L'HYDROGÈNE, PILIER DE LA
MOBILITÉ DÉCARBONÉE

2021/2022 FULL-YEAR RESULTS

STRONG REVENUE GROWTH OF 62%
SOLID OPERATING PERFORMANCE
SHARP INCREASE IN ORDER BACKLOG
2022/2023 REVENUE GROWTH TARGET: over 50%

- **Strong growth momentum during the year: revenue of €17.0m, up 62%;**
- **EBITDA of €0.4m driven by solid operating performance amid investment for growth;**
- **Cash and cash equivalents position of €34.7m;**
- **Order backlog of €60.2m (24-fold increase year-on-year);**
- **Projects shortlisted or at final negotiation stage: €105m;**
- **Commercial pipeline of over €750m at the prospecting;**

Grenoble, October 6, 2022 – HRS, a European designer and manufacturer of hydrogen refueling stations, presents its audited results for the 2021/2022 financial year (from July 1, 2021, to June 30, 2022), approved by the Board of Directors on October 6, 2022.

€000- Audited	2020/2021	2021/2022	*Variation*
Revenue	**10,488**	**17,034**	***+6,546***
Operating expenses[1]	(10,027)	(16,660)	*-6,633*
Cost of sales	*(6,468)*	*(11,668)*	*-5,199*
Personnel expenses	*(2,085)*	*(4,199)*	*-2,114*
External expenses	*(1,426)*	*(2,418)*	*-993*
EBITDA[2]	**460**	**374**	***-86***
D&A	(663)	(778)	*-115*
EBIT	**(204)**	**(404)**	***-200***
Financial income/(expense)	58	65	*+7*
Taxes	(20)	97	*+117*
Net income/(loss)	**(168)**	**(234)**	***-66***

[1] Excluding depreciation, amortization and provisions

[2] According to the definition used by the Company, 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; other non-recurring operating income and expenses; net cost of debt and other financial income and expense; income tax expense for the year.

Hassen RACHEDI, founding Chairman & CEO said: "*We posted excellent results in 2021/2022, in line with our bold 2021-2025 development plan. We almost doubled revenue from hydrogen stations, up 82% compared to last year, and generated positive EBITDA, thereby showing our ability to rigorously manage the Company's strong growth.*

Sales momentum is also well on track, with a record order intake of close to €73 million during the year.

From an organizational perspective, we continued our restructuring work to support expected growth over the coming years, while headcount effectively doubled over the period. The construction of our new production plant is well underway and the facility is expected to be operational by fall 2022. It has been designed to support HRS' commercial ramp-up and deploy large-capacity stations producing 1 to 2 tons per day.

The success of HRS is a testament to the skills and dedication of all the men and women in the company. I would like to thank all our employees for their commitment and professionalism in serving our clients. *We will continue to build on this momentum over the coming months, aiming at a growth target of more than 50% of revenues for the current financial year. We are also working hard on converting the best opportunities of our pipeline to further boost our order backlog. In a booming sector in which hydrogen infrastructure development projects are on the rise, we're well placed to take a leading role over the coming years.*

HRS is now the uncontested industry leader in France and one of the largest manufacturers in Europe, delivering large-scale projects.

CONTINUED COMMERCIAL SUCCESS OF HYDROGEN STATIONS, OPERATING PERFORMANCE UNDER CONTROL

HRS' expansion was clearly demonstrated during the year by a significant step-up in its commercial development, bolstered by a buoyant market, which saw **total annual revenue rise 62% to €17.0 million, including €15.1 million in the hydrogen station segment, up 82%.** In the financial year ending June 30, 2022, **HRS** was selected to design and manufacture 52 new hydrogen stations, including the first 1 ton per day stations, under a number of major structuring partnership agreements for the development of infrastructures to deploy hydrogen mobility. Today **HRS**' main clients are Hype, TotalEnergies, Engie Solutions, Hympulsion, Hopium, Gaussin, Plug Power, Hygo, SyDev and Haffner Energy. As such, operating expenses amounted to €16.7 million, including €11.7 million in purchases, mainly of hydrogen station components, €4.2 million in personnel expenses, up €2.1 million due to almost doubling the workforce to support growth, and external expenses limited to €2.4 million (up €1.0 million, mainly for fees and travel).

2021/2022 EBITDA came to €0.4 million, broadly stable compared to last year. After net depreciation, amortization and provisions of €0.8 million, the Company posted an EBIT loss of €0.4 million before non-recurring items.

After tax income of €0.1 million and net financial income of €0.1 million, the Company posted a net loss of €0.3 million for FY 2021/2022, also broadly stable compared to the previous year.

SOUND FINANCIAL STRUCTURE AND TARGETED STRATEGIC INVESTMENTS

€000 - Audited	30/06/2021	30/06/2022	30/06/2021	30/06/2022	
Non-current assets	5,547	22,391	67,905	66,428	Shareholders' equity
Current assets	71,226	62,976	2,771	9,245	Non-current liab.
Inventories	533	2,119	1,178	6,602	Loans and borrowings (>1 year)
Trade receivables	9,331	24,308	6,096	9,694	Current liabilities
Cash and cash equivalents	58,440	34,670	434	898	Loans and borrowings (<1 year)
TOTAL ASSETS	76,773	85,368	76,773	85,368	TOTAL EQUITY & LIABILITIES

Operating cash flow for the financial year ended June 30, 2022, amounted to a €12.3 million outflow, comprising a gross operating cash inflow of €1.3 million before net cost of debt and tax and a €11.0 million increase in working capital driven by late year business growth and the manufacture of hydrogen stations for delivery. Inventory building for station components and key equipment also contributed to the rise in working capital, in keeping with our strategy to secure the supply chain for the production and delivery of its stations.

Meanwhile, cash flow from investing activities totaled €16.5 million, including i) subscriptions of €6 million in convertible bonds issued by Hype ii) €1.0 million in R&D and iii) €9.1 million in the development of industrial facilities, including €7.9 million for the new production plant. In the second half, **HRS** sold 597,200 Gaussin shares at a total price of €4.0 million, generating a capital gain of €0.3 million.

Cash flow from financing activities amounted to a €5.0 million outflow, mainly due to new borrowings totaling €6.0 million, including three BPI loans totaling €3.0 million (green, R&D and innovation loans) and one €3.0 million bank loan for the new plant. **HRS** also repaid €0.9 million in loans during the year.

As a result, the Company posted cash and cash equivalents of €34.7 million as of June 30, 2022, compared to €58,4 million as of June 30, 2021, and gross borrowings of €7.5 million excluding lease liabilities. Cash and cash equivalents include the current value of Gaussin and Haffner Energie shares.

The increase in accounts receivable, which rose to €24.3 million on June 30, 2022, linked to the significant increase in station orders received at the end of the fiscal year. The level of trade receivables results from the recognition of station revenues without immediate billing rights, due to billing milestones not yet reached at the close of the fiscal year.

The total investment for the new production site is estimated at around €30 million. The financing of the building and the land for an amount of €21 million has already been secured through four loans of €4 million each from the Company's banks and €5 million of cash already disbursed by **HRS** at the start of the building work, in line with the communication published at the time of the IPO. The remainder of the investment, approximately €9 million, will be financed mainly by subsidies for which **HRS** is awaiting decisions and instructions.

COMMERCIAL DEPLOYMENT 2022-2025 SUPPORTED BY THE CHANGE IN MARKET SIZE TOWARDS MASSIVE DEPLOYMENTS

61 stations signed out of the 100 targeted for 2025

The new partnerships and projects are fully in line with **HRS**' bold development plan to build 100 stations over the 2021-2025 period, as announced at the time of the IPO. **The portfolio of stations deployed or to be deployed under signed contracts has hit 61 stations.** In particular, **HRS** has installed the first five stations delivering three kinds of pressure (350, 350 HF and 700 bars) for TotalEnergies, Plug Power, the Vendée energy federation (SyDev), HyGo (Vannes) and Hympulsion (Saint-Priest).

In this respect, 2021/2022 order intake amounted to €72.6 million, bringing the total order intake since the February 2021 IPO to €83.3 million. As a result, after deducting revenue already recognized over the last two years, the order backlog was €60.2 million on June 30, 2022, to be recognized under revenue between 2022 and 2026.

Accelerating commercial deployment in Europe

In Italy, HRS announced on September 1, 2022, that it had partnered with Simplifhy, an Italian hydrogen engineering solutions provider, to address this market.

In Spain, in addition to the recent recruitment of a Business Development Manager based in Barcelona, HRS plans to open a commercial office to ensure an active local presence.

Ongoing change in scale illustrated by growing commercial pipeline

Backed by its expertise, **HRS** has made progress in tenders for a significant number of its projects, bringing the pipeline of identified projects to over €855 million, a sixfold increase in just one year. The pipeline comprises:

- several stations at the selection or final negotiation stage in calls for tender, representing potential revenue of €105 million (a fourfold increase in one year) with deliveries staggered over the 2022-2026 period. This figure includes the upcoming finalization of a commercial, industrial and technical partnership agreement with Engie Solutions for their H2 mobility projects;
- calls for projects answered by **HRS** for additional stations to be delivered between 2022 and 2027, representing over €750 million in potential revenue (an eightfold increase in one year).

TARGETING STRONG GROWTH IN 2022/2023 AND MAJOR PROGRESS WITH THE DEVELOPMENT PLAN

Relying on its order backlog, and on the negotiations in progress with our historical customers,, **HRS aims to continue to post strong revenue growth in 2022/2023 with revenue expected to rise at least 50% compared to 2021/2022.** Like last year, there will be a noticeable seasonal effect in terms of volumes, with the second half stronger than the first. While staff numbers will continue to grow steadily over the next twelve months, **HRS** will continue exercising strict control over operating expenses.

As such, HRS is making progress on 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. The Company is also pursuing its industrial and commercial deployment plan, particularly in the following areas:

- **Construction of the new production and R&D facility at Champagnier, near Grenoble (see press release)**. Construction began in 2021 and is well on schedule, with delivery of the production center slated for early 2023 and the offices by the end of the first half 2023. This 14,300 m² facility located on a 2.6-hectare site, the only one of its kind in Europe, will meet the strong increase in demand by boosting production capacity to 180 stations per year. The site houses a cutting-edge test area, a hydrogen refueling station for all types of vehicles and a green hydrogen production facility. The building will also be fitted with 10,000 m² of solar panels. The building will be certified BREEAM Very Good, a certification method for the environmental and human performance of built environments;

- **Intensive recruitment plan to support robust business growth in France and Europe.** As part of its ambitious 2021-2025 recruitment plan, **HRS** has almost doubled its workforce for the 2021-2022 fiscal year, adding 37 employees by the end of June 2022. The company has accelerated the structuring of its teams, in particular the design office and the operational teams of Commissioning /SAV-Maintenance. The acquisition of AEI, **HRS**' long-standing partner, has also strengthened its skills in automation and electricity. With the service providers, there are currently more than 90 people working for the development of the Company and many recruitments are underway to support future projects.

- **Strategic partnerships and alliances in France and Europe.** In keeping with this strategy, Burckhardt Compression and **HRS** have signed an agreement to pool their know-how for the development of large-capacity hydrogen refueling stations and the specific compressors have been ordered. More broadly, **HRS** is finalizing long-term framework agreements with its partners to secure the supply of units for 200 kg to 2 tonne/day stations until 2025;

- **Deployment of a sales force in Europe.** In addition to the Iberian sales force and the partnership in Italy with Simplifhy, for the 2022/2023 financial year, the recruitment of business developers in the German-speaking and Northern European zones remains a priority. In addition, **HRS** is studying the possibility of deploying in the Middle East where hydrogen mobility projects are emerging;

- **Active involvement in key industry bodies** which aims to promote the mass deployment of hydrogen mobility, such as France Hydrogène, European Clean Hydrogen Alliance, MENA Hydrogen Alliance and Hydrogen Europe. **HRS** Deputy CEO Adamo Screnci chairs Hydrogen Europe's hydrogen mobility working group for the deployment of hydrogen infrastructure on a European scale and is a member of World Hydrogen Leaders. In August 2022, **HRS** joined Tenerrdis, the cluster for energy transition in France's Auvergne-Rhône-Alpes region which, like **HRS**, is fully committed to sustainable regional economic development.

2025 OUTLOOK CONFIRMED

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

Next financial press release:

H1 2022/2023 revenue, January 19, 2023, 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.

The Company posted 2021/2022 revenue of €17.0 million. As of June 30, 2022, the company had 78 employees. (ISIN code: FR0014001PM5 - ticker symbol: ALHRS).

CONTACTS

Investor Relations
ACTUS finance & communication
Grégoire SAINT-MARC
hrs@actus.fr
Tel. +33 1 53 67 36 94

Press Relations
ACTUS finance & communication
Anne Catherine BONJOUR
acbonjour@actus.fr
Tel. +33 1 53 67 36 93

Balance sheet

Consolidated balance sheet assets	30/06/2022	30/06/2021
Goodwill	450,339	-
Intangible assets	1,533,881	552,271
Property, plant and equipment	9,679,640	710,768
Rights of use	1,781,326	1,887,465
Investment property		
Financial assets	6,141,870	100,870
Investments in associates		
Deferred tax assets	2,804,768	2,295,658
Other non-current assets		
Non-current assets	**22,391,823**	**5,547,032**
Inventories and work in progress	2,119,218	533,052
Trade receivables and related accounts	24,308,268	9,331,237
Financial instruments assets		
Other current assets	1,878,812	2,921,752
Cash and cash equivalents	34,669,574	58,439,956
Current assets	**62,975,872**	**71,225,996**
Total ASSETS	**85,367,695**	**76,773,029**

Consolidated balance sheet liabilities	30/06/2022	30/06/2021
Capital	**1,516,085**	**1,516,085**
Premiums related to capital	68,207,846	68,207,846
Revaluation surplus		
Reserves	(3,062,103)	(1,650,898)
Net income (Group share)	(234,015)	(167,572)
Treasury stock		
Other reserves		
Shareholders' equity (group share)	**66,427,813**	**67,905,462**
Total des capitaux propres	**66,427,813**	**67,905,462**
Pension and similar commitments	120,187	98,575
Non-current provisions		
Deferred taxes - liabilities		
Non-current debt	6,602,481	1,177,598
Non-current lease liabilities	1,317,992	1,494,901
Other non-current liabilities	1,204,738	-
Non-current liabilities	**9,245,399**	**2,771,074**
Current provisions	65,168	-
Current indebtedness	897,922	433,626
Current lease liabilities	486,677	413,352
Trade payables and related accounts	3,954,911	3,421,765
Financial instruments liabilities		
Other current liabilities	4,289,806	1,827,750
Current liabilities	**9,694,484**	**6,096,493**
Total liabilities	**85,367,695**	**76,773,029**

P&L

	30/06/2022	30/06/2021	Variations
Sales revenue	**17,033,615**	**10,488,273**	**6,545,342**
Production purchases	(11,549,085)	(6,827,143)	(4,721,942)
Change in inventories	1,546,303	358,167	1,188,135
Capitalized production			
Gross margin	**7,030,833**	**4,019,298**	**3,011,535**
% MB / SALES	*41.3%*	*38.3%*	*46.0%*
Economic wage bill	(4,339,277)	(2,090,443)	(2,248,834)
Rentals (equipment)	(130,476)	(329,685)	199,209
Travelling expenses	(258,808)	(63,367)	(195,441)
Other overheads	(1,861,368)	(1,033,450)	(827,918)
Taxes and duties	(98,299)	(45,113)	(53,186)
Other income and expenses	31,074	2,271	28,803
EBITDA	**373,679**	**459,511**	**(85,832)**
% EBITDA / SALES	*2.2%*	*4.4%*	*-1.3%*
Depreciation and provisions	(777,877)	(663,288)	(114,589)
EBIT	**(404,198)**	**(203,777)**	**(200,422)**
% EBIT / SALES	*-2.4%*	*-1.9%*	*-3.1%*
Financial income	115,516	112,743	2,773
Financial expenses	(50,131)	(55,219)	5,089
Financial result	**65,386**	**57,524**	**7,862**
Extraordinary income	10,300	-	10,300
Extraordinary expenses	(2,327)	(858)	(1,469)
Extraordinary income	**7,973**	**(858)**	**8,831**
Income tax expense	96,824	(20,461)	117,285
Net income of the consolidated group	**(234,016)**	**(167,572)**	**(66,444)**
Actuarial gains and losses on pension obligations	22	(2)	24
Realized gain on securities	298		298
Unrealized capital loss on securities	(1 770)		(1 770)
Deferred taxes	363		363
Total other comprehensive income, net of tax	(1 088)	(2)	(1 086)
Global result	**(1 322)**	**(169)**	**-1 153**

Cash flow statement

	2022.06	2021.06
Total net income of consolidated entities	**(234,016)**	**(166,918)**
Net depreciation, amortization and provisions	(984,884)	663,288
Elimination of gains and losses on disposal of assets	(9,056)	-
Other items with no impact on cash	9,025	(11,545)
Cash flow after cost of financial debt	**(1,218,931)**	**484,825**
Cost of financial debt	49,239	(57,524)
Income tax expense for the period, including deferred taxes	(96,824)	20,461
Cash flow before cost of financial debt and tax	**(1,266,516)**	**447,762**
Change in WCR	(11,022,879)	(6,684,702)
Cash flow from non-current assets held for sale and discontinued operations	-	(22,263)
NET CASH FLOW FROM OPERATING ACTIVITIES (I)	**(12,289,395)**	**(6,259,203)**
Acquisitions of fixed assets	(16,220,908)	(769,185)
Disposal of fixed assets	10,300	
Reduction in other financial assets	60,000	
Impact of changes in the scope of consolidation	(338,566)	(60,744)
NET CASH FLOW FROM INVESTING ACTIVITIES (II)	**(16,489,174)**	**(829,929)**
Net change in borrowings	5,005,223	(550,979)
Of which repayment of rights of use (IFRS16)	(501,881)	-
Increase / decrease in capital	-,	66,810,991
Net change in bank overdrafts	4,703	(639,888)
NET CASH FLOW FROM FINANCING ACTIVITIES GENERATED BY FINANCING ACTIVITIES(III)	**5,009,926**	**65,620,124**
CHANGE IN CASH FLOW (I + II + III + IV)	**(23,768,644)**	**58,530,992**
Cash flow: opening	**58,437,817**	**(93,172)**
Cash and cash equivalents: correction to new / reclassification		
Cash and cash equivalents: closing	**34,669,173**	**58,437,817**