Compression for the joint development of compressors potentially intended for stations with a capacity of over one tonne per day (see press release);

- **the construction of its new production and research facility at Champagnier, near Grenoble**. This unique facility, which will make it possible to respond to the significant step-up in demand by increasing production capacity to 180 stations a year, will boast a testing area unrivaled in Europe as well as a wide range of hydrogen equipment and devices. As announced, work began in late 2021, with delivery of the production center and laboratories scheduled for October 2022 followed by the offices in February 2023;

- **intensive recruitment plan** to support robust business growth in France and Europe. **HRS** has accelerated the structuring of its teams since July 1, 2021 by hiring 24 additional employees, including operating chain managers, a Technical and R&D Director, a Chief Operating Officer, and several specialist engineers in thermodynamics and commissioning. Two new sales representatives, one for Italy and another for Spain and Portugal, have also been hired to expand **HRS**'s area of influence. **HRS** has 79 employees at December 31, 2021;

- **active participation in key organizations** working towards the mass deployment of hydrogen mobility, such as France Hydrogène, European Clean Hydrogen Alliance and Hydrogen Europe. Among other positions, **HRS** holds the chair of the Hydrogen Europe working group on hydrogen mobility, which is driving the rollout of infrastructure on a European scale.

At the same time, the integration of AEI, a company acquired in October last year (see press release), is proceeding according to plan. The new employees will join the historical **HRS** facility on May 2, 2022, faster than expected in the calendar. It is also planned to carry out the universal transfer of assets from AEI to HRS by May 31.

HRS reaffirms its target of generating revenue of €85 million by June 30, 2025, aiming to deliver 100 new stations until then. The Group also confirms its target of achieving an EBIT margin before non-recurring items (EBIT/revenue) of around 20% by June 30, 2025 thanks to the leverage effect of growth on profitability.

Next financial press release:

2021/2022 revenue, July 21, 2022 after close of trading

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 14,300m^2 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 December 31, 2021, the company had 79 employees. (ISIN code: FR0014001PM5 - ticker symbol: ALHRS).

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