



L'HYDROGÈNE, PILIER DE LA MOBILITÉ DÉCARBONÉE



H1 2023/2024 REVENUE UP 20% TO €12.8M

**€350M IN POTENTIAL SALES FROM 236 STATIONS UNDER
SELECTION OR FINAL NEGOTIATION (+163% IN 6 MONTHS)**

2023-2026 GROWTH TARGETS

- Significant first half revenue growth driven by ramp-up of production of 1 tonne/day stations;
- Start-up of Maintenance activity on all installed stations;
- Step-up of expansion into high-potential regions;
- Order book of €97m;
- Growth targets deferred one year in line with hydrogen market:
 - 2023/2024 revenue €31-40m;
 - 2024/2025 revenue €45-60m;
 - 2025/2026 revenue around €85m.

Grenoble, January 24, 2024 - HRS, a French and leading European designer and manufacturer of hydrogen refueling stations, presents its revenue for the first half of the 2023/2024 financial year (from July 1 to December 31, 2023).

€000	H1 2022/2023	H1 2023/2024	Change
Revenue (unaudited)	10,720	12,835	+20%
Hydrogen Stations	9,233	10,913	+18%
Industrial Piping and other	1,497	1,922	+28%

Hassen Rachedi, Founding Chairman and CEO of HRS: *“We continued our growth surge in the first half by posting revenue growth of 20%, reflecting our strong business momentum. This performance could have been even better without the longer-than-expected discussions due to the large number of stations being negotiated for hydrogen infrastructure projects, resulting in a short-term delay in the pace of orders, particularly under framework agreements. However, these projects are not in jeopardy and demand remains strong, including a number of medium-term projects involving hundreds of potential stations in Europe. Given the pace of the negotiations, as a precaution, we are pushing our targets back a year while strategically stepping up our international expansion into high-potential regions in the Middle East and North America. The many discussions we have initiated recently promise major opportunities and could come to fruition very soon. We have also started to develop recurring business by signing our first maintenance contracts this year. Our technological lead, our installed base, one of the largest in Europe, and our high-performance industrial facilities place us in an excellent position on the market and we are extremely confident in our continued, value-generating development.”*

FIRST HALF 2023/2024 HIGHLIGHTS

HRS, European leader in hydrogen stations

HRS currently boasts one of the largest installed bases in Europe, having commissioned 12 stations over a period of 30 months, installing on average one station every 10 weeks. During the first half, HRS installed and commissioned the Bercy facilities for Hype and one facility in England for Plug Power.

First maintenance contracts

To date, HRS has commenced 11 maintenance contracts at its installed facilities. The recurring business from these contracts will generate significant revenue within the medium term.

New HRS production facility fully operational

After the relocation of the production units in June 2023, all support functions moved into the new 14,300 m² production facility in Champagnier during the fall. This globally unrivaled production facility will enable the Company to produce upwards of 180 stations per year. The testing area is up and running, comprising an H14 station and an H40 station (1 tonne/day) due to start operating in March 2024.

Involvement in COP28

HRS attended the climate summit with a central stand in the COP28 “Green Zone”, the hub dedicated to energy transition technologies, innovation, and decarbonization. HRS was able to establish important business contacts with international decarbonization players. During the summit, HRS unveiled the design of the HRS BY STARCK dispensers that are integrated into HRS hydrogen refueling stations.

Extra-financial report and CSR action plan

On November 24, 2023, HRS published its first CSR report including a double materiality analysis, carbon footprint assessment, and an action plan covering the next two years.

Launch of HRSchool

On September 11, 2023, HRS announced the opening of its own in-house vocational training institute for the hydrogen sector. This innovative training program aims to develop the skills of existing and future employees and, more broadly, contribute to the development of the hydrogen ecosystem.

FIRST HALF REVENUE UP 20%

HRS posted record first half revenue of **€12.8 million, up 20%, including €10.9 million in the Hydrogen Stations segment, up 18%**.

Hydrogen Stations revenue breaks down as follows:

- €3.1 million from the four stations commissioned during the period, bringing the number of stations commissioned since the IPO to twelve;
- €7.8 million from the 39 stations under production or deployment, including 14 stations with a capacity of 1 tonne/day (HRS40), and the first revenues from maintenance contracts.

The legacy *Industrial Piping* business also increased revenue to €1.9 million, boosted by recently signed contracts.

ORDER BACKLOG OF ALMOST €100M

During the first half, **HRS** recorded four new orders in Europe, including two under its framework agreement with Plug Power and two for a long-standing customer.

As of December 31, 2023, the **order backlog stood high at €97 million**, representing 39 stations to be brought into production between 2024 and 2027, mainly for Hype and Engie, plus a balance of €20 million for stations under production or deployment.

ACCELERATING PIPELINE OF €350M, SUPPORTED BY MAJOR PROJECTS IN EUROPE

The hydrogen mobility market continues to expand under the impetus of major cross-border European plans and across a large number of domestic markets. The global momentum towards decarbonizing heavy transport through a variety of levers, including hydrogen, will inevitably fuel a boom in global infrastructure building.

The long-term objectives remain unchanged, **HRS** has nonetheless noted a number of time lags in launching projects in Europe, due in particular to the time frames involved in financing infrastructure projects and the complexity of hydrogen ecosystems.

Moreover, **HRS** has served formal notice on pHYnix to honor the unfulfilled payment schedule, which the company has not yet done to date. **HRS** intends to assert its rights and obtain full compliance with the signed agreement. **HRS** will keep the market informed of developments in this matter.

At the same time, the numerous hydrogen vehicle launches announced for the short term will swiftly revive the demand for stations. At the heart of this dynamic, **HRS** continues to expand its direct or indirect commercial presence in order to seize all market opportunities, focusing on signing with key accounts.

This has bolstered **HRS's commercial pipeline**, which is updated every six months. The pipeline comprises potential orders and projects identified as of January 24, 2024, including 236 stations at the **selection or final negotiation stage** in European calls for tender representing potential revenue of €350 million (up €217 million in 6 months) with deliveries staggered over the 2024-2027 period. This amount has increased under the impetus of major European accounts wanting to set up major hydrogen mobility networks and does not yet include projects in new areas outside Europe. These large-scale projects naturally require in-depth preparatory phases.

TARGETED INTERNATIONAL EXPANSION IN HIGH-POTENTIAL REGIONS

In this way, **HRS** is continuing to develop new growth drivers aimed at highly attractive international regions:

- In the Middle East, during the COP28 summit, **HRS** confirmed the strong potential of this market in terms of hydrogen mobility. Multiple ties have been forged and **HRS** is currently engaged in advanced negotiations with a major player operating in the region to rapidly deploy the first hydrogen stations;

- North America is another priority business development target, with needs estimated at 1,000 stations by 2025 and nearly 4,300 by 2030¹. **HRS** is currently in talks with local partners with a view to establishing itself as a supplier of large-scale hydrogen mobility projects;
- In China, **HRS** continues to conduct market research and forge local ties in order to estimate local development potential before committing further resources.

ADJUSTING THE TIMETABLE FOR HRS AMBITIONS

The aforementioned factors confirm **HRS**'s medium-term growth potential, taking into account the current pace of infrastructure development. **HRS** is prudently revising its targets by a year:

- Revenue between €45 million and €60 million and positive recurring EBITDA for the financial year ending June 30, 2025;
- Revenue of €85 million and a recurring EBIT margin of around 20% for the financial year ending June 30, 2026.

For the current financial year ending June 30, 2024, **HRS** is now targeting revenue of €31-40 million. In addition, **HRS** is also continuing to improve its gross margin and financial discipline.

HRS will continue to pursue an ambitious project underpinned by firm industrial roots, a strong cash position, and the support of numerous business partners. Our development is based on our unrivaled expertise in Europe, where tangible measures to promote decarbonization will establish hydrogen mobility infrastructures as a core component of the ecological transition. Furthermore, the business development focused on key accounts and the most buoyant regions should allow ongoing discussions to be finalized soon.

NEXT PUBLICATION

H1 2023/2024 results, April 29, 2024, after close of trading

¹ <https://www.statista.com/statistics/1179571/us-number-of-hydrogen-fuel-stations/>

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.

At its new Champagnier site, **HRS** will have the mass production capacity to assemble up to 180 units a year, in record time - as little as 8 weeks.

The Company posted 2022/2023 revenue of €30.1 million. As of June 30, 2023, the company had 135 employees. (ISIN code: FR0014001PM5 - ticker symbol: ALHRS).



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