



Doubled commercial pipeline: 9.8 GW at end-2022

- **Total commercial pipeline of 9.8 GW total production capacity at-end 2022** (vs. 4.8 GW mid-April 2022)
- **Execution and progress of projects with 759 MW at an advanced stage of development¹** (vs. 381 MW mid-April 2022)
- **Industrial scale-up underway with the first 5 MW modular sites come into operation:** up to 4 t/day at end-2023 (vs. 0.3 t/day in 2022)
- **2026 financial targets confirmed**

	End-2022	Mid-April 2022	Change
Units in Operation	1 MW	1 MW	-
Projects at an advanced stage of development¹	759 MW	380.5 MW	+378.5 MW
Project at "Advanced development ^{2"} stage	4.1 GW	2.3 GW	+1.8 GW
Projects at "Early stage ^{2"} stage	5.0 GW	2,2 GW	+2.7 GW
Total commercial pipeline	9.8 GW	4.8 GW	+5.0 GW

FY 2022 results: accelerating investments to build a European leader in green hydrogen production

- **2.5-fold increase in workforce** to 149 employees
- **Accelerating development, company structuring and projects investments:** EBITDA -€17.0m in 2022
- **Cash position of €144.5m** at end 2022 to finance the development of projects

Nantes (France) – 22 March 2023 – 07:00 – During its meeting held on 21 March 2023, the Board of Directors of **Lhyfe (Euronext Paris – FR0014009YQ1 – LHYFE)**, one of the world's pioneers in the production of green and renewable hydrogen to decarbonize industry and mobility, approved its consolidated financial statements for FY 2022 (from 1st January to 31 December 2022). The consolidated financial statements were audited, and an audit certificate will be issued in April by the statutory auditors.

¹ "Tender ready", "Awarded" and "Construction" projects. See Section 10.1 of the registration document approved by AMF on 21 April 2022 and available on the Lhyfe website for definitions of these terms.

² See Section 10.1 of the registration document approved by AMF on 21 April 2022 and available on the Lhyfe website for definitions of these terms.



FOR INDUSTRY AND MOBILITY



Matthieu Guesné, founder and Chairman-CEO of Lhyfe:

“2022 was a major year for our development: accelerated investments in hydrogen production site projects, expansion of our teams in all regions, continued investment in R&D, progress in our offshore developments, new strategic and industrial agreements, improved cash position, etc.

At the operating level, we passed a number of major milestones and by the end of 2022 had 50 MW in projects at the final stage of development and a commercial pipeline that reached 9.8 GW by year-end, including 759 MW in projects at an advanced stage of development³.

Thanks to this success, 2023 will see our production capacity rise to 4 tonnes of green and renewable hydrogen per day by year-end, vs. 300 kg at present.

Green hydrogen is destined to play a major role in cutting CO₂ emissions and supporting energy transition, and it is becoming ever clearer that Lhyfe holds all the cards needed to become one of Europe’s leading green hydrogen producers over the next few years.”

Actions successes and projects progress in 2022

Projects execution: 50 MW of projects achieving “Awarded” or “Construction” stages at end-2022

In 2022, Lhyfe kept a strong pace in project development, with 50 MW at “Awarded⁴” or “Construction⁴” stage by year-end, through 10 sites, showing a sound progress since April 2022 (+27.5 MW vs. mid-April 2022 during the IPO).

Lhyfe submitted 5 building permits and secured the land for 14 production unit projects in 2022.

Among the projects at “Construction” stage, the following stand out:

- **Lhyfe Pays de la Loire** (Bouin): capacity expansion of Lhyfe’s first production unit (approvals and equipment orders) was initiated in 2022. The current 1 MW capacity will be increased to 2.5 MW (around 1 tonne per day) in early 2024.
- **Lhyfe Bretagne** (Buléon): civil engineering works on the 2nd production site started in Q1 2023. The unit, expected to be commissioned in H2 2023, will have a 5 MW total production capacity (up to 2 tonnes of green and renewable hydrogen per day).
- **Lhyfe Occitanie** (Bessières): Lhyfe has been granted permit to build a 5 MW production unit in Bessières (Haute-Garonne). Commissioning is scheduled for end 2023.
- **Lhyfe Bade-Würtemberg** (Schwäbisch Gmünd, Germany): Lhyfe has submitted the permit to build on the land secured with the Schwabisch Gmund city a 10 MW production unit (capacity around 3 t/day). Plant commissioning is scheduled for the H1 2024.
- **Tübingen** (Germany): as part of the Deutsche Bahn and Siemens Mobility H2goesRail project, Lhyfe will launch installation of a 1 MW production site in the H2 2023 in Tübingen Germany, aimed at supplying hydrogen-powered trains on the Pforzheim-Horb-Tübingen line from 2024.
- **Botnia Hydrogen** (Sweden): Within the Botnia Hydrogen consortium, Lhyfe carries a project to develop hydrogen production and supply units in the north of Sweden. The 1st unit (1.5 MW production capacity) will address mainly HGVs and buses. The land and connexion have been secured. Production is expected to start in H2 2023.

Portfolio of projects at an advanced stage of development³ doubled by end-2022

By the end of 2022, Lhyfe’s commercial pipeline had significantly increased to 9.8 GW total production capacity (vs. 4.8 GW mid-April 2022).

Within the portfolio, projects at an advanced stage of development³ at year-end represented 759 MW in total production capacity (vs. 380.5 MW mid-April 2022).

³ “Tender ready”, “Awarded” and “Construction” projects. See Section 10.1 of the registration document approved by AMF on 21 April 2022 and available on the Lhyfe website for definitions of these terms.

⁴ See Section 10.1 of the registration document approved by AMF on 21 April 2022 and available on the Lhyfe website for definitions of these terms.

	End-2022	Mid-April 2022	Change
Units in Operation	1 MW	1 MW	-
Projects at “Construction ⁵ ”	9 MW	5.5 MW	+3.5 MW
Projects at “Awarded ⁵ ” stage	40 MW	17 MW	+23 MW
Projects at “Tender ready ⁵ ” stage	710 MW	358 MW	+352 MW
Projects at an advanced stage of development⁶	759 MW	380.5 MW	+378.5 MW
Projects at “Advanced development ⁵ ” stage	4.1 GW	2.3 GW	+1.8 GW
Projects at “Early stage ⁵ ” stage	5.0 GW	2.2 GW	+2.7 GW
Total commercial pipeline	9.8 GW	4.8 GW	+5.0 GW

Major growth in green and renewable hydrogen production capacity expected in 2023 (x14 production capacity increase by year-end)

At end-2022, Lhyfe’s maximum production capacity totalled 300 kg of green and renewable hydrogen per day at Bouin alone.

Following the significant progress made in 2022 and ongoing constructions in 2023 with the commissioning of the first 5 MW modular sites in France, Lhyfe intends to expand its installed production capacity strongly in 2023, raising it up to 4 tonnes of green and renewable hydrogen per day.

€59.3m in grants secured by Lhyfe to date

As it grows, Lhyfe continues to demonstrate its ability to finance the accelerated decarbonisation of industry and mobility within Europe by obtaining, following national and European calls for competitive projects, grants to finance its own R&D and production sites being deployed.

Lhyfe secured a total of €16.4m in new grants in this past year, to add to the €18.7m it had previously obtained. The new grants in 2022 were for:

- renewable hydrogen production sites: €14.5m;
- R&D: €1.9m.

Moreover, new grants secured for production site since 1 January 2023 total €24.2m. It is worth highlighting:

TH2ICINO project (Towards H2ydrogen Integrated eEconomies In Northern Italy), for which Lhyfe will design, build and operate a site of at least 5 MW renewable hydrogen production in Lombardy by 2025. This project is one of the 9 “Hydrogen Valleys” projects that received EU support through the Clean Hydrogen Partnership, in which industrial hydrogen consumers are coupled with production and distribution infrastructure to cover the whole hydrogen value chain in a specific region.

HOPE project (Hydrogen Offshore Production for Europe), led by a consortium coordinated by Lhyfe, which aims to build the first 10 MW renewable hydrogen offshore production unit in the North Sea off the coast of Belgium by 2025, has received a positive assessment following the 2022-TC01-10 call for proposals of the Clean Hydrogen Partnership, co-financed by the European Union. The project partners started the preparation phase of the subsidy agreement, which will end no later than May 2023.

Company structuring

International deployment

Present in 11 European countries, Lhyfe pursued its commercial development in 2022 opening new subsidiaries in 2022.

After opening subsidiaries in Spain and the UK in the first half of the year, Lhyfe opened another in Canada in Q4 2022, bringing the number of international subsidiaries dedicated to business development to 7.

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⁶ “Tender ready”, “Awarded” and “Construction” projects. See section 10.1 of the registration document approved by AMF on 21 April 2022 and available on the Lhyfe website for definitions of these terms.

Successful expansion of the workforce, in line with the Company's deployment and investment plan

With a strong increase of its projects pipeline and growth of its corporate activities, Lhyfe recruited over 90 new employees in 2022 (2.5 fold increase in workforce). Several new key positions were created (Chief Financial Officer, VP Sales & Business Development, Head of HSE, Country managers for UK & Ireland and Spain, Head of HR, etc.).

By the end of 2022 Lhyfe had 149 employees (vs. 57 at end-2021), 38% of whom in engineering, 29% in sales development, 11% in operations and 22% in central functions, to help deal with accelerated project implementation. At-end 2022, 19% of all Lhyfe employees were based out of France.

2022 financial results

Annual consolidated income statement

(€m – IFRS standards)	31/12/2022	31/12/2021
Revenue	0.6	0.2
EBITDA ⁷	-17.0	-5.0
Current operating income	-18.2	-5.7
Operating income	-19.2	-5.7
Financial income	-6.6	-3.0
Net income	-25.8	-8.7

Annual 2022 revenue was €0.6m after a commercial ramp-up in line with the Company's growth plan. Lhyfe's 2021 turnover was €0.2m and the first production site was commissioned in H2 2021.

As Company expansion accelerated strongly, its EBITDA⁸ moved to -€17.0m in 2022 from -€5.0m in 2021. This was essentially the result of:

- **+€8.3m in year-on-year payroll charges** (€11.3m in 2022 vs. €3.0m in 2021) caused by the expansion of the workforce;
- **+€4.4m in external costs** caused by structuring expense (premises, travel, recruitment, communication & marketing, miscellaneous fees, etc.) and more R&D studies for the green hydrogen offshore production demonstrator (Sealhyfe platform).

Operating income totalled -€19.2m vs. -€5.7m at end-2021. This includes -€1.0m of other non-current operating income and expense, mainly including expenses incurred in the IPO on Euronext that could not be deducted from the issue premium.

Net loss came to -€25.8m vs -€8.7m one year earlier and includes -€6.6m financial loss comprising interest expense, foreign exchange loss and 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.

Consolidated balance sheet as at 31 December

(€m – IFRS standards)	31/12/2022	31/12/2021
Shareholders' equity	133.6	-6.2
Net cash ⁸	125.9	-5.5

Change in cash position rose +€94.6m in 2022. This includes:

- **-€15.1m in operating cash flow** from the increase in workforce and Company structuring;
- **-€12.9m in investment cash-flow** primarily from: (i) equipment for production sites and containers; (ii) development costs linked to companies carrying production units; (iii) equipment to operate the Sealhyfe platform; and (iv) cost of designing future green hydrogen onshore production units and updating software owned by Lhyfe;

⁷ EBITDA: consolidated operating income before depreciation and provisions

⁸ Net cash = available cash – current and non-current financial debts (excluding IFRS 16 lease debt)

- **+€122.6m in financing cash flow**, primarily from the capital increase achieved at the IPO on Euronext.

Following the IPO and bond conversion into shares, consolidated equity rose to €133.6m at end-2022.

At 31 December 2022, the Company had €144.5m in available cash, raising its profile in terms of ability to finance production capacity and expand the commercial pipeline.

Recent developments

MoU with Centrica to develop offshore renewable green hydrogen production in the UK

Lhyfe has entered into a Memorandum of Understanding (MoU) with Centrica, a UK energy group and owner of British Gas, to develop the production of green and renewable hydrogen offshore in the UK. The two companies will explore combining their expertise to collaborate on a pilot green hydrogen production site in the Southern North Sea. The pilot will aim to combine Lhyfe's expertise in offshore green and renewable hydrogen production with Centrica's experience in gas storage and infrastructure to ensure that the hydrogen produced can be safely stored and used across the UK.

Investment in Flexens, a Finnish developer of renewable hydrogen projects, to accelerate deployment in Nordic countries

In March 2023, Lhyfe announced the acquisition of a 49% stake in the Finnish company Flexens, a renewable hydrogen project developer, becoming the company's largest shareholder.

Through this investment, Lhyfe will be able to draw on a team of developers and experts with significant capabilities in energy system modelling and project development, an excellent network in Finland and Northern Europe, and a strong commercial pipeline with a total foreseen capacity exceeding 1.5 GW in Finland and abroad, including Kokkola project, the largest renewable green hydrogen project in Finland (300 MW - expected to be commissioned by 2027).

Objectives confirmed

Lhyfe confirms the objectives set at the time of its IPO to make the company one of European leaders in green and renewable hydrogen production⁹.

Lhyfe is aiming for a 55 MW total installed capacity by 2024.

By 2026, Lhyfe targets a total installed capacity of 200 MW and:

- consolidated revenue of around €200m;
- Group EBITDA¹⁰ at break-even.

By 2030, the Company intends to become a green hydrogen production reference player and to have over 3 GW total installed capacity.

Over the long term, Lhyfe targets a Group EBITDA margin over 30%¹¹.

Next meeting: general meeting of shareholders on Tuesday 23 May 2023.

⁹ 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

¹⁰ Group EBITDA: current consolidated operating profit before depreciation, amortisation and provisions

¹¹ Group EBITDA margin: ratio of "EBITDA to revenue"

About Lhyfe

Lhyfe is a European group dedicated to the energy transition, and a producer and supplier of green and renewable hydrogen. Its production sites and portfolio of projects aim to provide access to green and renewable hydrogen in industrial quantities, and to enter into a virtuous energy model allowing the decarbonization of entire sectors of industry and mobility.

In 2021, Lhyfe inaugurated the world's first industrial green hydrogen production site in direct connection with a wind farm. In 2022, Lhyfe inaugurated the world's first pilot platform for green hydrogen production at sea.

Lhyfe is present in 11 European countries and has 149 employees at the end of 2022. The company is listed on the Euronext market in Paris (ISIN: FR0014009YQ1 - mnemonic: LHYFE).

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

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Appendix - Consolidated income statement

<i>€k</i>	31/12/2022 [12 months]	31/12/2021 [12 months]
Revenues	570	197
Income from ordinary activities	570	197
Cost of goods sold	-394	-176
External expenses	-7.261	-2.890
Personnel expenses	-11.254	-3.005
Taxes, and similar payments	-81	-23
Other current operating income and expenses	1.418	485
EBITDA	-17.002	-5.411
Depreciation and amortisation of fixed assets	-1.064	-261
Provisions for risks and charges	-89	- 8
Current operating income	-18.155	-5.680
Other non-current operating income and expenses	-1.011	-
Operating income	-19.166	-5.680
Cost of financial debt	-6.851	-3.052
Other financial income and expenses	209	8
Financial income	-6.641	-3.044
Earnings before taxes	-25.808	-8.724
Income tax	-4	-
Share of profit of equity-accounted companies	-7	-
Net income	-25.819	-8.724
<i>Basic and diluted earnings per share (€)</i>	-0.70	-0.45

Appendix – Consolidated statement of financial position

ASSETS €k	31/12/2022	31/12/2021
Intangible assets	4.711	1.686
Property, plant & equipment	12.807	4.948
Rights of use	3.383	2.832
Investments in equity-accounted companies	1.037	-
Other non-current assets	1.007	633
Deferred tax assets	-	-
Non-current assets	22.945	10.099
Inventories	142	-
Trade receivables	63	224
Other current assets	5.070	2.345
Cash and cash equivalents	144.492	49.888
Current assets	149.766	52.457
Assets	172.711	62.556
LIABILITIES €k	31/12/2022	31/12/2021
Share capital	479	2
Premiums	163.821	3.939
Reserves	-4.897	-1.396
Net income	-25.819	-8.724
Shareholders' equity	133.584	- 6.180
Non-current provisions	53	8
Non-current borrowings and financial debts	19.368	55.103
Non-current financial derivative instruments	-	132
Deferred tax liabilities	-	-
Other non-current liabilities	8.769	6.544
Non-current liabilities	28.190	61.787
Current provisions	44	-
Current borrowings and financial debts	2.987	3.238
Trade payables	4.586	2.063
Other current liabilities	3.320	1.647
Current liabilities	10.937	6.949
Liabilities	172.711	62.556

Appendix – Cash flow statement

<i>€k</i>	2022 (12 months)	2021 (12 months)
Net income	-25.819	-8 724
Share of profit of equity-accounted companies	7	-
Eliminations:		
- of depreciation, amortisation and provisions	1.153	269
- of net financial income	6.762	3 044
- of share-based payments	719	59
- change in fair value of financial instruments	89	-
- other changes	-28	- 486
Income tax of the period	4	-
Impact of change in WCR:		
- Change in inventories	-142	-
- Change in receivables	161	-223
- Change in other current receivables	-1.722	-1.467
- Change in trade payables	1.881	1.449
- Change in other current debt	1.880	1.422
Net cash flows from operating activities	-15.055	-4.656
Acquisition of intangible fixed assets	-3.116	-1.078
Acquisition of property, plant and equipment	-8.397	-3.651
Disposal of property, plant and equipment	16	-
Acquisition of financial assets	-373	-12
Financial interest received	-	-8
Impact of changes in scope of consolidation	-1.060	-
Net cash flows from investment activities	-12.930	-4.749
Capital increases, net of expenses	112.558	-
New borrowings, net of expenses	10.434	47.940
Refundable prepayments received	857	-
Subsidies received	1.537	4.425
Repayment of borrowings and current accounts	-285	-35
Repayment of lease liabilities	-210	-
Sale / (Acquisition) of treasury shares	-296	-
Interest paid	-2.005	-296
Net change in bank loans	3	-
Net cash flows from financing activities	122.592	52.034
Impact of foreign exchange rate changes	-3	-
Change in cash position	94.604	42.629
<i>Cash position start of period</i>	<i>49.888</i>	<i>7.258</i>
<i>Cash position end of period</i>	<i>144.492</i>	<i>49.888</i>
Change in cash position	94.604	42.629