

Lhyfe

PRODUCER AND SUPPLIER OF
GREEN & RENEWABLE HYDROGEN

FOR MOBILITY AND INDUSTRY

2024 UNIVERSAL REGISTRATION DOCUMENT

2024

UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This universal registration document has been filed on 29 April 2025 with the *Autorité des marchés financiers* (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The universal registration document may be used for the purpose of offering financial securities to the public or for the admission of financial securities to trading on a regulated market if completed by a securities note and, where applicable, a summary and its supplement(s). The group then formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Copies of this universal registration document are available free of charge at the Company's registered office at 1 ter mail Pablo Picasso, 44000 Nantes, France, as well as in electronic form on the Company's website (fr.lhyfe.com) and on the AMF website (www.amf-france.org).

A glossary including financial and technical terms is available at the end of the document.

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A word from the Chairman and Chief Executive Officer



Matthieu Guesné

Founder & Chairman and Chief Executive Officer of Lhyfe

"Lhyfe is among the key players in the production and supply of green hydrogen in France and Europe"

The year 2024 marked a period of operational, commercial, and strategic acceleration for Lhyfe, confirming its position as a key player in the production and supply of green hydrogen, and as a leading partner for green hydrogen consumers across Europe.

In 2024, Lhyfe quadrupled its revenue and continued to expand its customer portfolio in both France and Europe. This growth reflects the full-year production capacity of our Bouin site and the signing of new contracts.

We continued our expansion across Europe with nearly 50 customers delivered in 2024 and significant commercial and strategic milestones: in Germany, we signed a five-year green hydrogen supply contract with H2 MOBILITY Deutschland. In Sweden, we secured two grants to develop green hydrogen production sites. In France, we obtained State support to develop the Green Horizon project—our first large-scale 100 MW onsite production facility near Le Havre. In April 2025, the French government officially confirmed a historic €149 million grant in support of this project. We also signed a partnership with Ugitech, a subsidiary of Swiss Steel Group, to help decarbonize the steelmaker's operations in Savoie using green hydrogen.

Our historically integrated model—developing and operating our own projects over the long term to create sustained value—is now complemented by a co-development model with financial or industrial partners looking to fund and own high-quality green hydrogen production projects while entrusting their development to Lhyfe. This hybrid model, both integrated and partner-driven, allows us to deploy sustainable, long-term profitable assets to support the decarbonization of mobility and industry. In this context, we signed a first partnership agreement with Masdar in early 2025 to explore large-scale co-development opportunities for green hydrogen projects across Europe.

2024 was also a strong year for Lhyfe in terms of CSR (Corporate Social Responsibility): we are proud to have ranked first in our category in Europe according to the EthiFinance rating.

Lhyfe also recently distinguished itself on the financial front by strengthening its financial capacity through the completion in April 2025 of its first project financing package. This reflects the strong support and trust of our financial partners in our project and ambitions.

Ultimately, Lhyfe is about the women and men who share a common vision every day—that of a new energy model based on green hydrogen, with the ambition of building a more breathable world for our children and future generations. Today, 199 employees across 12 countries are working closely with our projects, driven by shared values of courage, optimism, and solidarity.

On the strength of these achievements, Lhyfe approaches 2025 with confidence, committed to executing its roadmap as it scales up industrially. We remain fully committed to creating value for our shareholders while actively contributing to accelerating the energy transition in Europe and building a sustainable future.

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1.1. General presentation of the Group

1.1.1. A pioneer in onshore and offshore green hydrogen

Lhyfe was born of a project initiated in 2017 by Matthieu Guesné, then Director of CEA Tech Pays de la Loire and Bretagne, resulting in the creation of the Company in April 2019. Lhyfe is a green hydrogen producer, the first player in the world to boast combined field experience of onshore and offshore green hydrogen production.

Lhyfe commissioned its first industrial site in Bouin (Vendée) in the second half year of 2021. Being directly connected to a wind farm, the site is the only one of its kind in the world. It was designed in under two years and currently offers a production capacity of up to 300 kg/day of green hydrogen, which should rise to one tonne/day to meet growing demand.

Green hydrogen, which is based on the electrolysis of water using electricity from a renewable energy source, is considered to be one of the pillars of the ecological transition, because its production process[1] does not generate greenhouse gas emissions, and it can replace fossil fuels as a means of decarbonising sectors such as heavy industry and transport. High-carbon hydrogen is produced from fossil fuels (mainly "grey" hydrogen) and widely used in industrial processes. It still accounts for 98% of the hydrogen consumed today.

The Group already operates four production sites in France and Germany and several other sites are currently under construction or development in France and abroad. The Group is also one of the pioneers of green hydrogen produced from offshore wind turbines, as it operated the world's first offshore hydrogen production pilot platform between September 2022 and November 2023.

From the outset, to enable mass production of green hydrogen at low cost, which is essential to meet significant current and future decarbonisation needs, Lhyfe opted for the mass offshore production of green hydrogen, as the load factor for offshore wind is particularly attractive. Lhyfe launched and successfully operated its first industrial offshore pilot, Sealhyfe, for several months off the coast of Le Croisic in France. A multitude of lessons have been learnt and have already benefited Lhyfe's onshore and offshore projects.

1.1.1.1. Decarbonising the most polluting uses

Lhyfe intends to be a key player in a low-carbon future. The Group targets two priority markets that are among the biggest emitters of greenhouse gases: the heavy mobility sector (trucks, buses, trains and, in time, sea and air transport) and the industrial sector, where chemical production (ammonia, methanol, etc.), steel production and glass production are priority targets.

- Lhyfe is currently deploying several 5 to 10 MW sites dedicated to the production of hydrogen delivered in bulk containers (bulk projects). The aim is to develop an expansive network by 2025/2026, primarily in France and Germany, with decentralised production sites supplying catchment areas within a radius of around 200 km around each site. These sites serve industrial and mobility customers consuming quantities ranging from a few kilos to a tonne of green hydrogen a day.
- In parallel, the Group is developing larger-scale production units with industrial customers directly on their sites (on-site projects). The industrial operator will be the site's main consumer but the Group could oversize the equipment so it will be able to supply local mobility uses.
- Finally, the Group also plans to install certain units in locations chosen for their proximity to the future European hydrogen transmission network (backbone projects), enabling it to address the needs of a wide variety of customers who will be supplied via this infrastructure once deployed.

A description of the main features of bulk, on-site and backbone projects is provided in paragraph 1.1.2 of the Universal Registration Document.

This deployment objective is based on the onshore and offshore expertise acquired, a high-quality pipeline (detailed in Section 1.8 of the Universal Registration Document) and a research and development programme led by the Group's engineering team, addressing the design of onshore and offshore production sites with an electrolysis capacity up to several tens of megawatts.

1.1.1.2. A hybrid model, both integrated and investor-oriented

The Group is a key player in the green hydrogen value chain. As an independent producer of green hydrogen, it uses electrolysis technologies developed by equipment manufacturers to bring renewable energies closer to the uses that require decarbonisation in the mobility and industrial sectors.

Upstream of the value chain, the Group obtains its supplies from:

- renewable energy producers, mainly wind and solar power, for the electricity used to produce the Group's green hydrogen by water electrolysis; and
- manufacturers of electrolysers, compressors or containers who benefit from the experience of the Group, as it is a pioneer in the production of green hydrogen in a rapidly developing technological sector.

The Group currently operates on an **integrated** *develop, build, own and operate model.* In this respect, it handles all stages of green hydrogen production in-house:

- obtaining permits and authorisations;
- engineering and design (front-end engineering and design or FEED);
- construction (engineering, procurement, and construction or EPC);
- financing;
- operation;

1 A detailed description of the Group's expertise in the water electrolysis process can be found in Section 1.6 of the Universal Registration Document

- and sales and deliveries of green hydrogen.

In this way, the Group has complete control over each of these stages, from prospecting new customers to the distribution of green hydrogen to end customers. Depending on the project, the Group intends to hold a majority or minority stake in its production sites.

The Group also intends to deploy **a co-development model** with partner investors, in which it will assume responsibility for all stages apart from financing, which is primarily carried out by the investors. The latter will compensate the Group for its services as project developer and manager of the site in which they will hold a majority stake.

This dual positioning should enable the Group to develop a resilient business model with high visibility, based on:

- the sale of green hydrogen through (i) a portfolio of diversified customers for each of the bulk green hydrogen production sites, for which contracts will be signed for periods varying from three to five years (as is already the case at Bouin). These contracts are expected to be renewed in stages over time; (ii) a principal industrial customer for on-site projects, who will in principle commit to a 15-year contract; and (iii) for backbone projects, a large number of industrial customers who will be supplied by pipeline once the infrastructure has been deployed;
- revenue from co-development activities with investors, based on (i) development-related income recorded at the start of the projects concerned and (ii) revenue generated from services sold to the projects and from the management of these assets.

1.1.1.3. Booming demand for green hydrogen

With proven onshore know-how and a unique experience curve in offshore production, the Group is ideally positioned to make the most of booming demand for green hydrogen, which is expected to accelerate sharply to 430 million tonnes a year by 2050[1], almost 4.5 times higher than the total demand for hydrogen observed in 2022. These growth expectations are supported by a number of converging factors:

- a target of producing 10 million tonnes of renewable hydrogen (RFNBO – renewable fuels of non biological origin) in Europe by 2030[2];
- a target of importing 10 million tonnes of renewable hydrogen (RFNBO) into Europe by 2030[2];
- a target for the use of renewable hydrogen (RFNBO) equal to 42% of all hydrogen used in industry in 2030[3];
- an EU target of 42.5% renewable energy across the EU by 2030[4];
- the deployment of mechanisms to subsidise and support investment and the production of green hydrogen, at both European and national levels;
- the rise in demand for non-fossil fuels[5], which is encouraging major emitters to implement decarbonisation plans;
- strong public-sector support through numerous investment programmes in zero-carbon projects;
- the desire of regions to regain autonomy in their energy management;
- lower costs for renewable electricity and electrolysers;
- the proliferation of very large-scale projects in terms of electrolysis capacity[6]; and
- more generally, a growing interest in projects that have a positive impact on the environment.

1.1.1.4. A dynamic pipeline serving a European ambition

The Group's technical and commercial skills have enabled it to become a major player in the sector in just over five years of existence. As a result, on 31 December 2024, the Group's pipeline (detailed in Section 1.8 of the Universal Registration Document) represents a total installed generation capacity of 9.1 GW. Among the projects in the pipeline, several projects representing a total of 33 MW are in the Construction stage at the date of the Universal Registration Document (detailed in paragraph 1.8.2.2 below).

On the basis of this pipeline, the Group aims to become a leader in the production of green hydrogen in Europe, through the swift deployment of green hydrogen production sites. By 2025, Lhyfe aims to become a major player in mobility in France and Germany, where national ambitions for the deployment of infrastructure and applications are becoming clearer and are speeding up.

1.1.1.5. Differentiating factors and strengths

To achieve its objectives, since its creation the Group has invested in developing key assets to establish itself as a major player in the sector:

- a team of specialist engineers addressing all Group areas of expertise from engineering to operation, and working on all components of the production units (electrolysers, compressors, purification units, software, measurements);
- expertise in the main electrolysis technologies;
- proven expertise in the development and management of an onshore and offshore green hydrogen production site;
- a modular approach to its production sites;
- a comprehensive software solution focused on *data management* and in time artificial intelligence.

1 Net Zero Roadmap – A Global Pathway to Keep the 1.5°C Goal in Reach – 2023 Update – International Energy Agency
2 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, REPowerEU: Joint European Action for more affordable, secure and sustainable energy, 8 March 2022
3 EU rules for renewable hydrogen – Briefing: Towards climate neutrality – European Parliament – European Parliamentary Research Service – April 2023
4 Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 – Amendments to the Renewable Energy Directive (RED)
5 World Energy Outlook 2023 – Executive Summary – International Energy Agency
6 Hydrogen Insights 2023 – Hydrogen Council and McKinsey – May 2023

1.1.1.6. Objectives: profitability targeted from 2026

In this context, Lhyfe's ambitions are reflected in the following objectives:

- For 2025, the Group is expecting a significant growth in revenues, based on:
  - a x2 to x3 increase in hydrogen sales compared to 2024,
  - a new sales strategy based on indirect sales, ie relying on a network of resellers,
  - the strong growth expected in partnership revenues (to be detailed in H1 results publication in September 2025);
- For 2026:
  - 2026 Group adjusted EBITDA margin[1] target of 10% for 2026 revenue of €100 million;
- For 2030:
  - A target of 3 GW of assets under management[2],
  - A Group adjusted EBITDA margin above 30%.

The Group's objectives are detailed in paragraph 1.8.3 of the Universal Registration Document.

1.1.2. Presentation of a typical project

All the projects developed and operated by the Group produce green hydrogen from renewable electricity, using water electrolysis technology. Beyond this constant, the characteristics of a project vary mainly according to how the green hydrogen produced is used.

The main characteristics of bulk, on-site and backbone projects are described below:

Features	Bulk	On-site	Backbone
Description	Bulk model with a diversified customer base, mobility players but also industrial players, delivered via containers.	On-site model, with a principal customer, generally an industrial operator with significant needs for green hydrogen, supplied via a direct connection.	Backbone model involving a project connected via pipeline to a hydrogen transport network
Location	Located at the heart of a pre-identified catchment area, with a radius of approx. 200 km to limit transport costs, which could impair the competitiveness of green hydrogen	Close to an industrial site	Close to a dedicated hydrogen transport network, notably the European backbone
Source of renewable electricity	(i) By direct connection to the renewable electricity source, (ii) via contracts (power purchase agreements or PPAs[3]) with producers of renewable energy, or (iii) via the grid, with synchronisation of hydrogen production with renewable electricity production now possible thanks to tools developed by Lhyfe.		
Electrolysers	Three technologies available, depending on the characteristics of the project (see paragraph 1.7.2 below)		
Output	5 MW to 10 MW Small-scale units designed to serve local needs delivered by road	20 MW to several hundred MW Variable-size units depending on the needs of industrial customers	50 MW to several hundred MW Variable-size units depending on the needs of industrial customers
Sale of green hydrogen	Multiple contracts for short (<1 year), medium (3 to 5 years) or even long (10 years) terms	Main contract with the customer to which the production unit is connected for a long period (generally between 10 and 15 years)	Multiple long-term contracts with customers also connected to the backbone (generally between 10 and 15 years)

Through their large size, the on-site and backbone sites will also be able to meet mobility needs around the site, under contractual arrangements in line with those applicable to bulk hydrogen sales.

The financial structuring and profitability of bulk, on-site and backbone projects are described in Section 1.4 of the Universal Registration Document.

1 "Group adjusted EBITDA margin" is defined in the Glossary at the end of the Universal Registration Document
2 "Assets under management" is defined in the Glossary at the end of the Universal Registration Document
3 "*Power Purchase Agreement*" is defined in the Glossary at the end of the Universal Registration Document

1.2. Description of the green hydrogen market

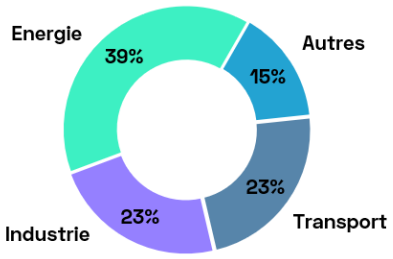
1.2.1. Green hydrogen: a pillar of decarbonisation

Greenhouse gases are naturally occurring gases in the Earth's atmosphere that trap the sun's rays, stabilising the planet's surface temperature at a reasonable level. Since the 19th century, the concentration of greenhouse gases in the atmosphere has been rising steadily, largely due to emissions of carbon dioxide (CO_2) and methane.

The accumulation of greenhouse gases, most of which are the result of human activity, is leading to climate change, manifested in an intensification of extreme weather phenomena: severe droughts accompanied by fires, cyclones, rising sea levels, falling agricultural yields, extinction of species, and so on.

1.2.1.1. The central role of hydrogen in the energy transition

For 2018, CO_2 emissions globally and by sector are broken down as follows:



Percentage of CO_2 emissions worldwide by sector in 2018[1]

Green hydrogen will play a central role in the energy transition through its use in two of the sectors with the highest CO_2 emissions after energy production itself: industry (23% of emissions) and transport (also 23% of emissions):

- in industry, hydrogen is used directly for its chemical properties in the production of hydrocarbons, ammonia, chemicals and methanol. It is also used as a fuel in the production of steel, glass and electronic components. The challenge here is to replace hydrogen produced using traditional methods, which emit high amounts of CO_2, with hydrogen produced from renewable resources – essentially electricity;
- in the transport sector, hydrogen is used directly in a fuel cell to power an electric motor on a lorry, train, ship, car, etc., replacing fossil-derived fuels (petrol, diesel, etc.).

1.2.1.2. Properties of hydrogen

Hydrogen or dihydrogen (H_2) is an invisible, odourless gas. Of all the chemical elements, it is the lightest and most abundant in the universe. On Earth, hydrogen is rarely present in a pure state, but it is a component of water and hydrocarbons. Its use emits no CO_2 – just water and oxygen – so it has a zero carbon footprint.

Hydrogen has an energy density two to three times greater than oil. In other words, 1 kg of hydrogen contains as much energy as around 3 kg of oil. Hydrogen has a very low density at atmospheric pressure. Even when stored at a pressure of 350 bar, the hydrogen molecule remains in gaseous form, so it still takes up 13 times more space than petrol[2].

Once hydrogen has been produced, it therefore needs to be transformed so that it can be stored in a reasonable volume:

- either by compressing it to 700 bar: 7 litres of hydrogen can therefore contain as much energy as 1 litre of petrol;
- or by liquefying it at a temperature of –253°C to compress it further: 4 litres of liquid hydrogen are then equivalent to 1 litre of petrol[3]; this liquefaction process is more energy-intensive than compression, consuming between 8 and 12 kWh per kg of hydrogen.

1.2.1.3. Hydrogen production

Hydrogen is produced in different ways, leading to different product names:

Type of hydrogen	Production method	Estimated[4] CO_2 emissions for the production of 1 kg of hydrogen[5]
"Grey" hydrogen	From fossil fuels, by steam reforming of natural gas, coal gasification or co-produced from hydrocarbons	9.2 to 11.1 kg
"Blue" hydrogen	From fossil fuels, by steam reforming of natural gas, but where the CO_2 emitted during its production is captured, then reused or stored	1.2 to 3.9 kg
"Green" hydrogen produced from renewable energy sources	By water electrolysis[6]	0.3 to 1.0 kg

1 International Energy Agency, *The role of CCUS in low-carbon power systems*, July 2020
2 Union Française de l'Electricité, La France à l'avant-poste de la lutte contre le réchauffement climatique grâce à son hydrogène décarboné (France in the vanguard of combating climate change with low-carbon hydrogen), November 2021
3 Union Française de l'Electricité, La France à l'avant-poste de la lutte contre le réchauffement climatique grâce à son hydrogène décarboné (France in the vanguard of combating climate change with low-carbon hydrogen), November 2021
4 Estimates for 2030. Note that CO_2 capture technologies for the production of "blue" hydrogen are still under development
5 Hydrogen Council, *Hydrogen decarbonization pathways – Potential supply scenarios*, January 2021
6 Electrochemical process that uses electricity to separate the hydrogen from the oxygen in the water molecule (H_2O)

Note that the European taxonomy raises the question of the status of hydrogen produced from nuclear energy (see Section 1.10 of the Universal Registration Document).

"Green" hydrogen has the dual advantage of emitting a negligible amount of CO_2 when it is produced and when it is used, making it an essential component of decarbonisation policies.

By 2050, green hydrogen could avoid 80 gigatonnes (Gt) of cumulative CO_2[1] emissions.

1.2.1.4. International commitments to reduce greenhouse gas emissions

Faced with the effects of greenhouse gases on the climate, reducing greenhouse gas emissions has become an unavoidable necessity.

The COP21[2] held in 2015 set the maximum threshold for global warming at +2°C by 2100 compared with the pre-industrial era, in order to limit climate change. This objective was reaffirmed at COP26[3] in 2021. To limit global warming to +2°C by 2100, the Intergovernmental Panel on Climate Change (IPCC) stresses the need to cut global CO_2 emissions by 25% by 2030 and lower them to zero by 2070[4]. At the COP28 in 2023, the objective of limiting global warming to +1.5°C (compared with pre-industrial temperatures) was reaffirmed. To date, 93 countries have adopted "zero emission" targets and 55 countries have set up carbon trading schemes[5].

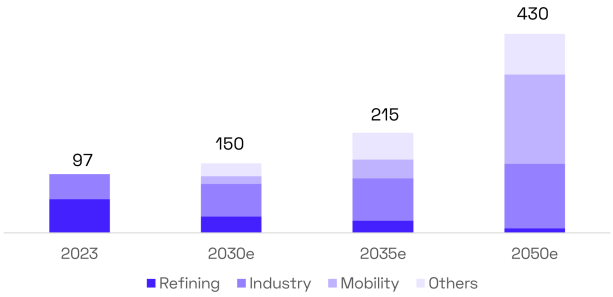
At European level, in 2019 the European Commission presented the Green Deal for Europe (*Green Deal*), which is a roadmap for making the European Union climate neutral by 2050. In 2021, the Commission published a climate package with the aim of turning the ambition of carbon neutrality into concrete political action and aiming to reduce the European Union's CO_2 emissions by at least 55% by 2030 compared to 1990 levels. The REPowerEU plan, proposed in 2022 by the European Commission following Russia's invasion of Ukraine, aims to diversify Europe's gas supply, in particular by increasing green hydrogen production and imports, and to reduce the overall use of fossil fuels more swiftly. Lastly, the European AFIR regulation (on the deployment of an alternative fuels infrastructure) now requires the installation of hydrogen stations every 200 km on the main traffic routes in Europe.

In France, the Law 2015-992 of 17 August 2015 on the energy transition for green growth introduced the National Low-Carbon Strategy (SNBC), which is France's roadmap for tackling climate change. Revised in 2020, this law now aims to achieve carbon neutrality by 2050, an objective also enshrined in EU legislation through the 'Fit For 55' package negotiated by France during its presidency of the European Union in 2022. Furthermore, in November 2022, France set itself the target of halving French industrial emissions over the next decade (a 55% reduction in greenhouse gases by 2030). In this context, public support for the financing of industrial decarbonisation projects (energy, hydrogen, automotive, aeronautics and space) is a major component of the France 2030 Plan strategy.

1.2.1.5. Demand and production of green hydrogen set to rise sharply

Global demand for hydrogen is expected to reach 97 megatonnes (Mt) in 2023[6], representing growth of 50% since the start of the millennium. Almost all of this demand comes from refining and industrial uses[7] and has been almost entirely met by hydrogen derived from fossil fuels.

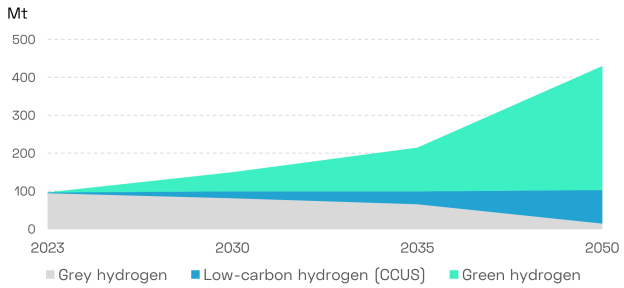
If we are to achieve our goal of zero emissions by 2050, the use of hydrogen will have to increase significantly in existing applications, as well as in new applications in heavy industry, heavy road transport, shipping and aviation. In a zero-emission scenario, demand for green hydrogen would increase by almost 4.5 times compared with 2023, reaching 430 Mt by 2050, with half of this demand going to industry and transport.



Expected growth in global hydrogen demand (in millions of tonnes, per year)[8]

1 Hydrogen Council, McKinsey Company, *Hydrogen for Net-Zero, A critical cost-competitive energy vector,* November 2021
2 The international climate conference held in Paris in 2015, bringing together the States that have committed to the United Nations Framework Convention on Climate Change (UNFCCC) since 1992
3 International Climate Conference held in Glasgow in 2021
4 IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty, 2019
5 Hydrogen Council, McKinsey Company, *Hydrogen for Net-Zero, A critical cost-competitive energy vector,* November 2021
6 International Energy Agency, *Global Hydrogen Review 2024*
7 International Energy Agency, *Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach – 2023 Update*
8 International Energy Agency, *Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach – 2023 Update*

Technological options for producing low-carbon hydrogen currently account for only a very small proportion of global hydrogen production, with less than 1 Mt in 2022[1] or 0.7% of the total. In 2022, water electrolysis accounted for around 0.1% of the world's hydrogen production, with over 70% of production capacity located in China, the United States, the Middle East, India and Russia[2]. In Europe, water electrolysis represented around 0.3% of hydrogen production capacity in 2022[3]. In the zero-emission scenario, the hierarchy of technological options should be reversed: the bulk of low-carbon hydrogen production should be "green", i.e. derived from water electrolysis using renewable electricity, to represent 80% of total low-carbon hydrogen production (with 3,300 GW of installed capacity) compared with 20% for fossil fuels (with carbon capture) in 2050[4].



Expected increase in global green hydrogen production (in millions of tonnes, per year)[5]

This proliferation in the use of electrolysis has been made possible by technological developments.

The main technologies used today are alkaline electrolysis, pressurised alkaline electrolysis, PEM electrolysis, for "proton exchange membrane", SOEC electrolysis for "solid oxide electrolysis cells" and AEM electrolysis for "anion exchange membranes". Alkaline electrolysis is the traditional and dominant technology with 60% of capacity in 2022, followed by PEM electrolysis, representing around 30%[6].

In terms of electrolyser technologies, Lhyfe is agnostic and uses the technology best suited to each project (see paragraph 1.7.2 below).

1.2.2. Green hydrogen at the heart of European and national decarbonisation strategies

A growing number of countries are developing plans to engage the decarbonisation potential of hydrogen. More than 60 countries around the world have adopted national strategies for the development of the clean hydrogen[7] economy and, since 2020, many of them have set up associated financial support programmes.

1.2.2.1. At European Union level

The European Union announced a Hydrogen Strategy in July 2021[8], which aims to realise the potential of hydrogen through investment, regulation, market creation and research and innovation. The European Union's priority is to develop renewable hydrogen produced mainly from wind and solar energy. It sets a number of targets, including achieving a capacity of at least 40 GW of electrolysers for the production of renewable hydrogen by 2030.

In March 2022, against the backdrop of Russia's invasion of Ukraine, the European Union also presented its REPowerEU plan to end its dependence on Russian fossil fuels by saving energy, diversifying sources of supply and speeding up the transition to clean energy, including an emphasis on initiatives to develop a new market for clean hydrogen with dedicated infrastructure[9].

The plan provides a real boost for the hydrogen industry, with an additional 15 Mt of renewable hydrogen produced per year between now and 2030, on top of the 5.6 Mt planned as part of the "Fit for 55" package. The target volume now includes 10 Mt of hydrogen produced in Europe and 10 Mt of hydrogen imported from various sources.

This strategy was implemented through the following actions in 2023 and 2024:

- adoption of the final versions of all the regulations in the European Green Deal, several of which have a positive impact on the development of the renewable and low-carbon hydrogen sector in Europe (RED3, ReFuelEU, FuelEU, ETS2, CBAM, ETD, AFIR). These include the introduction of ambitious targets for the development of renewable energy and the reduction of greenhouse gas emissions, as well as the deployment of hydrogen distribution infrastructure for mobility. For example, the Alternative Fuels Infrastructure Regulation (AFIR) requires the installation of hydrogen stations with a distribution capacity of 1 tonne per day every 200 km on main roads (the TEN-T network) and in every major urban centre;

1 International Energy Agency, *Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach – 2023 Update*
2 International Energy Agency, *Global Hydrogen Review 2023*
3 Clean Hydrogen Monitor 2023
4 International Energy Agency, *Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach – 2023 Update*
5 International Energy Agency, *Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach – 2023 Update*
6 International Energy Agency, *Global Hydrogen Review 2023*
7 National Hydrogen Strategies and Roadmap Tracker database of the Center on Global Energy Policy at Columbia University.
8 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *A hydrogen strategy for a climate-neutral Europe*, 8 July 2021.
9 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *REPowerEU: Joint European action for more affordable, secure and sustainable energy*, 8 March 2022.

- adoption of the Hydrogen and Decarbonised Gas Market package and implementation of the concrete measures it contains, particularly in relation to the revised version of the European energy infrastructure regulation adopted in June 2022 (the TEN-E regulation)[1]: creating a new operator dedicated to hydrogen infrastructure in Europe (ENNOH – European Network of Network Operators for Hydrogen[2]), launching a pilot scheme to support the development of the hydrogen market[3], drafting an initial list of priority hydrogen infrastructure (Projects of Common Interest and Projects of Mutual Interest) and selecting 21 projects that will benefit – for the first time – from development support representing over €250 million from the CEF-Energy programme (Connecting Europe Facility)[4];
- accelerating the implementation of Important Projects of Common European Interest (IPCEI) on hydrogen;
- increasing the Innovation Fund's hydrogen budgets (based on revenues from the European Union Emissions Trading System, estimated at €38 billion up to 2030), including the creation of a European Hydrogen Bank. Two initial auctions were held in 2023 and 2024 to allocate additional remuneration in the form of a fixed premium per kilogram of hydrogen produced, over a maximum period of ten years; and
- support for the deployment of the first "Hydrogen Valleys" through the Clean Hydrogen Partnership between 2023 and 2025.

1.2.2.2. At the level of European Union Member States and other countries where Lhyfe is developing projects

All the European countries announced national hydrogen strategies in the early 2020s, most of them combined with public investment plans worth several billion euros by 2030, to support the launch of a new industrial sector and a new market for renewable, low-carbon hydrogen. The adoption of the Hydrogen and Decarbonised Gas Market package, the creation of the new European network of hydrogen network operators and the launch of the IPCEI Hydrogen wave dedicated to hydrogen infrastructure (Hy2Infra) in 2024 have enabled initial investment decisions to be taken, with the support of governments.

In the member countries of the European Union, national plans have been or are currently being revised in the light of the regulatory provisions adopted at European level in 2023 and 2024 as part of the Green Deal and the provisions announced as part of the Clean Industrial Deal presented by the European Commission on 26 February 2025. Ambitions for the deployment of electrolysis capacity have been revised upwards, and the intentions of governments have been clarified with regard to support mechanisms for renewable and low-carbon hydrogen production[5].

In September 2020, the French government presented a national strategy for the development of low-carbon hydrogen, representing a real change of scale in public support for green hydrogen. A revised national strategy has been presented in April 2025. Public support of €9 billion planned up to 2030 was confirmed. It aims to support the achievement of a target of 4.5 GW of installed electrolysis capacity[6], through (i) the funding of ADEME calls for projects, (ii) the funding of projects under the Important Project of Common European Interest (IPCEI) Hydrogen mechanism, aimed at supporting R&D and the industrialisation of electrolysers to produce low-carbon hydrogen and deploy these solutions in industry, and (iii) a new support mechanism for the production of low-carbon hydrogen with a dedicated budget of €4 billion, for which a first call for candidates was launched at the end of 2024.

In Germany, the target of 5 GW installed by 2030 has been doubled to 10 GW, and new support mechanisms to encourage the deployment of hydrogen for energy uses linked to industry and infrastructure have also been launched to (i) implement the AFIR regulation with support for the deployment of hydrogen distribution stations and the purchase of hydrogen-powered heavy-duty vehicles, (ii) plan and start deploying the national hydrogen transport network by 2032 (9,700 kilometres for transporting hydrogen across Germany and to neighbouring countries), and (iii) support large-scale decarbonisation projects through the use of clean hydrogen in industry, particularly in the steel sector.

Similarly, in the Netherlands, the national installed capacity target of 4 GW by 2030 has been doubled to 8 GW by 2032. The development of the clean hydrogen market and infrastructure is seen here as one of the key elements in the energy transition and in achieving the targets of reducing CO_2emissions, with attention being paid to the entire value chain and its integration into the energy system. The national deployment plan for the national hydrogen transport and storage network, an integral part of the national strategy, was updated at the end of 2024[7]. The support mechanism for renewable hydrogen production (OWE), which is linked to the strategy for developing renewable electricity production capacity, particularly offshore, was allocated a budget of €800 million for its first edition and almost €1 billion for its second edition in 2024.

In the UK, the initial target of 5 GW of installed capacity has also been doubled to 10 GW, with the introduction of a highly advantageous 15-year production support subsidy mechanism (Hydrogen Allocation Rounds) aimed at closing the operating cost gap between low-carbon hydrogen and high-carbon

1 Regulation (EU) 2022/869 of the European Parliament and of the Council of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No. 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No. 347/2013.
2 https://ennoh.eu/
3 https://energy.ec.europa.eu/topics/eus-energy-system/hydrogen/european-hydrogen-bank/pilot-mechanism-support-market-development-hydrogen_en
4 https://ec.europa.eu/commission/presscorner/detail/fr/ip_25_377
5 See paragraph 1.2.5 on support schemes for renewable and low-carbon hydrogen
6 National strategy for the development of low-carbon hydrogen in France, Press kit, 15 April 2025.
7 https://www.gasunie.nl/en/news/national-hydrogen-network-roll-out-plan-updated

fuels. This mechanism was the subject of a first call for projects in 2023 and a second in 2024.

In Spain, the national target for Installed capacity is 4 GW by 2030, and several Spanish government subsidy programmes (*H2 Pioneros* and *Valles del Hidrogeno*) are currently being rolled out. The development of the national hydrogen network is an integral part of the national green hydrogen strategy. In January 2025, Enagas, one of Spain's main gas pipeline network operators, announced an investment of more than €4 billion to deploy the first hydrogen transport networks by 2030, and the results of the *Valles del Hidrogeno* calls for projects were announced in February 2025, with more than €1.2 billion allocated to seven green hydrogen production projects (11 sites), for total installed capacity of 2.2 GW.

In Sweden, the national hydrogen strategy has not yet been officially adopted, but the electricity mix is very low-carbon. The low cost of electricity and the programmes put in place to reduce greenhouse gas emissions and combat climate change at national level (*Klimatklivet* and *Industriklivet*) have led to the launch of many projects in the sector.

In Denmark, the national strategy for clean hydrogen focuses on the use of "Power-to-X" in sectors that are difficult to decarbonise, such as shipping, aviation, agriculture, certain areas of industry and certain areas of heavy road transport. An initial programme to support the emergence of the first production projects was implemented in 2022. The country reaffirmed its ambitions at the beginning of 2025 by confirming over €1 billion of support for the construction of the national hydrogen network by the main operator, EnergiNet[1].

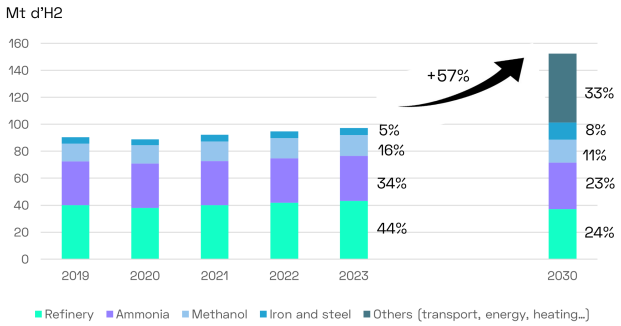
In Finland, the national strategy aims to take advantage of the country's very low-carbon electricity mix (94%) and low electricity costs to develop significant clean hydrogen production capacity (target: 10% of European production), particularly for export to consumer countries through a national transport network development plan entrusted to GasGrid Finland and updated at the end of 2024[2].

1.2.3. Decarbonising industry

The chemical industry has been using hydrogen for a long time, in particular for the production of ammonia and methanol. It is also an essential component in the oil refining process, particularly for fuel desulphurisation. More recently, green hydrogen represents one of the best solutions for replacing fossil fuels in order to decarbonise certain sectors of heavy industry where direct electrification is not possible or not sufficient (steel, cement and glass production). Green hydrogen is also an energy carrier.

In 2023, global hydrogen consumption in industry amounted to 97 Mt, an increase of more than 2% on 2022[3], with moderate growth in all the major consuming regions, except a few such as China, the Middle East and Europe, which saw higher growth (due in particular to the sharp rise in volumes at refineries in China and, in Europe, compensating for the volumes not produced in 2022 due to peaks in natural gas prices, a side-effect of the war in Ukraine).

98% of this hydrogen is grey. Of the remaining 2%, 1.7% is blue hydrogen and 0.3% is green hydrogen.



Distribution and development of hydrogen uses worldwide (IEA)

In 2023, according to the IEA, 95% of hydrogen uses will be split between:

- oil refining (44%), where hydrogen is mainly used in fuel desulphurisation;
- the production of ammonia (NH_3) and its derivatives (35%), mainly used as fertilisers but also as additives for the operation of particle filters in diesel vehicles equipped with a nitrogen oxide (NOx) treatment system;
- the production of methanol and other chemicals (16%) where the synthesis process requires the hydrogen molecule as an input. Methanol is widely used in the chemical industry as a raw material for the synthesis of other products, notably formaldehyde (used in the manufacture of paints and explosives, but also for many resins, some of which are used in the manufacture of plywood).

Many other molecules in the chemical industry require hydrogenation, notably in the pharmaceutical industry (vitamin C or active ingredients), in the synthesis of hydrogen peroxide, in the production of nylon or fatty alcohols, used in cosmetic creams or washing-up liquids.

The remaining 5% corresponds to other uses, the main ones including:

- reducing or controlled atmospheres in furnaces for the heat treatment of metals in rolling mills or in flat glass production plants;
- hydrogenation uses in the food industry (production of sorbitol as a sweetener, or hydrogenating food-grade oils to make them last longer and better).

The need for decarbonisation, linked to regulatory requirements and the gradual reduction in CO_2 quotas, is generating significant demand to replace it with green hydrogen. For example, in 2023, the European Union adopted the RED III Directive, which requires member states to ensure that by 2030, 42% of all hydrogen used in industry comes from RFNBO sources, rising to 60% by 2035.

The Group's main objectives for industrial applications of hydrogen are the chemical industry as a whole, the steel sector and the heating and combustion needs of industry in general.

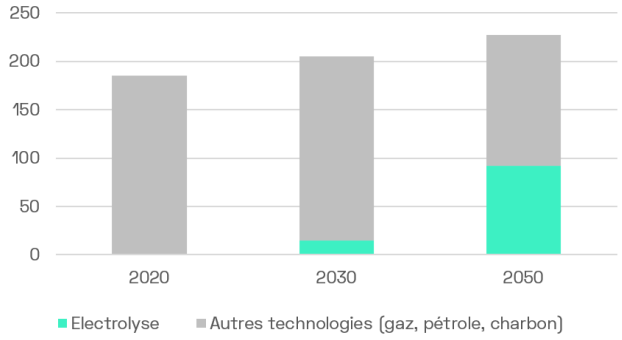
1 https://en.energinet.dk/hydrogen/hydrogen-news/energinets-market-dialogue-on-hydrogen-infrastructure/
2 https://gasgrid.fi/en/2024/11/28/updated-national-hydrogen-infrastructure-route-plan-announced-at-gasgrids-future-of-gases-event/
3 International Energy Agency, *Global Hydrogen Review 2024*

1.2.3.1. Chemical industry

Grey hydrogen is already well established in the chemical industry, accounting for 50% of its use in industry in 2023.

As well as replacing grey hydrogen consumption in existing chemical applications (ammonia for nitrogen fertilisers, methanol as an intermediate product in the chemical industry, nylon production, hydrogen peroxide, various hydrogenation applications, etc.), new uses are emerging, as clean ammonia and clean methanol should be used on a large scale in:

- clean fuels for maritime transport:
  - clean ammonia and e-methanol are both seen as future solutions for decarbonising maritime freight (which accounts for 3% of global CO_2 emissions). The development of e-methanol should begin earlier, as it is less complex to produce and store than ammonia,
  - In 2024, Lhyfe carried out a feasibility study for a 210 MW RFNBO hydrogen production project at the port of Saint-Nazaire for a French partner wishing to set up an e-methanol production plant there,
  - however, there has been a delay in the emergence of this trend towards the development of e-methanol for the decarbonisation of maritime transport, a goal which currently relies much more on LNG (liquefied natural gas) and liquefied biogas (bio LNG). This is mainly because, unlike synthetic aviation fuels ("e-SAF", see below), the European Union and other major countries have not yet introduced regulations requiring minimum percentages of e-methanol to be incorporated into fuels for maritime transport;



Breakdown of ammonia production methods (IEA)[1]

- long-distance hydrogen transport:
  - several northern European countries that do not have enough capacity to produce low-carbon hydrogen would have to import it from non-European countries or from southern Europe. E-methanol and clean ammonia (produced from green hydrogen in particular) are preferred to liquid hydrogen, as they are less complex to store on large ships,
  - Air Products, a global giant in industrial gases, which has invested in a mega-project to produce green hydrogen (2.2 GW) in Saudi Arabia (Neom), will convert this hydrogen into ammonia and transport it by ship to northern Europe (UK, Netherlands, Germany), where the ammonia will be "cracked" into hydrogen for use by industrial companies. In June 2024, French energy company TotalEnergies signed a contract with Air Products for 70 kt/year of green hydrogen for its European refineries.

Another new use for clean hydrogen in chemistry concerns e-fuels (synthetic fuels) and SAF (sustainable aviation fuels). According to IRENA[2], the aviation sector contributes 2% of global CO_2 emissions and around 12% of total transport sector emissions. There are many types of sustainable aviation fuels and several of them can use hydrogen for their synthesis, such as i) hydro-treated vegetable oils, which are among the most certified and promising sustainable aviation biofuels for scale-up and cost-effective use, currently and up to 2030, ii) electrofuels, also known as power-to-liquids, which can be very low-carbon transport fuels. Their manufacture involves combining green hydrogen with sources of "green" carbon or waste, CO or CO_2 resulting from the combustion or fermentation of biomass or biomass-derived products (biofuel, wood, waste from renovation and demolition work, agricultural residues, sewage sludge, animal meal, paper, etc.). Although the production costs of these electrofuels are expected to improve over time, their capacity to compete with aviation biofuels is likely to remain elusive for the foreseeable future.

In October 2023, the European Union introduced the ReFuelEU Aviation regulation as a key component of its Fit for 55 package of measures designed to make the European Green Deal a reality.

Aviation fuel suppliers must now ensure that the aviation fuel blends made available to aircraft operators at EU airports contain a minimum proportion of SAF from 2025 and a minimum proportion of synthetic aviation fuels (also known as e-SAF) from 2030. Both these proportions will increase gradually until 2050. The minimum proportion of SAF in 2025 will be 2%, rising to 70% in 2050. The minimum proportion of e-SAF, which also contributes to achieving the minimum proportion of SAF, starts at 0.7% in 2030, rising to 35% in 2050.

e-SAF is produced by a synthesis requiring RFNBO renewable hydrogen and CO_2.

1.2.3.2. Steel sector

The primary steel sector, where manufacturers operate integrated steelworks incorporating blast furnaces, which are particularly high emitters of CO_2, is responsible for around 8% of CO_2 emissions worldwide.

These players should replace blast furnaces and basic oxygen converters with direct iron ore reduction units and electric arc furnaces. Direct reduction units are supplied with raw material in the form of pellets, which are produced in plants that prepare iron ore by mixing it with lime and binding agents. Hydrogen is starting to be used to replace coal (coke) in ore reduction, but only to a limited extent at present, because natural gas is also a significant reducing agent and represents a less expensive alternative for steel manufacturers, which also makes it possible to achieve a significant level of decarbonisation.

1 International Energy Agency, *Global ammonia production by technology and scenario, 2020-2050.*
2 International Renewable Energy Agency, *Reaching zero with renewables: Biojet fuels*, 2021

In Europe, the potential for green hydrogen is nonetheless significant for the steel sector, with additional demand for green hydrogen estimated at 1.7 Mt in 2030[1].

In particular, 2024 saw the German government continuing with initiatives launched in 2022 and 2023 involving commitments to subsidise the use of hydrogen in the steel industry, for primary steel producers (integrated steelworks).

This part of the steel industry has been targeted extensively by CCfD (Carbon Contract for Difference) programmes: €2.6 billion for steelmaker Saarstahl (announced in December 2023), €1 billion for Salzgitter (announced in October 2022), €2 billion for ThyssenKruppStahl (announced in July 2023).

These extremely large sums, allocated under IPCEI programmes, will be used by steelmakers to offset the price difference between natural gas and RFNBO hydrogen.

In 2024, the three steelmakers concerned launched tender procedures for supplies of green hydrogen.

Other European steelmakers are considering whether to decarbonise their industrial processes.

1.2.3.3. Heating and combustion requirements in industry

Process heating and combustion needs all across industry are under the spotlight, especially in industrial sectors where green hydrogen will naturally play an important role, where direct electrification is not possible and where biogas is not (or not sufficiently) available, particularly in the field of high-temperature combustion. In this context, the glass and metallurgy sectors represent a huge potential market for green hydrogen, much more so than heating applications such as industrial boilers, for example, where direct electrification or biogas (when available) are cheaper, simpler and more efficient solutions. Total green hydrogen demand for process heat is estimated at around 0.4 Mt of hydrogen per year[2] in 2030 (up from almost zero in 2023).

A number of players in this sector have already carried out tests with grey hydrogen in their industrial furnaces or on small-scale installations used as research and development tools, and some are even taking part in subsidised research and innovation programmes. The results will be used to validate technologies suitable for the new fuel (burners, furnace refractories, etc.). Equipment suppliers, particularly in the glass and metallurgy industries, have been developing these new tools, materials and technologies for several years, as they anticipate the development of hydrogen as a replacement for fossil fuels.

Heating and combustion applications for the metallurgy and glass industries also generally require oxygen which can be co-produced by electrolysers, since combustion with enriched air or better still, pure oxy-combustion, often enables significant reductions in fuel consumption (by an order of magnitude of 20 to 40% if the combustion air is not already preheated).

In this area, Lhyfe acquired a hydrogen/natural gas mixing skid in 2024. This is a portable system that will be installed on industrial customers' premises to enable them to carry out tests with blends incorporating from 0 to 100% hydrogen (and vice versa for the natural gas content).

1.2.3.4. Other uses

Other uses have emerged in recent years, such as hydrogen consumption for test benches in fuel cell plants, although the volumes are still modest. Nevertheless, these uses will be a significant outlet for green hydrogen in the future, as will hydrogen ICE engine test benches.

Finally, many existing or new uses of hydrogen in industry will not generally be priorities for Lhyfe, although they may become so in exceptional cases, such as methanation (synthesis of methane from green hydrogen and bio-origin CO_2), injection of hydrogen into the natural gas network, electricity generation (for example, by injecting hydrogen into gas turbines), or the cement industry.

1.2.4. Decarbonising mobility

Hydrogen is also a promising solution for the transition to zero-emission mobility, contributing to the decarbonisation of the transport sector and running alongside battery-powered electric vehicles. With indirect electrification technology that eliminates the limits on range and recharging time imposed by battery-powered vehicles, hydrogen addresses the uses that are most difficult to decarbonise and will contribute significantly to meeting the following needs:

- high vehicle availability;
- need for fast refuelling;
- need for long-range capability;
- heavy-duty transport;
- exposure to very cold temperatures;
- lack of electric charging points.

There are many applications, including road transport (lorries, coaches, buses, light commercial vehicles, cars, etc.), rail (trains where direct track electrification is not possible), maritime and river (light craft, ferries, CTV – *Crew Transfer Vessel)*, air (aircraft) and space (rockets) or even *off-road* mobility (construction machinery, handling equipment in the logistics sector, in ports or airport hubs, race vehicles, etc.).

1 Hydrogen Europe, *Clean Hydrogen Monitor 2023*
2 Hydrogen Europe, *Clean Hydrogen Monitor 2023*

1.2.4.1. Obligations to decarbonise mobility

The development of hydrogen mobility markets reflects major European directives implicating governments, vehicle manufacturers and distribution networks, as well as national public policies. These policies were initially designed for road mobility, but specific applications are also supported depending on the country (trains, boats, port areas, etc.).

In Europe, the most advanced countries have historically been France and Germany, with most Member States and the UK now also having their own national strategies.

Alongside the "Fit for 55" package, a number of factors make hydrogen an obvious solution for certain mobility applications:

- The European Union has set major targets for Member States, including a target of 5% for the use of alternative fuels by 2030, which includes 1% for RFNBO. These objectives should be achieved through the application of national laws and tax incentives, as part of a hydrogen strategy backed by public funding;
- Vehicle manufacturers (original equipment manufacturers or OEMs) have binding CO_2 emission reduction targets that are leading them to introduce and sell zero-emission vehicles such as battery-operated electric or hydrogen vehicles. These targets have just been revised upwards: OEMs will have to achieve reductions in CO_2 emissions of 20% in 2025 compared with 2019, 45% in 2030, 65% in 2035 and 90% in 2040, over the lifetime of vehicles sold during the financial year.

1.2.4.2. Heavy mobility: towards significant use of green hydrogen

As far as mobility is concerned, the potential should lie first and foremost in heavy and intensive road mobility, which will play a key role in Europe. However, other applications are expected to emerge rapidly in the maritime, river and air sectors, which will need to be addressed on a case-by-case basis.

Based on the size of the fleets in circulation and the different uses to which they are put, the majority of hydrogen should eventually be consumed by heavy goods vehicles, as the use of hydrogen is more obvious on long-distance journeys that are the most difficult to decarbonise. This is a particularly large market, with around 6.5 million HGVs on the road in Europe and which cover more distance on average than other vehicles.

The light commercial vehicle market also represents a major opportunity, with 30 million vehicles on the road in Europe and intensive uses that are particularly well-suited to hydrogen.

At present, the mobility market mainly comprises captive fleets, generally in the passenger transport sector (bus, taxi) or waste management (refuse collection), which operate around the first hydrogen ecosystems.

From 2025, in line with the development of these vehicles by manufacturers, the acceleration in demand will be dominated by the deployment of commercial vehicles and the arrival of the first hydrogen-powered heavy goods vehicles and coaches in Europe. The first interoperability solutions will be rolled out, enabling hydrogen-powered heavy-duty vehicles to complete the long-distance journeys and missions for which they are intended.

In this context, Lhyfe notes that the distribution networks' strategies are moving very clearly towards solutions for heavy goods vehicles. For example, TEAL is announcing a network of 100 stations for heavy goods vehicles by 2030, particularly in France, Benelux and Germany, and H2 Mobility, the leading network of hydrogen stations in Germany, is currently recalibrating its activity towards heavy goods vehicles by adapting the capacity of its stations.

Finally, a number of major manufacturers have confirmed that they are incorporating hydrogen into their decarbonisation strategies for their ranges of heavy goods vehicles. In particular, Volvo Group and Daimler Trucks have set up a joint subsidiary to manufacture fuel cells, and the initial tests are currently in progress. Daimler Trucks recently reiterated that achieving its decarbonisation targets will depend initially on battery-powered vehicles, but also on hydrogen-powered vehicles, which are the only way it can offer solutions for customers carrying out the most intensive missions. Meanwhile, Man recently announced the European launch of a pilot fleet of 200 vehicles powered by hydrogen internal combustion engines.

To achieve the target of a 45% reduction in CO_2 emissions by 2030 as proposed by the European Commission, ACEA (*European Automobile Manufacturers' Association*) estimates that the introduction of 70,000 to 85,000 hydrogen-powered trucks on the road by 2030 would be necessary, provided that the appropriate infrastructures (charging points, service stations offering hydrogen) are installed[1].

This trend is supported by Roland Berger's estimates of the penetration of hydrogen vehicles in sales of 16-tonne and larger goods vehicles in Europe[2]. It is estimated that there will be between 50,000 and 60,000 hydrogen-powered 16-tonne and larger heavy-duty vehicles on the road by 2030, confirming the figures envisaged by ACEA.

Based on 50,000 heavy-duty vehicles on the road:

- total annual consumption would represent around 464,000 tonnes of green hydrogen per year, or more than 3 GW of installed electrolysis capacity[3];
- the decarbonisation potential would be significant: based on an assumption of 90 tonnes of CO_2 emitted per year for this type of vehicle[4], the use of green hydrogen would avoid the emission of 4.5 million tonnes of CO_2 per year.

These figures illustrate the potential for the use of hydrogen in heavy transport. However, it should be noted that the slowdown observed in subsidy plans suggests that adoption will be slower than expected. Nevertheless, demand will continue to grow exponentially until 2050.

In terms of the passenger car market, while the rapid deployment of battery-powered electric cars can be observed due to an infrastructure and manufacturer offers already existing on the

1 ACEA, *Fact sheet: CO_2 standards for heavy-duty vehicles*, February 2023
2 Roland Berger views on H2 market development, December 2023
3 Group estimates based on average number of kilometres driven per year and average fuel consumption per vehicle
4 Based on a 4x2 tractor unit, the model most commonly used in Europe – Source: International Council on Clean Transportation, *Working paper 2021-2035*, September 2021

market, it remains difficult to predict the penetration rate for hydrogen cars, even if the technology is ready and makes sense in certain cases (long-distance journeys, lack of electrical infrastructure depending on location).

1.2.4.3. Significant deployment of distribution stations expected in Europe

As a producer and supplier of green and renewable hydrogen, Lhyfe's offer is aimed at fuel distributors, for public fuelling stations and stations dedicated to captive vehicle fleets.

The network of hydrogen fuelling stations is being developed around the needs of heavy-duty mobility, as this is the most important market in terms of the capacity required and the level of availability expected. It will enable us to move towards technical and industrial standards that will reduce costs for the entire sector. Once this network is in place, we will be able to address other uses. The AFIR requires stations to have a capability of at least 1 tonne/day, as well as the capacity to dispense hydrogen at 350 bar and 700 bar for all types of hydrogen vehicle on the road.

There are currently almost 290 hydrogen stations in Europe[1], of varying sizes and capacities. Most of them are still fuelled by grey hydrogen, but their conversion to green hydrogen sources is now under way.

Application of the European AFIR regulation could lead to the deployment of several hundred additional stations in Europe. For its part, ACEA considers that a network of at least 700 (truck-compatible) stations will be needed by 2030 to meet the expectations of heavy-duty vehicle operators.[2]

1.2.4.4. Lhyfe Heroes: a platform designed for mobility players

To facilitate the transition of mobility players to green hydrogen and the emergence of a genuine hydrogen ecosystem, in November 2022 Lhyfe launched the first digital platform for all project developers who want to switch to green hydrogen or who have already begun the transition process. The platform is also aimed at "trusted vendors" who want to offer mature solutions ready for deployment, namely distributors who install stations, refuelling specialists, manufacturers of hydrogen vehicles, manufacturers of electricity generators, consultancy and research organisations, etc.

To date, Lhyfe Heroes has more than 50 partners and registers more than 10.000 visits per month, particularly from France, Germany and the UK. Using feedback from users of the Lhyfe Heroes platform, the Group facilitates the coordination of all the players in the value chain to meet customer expectations and contribute to the deployment of hydrogen applications.

The platform now includes a hydrogen supply marketplace to facilitate bulk exchanges of green hydrogen between Lhyfe, its customers and its green hydrogen production partners. Fluctuating demand, variations in production costs and logistical constraints are thus eased thanks to a tool that enables more efficient operation during this ramp-up stage of the European market.

1.2.5. Support schemes for green hydrogen

The emergence of the green hydrogen sector is receiving massive support to offset the extra production costs compared with grey hydrogen, with various support mechanisms based around subsidy programmes, notably through the Important Project of Common European Interest (IPCEI) dedicated to hydrogen and the Innovation Fund, carbon taxation systems set up as part of the European Union Emissions Trading System (EU ETS), new measures adopted as part of the Green Deal (such as CBAM, FuelEU Maritime and the ETD) and the obligation to incorporate renewables into certain sectors (RED3 with general targets for industry and transport, ReFuelEU Aviation). Within the transposition of the Green Deal and Clean Industrial Deal measures, other support mechanisms are also gradually being developed, including guarantees and mandatory quotas for specific market segments (targets for the use of green steel in the automotive industry, for example).

1.2.5.1. Subsidies and repayable advances

In France, ADEME finances renewable or low-carbon hydrogen projects through subsidies and repayable advances as part of calls for projects. As the operator of the France 2030 plan, ADEME is at the heart of the French support system for the hydrogen industry.

ADEME managed two calls for tenders as part of the national strategy to accelerate the development of low-carbon hydrogen[3] up to 2024:

- the "Regional Hydrogen Ecosystems" call for projects to encourage the deployment of comprehensive ecosystems (35 ecosystems benefited from this scheme between 2018 and 2024);
- and the "Technology building blocks and demonstrators" call for projects, the aim of which is to support innovation work to develop and demonstrate components and systems

1 Source: H2Stations.org
2 ACEA, *Trucks and buses: EU agrees on most ambitious CO2-reduction targets globally*, 18 January 2024
3 French Government, National low-carbon strategy: launch of two calls for projects to build hydrogen ecosystems and develop technology building blocks and demonstrators for the production, transport and use of hydrogen, Press release No. 327 of 26 October 2020

associated with the production, transport and use of hydrogen. A new mechanism worth €4 billion to support the production of low-carbon hydrogen has been announced, and a competitive tendering procedure with competitive dialogue was launched in December 2024, with an initial stage of selecting companies and projects in the second quarter of 2025.

In Germany, a range of measures have been put in place to support the emergence of a large-scale hydrogen economy: (i) federal budget dedicated to the application of the AFIR regulation and regional subsidy programmes to develop the network of hydrogen distribution stations and the marketing of the first hydrogen-powered heavy commercial vehicles, (ii) contribution of around €4 billion to the estimated €20 billion investment plan for the hydrogen network between now and 2032 (9,700 kilometres) and (iii) support for projects to decarbonise industry, particularly through green hydrogen, with a budget of over €4 billion, and also through various instruments including a mechanism based on the principle of contracts for difference *(Klimaschutzverträge)*.

Building on the framework of state aid regulations defined at European level, many European countries had launched massive support programmes by 2024 for the production of renewable hydrogen via CAPEX and/or OPEX subsidies over 10 or 15 years. These initiatives share the same spirit as the European Hydrogen Bank, but are not integrated into it, despite the Commission encouraging this, partly to retain greater control over the terms and conditions and the selection of projects. The programmes include: *PtX Auctions* in Denmark in 2022, *OWE* in the Netherlands, with a budget of €800 million for its first edition in 2023 and almost €1 billion for its second edition in 2024, *Valles del Hidrogeno* in Spain in 2024, with a budget of more than €1.2 billion for this first edition, and Hydrogen Allocation Rounds in the United Kingdom, with two sessions already held in 2023-24.

At European level, various subsidy programmes have been set up to support the emergence of the first projects, paving the way for the creation of a new clean hydrogen economy:

- the public-private Clean Hydrogen Partnership (CHP) launches annual calls for projects to support research and innovation projects across the entire clean hydrogen value chain, including "Hydrogen Valleys" bringing together projects to produce, distribute, transport, store and use hydrogen in a given area. Since 2022, 18 small- and large-scale projects have been co-financed to the tune of €215 million, for an estimated total investment of €1.2 billion;
- the Innovation Fund (whose budget is based on revenues from the EU Emissions Trading System, estimated at €38 billion by 2030) supports the emergence of new clean technologies to decarbonise the economy via annual competitive calls for projects (€4 billion budget announced for the 2024 call). This programme supports innovative hydrogen projects through its usual calls for projects, but now has a budget of over €1 billion a year for the European Hydrogen Bank, dedicated entirely to financing renewable hydrogen production projects (RFNBO) via OPEX support over a maximum of 10 years;
- the CEF-Transport-AFIF programme (Connecting Europe Facility – Alternative Fuels Infrastructure Facility) dedicated to the deployment of distribution infrastructure for alternative fuels, including hydrogen (budget of €2.2 billion from 2021 to 2027).

In addition, 2024 saw the inclusion of hydrogen infrastructure projects in the European list of Important Projects of Common Interest and Projects of Mutual Interest in the field of energy, and the selection of the first projects of this type, which will benefit – for the first time – from development support representing more than €250 million from the CEF-Energy (Connecting Europe Facility)[1] programme, with annual calls now open to hydrogen infrastructure projects (production, transport and large-scale storage).

1.2.5.2. Important Project of Common European Interest (IPCEI)

The European Commission has also encouraged Member States to undertake projects in the hydrogen sector that could qualify as an "important project of common European interest" (IPCEI), a European mechanism designed to promote innovation in strategic industrial fields of the future through transnational European projects[2]. This mechanism authorises the public authorities of the Member States to finance initiatives beyond the limits usually set by European regulations on State aid.

In December 2020, 22 European Union countries and Norway signed a manifesto paving the way for a cleaner hydrogen value chain and committing to launch IPCEIs in the hydrogen sector. These IPCEIs are organised in the form of thematic "waves" combining up to fifty projects led by companies in different European countries pursuing a common objective contributing to the emergence of the hydrogen market. The European Commission has authorised Member States to finance four waves: Hy2Tech "Technological development", Hy2Use "Decarbonisation of industry", Hy2Infra "Infrastructure" and Hy2Move[3].

1.2.5.3. Carbon taxation mechanisms

Carbon markets, also known as emissions trading schemes (ETS), are regulatory tools designed to facilitate the achievement of all or some politically determined[4] greenhouse gas emission reduction targets. In 2005, the European Union set up a carbon market: the European Union Emissions Trading Scheme (EU-ETS).

Each year, European member states determine the number of quotas to which the companies are entitled. Once the quotas have been allocated to the facilities, there are two possible scenarios:

- the company's greenhouse gas emissions are lower than the allocated quota, so the company can sell its quotas on the carbon market or decide to keep them for later; or

1 https://ec.europa.eu/commission/presscorner/detail/fr/ip_25_377
2 European Commission, *State aid: Commission adopts revised State aid rules on Important Projects of Common European Interest*, press release of 25 November 2021
3 https://ipcei.observatory.clean-hydrogen.europa.eu/homepage-ipcei
4 French Ministry for Ecological Transition (https://www.ecologie.gouv.fr/marches-du-carbone)

- the company's greenhouse gas emissions are higher than the allocated quota: if this is the case, the company buys additional quotas on the carbon market and can also borrow quotas.

Operators therefore have an interest in reducing the proportion of these emissions, as the cost of reducing them is lower than the market price of the quota. By reducing their emissions, operators can therefore sell their emissions quotas and benefit from the difference.

The reform of the European carbon market adopted in 2023 extended the current market (ETS 1) to the maritime sector and accelerated the reduction in free quotas (begun in 2013), with the aim of gradually phasing them out by 2034, in parallel with the introduction of a new Carbon Border Adjustment Mechanism (CBAM) aiming to prevent "carbon leakage" (relocation of industrial activities outside Europe to avoid stricter environmental rules). This reform also created a second market (ETS 2), which is currently being implemented for official launch in 2026 in the road transport, heating of buildings and other sectors[1].

The price of a tonne of CO_2 on the European market rose sharply in 2021, peaking at €100 in February 2023 before falling to an average level of about €70 by early 2025[2]. Changes made to the European Union's Emissions Trading System are likely to push the price of carbon above €100 per metric tonne of CO_2 by 2030 and up to €150 by 2050[3].

An upward trend in the price per tonne of CO_2 is essential to encourage countries to meet their net emission reduction targets, and to make alternative energy, including green hydrogen, competitive with traditional fossil fuels in sectors that are difficult to decarbonise, as well as with grey hydrogen produced from these fossil fuels.

1.2.6. Competitive environment

The hydrogen market is undergoing a major transformation and is set to experience strong growth in the coming years. This will attract a wide variety of players, both large and small, already present on the grey or green hydrogen market (producers, equipment manufacturers, engineering companies, etc.) or new entrants (start-ups, *utilities* and renewable electricity producers). Like the market, the competitive landscape, and beyond that the entire ecosystem, is evolving and far from stable. The business models of these players are varied and they may operate in some or all of the Group's areas of activity. Depending on how the green hydrogen produced by the Group is used (industrial or mobility applications) and the geographical areas where the Group is or will be present, its competitors are and will be different; they could also be suppliers, partners or customers.

Any type description of the Group's competitors is therefore at a given point in time, and will forcibly evolve. Taking a medium-term view (2025-2027), and on the basis of the activities and announced projects of the main players in Europe, the companies that the Group currently identifies as current or potential competitors in the context of calls for tenders in Europe are, as of the date of the Universal Registration Document, the following[4]:

Air Liquide

A major producer of "grey" hydrogen but Air Liquide is increasing its presence on the "blue" and "green" hydrogen market, notably with the construction of a 20 MW PEM electrolyser in Bécancour, Canada, in 2020, and the Normand'Hy project planning the construction of a 200 MW PEM green hydrogen production unit on the same site. Total investment amounts to more than €400 million, including €190 million financed by the French government as part of the Stimulus Plan.

In 2023, Air Liquide inaugurated the electrolyser gigafactory alongside Siemens Energy, with the Air Liquide Normand'Hy project as its first customers. It also launched TEAL Mobility, a 50/50 joint venture with TotalEnergies, to develop a network of over 100 hydrogen stations for heavy-duty vehicles on major European roads.

In early 2025, Air Liquide announced the creation of a 50/50 joint venture with TotalEnergies to develop a 250 MW electrolyser near the TotalEnergies refinery in the Netherlands. The project, which represents total investment of around €600m, is scheduled for completion by 2029. Air Liquide has also announced another project with TotalEnergies to build and operate a 200 MW electrolyser in Rotterdam, which will supply TotalEnergies' industrial platform in Antwerp under a long-term supply contract. The project, which represents a minimum investment of €400m, should be operational by 2027.

Engie

The Engie group is present across the entire value chain of renewable hydrogen, from the production of renewable energy to the end uses of hydrogen. It aims to develop 4 GW of green hydrogen production capacity by 2035.

Engie is currently involved in several hydrogen-related projects, including HyGREEN Provence (production, storage and distribution of renewable hydrogen in salt caverns on an industrial scale using local renewable electricity production), Zero Emission Valley (network of 20 hydrogen refuelling stations by 2030 in the Auvergne-Rhône-Alpes region). In 2024, Engie announced its final decision to invest in the mosaHYc project to convert cross-border pipelines between France and Germany for the transport of hydrogen.

Everfuel

Everfuel is a Danish company founded in 2017 by NEL Fuel AS. Everfuel is a developer and operator of green hydrogen production projects for industry and zero-emission mobility across Europe. Everfuel's current portfolio of projects in Denmark includes over 1.3 GW of electrolysis capacity. In 2023, the company teamed up with Hy24, an infrastructure fund dedicated to clean hydrogen, to create a joint venture aimed at accelerating the development of green hydrogen production through electrolysis in the Nordic countries. In 2024, Everfuel continued to develop its flagship project, HySynergy, a 20 MW green

1 Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32023L0959
2 https://sandbag.be/carbon-price-viewer/
3 https://www.ecologie.gouv.fr/politiques-publiques/marches-du-carbone-seqe-ue
4 The information in this Section is taken from the respective website of each company

hydrogen production facility located in Fredericia, Denmark, and in February 2025 it announced its first hydrogen delivery to a partner customer. Everfuel is no longer listed on the Oslo Stock Exchange as of 1 January 2025.

Hynamics (EDF)

Hynamics, is a subsidiary of the EDF Group and was created in 2019. It is a producer and distributor of low-carbon and renewable hydrogen. Hynamics is currently involved in the first stage of the installation of a renewable hydrogen station to supply 5 buses and light commercial vehicles in the Auxerre region, in the construction at Hemmingstedt, near Heide, in the state of Schleswig-Holstein in Germany, of an electrolyser powered by wind farms in the North Sea, and the promotion of hydrogen as a key component in the energy transition of river and sea transport through projects at the Port of Ostend, the Port of Amsterdam and the Port of Paris. In 2024, Hynamics UK signed a memorandum of understanding with ESB to develop a green hydrogen production facility at the port of Barry, Wales.

HY2GEN

HY2GEN was founded in 2016; it is a company that develops, finances, builds, and operates plants to produce green hydrogen and its derivatives worldwide for mobility, agriculture and industry. The first plants are currently under development in France, Norway, Canada, Germany and the United States.

H2V

H2V is a French company established in 2016; it produces hydrogen by water electrolysis using renewable energy. H2V offers its customers turnkey plants and is currently working on several projects under development in France and Europe. In France, H2V confirmed its intention of entering the e-fuels segment in October 2024.

Iberdrola

Spanish group Iberdrola is a producer of renewable electricity and natural gas with activities in more than 31 countries worldwide. The Group also wants to produce and supply green hydrogen from clean energy sources. The Group recently joined forces with Swedish company H2 Green Steel to produce renewable hydrogen in Spain by 2025 or 2026. In 2024, Iberdrola and BP formalised their collaboration to develop a 25 MW green hydrogen production plant at BP's Castellón refinery in Spain.

Linde

Already a major producer of "grey" hydrogen, Linde has announced its intention to expand into the "green" hydrogen market. Linde has formed a dozen partnerships with manufacturers of fuel cell electric vehicles, energy companies and renewable energy producers. As an example, starting in 2015, Linde participated with Siemens, the RheinMain University of Applied Sciences, and Mainzer Stadtwerke in the Energiepark Mainz project, which involved creating an electrolysis system to absorb excess wind energy in the Mainz-Hechtsheim business park. In 2024, Linde announced over $2 billion of investment to build a clean hydrogen production facility in Alberta, Canada. Linde has also been selected to build a 100 MW green hydrogen plant for Shell's REFHYNE II project in Germany.

Orsted

Orsted was created in 2006; it is a listed Danish company specialising in green energy (offshore wind and onshore renewable energies). It is also developing a number of projects to produce green hydrogen and green fuels with partners in Germany, Belgium and the Netherlands, particularly for industrial use as well as for land, sea and air transport.

Qair

Founded more than 30 years ago, Qair is a French company and independent electricity producer that operates power generation assets exclusively from renewable sources (onshore and offshore wind, solar, hydro, eco-combustion and renewable hydrogen), including France's first offshore wind turbine off Le Croisic. Qair recently launched the construction of a unit to produce renewable hydrogen (Hyd'Occ project) from offshore wind-generated electricity, in the Occitanie region of France. In 2024, Qair was selected to develop the Methavert project at the Haropa port site in Le Havre. The aim of this project is to set up a renewable hydrogen and methanol production unit in the industrial port area. Qair is also developing large-scale projects in Iceland and Brazil.

Vattenfall

Vattenfall is a Swedish company that produces and distributes green electricity. It is wholly owned by the Swedish state and operates mainly in Sweden, Germany, the Netherlands, Denmark, the United Kingdom, Finland and France. It specialises in the installation of onshore and offshore wind facilities. It is investing in projects to produce green hydrogen for use in industry and transport.

RWE

Founded more than 125 years ago, RWE is a German company, an independent electricity producer that operates power generation assets from renewable sources (onshore and offshore wind, solar, hydro etc.) amounting to 16.9 GW. In collaboration with partners from other sectors, companies and associations, RWE is currently moving forward with around thirty green hydrogen projects in Europe.

1.3. Group strategy: rapid, large-scale deployment of green hydrogen production sites

Lhyfe's *business model* is to be present throughout the project value chain – from identifying opportunities to operating production units and directly marketing the green hydrogen produced.

Lhyfe has developed unique expertise in project development as well as the construction and operation of production plants.

This vertical positioning gives the Group (i) extensive control over costs and process quality, (ii) control over rare skills and (iii) control over the key success factors at this stage in the development of the green hydrogen industry.

Lhyfe believes that this approach, which combines the activities of a developer and an independent producer of green hydrogen, gives it a unique ability to deploy projects that generate significant returns when they are completed. This involves managing risks, creating long-term relationships of trust with stakeholders, controlling project costs and optimising their financing terms.

In terms of the deployment of its production sites, Lhyfe generally owns a controlling stake in the capital of the project companies owning the sites it operates. This integrated model is now evolving, as the Group also intends to deploy a co-development model with partner investors, financiers or industrial operators, who are interested in financing and owning high-quality green hydrogen projects and entrusting their development to Lhyfe. Under this model, the Group will be responsible for all stages except financing, which is mainly conducted by investors. The latter will compensate the Group for its services as project developer and manager of the sites where they will own the majority of the capital.

The Group believes that this hybrid model, which is both integrated and geared towards investor partners, enables it to deploy high-quality assets that are sustainable and profitable over the long term. It will also enable it to benefit from:

- in the case of proprietary assets: recurring and resilient revenues over the long term, based on green hydrogen sales contracts;
- in the case of assets developed with investor partners: revenues received from the start of the project in respect of development costs, reflecting the expertise and unique know-how of Lhyfe's teams, and recurring long-term revenues in respect of site management by Lhyfe.

The different types of Group projects (bulk, on-site and backbone) may be driven by either branch of the business model, whatever their size.

As part of the co-development model, the Group, which initially anticipated the conclusion of a first partnership concerning a 1 GW portfolio of project by the end of financial year 2024, announced the signature in January 2025 of a memorandum of understanding with Masdar, the leading clean energy company in the United Arab Emirates, to explore co-development opportunities in large-scale green hydrogen production projects in Europe.

This stronger model, focused on accelerating Group profitability, would enable Lhyfe to generate income over the long term and improve its return on equity.

To establish itself as a major player in the decarbonisation of the heavy-duty mobility and industrial sectors, and to become an independent European leader in the green hydrogen market, the Group has adopted a strategy based on two pillars to make the most of market opportunities by providing a response tailored to the expectations of its customers.

1.3.1.1. Deploy onshore green hydrogen production sites across Europe, with installed capacity set to grow

To achieve European leadership, we need to increase the capacity of our sites. To this end, the Group has embarked on a structured, step-by-step approach to developing units of several hundred megawatts, whether alone or in co-development.

The degree of maturity of the industry and especially that of its equipment manufacturers (electrolyser and compressor manufacturers, etc.), means that such an approach is essential.

After facing several regulatory and technical challenges (software, sourcing and expert skills in equipment, connection to a renewable energy source and management of intermittence, seawater purification stage, etc.) to design the first unit with a capacity of 750 kW, then units with a 5 MW capacity, the Group considers that it is able to scale up its facilities. The Group is therefore planning its industrial strategy in three successive stages, based on replicating its first units on a larger scale (scalability), thereby meeting both the technical challenges posed by increasing the size of units and the investment schedule of its future customers:

- 2022/2024: deployment of 5 to 10 MW sites featuring several electrolysers;
- 2025/2026: deployment of 10 to 20 MW sites featuring several electrolysers;
- beyond 2026: deployment of sites generating several tens or even hundreds of megawatts.

The Group is counting on the ongoing enhancement of its production software tool, populated with data from Group production sites, to continue optimising site yields.

1.3.1.2. Becoming the first player in the world to have the offshore sites needed for mass production of green hydrogen

Replacing the use of fossil fuels with green hydrogen requires mass production, which requires very large quantities of renewable electricity. Only wind power has sufficient international potential, and offshore wind in particular offers a particularly attractive load factor. For example, the potential of wind power in the North Sea alone represents 11 times

Europe's energy consumption. On a global scale, the potential of offshore wind power covers 18 times European consumption.

This is why the Group considers the development of offshore green hydrogen production to be the most appropriate solution for meeting the exponential growth in demand between now and 2030, while helping to remove a number of obstacles. It should make it possible to:

- take advantage of a particularly attractive source of energy, which should help to bring down the cost of green hydrogen;
- provide a means of accelerating the development of marine renewable energy by helping to control connection costs (transporting hydrogen to shore via a gas pipeline costs around three times less than connecting it to the electricity grid, which is a genuine lever for profitability) and developing areas that are currently difficult to exploit because the constraints of connecting to the electricity grid impair the profitability of projects;
- preserve onshore grid infrastructure, which is already experiencing interconnection issues with wind farms, highlighting its under-designed capability to absorb power peaks from offshore wind turbines, which is forcing some operators to take measures to reduce their output. Connecting a green hydrogen production unit to these fields should prevent them from being shut down, even temporarily, and make them more profitable;
- convert offshore oil and gas infrastructure. Hundreds of platforms in the North Sea will have to be shut down over the next ten years. Converting them to produce green hydrogen is feasible, and currently represents a more attractive economic opportunity than dismantling them. For example, dismantling platforms in the UK will cost £16.6 billion over the next ten years.

To provide the most appropriate response to this new challenge, Lhyfe has embarked on a major incremental research programme, with the Bouin site as its core focus. From this production unit built onshore and replicable at sea, with operational efficiency that has been demonstrated onshore, two other stages have been carried out through collaborative projects with offshore specialists, to accelerate the skills acquisition curve and become the first player in the world to offer combined field experience in the onshore and offshore production of green hydrogen:

- the successful design and commissioning of Sealhyfe, the world's first floating electrolyser, as part of the SEM-REV project, which was inaugurated in September 2022 in the port of Saint-Nazaire. It was operated at sea from May to November 2023 (see paragraph 1.6.2 of the Universal Registration Document);
- defining offshore site concepts through an ecosystem of collaborative projects to develop sites that are either connected to a floating wind turbine, integrated with pre-existing platforms or integrated with new *ad hoc* platforms.

The results of the Sealhyfe experiment are already being incorporated into the HOPE project, which is the second stage in Lhyfe's offshore ambitions. It aims to scale up and market green hydrogen produced at sea. This 10 MW project aims to produce up to 4 tonnes per day of green hydrogen at sea, which will be transferred to land by pipeline, compressed and distributed to customers.

The Group envisages an additional 3 GW of offshore installed capacity by 2030–2035.

With a substantial lead over other players in the sector, Lhyfe offers genuine experience in the field of offshore green hydrogen production. This dual onshore and offshore expertise should be a decisive advantage for future calls for tenders in France and abroad such as Germany, Denmark and the Netherlands.

1.4. Project financing and profitability

The information below is provided based on a majority holding by Lhyfe in the production sites it develops, and not on a majority holding by third parties, as might be the case in the co-development model with partner investors which the Group now intends to implement, and where the Group chooses to develop and operate an asset on behalf of third-party investors.

This new co-development model will be based on the following principles:

- the initial development of the project will be financed by the Group;
- once the partnership has been concluded, the bulk of the project financing requirements will be met by the partner(s), who will hold a majority capital stake in the project company;
- the Group will receive remuneration in the form of:
  - development costs received early in the life of the project, reflecting the initial development costs borne by the Group as well as the expertise and unique know-how of Group experts in developing green hydrogen projects,
  - recurring long-term income from Group management of the site, through contracts covering the asset lifetime.

The precise financial structure of the co-development model will be detailed once the first partnership has been concluded on the basis of the principles detailed above.

1.4.1. Project financing

From the earliest stages of project development, the Group draws up a specific financing strategy. Once development is sufficiently advanced, the Group begins a process of obtaining suitable and competitive financing. At the same time, it moves forward on securing the financial parameters of the project and structuring finance with pre-selected lenders, via an extensive due diligence process and the negotiation of financing contracts. The Group relies on its central legal department and financing team to complete these negotiations.

Depending on the nature of the project(s), financing may be provided by the project company holding the assets, or through an intermediate holding company that owns several project companies.

The Group endeavours to obtain financing on behalf of each project company and each intermediate holding company (in the case of grouped projects) that has no link with other Group assets or limited links with the Company.

In terms of financing structure, the Group seeks to reproduce the following model, which may vary according to circumstances and opportunities:

- equity and quasi-equity of the project company (capital provided by Lhyfe, quasi-equity or mezzanine financing, particularly in the form of convertible bonds, provided by Lhyfe or banks): generally between 10 and 30% of total financing;
- project company bank debt: generally between 30 and 50%;
- subsidies where available, which can reduce the equity or debt component or both, and represent up to 40% of the financing; and
- lease financing of storage containers (for bulk projects).

In terms of sequencing:

- the early stages of the project, i.e. from the Early Stage up to and including the Awarded stage (see the description of the pipeline in Section 1.8 of the Universal Registration Document) are financed using Lhyfe's own resources. All or part of the corresponding costs are then passed on to the project company; and
- secondly, to finance or refinance the construction of the sites (Construction stage), the Company actively seeks external financing solutions.

Borrowing conditions, and in particular the level of debt for a particular project, depend on a number of factors:

- *Expected cash flow from the project*. Expected cash flows depend on:
  - the amount invested;
  - sales contracts for the hydrogen produced and expected hydrogen production: hydrogen sales contracts may have a shorter duration than the financing period (e.g. for bulk projects). In this case, it is possible to continue servicing the debt by renewing the sales contracts. In all events, the lenders incorporate the risk of renewing or re-signing hydrogen sales contracts in the cost of financing, while also relying on the guarantees and sureties they hold over the project and the project company; and
  - production-related costs, mainly electricity: the cost of supplying renewable electricity can be affected by various factors, the impact of which the Group seeks to limit by implementing a strategy detailed in paragraph 1.5.1.1 of the Universal Registration Document;
- *Counterparty risk*. Financing arrangements may depend on the creditworthiness of suppliers, subcontractors, co-investors and, where the hydrogen purchaser is a private company, the purchaser itself (see paragraph 4.1.4.7 "Counterparty risk" of the Universal Registration Document).

Based on the factors described above, as well as other factors, lenders will determine the minimum debt service coverage ratio, i.e. the maximum amount of forecast cash flows from the project they are prepared to finance. In some cases, lenders will also require a maximum gearing ratio to ensure a minimum percentage of equity in the project concerned. The term of the financing agreements (which can range from seven to fifteen years) is not necessarily the same as the term of the hydrogen sales contracts.

1.4.2. Project structuring and profitability

The Group intends to target projects, and therefore tender procedures, on completion of which it is offered the possibility of concluding hydrogen sales contracts with reputable counterparties. These hydrogen sales contracts must be able to provide the Group with a relatively stable source of income over the long term, thereby transforming the market risk into a limited counterparty risk. In addition, the presence of reputable counterparties and reduced counterparty risk should make it easier to obtain financing on favourable terms, which should enable the Group to improve the competitiveness of its offerings.

The Group intends to adopt a rigorous approach when participating in tender procedures. To assess its responses, the Group first conducts a modelling analysis based on assumptions that are generally prudent and insofar as possible, corroborated by independent studies and validated by internal analyses. These assumptions include the following:

- asset lifetime;
- the expected returns from the hydrogen sales contract, for its entire duration and, where applicable for any additional period, the returns from hydrogen sales on the market;
- the cost of supplying renewable electricity;
- construction costs, taking into account the Group's quality requirements in terms of equipment and industrial standards;
- operating assumptions (including operating expenses);
- local costs including taxes, local charges, in each case based on available studies and previous due diligence studies.

Based on these assumptions, the Group calculates its internal rate of return at the time of its bid (IRR) to determine whether it will generate a sufficient margin to justify submitting a bid, given the risks attached to the project (in particular country risks). The IRR takes into account the following elements:

- counterparty risk on the hydrogen buyer;
- the duration of the contracts; and
- residual risks and variability of assumptions.

In most cases, to ensure that the project is profitable, the Group's project finance team establishes an estimate based on an appropriate financial model. Lenders sometimes use the same model as part of their due diligence.

If the project achieves an acceptable level of IRR, the Group submits its bid.

Note that, between the initial offer and the financial closing, the IRR may vary. This may be due to:

- variations in the contractual terms of agreements with equipment suppliers, starting with electrolysers and construction contractors, between their initial proposals and the final documents; or
- a detailed analysis of site limitations.

Following the *financial* closing of projects, the Group believes that the following potential IRR improvements may occur:

- cost optimisation, in particular by renegotiating supply, construction or operation and maintenance agreements;
- extension of the useful life of projects beyond the Group's internal assumption of 15 years;

- potential improvements in technology, particularly electrolysers, which can be replaced by more efficient models;
- optimisation of production processes using software tools developed by the Group (see paragraph 1.7.5 below).

The structure and profitability profile of projects varies according to the specific features of each project, but the Group strives to develop a resilient, high-visibility business model by replicating, as far as possible, the following model depending on the type of project:

- for bulk projects, each project will be backed by a portfolio of diversified customers, with hydrogen sales contracts lasting in principle from three to five years, with an option to renew (as is already the case at Bouin). Customers will have to commit to buying a guaranteed minimum volume of hydrogen at a predefined sale price, indexed to a number of parameters. The electricity purchase price will be fixed to reflect predefined sale prices and avoid exposure to electricity prices. The diversification of customers for a single production site should make it possible to pool the risk generated by different durations of electricity purchase agreements and hydrogen sales contracts.
- for on-site projects, each project will be backed by a main customer. With regard to electricity purchases, the Group will adapt its strategy according to its ability to pass on electricity price fluctuations to customers (purchase at spot price or purchase at pre-negotiated prices over the term of the contract).
- for backbone projects, each project will be backed by several long-term contracts with industrial operators, also connected to the backbone (generally between 10 and 15 years).

In terms of financing, each project has its own specific financing structure which can combine, depending on the case, public support where available (subsidies or repayable advances), equity or quasi-equity, or "project" debt.

On this basis, the Group establishes estimated average project IRRs for bulk, on-site and backbone projects, taking into account the risks that could arise from a mismatch between variable project costs and sale prices, and an estimate of production delays and additional costs.

The Group's systematic presence as the developer on its projects allows it to freely implement its high quality standards during their development and construction, and to ensure total control over their management. The Group optimises its operational and industrial assets by implementing shared systems and services and uniform procedures, while streamlining decision-making.

Depending on the case, the Group may hold a majority stake or even a minority stake in the project companies.

A partial holding is considered to exist if the Group chooses, for example, to grant a stake to commercial partners in order to facilitate its inclusion in a project, or when a local tender procedure makes the participation of a local public entity in the project a condition for acceptance of the bid. In all events, the Group will seek to agree on standard clauses with the other shareholder in a *joint venture*, enabling it to buy back the stake it does not hold.

1.5. Project development, construction and operation

The different stages in the life cycle of a project, from development to operation, are shown below.

The duration of these stages may vary depending on the size and nature of each project. The detailed description of the pipeline set out in Section 1.8 of the Universal Registration Document indicates the different stages and milestones that the Company considers when a project progresses from one stage to another. It is important to note that even if a project has not passed a milestone enabling it to move from one stage to the next in terms of the milestones the Company has set, it may still initiate one or more assignments for the next stage upstream, as it deems appropriate.

1.5.1. Project development

1.5.1.1. An international team of experts and developers

Faced with a very fast-growing hydrogen market in general and in the European Union in particular, alongside an increasing number of projects, Lhyfe has chosen to invest in its business development capabilities to put in place a team as quickly as possible to ensure a head start on tenders. At the same time, the team is looking for potential customers for the green hydrogen produced by Lhyfe, and for sites and sources of renewable electricity likely to be able to supply production units near to potential customers. This approach enables us to identify the most interesting opportunities more swiftly.

In 2024, the team comprised 48 employees and business developers. It is headed by Taia Kronborg, whose biography is presented in paragraph 8.2.2 of the Universal Registration Document.

Business development

The role of the business development team is to identify potential customers for the Group in all the countries where it operates, in both the mobility and industrial sectors:

- In the field of mobility, the sales team targets all mobility players, both public and private. These include local authorities wishing to develop hydrogen-powered mobility in their areas, hydrogen service station operators, carriers, logistics site managers, heavy vehicle fleet managers, and so on.
- In the industrial sector, the sales team can target manufacturers looking to replace grey hydrogen with green hydrogen, or to introduce hydrogen into their production process.

This team remains in charge of the commercial aspects throughout project development and the construction and

operation of the production assets. As such, it negotiates hydrogen sales agreements.

Search for subsidies

Part of the team led by Taia Kronborg is dedicated to finding and securing financial aid in the form of subsidies for all projects developed by Lhyfe.

Site development

This team of developers is responsible for identifying potential sites for Group production units, ensuring the availability of land, securing the necessary permits for the production of hydrogen by water electrolysis, securing connections to the electricity grid and access to water resources. All the while taking into account geographical constraints and the proximity of infrastructure such as the future European hydrogen transport network (European Hydrogen Backbone) and matching the needs of the business development team.

Renewable electricity

Part of the team is also responsible for negotiating electricity purchase agreements. The strategy for sourcing electrical energy and any complementary actions (such as load balancing or network services) designed to reduce the total cost per kWh is a key component of the Group's expertise in optimising the final cost of green hydrogen. It is based on three aspects:

- a supply of renewable electricity via agreements with producers and aggregators to guarantee the best renewable electricity offer at all times. The Group has chosen to work with a large number of suppliers;
- a strategy of providing complementary services. The sizing (generation capacity) and management strategy of the generation unit enables the Group to optimise the production load over relevant periods of the electricity market and to participate in network services such as system services; and
- an optimised production unit design, including the most efficient and reliable components) to guarantee the most reliable and controllable production possible.

The Group relies on *power purchase agreements* or PPAs with producers operating onshore and offshore wind, solar and hydro-electric assets to address the majority of estimated energy needs for hydrogen production sites. Energy management is done for the Group as a whole, rather than on a project-by-project basis. In 2023, the Group continued to consolidate its network of renewable electricity supply partners and signed two long-term PPAs with renewable electricity producers in France (VSB énergies nouvelles for 16 years, Kallista Energy for 15 years). In January 2024, Lhyfe also secured its supply of renewable electricity in Germany by signing a 15-year PPA with EDPR.

The development team relies on a specially dedicated IT tool, "Qualifhy", developed by the R&D team for developers. It can be used to determine the suitability of a given site and the expected uses of renewable electricity sources around that site, while adjusting the technical characteristics: electrolyser power, electrolyser technology, storage, etc. A Soleau envelope has been filed for the *Lhyfe Qualifhy* software.

Project review and validation

When a promising opportunity is identified, the development team carries out preliminary studies and surveys. As it progresses and obtains the results of preliminary studies and investigations, the team informs management of its assessments and preliminary conclusions. In this way, from the earliest stages of development, management is able to assess whether the risk-return profile of the project justifies additional investment and is reflected in the achievement of milestones.

Once the Group is satisfied that the project is viable, greater resources are mobilised, in particular through project validation by the management team and the financial and budgetary modelling for the project.

Group projects are reviewed regularly throughout the year to assess their rate of progress and their potential for completion. In this context, the Group may have to suspend a project, temporarily or otherwise, to allocate its capital and resources to a more profitable project or one that is more likely to be completed.

Permits and authorisations

The development team is responsible for obtaining the permits and authorisations required to build and operate the site.

Specific permits and/or authorisations may be required, depending on the specific characteristics of a project and in particular its size, such as those relating to protected species, deforestation, town planning or others. The Group applies for these additional permits and authorisations at the same time as the building permit, or failing that beforehand.

It is also during this stage of the project that the necessary steps, and frequently the authorisations, associated with the specific nature of hydrogen production facilities are taken. In France, these are governed by the facilities classified as environmentally-sensitive (ICPE) regime, but each EU country has equivalent regulations. These regulations are detailed in paragraph 1.10.3 of the Universal Registration Document.

Significant projects requiring major works, or having a pronounced aesthetic or architectural impact, can sometimes be challenged by certain stakeholders through administrative appeals. In this case, the Group takes a proactive stance to respond to objections and work with local stakeholders from the outset of project development, thereby limiting the risk of opposition.

1.5.1.2. Strategic partnerships for project development

The Group has teamed up with a number of strategic partners to expand its project development opportunities.

Strategic alliance with Mitsui & Co, Ltd. ("Mitsui")

In March 2022, the Group and Mitsui entered into a strategic alliance accompanied by an investment of around €10 million by Mitsui. The alliance is designed to enable the Group to (i) study and promote business opportunities by identifying potential buyers of green hydrogen, (ii) strengthen the Group's competitiveness by creating priority access to leading services and equipment, (iii) accelerate the demand for green hydrogen by developing the Group's value chain, renewable energy, refuelling stations and automotive applications, (iv) support the Group in its international development in new

strategic markets and (v) identify and promote opportunities for collaboration between the two entities to contribute to the Group's future growth.

Mitsui was also granted a non-voting seat on the Board of Directors (see Section 3.2 of the Universal Registration Document).

Cooperation agreement with EDP Renewables Europe, S.L.U.

In May 2022, the Group signed a collaboration agreement with EDP Renováveis, S.A. through the wholly-owned subsidiary EDP Renewables Europe, S.L.U. ("EDPR"), which was accompanied by a €25 million investment from EDPR. EDPR is a Portuguese company specialising in renewable energies, 75% owned by EDP Group, historically Portugal's national electricity producer, transporter and distributor, now listed on Euronext Lisbon. In addition to being a leader in renewable energies, EDPR's ambition is to deploy 1.5 GW of green hydrogen production capacity by 2030.

This agreement lays the foundations for the two parties to work together to identify, develop, build, and manage green hydrogen production projects. Lhyfe will be able to offer EDPR the opportunity to co-invest in its green hydrogen production projects (when they are not 100% owned and on condition that the Group retains more than 50% of the capital and voting rights of the project company) and/or to supply the renewable electricity to power them. EDPR will also consider Lhyfe's participation in its own projects located in countries where the Group is currently present. The parties will also identify new projects in which they could invest together, as well as in research and development and the supply of equipment.

The agreement also stipulates that if EDPR were to eventually hold 20% or more of the Company's capital, shareholders would be asked to elect an EDPR representative to the Board of Directors, who would also be a member of the Audit Committee and the Appointments and Remuneration Committee. As of 31 December 2024, EDPR held 5.96% of the capital.

Co-development agreement with Masdar

In January 2025, the Group signed a memorandum of understanding with Abu Dhabi Future Energy Company PJSC – Masdar, the leading clean energy company in the United Arab Emirates, to explore co-development opportunities in large-scale green hydrogen production projects in Europe. The memorandum was signed during Abu Dhabi Sustainability Week 2025 and is part of Lhyfe's strategy, announced in 2024, of co-developing projects with financial or industrial investors and experienced partners wishing to invest in green hydrogen production projects. Lhyfe's experience as one of the largest developers and operators of commercially active green hydrogen projects in Europe was a key factor in Masdar's decision to sign this memorandum of understanding. Masdar intends to become a leading producer of green hydrogen by the end of the decade, with the aim of achieving annual production of one million tonnes of green hydrogen or its derivatives in the United Arab Emirates and worldwide within ten years.

Partnership agreement with Source Galileo

In early 2024, Lhyfe and Source Galileo, a European renewable energy developer, announced a partnership to develop green and renewable hydrogen production units in the UK and Ireland. The memorandum of understanding aims to deploy hydrogen production facilities powered by renewable energy, contributing to the two countries' net zero targets. Lhyfe and Source Galileo are working to identify consumers and assess factors such as grid availability, electricity supply, land availability and planning requirements. The UK government has doubled its low-carbon hydrogen production target from 5 GW to 10 GW by 2030, at least half of which will be green hydrogen. Meanwhile, Ireland published its National Hydrogen Strategy in July 2023, with a plan to develop 2 GW of domestic hydrogen production powered by offshore wind farms by 2030.

Cooperation and business development agreement with Plug Power

In the second half of 2022, the Group and Plug Power Inc., a leading supplier of electrolysers, signed a cooperation and business development agreement to continue working together and jointly develop green hydrogen production sites in Europe.

Offshore collaboration agreement with CIP

In November 2023, Lhyfe, Flexens and CIP, the world's largest fund manager of renewable energy investments and a global leader in offshore wind, green hydrogen and energy islands, jointly launched the Åland Energy Island project. The aim is to develop hydrogen production on the Åland Islands in Finland integrated with the installation of multi-gigawatt offshore wind turbines for use both on the Åland Islands and more widely in this region of Europe. This project would support the objectives of the Åland Islands and the European Union in terms of energy independence and decarbonisation.

Offshore cooperation agreement with Capital Energy

In June 2023, Lhyfe and Spanish energy producer and distributor Capital Energy signed an agreement to jointly develop offshore renewable hydrogen projects off the coasts of Spain and Portugal. The two companies will develop hydrogen production units at selected sites where Capital Energy is currently developing offshore wind farms.

1.5.2. Construction of production assets

The Group has set up a team of 64 employees dedicated to the design and the engineering, procurement and construction (EPC) aspects of the production units.

It includes the design office, with all the expertise needed for engineering (process, power electronics, civil engineering, mechanics, process control), the site installation and commissioning teams, and all the project support staff (project managers, buyers, planners, document controller, etc.). These teams are involved in the final stages of development, to ensure that projects are technically and legally consolidated, in the countries where the Group's development is most advanced (e.g. Germany and Sweden).

For some Projects, the Group carries out its own front-end engineering design (FEED). It chooses the electrolysis technology to be used and selects equipment suppliers and service providers. It is both project owner and project manager. For larger projects, and in certain countries, the Group may seek assistance from an external FEED service provider prior to the final investment decision.

During the construction stage, the Group coordinates all the activities required to deploy a hydrogen production site, including:

- Civil engineering: site preparation, geotechnical studies, soil analysis and building construction.
- Process design: overall plant diagram, equipment list, detailed documentation (Piping & Instrumentation Diagram (P&ID), functional analysis, line lists).
- Piping: all piping interconnections (nitrogen, hydrogen, oxygen, cooling, water, air) are covered.
- Electricity: power balance, single-line diagram of the entire hydrogen production site up to its connection to the electricity production asset.
- Automation: definition of the control architecture, production of specifications (for hardware and software), integration of all high-level supervision via SCADA (Supervisory Control and Data Acquisition – an industrial supervision system that processes a large number of measurements in real time and remotely controls installations).
- Procurement of equipment and selection of subcontractors: service providers are selected on a project-by-project basis, generally through a competitive bidding process or similar, with very high standards of quality and performance in the choice of solutions and the quality of work carried out. The Group targets specialised and financially sound companies to offer the best possible guarantees. It negotiates the terms and conditions of equipment purchases. The service provider generally assumes the risks of delay and performance in accordance with the penalty clauses stipulated in the contracts.

For the main equipment (electrolysers, compressors and containers), the Group selects a supplier through a competitive bidding process and then signs an agreement for the supply, transport and maintenance of this equipment. The Group seeks to sign collaboration agreements with the main equipment manufacturers to ensure their availability.

- Building construction and installation: the production unit is built by one or more civil engineering, construction, and installation companies under the terms of a construction and supply agreement, which also covers roadworks for the site, the construction and management of construction areas, the construction of foundations and the erection of works.

The Group:

- supervises the appropriate implementation of the project technical design that it has developed and contracted with the service providers concerned;
- liaises with local authorities and landowners;
- liaises with the electricity supplier on technical matters – in particular the installation of a direct connection if one exists;
- provides a link to the grid, particularly if the renewable electricity is partially drawn from the grid;
- conducts ongoing risk management;
- manages quality control of the work, assembly, and installation, as well as the project commissioning stage and performance tests.

For each of its projects, the Group creates a contingency budget to cover unforeseen costs incurred during construction, which is revised downwards as the risks are removed.

For larger projects, and in certain countries, the Group may seek assistance from external service providers for overall construction packages (buildings, general installation and substation), as well as for the management of these packages (EPCM – Engineering, Procurement and Construction Management).

1.5.3. Operation of production assets

Once construction is complete, the team in charge of the *operation and maintenance* (O&M) aspects takes delivery of the production unit from the EPC team, which remains in support during the first year of operation.

Whether or not it has full control of the production unit throughout its lifetime, the Group is the operator and sets up a two-tier organisation to optimise management of the O&M aspects of its production units:

- at production sites, an O&M team is responsible for operating the production unit and for preventive and corrective maintenance of the installations (with the Group's local partners); and
- at Group level, the O&M teams work alongside the EPC team to define site maintenance and supervision requirements and to commission production units. The O&M teams also support the site teams in complex operations, analyses, synchronising schedules and managing the mobile maintenance team.

These services are provided by the Group to project companies under an O&M contract.

1.5.3.1. Maintenance

The Group implements the following maintenance strategy for its production units:

- a minimum one-year warranty and training for O&M teams is systematically included as part of the first purchase of major equipment in the construction stage. In the same way, the EPC team provides support to the O&M teams in the first year after commissioning, to ensure that the plant is running smoothly;
- once the equipment is handed over, the Group intends to integrate maintenance operations at its plants as far as possible. Nevertheless, a cost/risk study will be systematically carried out and the Group may subcontract certain operations to its local partners or suppliers.

This strategy may evolve as the Group develops its in-house skills, particularly in equipment maintenance, enabling it to limit its reliance on suppliers.

The Group also has a spare parts management policy that enables it to anticipate its needs and react quickly when necessary.

1.5.3.2. Supervision of operations

The management and operation of assets after project completion is ensured by continuous monitoring, supervision and analysis from a centralised Remote Operation Centre (ROC). The ROC technicians use a range of tools, including a sophisticated IT system (known as SCADA) for remote management of all the Group's production assets. An on-call system ensures continuous monitoring of production units 24 hours a day, 7 days a week.

By implementing an effective monitoring system, the Group intends to be able to detect anomalies and take action as quickly as possible whenever necessary. The Group has also introduced a central maintenance tool to optimise and manage maintenance at all its sites in Europe.

The Group has also developed an algorithmic system called "HMS" (*Hydrogen Management System*) that automatically optimises its production and delivery costs, in particular by minimising energy consumption. This algorithm is fully integrated into the software tools deployed elsewhere (SCADA, Harmony) to ensure global optimisation according to customer needs.

1.5.3.3. Logistics

Group on-site production units will be connected to their industrial customers via a pipeline that will deliver the green hydrogen produced directly to the industrial site, while bulk hydrogen, intended for a variety of customers - e.g. mobility-related uses - is delivered in bulk to customers via a system of vehicle-borne containers. The Group owns and manages the containers, plans and conditions them, and outsources their transportation to its carrier partners.

As logistics is a major cost item, particularly because of the cost of containers and their transportation to customers, the Group seeks to optimise the management of its business logistics as much as possible.

It has developed an in-house tool, Harmony, which anticipates customer consumption of green hydrogen, based on their theoretical consumption adjusted for their actual consumption. In this way, it can ensure optimum management of its production as well as the scheduling and transportation of containers in real time, and minimise deliveries of hydrogen that will not be consumed by customers.

Lhyfe also ensures the reliability of its logistics activity through partnerships with key carriers and framework agreements with its container suppliers.

Through this expertise and the tools it has developed internally, Lhyfe has been able to guarantee a service rate above 99% over 2024.

As the customer experience is essential, Lhyfe develops additional tools to provide a simple interface between customers and logistics, in particular through the Lhyfe Heroes application (see paragraph 1.2.4 for a description of Lhyfe Heroes).

1.5.3.4. Safety and risk management

To ensure the safety of its facilities, employees and partners, the Group has implemented a global policy with a number of different layers:

At Group level	Group-wide HSE policy
	Technical safety standards for site design, applying to the whole Group
	Technical documentation and specific training for each functional team
At site level	Technical and operational procedures specific to each production site, incorporating local regulations and operating permit requirements

The Group has also put in place appropriate and effective procedures detailing (i) the safety rules relating to the Group's operations and activities, (ii) the compulsory safety trainings and authorisations and (iii) the individual and collective protective equipment to be used. Emergency management procedures are also in place.

1.5.4. Operational excellence and innovation within the Group

In 2024, the Group set up a 14-person operational excellence and innovation hub to support its growth and the ramp-up of its production units by optimising processes, quality, organisation and technologies in order to reduce the cost of producing green hydrogen.

The aim is twofold:

- to capitalise on the experience acquired since the Group was founded and on all the data collected from sites in operation to improve and optimise operational activities, particularly in terms of project development, energy purchasing and the design and operation of hydrogen production and delivery sites; and
- to support the development of Lhyfe's strategic activities over the long term in order to significantly reduce hydrogen production costs and accelerate deployment, particularly in terms of the design of large hydrogen production sites, software and data management[1] tools, offshore[2] and ocean reoxygenation[3].

1 See paragraph 1.7.5 of the Universal Registration Document
2 See Section 1.6 of the Universal Registration Document
3 See paragraph 2.2.5 of the Universal Registration Document

1.6. A significant lead in the production of green hydrogen using offshore wind power

To achieve its goal of decarbonising the heavy mobility and industrial sectors, Lhyfe must rise to the challenge of producing green hydrogen on an immense scale. This is why the Group is seeking to complement its proven expertise in onshore production sites by becoming the first player in the world to develop the knowledge building blocks and sufficient technical capacity to produce green hydrogen offshore. The Group intends to respond appropriately to the significant increase in initiatives in this area worldwide, in particular by issuing dedicated calls for tender.

Lhyfe is already ready for this stage. From the outset, the Group set medium-term objectives of being able to produce green hydrogen at sea at sites of up to several hundred megawatts, in the knowledge that offshore production would offer great potential while providing a response to an array of issues. To this end, a dedicated R&D programme comprising several complementary stages has been underway since late 2019.

1.6.1. The need to deploy offshore production sites

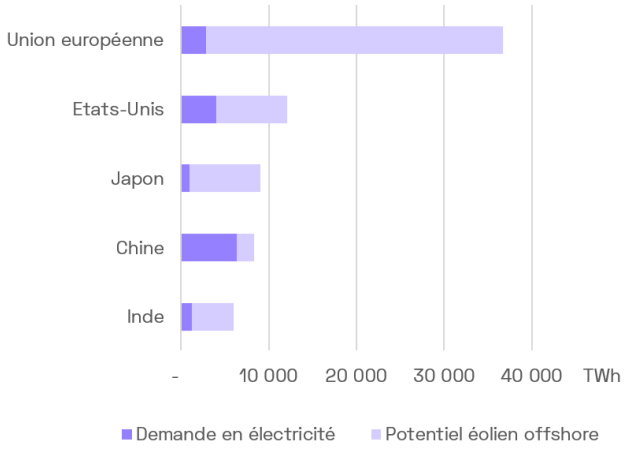
The development of offshore hydrogen production appears to be the most appropriate solution for meeting the exponential growth in demand between now and 2030, while helping to remove a number of obstacles. The main challenges are as follows.

1.6.1.1. Taking advantage of a particularly attractive energy source available in considerable quantities

The production of hydrogen from renewable energies is particularly sensitive due to the proportion of electricity in its cost price (and therefore in its market price) and the need for a sufficiently high electricity production load factor (the ratio between actual electricity production and 100% of installed capacity).

In other words, only renewable energy sources combining high capacity factors and low electricity costs will be sufficient for cost-competitive hydrogen production. Electricity generated from onshore wind power is currently the cheapest form of renewable electricity, costing $46 per MWh on average in Europe in 2023[1]. Solar photovoltaic production can also be very cheap in sunny regions. The price of offshore wind power has fallen considerably in recent years, with the average cost in Europe standing at $67 per MWh in 2023[2]. Furthermore, the wind load factor at sea is much higher than on land, reaching over 40% and sometimes over 50%, with peaks of up to 60%[3]. The sizeable load factor offered by offshore wind offsets the higher operational costs.

In this sense, offshore wind is the best solution for the autonomous production of green hydrogen: it is abundant (the potential North Sea deposit alone represents almost 18 times European electricity consumption[4]), powerful, less intermittent, more competitive and has no 'land' limits. Despite prices that have largely fallen in recent years, making it all the more attractive, today's offshore wind market remains far from achieving its full potential. Actually putting this renewable electricity production into practice poses major challenges, not least because of the investment needed in electrical infrastructure to transport peak electricity production to shore, and the growing variability due to the large time gap between supply and demand. By coupling an electrolysis system to offshore wind farms, surplus electricity can be converted into hydrogen and stored, transported, and later used on demand.



Electricity demand (light blue) and offshore wind potential (dark blue) in selected countries, in TWh[5]

1.6.1.2. Accelerating the deployment of offshore wind farms

The increase in the capacity of offshore wind farms is leading to increasingly expensive connection costs, topping €1 billion for a site offering capacity above 1 GW[6]. Coupling an offshore wind farm with green hydrogen production capacity will help keep connection costs under control by carrying energy back to shore as hydrogen rather than electricity. Transporting hydrogen via onshore pipeline costs around 3 times less than

1 IRENA, *Renewable Power Generation Costs in 2023*
2 IRENA, *Renewable Power Generation Costs in 2023*
3 International Energy Agency, *Offshore Wind Outlook 2019*, November 2019.
4 International Energy Agency, *Offshore Wind Outlook 2019*, November 2019.
5 International Energy Agency, *Offshore wind technical potential and electricity demand in selected countries*, 2018.
6 EnerData, TenneT awards €1bn offshore grid contract to Alstom (Germany), 27 February 2013.

an electricity connection[1], which is a real lever for profitability.

By controlling the cost of connection, the potential for deploying new offshore wind farms will be much greater. Coupling with hydrogen means that wind farms can be located further from the coast. This makes it possible to build in areas where it is currently difficult to operate, due to the constraints of connecting to the electricity grid, which impact on the profitability of projects. Moreover, far-offshore wind farms should offer a particularly attractive load factor thanks to their open sea location.

Last but not least, social acceptability is a major obstacle for offshore wind projects today. This is due both to the visibility of the turbines from the shore and to the size of the farms, which can disrupt local fishing, shipping and the environment. Lhyfe's ambition is to relocate the platforms a further 50 km away, so that they will have no visual impact.

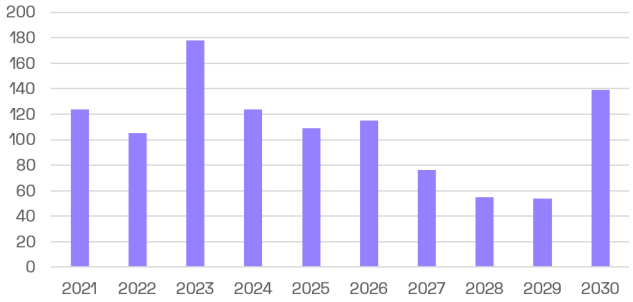
1.6.1.3. Avoiding exacerbating the shortcomings of onshore network infrastructure

Against a backdrop of significant development of wind farms supported by incentive policies, numerous issues with interconnecting wind farms to the grid highlight the fact that the infrastructures are insufficiently sized to absorb the power peaks generated by wind turbines. In Europe, for example, operators are forced to cut back on their electricity production potential for lack of infrastructure and/or sufficient consumption. Connecting green hydrogen production to these fields should make it possible to avoid shutting down wind turbines, and thus generate greater profitability.

1.6.1.4. Conversion of existing dedicated platforms (oil and gas)

The decline in offshore oil and gas production in Europe represents a real opportunity for the deployment of green hydrogen production modules at sea coupled with renewable electricity sources. In a zero-emission scenario, oil consumption would fall by 75% between 2020 (almost 90 million barrels per day) and 2050 (24 million barrels per day), natural gas consumption by 55%, and coal consumption by 90%[2]. Hundreds of North Sea platforms will have to be shut down over the next ten years.

Reusing and transforming part of this infrastructure, including platforms and pipelines, to produce hydrogen is possible and currently makes better economic sense than dismantling it. For example, dismantling platforms in the UK alone will cost £16.6 billion over the next ten years[3]. According to DNV GL, 52% of oil and gas players expect hydrogen to account for a large part of the energy mix by 2030, and 21% acknowledge already having a position in the hydrogen market[4].



Number of oil rigs to be shut down in the North Sea between 2021 and 2030[5]

The development of an offshore hydrogen production solution would pave the way for possible reallocation of this expenditure and the development of a sustainable green hydrogen production sector.

1.6.1.5. Significant interest from governments and offshore players

In concrete terms, several countries such as Germany and the Netherlands are now working to develop the offshore hydrogen industry. At the same time, Denmark and the Netherlands are making progress on an energy island concept aimed at the mass production of renewable electricity and hydrogen. The Netherlands is looking to integrate the production of green hydrogen directly into its offshore wind infrastructure. This strategy involves flagship projects such as Demo 1 (the technical and economic feasibility of integrating offshore electrolysis into existing wind farms) and Demo 2 (a large-scale hybrid wind farm capable of simultaneously producing green electricity and green hydrogen). Meanwhile, Denmark is preparing to issue the first calls for tenders.

Virtually all the major offshore players (Shell, RWE, Gasunie, Orsted, Siemens, etc.) have announced that they are already working on concepts for the mass production of hydrogen at sea.

1 Offshore Wind Industry Council, *Offshore Wind and Hydrogen – Solving the Integration Challenge*, July 2020.
2 International Energy Agency, *Net Zero by 2050 – A Roadmap for the Global Energy Sector*, October 2021
3 UK Oil and Gas Industry Association, *Decommissioning Insight 2021*
4 DNV GL, *Heading for Hydrogen*, May 2020
5 UK Oil and Gas Industry Association, *Decommissioning Insight 2021*

1.6.2. Major advances in offshore

To deliver the most appropriate response to this new challenge, Lhyfe has embarked on a major incremental R&D programme based on the Bouin site, connecting an electrolyser directly to a renewable energy source and pumping and then purifying seawater for use in the electrolysis system. The site is also located in the immediate vicinity of the ocean, at a port, and is therefore subject to environmental conditions similar to those found at sea.

From this onshore "proof of concept" of an offshore solution with proven operational effectiveness, the Group's offshore roadmap specifies that each new project deployed will be larger in scale. The aim is to accelerate the skills acquisition curve and become the first player in the world to have combined field experience in the production of green hydrogen on land and at sea. To achieve this, Lhyfe has put together a dedicated team of engineers and offshore specialists. The first step in this roadmap is the Sealhyfe project.

1.6.2.1. "Sealhyfe", the world's first offshore green hydrogen production site

To support the development of offshore hydrogen production facilities, Lhyfe has installed an electrolyser on a floating barge. This is the world's first floating electrolyser designed to study and overcome the challenges of producing hydrogen at sea. The SEM-REV offshore site at Le Croisic in Brittany (France) was chosen to carry out this test stage in real-life conditions.

This unique site has made it possible to study and collect data on offshore hydrogen production.

The SEM-REV site is equipped with a full range of offshore measurement tools, a 1 km² reserved area marked by four buoys, 20 km from Le Croisic, and oceanographic and meteorological sensors (wind, waves and water currents).

The site has been seen as an ideal place to test the development of offshore green hydrogen due to:

- the presence of a 2 MW floating wind turbine directly connected to the electrolyser and a connection between the site and the onshore grid, enabling the supply of electricity at any time;
- permits already in place for technological experimentation;
- proximity to Lhyfe's registered office and to the Bouin onshore hydrogen plant, which operates a 750 kW electrolyser.

The barge was inaugurated in September 2022 in the port of Saint-Nazaire, when testing began. It was then moored out at sea in May 2023 and connected directly to the existing floating wind turbine.



Sealhyfe platform off the coast of Le Croisic, on the SEM-REV site

The Sealhyfe project is equipped with a 1 MW electrolyser supplied by Plug. It was designed to demonstrate that offshore hydrogen production from renewable energies is already a reality.

After 14 months of testing, the data collected and the lessons learned are of high magnitude:

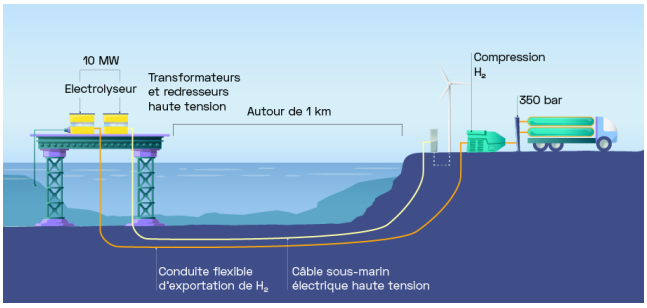
- System responsiveness and flexibility: as offshore hydrogen production is particularly appropriate to delivering services to the electricity grid, Lhyfe has repeatedly tested system flexibility and responsiveness in a wide range of configurations. The experiment also confirmed the system's ability to manage the variability of wind energy in the specific conditions of an offshore location.
- Robustness: throughout the experiment, the production system equipment designed by Lhyfe was tested under extreme conditions (platform movement, environmental stress).
- Equipment and system optimisation: throughout the experiment, on-board and remotely-controlled measuring instruments were used to identify ways of optimising the efficiency and reliability of Lhyfe production resources on other projects: safety systems, electrical architecture, automation, fluid and stock management, etc.
- Remote control: the site was then exclusively operated remotely from the Lhyfe control centre, using supervision and control tools specifically developed by the company. The experiment enabled validation of the software and algorithms for producing green, renewable hydrogen, and a reduction in the number of operations required in the marine environment. In total, Lhyfe performed fewer than ten maintenance operations.

Generally speaking, the Sealhyfe project has enabled Lhyfe to develop its expertise in the constraints associated with offshore industrial deployment, in particular through its experience of integrating a plant on an isolated floating barge offshore.

Lhyfe now has unrivalled feedback on offshore green hydrogen production (integration on floating objects and operation). Demonstrating this expertise will be a decisive advantage when it comes to future calls for tenders in France and abroad.

1.6.2.2. HOPE, the first commercial offshore site under development

The results of this experiment are already being incorporated into the HOPE project, the second stage in Lhyfe's offshore ambitions. This project, which Lhyfe presented with a consortium of nine partners, was selected by the European Commission as part of the "Clean Hydrogen Partnership" and received a €20 million subsidy, supplemented by a €13 million subsidy from the Belgian government[1]. With HOPE, Lhyfe and its partners are changing scale and aiming to market green hydrogen produced offshore: this unprecedented project (10 MW) plans to produce up to 4 tonnes/day of green hydrogen in the North Sea, off the port of Ostend (Belgium). The hydrogen will be transported to land by pipeline, compressed and distributed to customers.



HOPE project off the port of Ostend (Belgium)

The HOPE project has achieved the targets of its first stage of development: preparing permit applications, environmental impact assessment, analysing the market and identifying potential customers and partners, securing the electricity supply, carrying out feasibility studies and basic engineering (including safety analyses) and preparing the calls for tenders for the main lots. The final investment decision is expected in 2026.

1.6.2.3. Åland Energy Island, a larger-scale project

In November 2023, Lhyfe launched the Åland Energy Island project jointly with CIP, the world's largest fund manager for renewable energy investments, and Flexens, to develop hydrogen production on the Åland Islands in Finland. The production will be integrated with the installation of offshore wind turbines offering a capacity of several gigawatts. This project demonstrates how green hydrogen can become part of a vast integrated renewable energy system thanks to its ability to store and transform renewable electricity. The green hydrogen produced is intended for use both on the Åland Islands and more widely in this region of Europe, thus supporting the objectives of the Åland Islands and the European Union in terms of energy independence and decarbonisation.

1.6.2.4. Development of concepts suited to different offshore infrastructures

At the same time, Lhyfe has initiated the development of a number of offshore concepts to prepare for the emerging and promising market.

Two centralised offshore hydrogen production concepts and one decentralised hydrogen production concept are being developed through a number of partnerships (e.g. with Chantiers de l'Atlantique) and projects (e.g. the HOPE project):

- Centralising hydrogen production on fixed monopiles or jackets. This concept is based on the experience acquired in the deployment of electrical substations in the offshore wind energy sector.
- Centralisation of hydrogen production on existing jack-up platforms. This concept enables the reuse of existing *oil & gas* assets. The ease of installing and removing this type of asset offers great potential for deploying the concept, as it would optimise the investment and operating costs involved in these projects.
- Decentralisation of hydrogen production by integrating the hydrogen production process directly into the wind turbine base. In this case, each offshore wind turbine directly houses the hydrogen production process.

All the concepts are designed to cope with the harsh environment at sea and are optimised for limited maintenance time. The modules are remotely controlled from the shore to ensure cheap but reliable delivery of hydrogen to end customers. The hydrogen is transported via pipeline to an onshore substation where it is compressed in containers for later shipment.

Through these concepts, Lhyfe aims to assess the suitability and effectiveness of different types of infrastructure capable of adapting to Lhyfe's green hydrogen production process.

On the basis of these three concepts, Lhyfe is now preparing to respond to future calls for tenders in Europe. The development of these concepts will enable the Group to make the best technological choices depending on the constraints of each project.

1 See section 6.1.6. Notes to the consolidated financial statements (note 1.4) for an updated status of this grant

1.7. Lhyfe assets

To achieve its objectives, since its creation the Group has invested in developing key assets to establish itself as a major player in the sector:

- a team of specialist engineers covering all Group fields of expertise;
- expertise in the main electrolysis technologies;
- proven expertise in the development and management of an onshore and offshore green hydrogen production site;
- a modular approach to its production sites;
- a comprehensive software solution focused on *data management* and in time artificial intelligence.

1.7.1. A multi-disciplinary team of engineers

The team of engineers in charge of designing production units, R&D and the Innovation hub comprised 73 employees in 2024 (average workforce). The managers of the principal technical areas all have substantial experience in their field of expertise (automation, artificial intelligence, machine learning, engineering, electrolysers and compressors, power electronics, logistics, etc.).

1.7.2. An agnostic approach to green hydrogen production technologies

The Group is agnostic when it comes to electrolyser technologies: it masters the three major technologies on the market (alkaline electrolysers, proton exchange membrane (PEM) electrolysers and pressurised alkaline electrolysers), which enables it to choose the most appropriate technology when designing a project.

It also generates a competitive advantage over competitors who focus on just one of the electrolyser technologies. Finally, Group policy is to secure its supplies of key equipment. For example, the Group has placed orders with:

- ten 5 MW Plug PEM electrolyser systems. These electrolysers will provide a total capacity of 50 MW (the equivalent of up to 20 tonnes a day) and will be used to produce renewable hydrogen in a number of plants across Europe;
- type 4 hydrogen distribution systems from Hexagon Purus, one of the leading suppliers of hydrogen systems. The Group will be able to deliver up to 19 tonnes of green hydrogen per journey, equivalent to the consumption of 650 buses.

1.7.3. Proven industrial expertise in industrial onshore and offshore green hydrogen production

Building on the success of its first onshore production sites at Bouin (Vendée), Buléon (Morbihan) and Bessières (Occitanie) in France and at Schwäbisch Gmünd in Germany, and of the Sealhyfe offshore platform trial, the Group now has proven expertise in the production of green hydrogen on land and at sea, which is already working to benefit Lhyfe's onshore and offshore projects.

The construction and subsequent operation of these units have enabled the Group to validate its approach and its technological choices. The Group handles the entire development process for its projects: design, construction and operation.

The first site at Bouin has also enabled the Group to develop skills in all aspects of green hydrogen production: fluids, thermodynamics, compression, electrolysis technology, etc. Its operation has also enabled the Group to develop considerable expertise in the software control of its production tools, giving it the opportunity to optimise its production process by managing intermittency and increasing yields, for example.

1.7.4. A modular approach enabling initial projects to be scaled up

On the one hand, the Group develops sites with a modular structure that makes it easier to scale them up as demand increases. An initial level of capacity is installed, but the site can then host additional electrolysers, helping to increase the power installed on the initial site and improve the profitability of the project.

Furthermore, the hydrogen production solution developed by the Group at its Buléon, Bessières and Schwäbisch Gmünd sites, known as the "containerised" approach, can be replicated on a larger scale at its future production sites.

Thanks to this approach, the Group is already in a position to propose moving to mass production of 100% green hydrogen.



Buléon site in Morbihan, France



Bessières site, Occitanie, France



Schwäbisch Gmünd site, Baden-Württemberg, Germany

At Buléon, as at the Bessières and Schwäbisch Gmünd (Germany) sites, the production unit has adopted a new containerised format, which has the dual advantage of reducing the footprint of its sites and promoting their scalability, to support the development of hydrogen uses in the regions.

For example, on a site of around 6,800 m^2, the Buléon site consists of a series of containerised buildings for different functions (driver reception, control room, electrical conversion, water electrolysis, compression, quality control, etc.), a traffic area for trucks and loading bays for trucks transporting the hydrogen to distribution points and customers.

The three new sites in Brittany and Occitanie – each with five to ten times the production capacity of the historic site – meet the growing demand for green, renewable hydrogen on the market, and once again demonstrate the Group's ability to rapidly deploy hydrogen production infrastructure, in France and abroad.

1.7.5. Software tools and data management at the heart of the industrial process

Right from the design stage of its first project at the Bouin site, the Group chose to put software tools and data management at the heart of its industrial process. Convinced that software tools would be a key element in its development and in optimising its production of green hydrogen, the Group and its teams have developed a software suite covering all aspects of its integrated business model, from initial project development to hydrogen sales.

The Group has a team of eight experts in software, data analysis and development, who have worked on the deployment of the following software suites:

- **Harmony**: this software enables the scheduling of hydrogen production and management of hydrogen container deliveries to customers. The software was developed using the operational excellence acquired through operation of the first hydrogen production site in Bouin and learning from the data acquired. It also incorporates the latest algorithms developed by the team to optimise the cost of hydrogen production based on delivery constraints and the availability and cost of renewable electricity.
- **Qualifhy**: qualification and dimensioning of hydrogen production sites according to the constraints inherent in the production site (availability of renewable energy, customer consumption profile, size of site, etc.).
- **SCADA**: this software enables centralised supervision of all the hydrogen production sites deployed by the Group.
- **MonHytor**: this software monitors the various parameters of the production sites, from raw data to models for detecting anomalies and ageing, as well as macroscopic indicators of efficiency, load, availability, maintenance, etc.

Combined with these tools and other in-house software, a centralised data management platform is developed and maintained by this team of experts. This platform organises the storage of historical plant, transport and market data, and also handles all the data transformation processes needed to create the value associated with high-level indicators.

1.8. Pipeline and objectives

1.8.1. Presentation of the pipeline

The Group has defined these different project stages and the milestones between them on the basis of a number of criteria, reflecting:

- customer tendering processes, particularly in industry;
- application processes to obtain subsidies, whether relating to a specific project or not;
- processes of securing funding from banks or private investors;
- the intrinsic stages in the development of a production unit, for industrial and mobility applications (notably, securing grid connections, securing permits and administrative authorisations, engineering studies, qualification and securing of technology providers, securing electricity and water supply sources, securing land-related agreements) ;
- the resources that the Group needs to commit in order to bring the project through each of these stages.

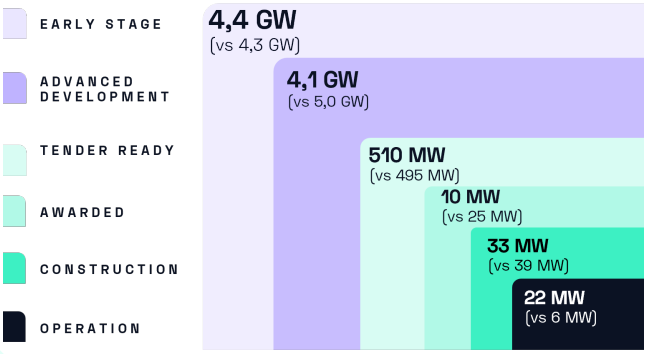
Moreover, these criteria differ depending on whether the application is industrial or mobile (for a description of project types, please refer to paragraph 1.1.3 of the Universal Registration Document).

These stages and the milestones that determine the transition from one to the other are as follows:

Stage	Description and milestones
Early stage	This phase corresponds to early-stage prospecting prior to active development. Few resources are spent by the Group, with the objective of assessing whether the project is relevant enough to be added to the portfolio of active projects. Determination of (i) the needs of the potential customer, (ii) the stages and potential timetable for project development and construction, (iii) its technical specifics, (iv) any subsidies that may be available, v) the financing strategy and (vi) the hydrogen price details to be presented to the customer. Analysis of land options and connections to the various networks required for the successful implementation of the project (electricity, water, gas, etc.).
"M0" milestone	A) For an industrial application, either the potential customer requests that the Group submit a non-binding offer, or the submission of such an offer is required in the subsidy application process; B) For a mobility application, the Group reviews how the site is positioned in relation to the other mobility projects and production sites of the Group and of its peers, in order to assess the relevance of this new project from a market perspective, based on the location area. This milestone **confirms that the project meets the Group's requirements in terms of client qualification and development strategy**.
Advanced development	Active project development begins in this phase with the formation of a project team and the appointment of a project manager responsible for steering the project and managing the allocated resources. The objective of this phase is to confirm the project's feasibility. During this stage the Group will submit a non-binding offer to the potential customer or as part of the subsidy application process. To this end, the Group will determine (i) the preliminary technical specifications, including an estimate of capital expenditure (capex) and operating expenditure (opex), (ii) the preliminary commercial specifications, (iii) the preliminary development and construction schedule and (iv) details of any subsidies available and the conditions for obtaining them. The aim of this stage is to de-risk implementation of the project and calculate estimates for the cost and sale price of the hydrogen produced, in particular to prepare applications for subsidies. To this end, the Group will initiate studies to confirm the feasibility of grid connections, permit acquisition, energy supply, and the availability of land to host the project. This will enable it to draw up a preliminary business plan.
"M1" milestone	All components of the project's development are identified and secured through short-term, non-binding agreements that only cover the development phase. This includes the non-binding offers made to the project's clients, which are presented and accepted by them. The associated sale prices and contractual terms allow the Group to build a preliminary business plan, with economic outcomes in line with the Group's expectations. This milestone enables the Group **to confirm the project's feasibility** from a technical, regulatory, and economic standpoint.

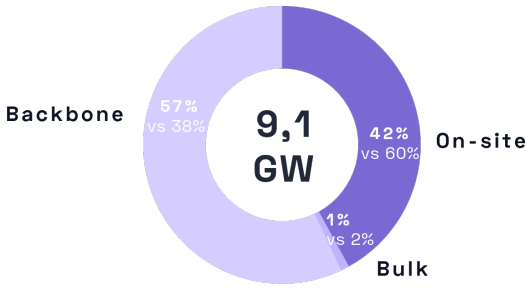
Stage	Description and milestones
Tender ready	The objective of this phase is to move the project from the feasible stage to the bankable stage. To this end, all components of the project are secured through the signing of long-term binding contracts. During this stage, the Group prepares the binding offer for the potential customer or as part of the process of obtaining subsidies. To this end, the Group will determine (i) the definitive technical specifications selected for conducting FEED (Front-End Engineering Design) studies, including a more detailed estimate of capital expenditure (capex) and operating expenditure (opex), (ii) the definitive commercial specifications with the signing of key terms, (iii) the development and construction schedule and (iv) the internal project review. This phase aims to secure the implementation of the project and its operation over the projected and modeled lifetime of the plant. The key terms of all contracts are signed, with associated commitments that secure the Group's investment in the project.
"M2" milestone	The Group has won the project (signature of a purchase order or *term sheet* or any other binding document for the customer), or, if needed for the business model, the subsidy or subsidies have been obtained. All components of the project are secured through the signing of the key terms of the final long-term contracts, which will be signed in the next phase. This milestone allows the Group **to confirm that the project is secured and sufficiently mature to enable a financing process to materialize**.
Awarded	The objective of this phase is to finalize the project's financing process, allowing the Group to make a final investment decision and start construction. To this end, due diligence is carried out by the various interested investors, and the Group proceeds to sign the final long-term contracts for the project. During this stage, all contractual documentation is negotiated and finalised with the customer, includng the signing of all components of the project: (i) land rights, (ii) permits, iii) EPC contracts (Engineering, Procurement, and Construction) as well as development and operation contracts and (iv) financing and subsidies contracts. The strategy related to renewable electricity sourcing and, where appropriate, to direct connection to the renewable electricity source, is secured. The project is approved by the applicable Company body, which depends on the size of the project.
"M3" milestone	This milestone corresponds to the Group's **Final Investment Decision** (FID) in the project. It involves a detailed review of all project contracts, enabling management to commit the Group to signing the various supply and execution agreements required to begin construction.
Construction	This stage is subdivided into (i) detailed engineering, (ii) works, iii) installation and (iv) commissioning of the facility. ***Detailed engineering***: the permit application file is submitted to the authorities for assessment if this has not been done during the Awarded stage, detailed technical documentation is drawn up, equipment is purchased, subcontractors are consulted and engaged, equipment manufacture is launched. ***Works, installation***: the work (civil engineering, piping, electricity, inspection) to be carried out on the site begins and the equipment is installed. ***Commissioning of the facility***: the entire site and its equipment are tested to validate the performance of the equipment and the site. This marks the beginning of the commissioning phase. ***Pre-operation***: This includes the full start-up of the unit as well as various functional and performance tests. The hydrogen produced during this phase is already being marketed.
"M4" milestone	End of commissioning phase and handover to the O&M team.
Operations	The site is now in commercial operation. It may still undergo improvement and reliability works. The equipment is generally covered by a 12-month warranty.

As of 31 December 2024, the Group has a pipeline of more than 50 projects in 12 countries, representing a total installed capacity of 9.1 GW (vs. 9.9 GW on 31 December 2023), broken down by stage as follows:



As anticipated, the overall size of the pipeline is stabilising at a total installed capacity of around 9 GW, with the Group regularly reviewing its projects under development in order to focus its resources on the most promising projects.

The breakdown of Group projects by type of project in MW on 31 December 2024 (vs. 31 December 2023) is as follows:

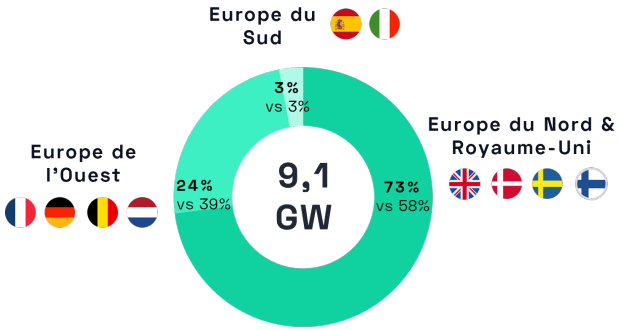


Backbone projects are those located as close as possible to the future European hydrogen backbone or a secondary network, enabling a wide range of customers to be supplied via these infrastructures once they have been deployed.

The types of projects are described in paragraph 1.1.3 of the Universal Registration Document.

The decrease in the proportion of on-site projects in relation to the pipeline at the end of December 2023 is explained by the development of new backbone projects in place of other projects, particularly in the Early Stage and Advanced Development stages. This reflects progress in developing the European hydrogen backbone and secondary networks.

Breakdown of Group projects by geographical area in MW on 31 December 2024 (vs. 31 December 2023) is as follows:



The increase in the share of Northern Europe and the United Kingdom relative to the pipeline at the end of December 2023 reflects the development of new backbone and on-site projects in this region compared with projects located in Western Europe.

1.8.2. Presentation of projects

The Group stands out for its unique industrial expertise in the green hydrogen industry: since the end of 2021, it has operated a green electrolytic hydrogen production site in France and has eight projects under construction in France, Germany and Sweden.

1.8.2.1. Sites in the Operations stage

Bouin — Vendée, France — **0,75 MW** — Bulk

On the Port-du-Bec site in Bouin in Vendée (France), just a few metres from the ocean, the Group inaugurated its first production site for mobility applications in September 2021. It produces industrial quantities of the world's first green hydrogen, using an electrolyser powered directly by Vendée Energie turbines that are located nearby and directly connected to the plant.

Equipped with an electrolyser with a total capacity of 0.75 MW, this site produces up to 300 kg of green hydrogen per day. Electricity from the Bouin wind farm is purchased under a contract signed in December 2021 with Vendée Energie (shareholder in Vendée Hydrogène, itself a shareholder in the Company). This contract covers current production and is for a five-year term, renewable by agreement between the parties.

The water used for the electrolysis at this coastal site comes from underground salt water, thus preserving freshwater resources.

The construction of the Bouin site and its operation have enabled the Group to validate its technological choices, but also to accelerate the development of its software tools for collecting, inspecting, analysing and exploiting production data. The use of software tools in Group production processes is described in paragraph 1.7.5 below.

The launch of operations at the Bouin site has validated the Group's commercial arguments and competitiveness. The green hydrogen produced at Bouin currently supplies, in particular, the fuelling stations of La Roche-sur-Yon, Sables d'Olonne and Saint Gilles Croix de Vie operated by the Syndicat départemental d'énergie et d'équipement de la Vendée (SYDEV, indirectly a shareholder in Vendée Hydrogène, itself a shareholder in the Company), enabling around fifty heavy-duty vehicles, buses and refuse collection vehicles to run on green hydrogen. The contract signed in December 2021 provides for the delivery of hydrogen by the Group for a four-year term, at a variable price depending on the forecast quantities consumed. The contracts with SYDEV were concluded at market prices and include no special conditions in light of its status as an indirect shareholder of the Company.



Bouin production site in Vendée (France)

A refuelling station at a Lidl 50,000 m² logistics hub in Carquefou is also supplied by green hydrogen, enabling the hundred or so handling vehicles used on the site to be refuelled in 2 to 3 minutes (compared with several hours to recharge the lead-acid battery used up to now). This means they are available 98% of the time (compared with 50% with lead-acid technology).

In 2024, the portfolio of customers served from the Bouin site expanded following the signature of new green hydrogen sales agreements (Hyliko, Géométhane, Hysetco, Symbio, Storengy, etc.).

Lhyfe also expanded its portfolio across the Rhine with new customers in Germany such as H2 Mobility and Karp Kneip.

To meet the growing demand from customers in the region, an increase in production capacity at the Bouin site has begun, from 0.75 MW to 2.5 MW (up to a tonne of green hydrogen produced per day). This increase in capacity will be implemented according to the site's production schedule. On-site storage capacity increased to 5 tonnes in 2024 (compared with 700 kg previously).

Buléon — **5 MW**
Morbihan, France — **Bulk**

In the second half of 2022, the Group obtained planning permission for a unit capable of producing up to 2 tonnes of green hydrogen per day (i.e. an installed electrolysis capacity of 5 MW) located in Buléon, in the Morbihan region of Brittany. This unit is supported by ADEME to the tune of €2.8 million and is the Group's second hydrogen production site, but the first in the new containerised format.

Construction work took place in 2023. Installed and commissioned in December 2023, the unit made its first deliveries in the second half of 2024. Commercial ramp-up is scheduled for 2025 and 2026.

The site will supply green hydrogen to two refuelling stations, for which the design, construction, operation and maintenance were awarded to consortium comprising HyGO, GNVert and Lhyfe under a Global Performance Contract by the Lorient conurbation. The Group will supply the green hydrogen for a period of 10 years.



Lhyfe Buléon, Morbihan, France

Bessières — **5 MW**
Haute-Garonne, France — **Bulk**

The Group has installed a production unit capable of producing up to 2 tonnes of green hydrogen per day (i.e. an installed electrolysis capacity of 5 MW) at Bessières, in the Haute-Garonne region.

This site won the Corridor H2 call for projects, backed by the Occitanie region, which aims to decarbonise freight and passenger transport on a north/south axis running from the Mediterranean to the North Sea by developing the use of green hydrogen.

Commercial ramp-up is scheduled for 2025 and 2026.



Lhyfe Bessières, Occitanie, France

Schwäbisch Gmünd — **10 MW**
Bade-Wurtemberg, Germany — **Bulk**

In Schwäbisch Gmünd, Germany, the Group has installed a production site (delivering up to 4 tonnes of green hydrogen per day, representing an installed electrolysis capacity of 10 MW).

This site capitalises on the design of Lhyfe's sites in France, the commercial experience acquired and a customer base that has already been put together. Commercial ramp-up will begin in 2025.



Schwäbisch Gmünd, 10 MW bulk site, Baden-Württemberg, Germany

Deutsche Bahn, Tübingen — **1 MW**
Bade-Wurtemberg, Germany — **On-site**

In Tübingen, southern Germany, Lhyfe installed a green hydrogen production site (1 MW) in 2024 on behalf of Deutsche Bahn Energie as part of the H2goesRail project, a collaboration between Deutsche Bahn and Siemens Mobility aiming to build hydrogen-powered trains to replace the 1,300 diesel trains in the German company's fleet by 2050.

1.8.2.2. Projects in the Construction stage

In addition to the increase in capacity at the Bouin plant mentioned above, the projects in the Construction stage detailed below represent a total of 33 MW at the date of the Universal Registration Document.

Le Cheylas — **10 MW**
Isère, France — Bulk

n Le Cheylas, between Grenoble and Chambéry, civil engineering work on this 10 MW site is now almost complete. The next stages include installing all the equipment, electrical infrastructure and pipework. For a ten-year period from 2025, Lhyfe will supply up to 1.6 tonnes of green hydrogen per day to its main customer, HYmpulsion, to meet the needs of seven of its hydrogen refuelling stations located in the Alps. Lhyfe will also supply regional manufacturers seeking to replace grey hydrogen or natural gas with green hydrogen.



10 MW site in Le Cheylas, Isère, France

Croixrault — **5 MW**
Somme, France — Bulk

In Croixrault, in the Hauts-de-France region, civil engineering works began in the first half of 2024 and are now complete. The next stages include installing all the equipment, electrical infrastructure and pipework. This production site (up to 2 tonnes of green hydrogen per day, representing an installed electrolysis capacity of 5 MW) will supply local uses in mobility and industry. This production unit is the first in the Hauts-de-France region to make renewable hydrogen available to a wide market. It is located on the Mine d'Or industrial park, alongside the A29 motorway.



5 MW site at Croixrault, Hauts-de-France, France

Botnia Hydrogen — **1,5 MW**
Suède — Bulk

As part of the Botnia Hydrogen consortium, Lhyfe is leading a project to develop hydrogen production and refuelling facilities in northern Sweden. The first unit, with an installed electrolysis capacity of 1.5 MW, will be used mainly for heavy-duty vehicles and buses. Construction is in progress.

Brake — **10 MW**
Basse-Saxe, Allemagne — Bulk

In Brake, Lower Saxony, Lhyfe has launched the construction of a production unit designed to produce up to 4 tonnes of green hydrogen per day (representing an installed electrolysis capacity of 10 MW) to supply local uses in mobility and industry. This production unit is located in the port area of Niedersachsen Ports (NPorts), Germany's largest public port operator, and will be the first in the northern German region to make bulk green hydrogen available to a wide market.

Sorigny — **5 MW**
Indre-et-Loire, France — Bulk

At Sorigny in Touraine, as part of the Hy'Touraine project, Lhyfe is also building a unit to produce up to 2 tonnes of green hydrogen per day (an installed capacity of 5 MW) to supply local uses in mobility and industry.

1.8.2.3. Other projects in development

The Group has many other projects in its pipeline at various stages of development, some of which are presented below.

Gonfreville-l'Orcher — **100 MW**
Seine-Maritime, France — On-site

In March 2024, Lhyfe announced that it had been awarded a French government subsidy of up to €149 million to build a green hydrogen production plant with an installed electrolysis capacity of 100 MW, near Le Havre in Normandy. This support from the French government confirms Lhyfe's status as a key player in the renewable hydrogen industry and its confidence in the know-how and skills of Lhyfe's experts, who are pioneers in the industry.

The site is located close to the Yara plant in Le Havre, which has a decarbonisation roadmap incorporating the use of green hydrogen. Yara is interested in Lhyfe's project and will explore all possible opportunities for collaboration to decarbonise its industrial process.

The Lhyfe production site, which would be built on a 2.8-hectare site in Gonfreville-l'Orcher, is due to open in 2028.

This project, named Green Horizon, has been driven by Lhyfe for over two years and has been approved by the European Commission as part of the third wave of IPCEI projects (Important Projects of Common European Interest) involving hydrogen.

On 16 April 2025, the French Prime Minister confirmed the €149m subsidy for the Green Horizon project, as part of the presentation of the 2030 National Hydrogen Strategy (*Stratégie nationale hydrogène 2030*) This confirmation materialises the commitment made by the French government in March 2024. To date, Lhyfe has already applied for planning permission and an environmental permit. The connection to the electricity grid and the provision of the necessary power have been secured. Lhyfe will receive an initial advance of €18m by June 2025. A second tranche will be released in the following months and subsequent payments will take the form of reimbursements for eligible and duly justified expenses, contingent upon the successful completion of predefined annual milestones, over a four-year period.



3D illustration of the future site at Gonfreville-l'Orcher

Delfzijl — **200 MW**
Pays-Bas — Backbone

In the Netherlands, the Group's ambition is to build a large-scale renewable green hydrogen production plant in the Delfzijl chemical cluster, located in the province of Groningen in the north of the country. This plant could reach a production capacity of around 55 tonnes of green hydrogen per day (representing an installed electrolysis capacity of 200 MW).

Completion of the project is subject to obtaining the necessary operating licences and building permits, as well as a financial investment decision. The updated timetable for the project provides for commissioning in 2028 at the earliest.

SoutH2Port — **600 MW**
Storgrundet, Suède — Bulk

In 2022, the Company and Skyborn renewables, one of the world's largest developers of onshore and offshore wind energy, signed a memorandum of understanding for the SoutH2Port project, which aims to install and directly connect a green hydrogen production site to Storgrundet, Skyborn's planned offshore wind farm in Söderhamn, Sweden. The proposed site will be built in stages and is expected to be fully operational when the Storgrundet wind farm is commissioned.

The Company will design, build and operate the hydrogen production site in collaboration with Skyborn. The Storgrundet offshore wind farm has a planned installed capacity of 1 GW and a planned green hydrogen production capacity of 600 MW, producing up to 240 tonnes of hydrogen per day. In 2023, ABB joined Lhyfe and Skyborn to lead the large-scale integration of renewable hydrogen production from offshore wind power into the Power-to-X system of the SoutH2Port project.

Jordberga — **10 MW**
Sweden — On-site

In Jordberga, in the municipality of Trelleborg, Sweden's southernmost town, Lhyfe has announced plans to build a hydrogen production plant with an installed electrolysis capacity of 10 MW (up to 4 tonnes of green hydrogen per day) to supply the region's transport and logistics companies. The Trelleborg region is a major transport hub, with Scandinavia's largest Ro-Ro port handling 10% of Sweden's exports and imports every year. Lhyfe obtained a subsidy of around €11 million from the Klimatklivet organisation for this project.

Vaggeryd — **10 MW**
Sweden — On-site

Lhyfe is planning to install a 10 MW hydrogen production unit (up to 4.4 tonnes of green hydrogen per day) in Vaggeryd, in the county of Jönköping in southern Sweden. The site is strategically located between Stockholm, Gothenburg and Malmö, close to major transport arteries such as the E4 motorway and national road 40 and to several logistics centres. It will supply players in the mobility and industry sectors. Lhyfe obtained a subsidy of around €11 million from the Klimatklivet organisation for this project.



Ånge
Sweden
300 MW
On-site

In Sweden, Lhyfe is joining forces with OX2, one of Europe's largest onshore wind developers, and Velarion, an innovative company within green fertilizer sector, to create a hydrogen-based industrial cluster in Ånge. OX2 is developing a wind farm nearby, with a planned annual production capacity of 1.4 TWh. According to the project, this green electricity will power the hydrogen production unit that Lhyfe plans to install and whose capacity would be up to 100 tons of green hydrogen per day. Velarion, a key partner in this initiative, would build one of the world's first carbon-neutral fertilizer plants within this cluster, that would utilize green hydrogen to produce green ammonia. The project is now entering the conceptual phase.



Port de Saint-Nazaire
Loire-Atlantique, France
210 MW
On-site

Lhyfe has won the call for expressions of interest (AMI) launched at the end of 2022 by Nantes Saint-Nazaire Port to set up an industrial green hydrogen production and distribution unit on the Montoir-de-Bretagne site (Loire-Atlantique). This industrial unit will offer a production capacity of 85 tonnes per day (installed electrolysis capacity of 210 MW), and should be located to the north of the Multivrac terminal. It is scheduled for completion in 2028.



Fonderies du Poitou
Ingrandes, Maine-et-Loire, France
On-site + Bulk

Together with its partner TSE, a French independent solar power producer, Lhyfe has announced plans to lay the foundations for an industrial park focused on green energy and the circular economy on the former site of the Fonderies du Poitou, including the installation of a solar photovoltaic farm and a green hydrogen production unit.



Ugine
Vosges, France
30 MW
On-site + Bulk

Lhyfe has announced the signing of a memorandum of understanding with Ugitech, a subsidiary of Swiss Steel Group, the world leader in long stainless steel products, for the creation of a green hydrogen production unit at Ugitech's Ugine site (Savoie, France), with an electrolysis capacity of 30 MW (up to 12 tonnes per day). Ugitech's objective is to replace the natural gas used in some of its thermoprocessing equipment (burners, reheating furnaces, heat treatment furnaces, etc.) and thus decarbonise part of its industrial processes. Lhyfe would also supply hydrogen to local mobility and industry players, to help develop the local hydrogen ecosystem. The two partners have launched the feasibility study phase of this project.



Duisburg
North Rhine-Westphalia, Germany
10 MW
Bulk

In Germany, Lhyfe and Duisport, the company that owns and manages the port of Duisburg, the largest inland port in the world, have announced that they are investigating the construction of the first hydrogen electrolysis production plant in the port of Duisburg. Lhyfe will initially carry out the feasibility study. After updates to the project, the planned hydrogen production facility could produce up to 4 tonnes of green hydrogen per day, representing an installed electrolysis capacity of 10 MW. The timetable for the project provides for commissioning in 2028 at the earliest.



Vallmoll
Tarragone, Espagne
15 MW
On-site + Bulk

Lhyfe has launched its first green hydrogen production plant project in Spain, with a production capacity of up to 5 tonnes per day (representing an installed electrolysis capacity of 15 MW). This site should benefit from a subsidy of around €14 million obtained as part of the Spanish H2 Pioneros programme. The plant will be located on an industrial estate in Vallmoll (Tarragona province) and will meet the demand for green hydrogen from a number of industrial companies in the region.



Lubmin
Mecklembourg-Poméranie-Occidentale, Allemagne
800 MW
Backbone

Lhyfe's ambition is to produce up to 330 tonnes of green hydrogen per day (representing an installed electrolysis capacity of 800 MW) at one of the largest production sites to be built in the Mecklenburg-Vorpommern region of Germany, with a planned commissioning date of 2030. As part of Lhyfe's backbone development strategy, this plant will supply Germany's central network of dedicated gas pipelines, for which the German government recently unveiled a €20 billion financing plan.



Perl
Sarre-Lorraine-Luxembourg, Allemagne
70 MW
Backbone

Lhyfe is developing a 70 MW green hydrogen plant in Perl, Saarland (Germany). Construction is scheduled to start in the first half of 2027. The unit plans to inject up to 30 tonnes of green hydrogen a day into the pipeline of the mosaHYc cross-border hydrogen transport network.



Wallsend
North Tyneside, Royaume-Uni
20 MW
On-site + Bulk

Lhyfe is developing its first production unit in the UK, located on the historic brownfield site of the Neptune Bank power station in Wallsend. It could produce up to 8 tonnes of green hydrogen per day (representing an installed electrolysis capacity of 20 MW). In April 2025, this project has been shortlisted under the UK Government's Hydrogen Allocation Round 2 (HAR2), a public auction system to support the production of low-carbon or renewable hydrogen.

Kemsley
Kent, United Kingdom
80 MW
On-site

Lhyfe is developing a second site in the UK in Kent. This 80 MW onsite project is strategically positioned in the North of Kemsley and plans to produce up to 32 tonnes of green hydrogen per day, primarily for an industrial player in the region. In April 2025, this project has been shortlisted under the UK Government's Hydrogen Allocation Round 2 (HAR2), a public auction system to support the production of low-carbon or renewable hydrogen.

As part of the agile management of its project portfolio, the Group regularly assesses the risk/return ratio for each of its projects under development. It then makes corresponding trade-offs to optimise the allocation of its resources, taking the stage of completion and maturity of each project into account. In 2024, as part of this process, the Group decided to postpone its decision to invest in the GreenHyScale industrial project (Denmark) and began withdrawing from the project in early 2025, given the uncertainties inherent in an industrial project of this scale and the development stages to be completed in accordance with the timetable agreed with the European Union.

1.8.3. Objectives

The objectives and trends presented below do not constitute forward-looking data or estimates of the Group's profits, but are the result of its strategic orientations. They are based on data, assumptions and estimates considered to be reasonable by the Group at the date of the Universal Registration Document.

The figures, data, assumptions, estimates and targets presented below are liable to change or to be modified, depending among other things, on changes in the regulatory, economic, financial, competitive, legal, accounting and fiscal environment, or on other factors of which the Group was not aware at the date of the Universal Registration Document.

In addition, the materialisation of certain risks described in Chapter 4 of the Universal Registration Document could have a negative impact on the Group's activities, financial position, market situation, results or prospects and therefore call into question its ability to achieve the objectives presented in this paragraph. To achieve these objectives, the Group's strategy and its implementation must be successful.

As of 31 December 2024, the Group has a pipeline of over 50 projects in 12 countries, representing a total installed capacity[1] of 9.1 GW (see paragraphs 1.8.1 and 1.8.2 above).

The Group, which has seen a great deal of interest from leading investors in financing these projects, has decided in early 2024 to adapt its strategy to complement its historical business model of developing, building and operating its own projects with a model based on co-developing projects with investors.

Under this partnership model, projects are financed and majority-owned by the Group's partner(s), which means that the number of projects majority-owned by the Group is reduced and the outlook for sales is lower. However, the Group will be paid development costs when the project is initiated, reflecting the expertise and unique know-how of Lhyfe specialists in terms of developing hydrogen projects, and recurring long-term revenues from Group management of the site. This remuneration structure will boost the Group's profitability.

This new strategic development plan is set out in Section 1.3 above.

On the basis of this strategy, the Company has set itself a new trajectory reflecting (i) the adaptation of its business model, geared towards accelerating its profitability, and (ii) the Group's agility in allocating its resources, based on the following objectives:

- **for the financial year ending on 31 December 2024**, to quadruple its revenue compared with the financial year ending 31 December 2023, with a sales target of around €5 million. This target has been achieved, with sales of €5.1 million for the 2024 financial year. The Company also estimated that on this date, the Group would have a total installed capacity of around 20 MW (vs. 55 MW previously), a target which has also been achieved with an Installed capacity of 22 MW at the end of 2024;
- **for the financial year ending on 31 December 2025**, a significant growth in revenues, based on a x2 to x3 increase in hydrogen sales compared to 2024, a new sales strategy based on indirect sales, ie relying on a network of resellers, and the strong growth expected in partnership revenues (to be detailed in H1 results publication in Sept 2025);
- **for the financial year ending on 31 December 2026**, Group adjusted EBITDA margin[2] of 10% on consolidated revenue of around €100 million (vs. Group adjusted EBITDA[3] at break-even on consolidated sales of €200 million and total installed capacity of 200 MW previously);
- **by 2030**, to have a total installed capacity of 3 GW of assets under management[4] and a Group adjusted EBITDA margin in excess of 30% (vs. long-term previously). As an indication, at this date, the net share of assets held by Lhyfe[5] should be around 20%.

1 "Total installed capacity" is defined in the Glossary at the end of the Universal Registration Document.
2 "Group adjusted EBITDA margin" is defined in the Glossary at the end of the Universal Registration Document
3 "Group adjusted EBITDA" is defined in the Glossary at the end of the Universal Registration Document
4 "Assets under management" is defined in the Glossary at the end of the Universal Registration Document
5 "Net share of assets held by Lhyfe" is defined in the Glossary at the end of the Universal Registration Document

These objectives are summarised in the table below:

	Assets under management	Turnover	Group adjusted EBITDA margin
Financial year 2025	-	Significant growth (notably based on a x2 to x3 increase in hydrogen sales compared to 2024, i.e. revenue from direct sales to be comprised between €8m and €12m)	
Financial year 2026	-	Around €100m	10%
Estimates for 2030	3 GW	-	More than 30%

All of these targets are based in particular on the following assumptions:

- the achievement of long-term market trend forecasts described in paragraph 1.2.1 of the Universal Registration Document;
- the achievement of the management team's forecasts regarding the quantities of green hydrogen sold by the Group and its sales price by type of market concerned (see paragraph 1.2.1 of the Universal Registration Document);
- the Group's ability to raise the financing needed to complete the projects in its pipeline;
- estimated average IRRs per Group project;
- the probability of completion that the Group assigns to each project in the pipeline, which varies according to its position in the pipeline and the nature of the project;
- the Group's ability to anticipate and manage this growth effectively, in particular by recruiting and integrating the dedicated employees, supporting the increase in the sales teams and making the necessary technological investments; and
- improvement of the know-how and deployment of the optimisation tools developed by the Group.

1.9. Important events since the creation of the Company

The Group's history since its creation can be divided into four periods:

Creation	
2013	Matthieu Guesné joined the CEA (leading patent filer on hydrogen in France)
2017	Birth of the Lhyfe project
Development (2018-2019)	
2018	First site identified at Bouin (France)
2019	October: first funds raised
	4th quarter: start-up of several R&D projects, including one relating to the production of green hydrogen at sea
Industrialisation (2020-2021)	
2020	June: creation of the German subsidiary
	2nd half-year: first R&D collaboration agreements linked to the production of green hydrogen at sea
2021	2nd half-year: second financing round
	2nd half-year: creation of subsidiaries in Denmark, the Netherlands and Sweden
	2nd half-year: first industrial production at the Bouin site
Expansion (2022-2025)	
2022	February: creation of the Spanish subsidiary
	March: Mitsui raises funds
	May: IPO on Euronext Paris
	September: creation of the UK subsidiary
2023	February: start of construction of the second production site in Buléon, Brittany
	March: launch of construction of the third production site in Bessières, Occitanie
	March: acquisition of a 49% stake in Finnish project developer Flexens
	September: start of construction of the Schwäbisch Gmünd and Brake production sites in Germany
	December: first syndicated loan and inauguration of the Buléon and Bessières production sites
2024	January: start of construction of the 5 MW production site at Croixrault in Hauts-de-France
	March: €149m subsidy from the French government for a 100 MW production plant near Le Havre in Normandy
	July: signing of a five-year green hydrogen supply contract with H2 Mobility Deutschland
	October: start of construction of the 10 MW production site at Le Cheylas in Isère
2025	January: signing of a memorandum of understanding with Masdar to co-develop large-scale green hydrogen production projects in Europe
	April: completion of the financing of a portfolio of green hydrogen production projects for €53m

1.10. Group regulatory environment

The Group's hydrogen production, transport and sales activities, including the purchase of the electricity needed for production, are subject to numerous regulations in all the countries in which Lhyfe operates.

There is also a set of regulations specific to the emerging market for the production, transport, distribution and sale of "renewable" or "low-carbon" hydrogen and access to renewable energy sources - mainly electricity - to produce this hydrogen.

These regulatory packages are being drawn up in the most advanced countries as they implement their hydrogen strategy, with the stated aim of facilitating the development of this market as part of the energy transition (Net Zero Scenarios).

Each of the countries and regional organisations (such as the European Union), as well as each of the authorities involved in this process, is moving forward at its own pace and in a way that is not necessarily coordinated with the others[1]. Since 2023, however, efforts have been made to improve coordination, particularly in the areas of standardisation and certification. For example, the International Partnership for Hydrogen and Fuel Cells in the Economy (IPHE) has developed a common global methodology for accounting for GHG emissions throughout the life cycle of hydrogen and its derivatives (production, conversion, transport to the end customer)[2]. This document will play a crucial role in the development of an international standard by the International Organization for Standardization (ISO). A technical specification has already been published at the end of 2023[3] and a draft international standard was published at the end of 2024. The European framework, in the form of regulations and/or directives, is currently being drawn up and negotiated. On 15 December 2021, the European Commission adopted a series of legislative proposals, including a proposal to revise Regulation 715/2009 on conditions for access to the natural gas distribution networks and a proposal to revise Directive 2009/73 on common rules for the internal markets in natural gas, renewable gas and hydrogen. In December 2023, the Council and Parliament reached a provisional political agreement on the directive, in particular on 1) the differentiation between transmission system operators (TSOs) and distribution system operators (DSOs) for hydrogen, 2) the creation of a supervisory body for hydrogen network operators (ENNOH), 3) greater coordination between network development plans for hydrogen, electricity and natural gas, and 4) customer protection. This provisional agreement must now be formally adopted by the two institutions. Discussions on the regulation are continuing and it should be agreed between the two institutions in the coming months.

Finally, concerning the definition of the different categories of clean hydrogen, in February 2023 the European Commission adopted the delegated acts to the revised Renewable Energy Directive (EU) 2018/2001 (known as "RED III") determining the criteria for qualifying hydrogen and its derivatives as "renewable". Work is still in progress to specify, as part of the Gas package, the Europe-wide definition of the different categories of low-carbon hydrogen, in particular the differentiation of the different low-carbon hydrogen categories. The set of regulations specific to the hydrogen market covers a wide range of subjects, including:

- the determination of the different categories of hydrogen, which increasingly refers precisely to the carbon content of the hydrogen produced and the energy sources used. The reference to colours such as "green", "blue" or "grey" hydrogen, which was too imprecise, is gradually disappearing from the regulations; countries are gradually adopting standards that will make it possible to certify the origin and carbon content of hydrogen.
- the determination of the certification schemes that will make it possible to prove the nature of hydrogen, via voluntary certification schemes approved by the European Commission for renewable hydrogen as a liquid and gaseous Renewable Fuel of Non-Biological Origin or RFNBO in accordance with the delegated act to Directive (EU) 2018/2001;
- the nature of and access to the various forms of financial aid (including tax and/or tariff aid) granted by the European Union, the Member States and their local authorities to any player in the hydrogen market – from producer to user, including research & development, equipment manufacturers and plant constructors – to facilitate the development of the market, with differences depending on the nature of the hydrogen produced and/or used;
- access to renewable energy sources, mainly electricity;
- access to and use of transmission (pipeline network) and distribution infrastructure;
- the degree of separation, mandatory or otherwise, of hydrogen production, transport, distribution and sales activities – as with electricity and gas;
- the regulatory framework applicable to calls for tenders for the construction and operation of production units, by both public and private players; and
- for users, the possibility of easily changing supplier, benefiting from preferential regulated tariffs, long-term contracts or any other incentive (including penalties for using high-carbon hydrogen) to use hydrogen.

1.10.1. Challenges of the regulatory package specific to the hydrogen market - definition of the different categories of hydrogen according to their production method and carbon intensity.

Defining and certifying the nature of hydrogen according to the way it is produced and its carbon intensity is a cross-cutting issue for this regulatory package, as it may largely determine access to other measures facilitating the development of the market.

1 Global Hydrogen Monitor, IEA, December 2023. Chapter 6 Policies - Part "Standards, certification and regulations" page 163 and following
2 https://www.iphe.net/_files/ugd/45185a_8f9608847cbe46c88c319a75bb85f436.pdf
3 https://www.iso.org/standard/65628.html

In the European Union, sustainable hydrogen was defined in the European Green Taxonomy published in 2020[1], based on a maximum carbon intensity threshold equivalent to 3tCO2eq/tH2. The definition of renewable hydrogen and its derivatives was adopted in February 2023 in the delegated acts to Directive (EU) 2018/2001 on Renewable Energy. The definition of low-carbon hydrogen was set out in Directive 2024/1788 of the Gas Package of 13 June 2024, and the detailed rules for defining low-carbon hydrogen and its derivatives are due to be adopted before June 2025. The enactment of these texts in the Member States is under way and will be completed in 2026. In the UK, the Low Carbon Hydrogen Standard[2] was adopted in 2023. Similar standards have also been adopted in the United States and Canada.

ISO/TS 19870:2023 *Hydrogen technologies - Methodology for determining the greenhouse gas emissions associated with the production, conditioning and transport of hydrogen to consumption gate* was published in 2023. It provides a useful global reference point for comparing and evaluating the various national/regional/independent methodologies that are gradually being put in place. The IPHE (International Partnership for Hydrogen and Fuel Cells in the Economy) publishes regular reports on the development of traceability systems and methodologies for certifying the degree of sustainability of hydrogen in terms of its carbon intensity and whether it is renewable or non-renewable[3]. Several initiatives are under way to bring standardisation efforts together, as a harmonised, robust, stable and transparent regulatory framework is one of the essential conditions for effective, efficient international markets for sustainable hydrogen to emerge.

Direct financial aid, tariffs or taxes, access to transport and distribution infrastructures, rules relating to calls for tenders and incentives for users are associated with the different types of hydrogen defined by these codes and standards that are gradually being introduced.

Example of France

As of the date of the Universal Registration Document, the legislation applicable to the hydrogen produced by Lhyfe in France is Article L. 811-1 of the Energy Code, which states that:

"*For the purposes of this code, 'hydrogen' is the gas composed, in a proportion determined by order of the Minister responsible for energy, of dihydrogen molecules, obtained after implementation of an industrial process.*

Renewable hydrogen is hydrogen produced either by electrolysis using electricity from renewable energy sources as defined in Article L. 211-2, or by any other technology using exclusively one or more of these same renewable energy sources and not conflicting with other uses allowing their direct recovery. This electricity may be supplied as part of an individual or collective self-consumption operation as defined in articles L. 315-1 and L. 315-2. In all cases, its production process emits a quantity of carbon dioxide equivalents per kilogram of hydrogen produced that is below or equal to a given threshold.

Low-carbon hydrogen is hydrogen whose production process generates emissions below or equal to the threshold used to qualify as renewable hydrogen, without being able to qualify as renewable hydrogen because it does not meet the other criteria.

High-carbon hydrogen is hydrogen that is neither renewable nor low-carbon.

Hydrogen that is co-produced during an industrial process whose function is not to obtain this hydrogen and which is self-consumed, under the meaning assigned to this term in Article L. 813-2, within the same process, is not considered low-carbon hydrogen for the purposes of the code. It does not count towards the decarbonisation objective set out in item 10 of line I of article L. 100-4.

The definition of all the conditions, in particular the thresholds and processes, necessary for the application of this article is specified by order of the Minister for Energy."

This legal text therefore defines the essential criterion of a threshold for the quantity of CO_2, expressed by weight, generated by the hydrogen production process. The order specifying this threshold (3.38 kgCO2eq/kgH2) and the methodology for qualifying hydrogen as renewable or low-carbon was published on 1 July 2024[4].

Above the threshold, even if the other criteria are met, the hydrogen is "high-carbon". Below this threshold, hydrogen is considered "low-carbon". For hydrogen to be "renewable", one of the following two criteria must be met:

- produce hydrogen by water electrolysis using electricity from renewable energy sources; or
- use only other sources of renewable energy that do not conflict with uses that allow them to be used directly.

Lhyfe produces its hydrogen by water electrolysis, using renewable electricity. The electrolysis and other elements of the production process and, for mobility applications, the distribution of hydrogen to refuelling stations, produce a small amount of CO_2. On the other hand, depending on the source of the electricity used, even if it is produced from renewable energy sources, hydrogen production can generate more or less CO_2. The methodology for calculating the carbon content for the production of hydrogen by water electrolysis has not been defined, but ADEME proposes a "*cradle to gate*" approach that includes emissions from the manufacture of electricity production infrastructure through to the production of hydrogen, as follows:

- if the hydrogen production site is directly connected to the wind or solar farm, the amount of CO_2 generated is low: 0.70 kg CO_2/kg H_2 for a wind energy source;
- if the hydrogen production site draws electricity from the grid without any link to renewable production, the production of hydrogen by water electrolysis would generate CO_2 more significantly, estimated by the same ADEME study at 2.77 kg CO_2/kgH_2 for the French electricity mix, 19.8 kg CO_2/kgH_2 for the average European electricity mix.

This is because the electricity drawn from the grid at a given time reflects the "energy mix" of the electricity fed into the grid at that time, a mix that depends on the generation resources online at the time – hydroelectricity, nuclear, fossil-fired (including gas), biomass, wind, solar, etc. The production of electricity transmitted on the grid has therefore generated a certain quantity of CO_2, which varies over time. This quantity is

1 See point 3.10. Taxonomy regulation on hydrogen production: https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32020R0852&from=F
2 https://www.gov.uk/government/publications/uk-low-carbon-hydrogen-standard-emissions-reporting-and-sustainability-criteria
3 See for example the latest report published in December 2024, *Report: Comparison of Hydrogen Certification Mechanisms*, available here: https://www.iphe.net/resources/certification-mechanisms-report-iphe
4 https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000049870616

not, or only with difficulty, predictable, since the grid operator will call on the generation resources needed to meet demand at any time (electricity cannot be stored), according to its own order of priority. Although the grid operator may wish to favour generation from renewable energy sources, it is dependent on the intermittent nature of these sources and other factors such as the marginal cost of other generation sources or their availability.

These national regulations, in France and the other Member States of the European Union, are likely to evolve over the coming months and years through the enactment of European regulations adopted since 2023 to clarify the concept of sustainable hydrogen set out in the European Green Taxonomy in 2020[1]:

- European Directive 2023/2413 of 18 October 2023 on renewable energy[2], which defined renewable hydrogen of non-biological origin and its derivatives (definition of Renewable Fuels of Non-Biological Origin (RFNBO)), particularly in its delegated regulations 2023/1184[3] and 2023/1185[4] (deadline for enactment in the Member States: 21 May 2025);
- Directive 2024/1788 of the Gas Package of 13 June 2024[5], which defines low-carbon hydrogen and will be supplemented by June 2025 by two delegated acts that will specify the rules under which hydrogen can be certified as low-carbon (deadline for enactment in the Member States: 5 August 2026). Directive 2024/1788 stipulates that the methodology to be specified in the delegated acts for determining the carbon intensity of low-carbon hydrogen must be similar to that used for renewable hydrogen and its derivatives, detailed in the delegated regulations to Directive (EU) 2018/2001 on renewable energy (2023/1184 and 2023/1185).

One of the important concepts in these delegated acts is "additionality". Many players are seeking access to electricity generated from renewable energy sources, and the pace of construction of wind and solar farms is not keeping pace with the growth in this demand. Given this shortfall, the regulations could consider that certain uses of this electricity contribute more than others to the fight against global warming. Despite the fairly general consensus on the role that hydrogen should play in this fight, it may be that, in certain situations or in certain areas or territories, the regulations give priority to other uses of electricity from renewable sources - starting with its direct injection into the grid - and seek to favour these uses. One possible way of doing this is to require that any player using renewable electricity to produce renewable hydrogen must ensure that an equivalent quantity of renewable electricity is injected into the grid to be available for other uses.

1.10.2. Recent developments in French hydrogen regulations

1.10.2.1. Order of 17 February 2021 on hydrogen

Order no. 2021-167 of 17 February 2021 on hydrogen (the "Hydrogen Order") incorporates rules applicable to hydrogen into the Energy Code.

The Hydrogen Order provides for two hydrogen traceability systems to identify "renewable" and "low-carbon" hydrogen: the "traceability guarantee" (article L. 821-2 of the Energy Code) and the "guarantee of origin" (article L. 821-3 of the Energy Code), both valid for 12 months from the end of the hydrogen production they certify. If the "renewable" or "low-carbon" hydrogen produced is not mixed with another type of hydrogen or another gas between the production and consumption stages, the guarantee issued is transferred at the same time as the hydrogen produced and is called a traceability guarantee. The guarantee of origin is issued when the "renewable" or "low-carbon" hydrogen produced is likely to be mixed with another type of hydrogen or another gas between the production and consumption stages, or when the guarantee is likely to be sold independently of the hydrogen produced.

In addition, the Hydrogen Order strengthens the support mechanisms reserved for the production of renewable hydrogen or low-carbon hydrogen by water electrolysis (article L. 812-1 et seq. of the Energy Code), to develop the French electrolysis sector in line with the national strategy. This support may take the form of operating subsidies, or a combination of financial aid for investment and operating subsidies, awarded on the basis of a call for tenders. This aid is granted for a maximum period of 20 years. In practice, this corresponds to the lifespan of the first industrial sites to mass-produce clean hydrogen by water electrolysis. However, in the event of a change in the objectives of the multi-annual energy programme, this support scheme could be totally or partially suspended, for new applications and subject to the continuation of aid already granted.

These hydrogen production support schemes are set out in the Fit-for-55 European legislative package, which aims to implement the European Green Deal and achieve the objectives of the Paris Agreement. They will make up for the funding shortfall needed to make the price of renewable or low-carbon hydrogen competitive with the high-carbon alternatives currently used, and create favourable conditions for the development of the "clean" (renewable and low-carbon) hydrogen market in Europe. These policies of massive public support for the development of "clean" hydrogen are being implemented all over the world.

1.10.2.2. The 2021 Climate and Resilience Act

French Act no. 2021-1104 of 22 August 2021 on combating climate change and building resilience to its effects, known as the "Climate and Resilience Act", simplifies the procedure for occupying public land for renewable or low-carbon hydrogen production facilities, in order to speed up their development. Based on the principle set out in article L. 2122-1 of the French

1 Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32020R0852&from=F
2 https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=OJ:L_202302413
3 https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32023R1184
4 https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32023R1185
5 Directive laying down common rules for the internal markets in renewable gas, natural gas and hydrogen. See Article 2 – Definition 11. https://eur-lex.europa.eu/legal-content/FR/TXT/HTML/?uri=CELEX:32024L1788

General Code on the Ownership of Public Property (CGPPP), anyone occupying the public domain must hold a title authorising them to do so. The grant of a right of occupation is normally subject to a "prior selection procedure", which is a competition organised freely by the public authority when the occupation of the public domain is intended "for economic use", unless otherwise stipulated by law. The Climate and Resilience Act adds to this list of exceptions "renewable" or "low-carbon" hydrogen production facilities using water electrolysis that receive public support under article L. 812-2 of the French Energy Code (article L. 2122-1-3-1 of the CGPPP).

In addition, the Climate and Resilience Act allows local authorities to play an active role in the development of hydrogen, by participating in the capital of companies whose corporate purpose is the production of "renewable" and "low-carbon" hydrogen. Municipal authorities and their groupings can now participate in the capital of both public limited companies and simplified joint stock companies (article L.2253-1 of the French General Code for Local Authorities - "CGCT"). The same applies to the department authorities (article L. 3231-6 of the CGCT) and regional bodies (article L. 4211-1.14° of the CGCT). Similarly, the derogation enshrined in Article 42 of the Energy-Climate Law no. 2019-1147 of 8 November 2019 allowing municipal authorities and their groupings as well as departments and regions to grant advances "at market price" to renewable energy production companies has been extended to "renewable" or "low-carbon" hydrogen production companies. For example, if they need financing, hydrogen production companies can call on their shareholders for a loan rather than resorting to a capital increase, which can take longer.

1.10.3. Regulations relating to facilities operated by the Group

Like any other flammable gas or liquid, hydrogen presents risks due to its physical and chemical properties. Hydrogen can ignite or explode in the event of a leak.

All Lhyfe hydrogen electrolysis production facilities and means of transport include the following:

- an electrolyser;
- a compression unit; and
- containers for storing and transporting the hydrogen produced.

These facilities are covered by environmental regulations relating to facilities classified as environmentally-sensitive (ICPE) and Installations, Ouvrages, Travaux et Activités (IOTA), as well as by labour regulations relating to explosive atmospheres (ATEX). The first two regulations impose procedures prior to the construction and operation of facilities, followed by monitoring during their operation. The third concerns the measures to be implemented to prevent the formation of explosive atmospheres and to protect the employees concerned.

1.10.3.1. ICPE regulations

With regard to ICPE regulations, any operation likely to create risks or cause pollution or nuisance, particularly for the health and safety of local residents, is potentially an ICPE under Articles L.511-1 et seq. of the French Environment Code.

The activities and types of facilities covered by the legislation on classified facilities are listed in a text known as the "ICPE nomenclature". This legislation makes them subject to a legal regime of authorisation, registration, and declaration with periodic control, or just a declaration depending on the severity of the risks and negative aspects generated for health and the environment.

As of the date of the Universal Registration Document, the Bouin plant is subject to the ICPE authorisation regime, while the Bessières and Buléon plants are subject to the declaration regime (and will soon be subject to the authorisation regime as well).

Depending on the production and storage capacities of the facilities, Lhyfe production units could be subject to a declaration, registration or authorisation regime on a case-by-case basis, and may even be subject to the regulatory requirements of the European SEVESO directive category above certain capacity levels.

The production of hydrogen in "industrial quantities" is subject to environmental authorisation under heading 3420-a of the ICPE-classified facility regulations, pursuant to the European directive on industrial emissions (also known as the "IED" directive).

Storage is governed by section 4715 of the ICPE nomenclature – the facility will currently be subject to environmental authorisation if the quantity likely to be present in the facility is greater than or equal to 1 tonne, or to declaration if the said quantity is greater than or equal to 100 kg but less than 1 tonne. Regulatory changes are under way. It is expected that the thresholds and statuses for section 4715 will change by the end of 2025. Below 1 tonne of hydrogen storage capacity, a site would be subject to declaration, between 1 tonne and less than 5 tonnes of storage capacity, a site would be subject to registration, and above 5 tonnes, a site would be subject to authorisation.

The storage activity will be subject to the "Seveso" high threshold regime if the quantity exceeds 50 tonnes, and to the "Seveso" low threshold regime if the quantity is less than 5 tonnes.

As a result, a facility that exceeds or falls below certain thresholds will not be subject to the same regulatory mechanism and will have to take all the necessary steps to meet the conditions of the new regime. These regulatory and procedural formalities can be more or less restrictive, costly and time-consuming depending on the level of classification: application for authorisation with impact study, public enquiry, hazard assessment, financial guarantees, etc.

1.10.3.2. IOTA regulations

With regard to the regulations on IOTA, the facilities and works concerned are those "carried out for non-domestic purposes by any natural or legal person, public or private, and resulting in withdrawals from surface or groundwater". IOTA regulations therefore apply to projects requiring water to be taken from or discharged into the aquatic environment, whether a river, groundwater, sea or ocean. IOTA regulations also depend on the quantity of water used. Group production units may be

subject to this regulation depending on the water withdrawal method and the wastewater release process implemented for each site.

1.10.3.3. ATEX regulations

The ATEX regulations contain provisions on explosion protection designed to prevent the risk of explosive atmospheres forming or, failing that, to limit the risk and protect workers.

An explosive atmosphere is defined as a mixture of air and flammable substances in the form of gas, vapour, mist or dust, in which, after ignition, combustion spreads to the entire unburned mixture. Such a situation could arise in the event of a leak or other malfunction at Group facilities (or those of its customers). To prevent explosions, the employer shall take appropriate technical and organisational measures in the following order of priority:

- prevent the formation of explosive atmospheres; and
- if the nature of the activity makes it impossible to prevent the formation of explosive atmospheres, prevent their ignition and mitigate the harmful effects of an explosion on the health and safety of workers.

These measures may be supplemented by measures to prevent the propagation of explosions and are reviewed periodically and whenever there is a significant change in work conditions. These measures are defined on the basis of a mandatory assessment of the risks created or likely to be created by explosive atmospheres. This assessment must be carried out in accordance with precise criteria defined by the French Labour Code.

Where explosive atmospheres may form and present a risk to the health and safety of workers, the employer shall take the necessary measures to ensure that:

- the working environment is safe;
- adequate supervision is provided and appropriate technical resources are used;
- explosion protection training for workers is provided;
- insofar as necessary, workers are equipped with work clothing designed to protect against the risk of ignition.

The employer prepares and updates an explosion protection document, which forms part of the single risk assessment document. Updates are compulsory in the event of significant modifications, extensions or alterations to premises, equipment or work organisation. This document also specifies the coordination measures when several companies are likely to be present in the same workplace.

1.10.4. Regulations governing Group electricity purchase contracts

Regulation (EU) No. 1227/2011 of the European Parliament and of the Council on the integrity and transparency of the wholesale energy market (REMIT) came into force in 2011 to support open and fair competition on Europe's wholesale energy markets. By prohibiting all transactions based on insider information and all market manipulation, REMIT lays the foundations for greater market transparency and integrity, and ultimately protects the interests of companies and consumers. REMIT also deters market players from manipulating the market, while guaranteeing confidence in the operation of these markets and promoting their integration. In doing so, it also protects the interests of businesses and consumers.

REMIT reporting obligations apply to the Group insofar that it purchases significant volumes of electricity under power purchase agreements.

1.10.5. Regulations governing the transport of hazardous goods

Hydrogen is classified as a dangerous good and its transport by road is therefore subject to the Agreement concerning the International Carriage of Dangerous Goods by Road (ADR - United Nations treaty). The ADR is consolidated by the decree of 29 May 2009 (as amended) on the transport of hazardous materials by land, known as the "TMD decree", applicable to transport operations in France.

Each dangerous good, such as hydrogen, is coded with very precise characteristics (UN number, hazard class, classification code, packaging group, special provisions, tunnel restriction code).

Packaging approved to contain dangerous goods must be specifically marked to identify compliance with ADR requirements.

All dangerous goods must be packaged in appropriate, approved packaging. Depending on the classification of the goods (in particular the packaging group), different types of packaging are proposed in the "packaging instructions". These instructions must be followed when packaging goods for road transport.

Vehicles and transport equipment are subject to precise technical specifications. To ensure that these standards are properly applied, international agreements provide for approval procedures and technical inspections, which are then incorporated into national legislation.

All goods transported under the ADR must be accompanied by a transport document commonly known as a "Dangerous Goods Declaration". Compulsory details identify the load in terms of quality and quantity.

It is the responsibility of the person in charge of any establishment where loading or filling takes place to ensure that the provisions applicable to the transport of dangerous goods are observed. In particular, it must ensure that:

- the transport document and written safety instructions for the driver are included in the on-board documents;
- the driver holds a valid training certificate appropriate to the type of transport method;
- the transport unit has valid certificate(s) of approval suitable for the transport activity; and
- the transport unit is correctly signed and placarded on leaving the establishment.

For the transport of parcels, it must also ensure that:

- prohibitions on mixed loads are respected; and
- loaded packages are properly stowed and secured.

If this is not ensured, transport will not be authorised. Security, as it applies to the transport of dangerous goods, is defined as "all the measures to be taken to minimise the theft or improper use of dangerous goods that could endanger people, property or the environment".

As such, all transport of dangerous goods is subject to a number of obligations, including:

- goods are only handed over to duly identified carriers;
- each crew member must be in possession of an identification document;
- bearing their photograph;
- temporary accommodation areas (terminals, vehicle depots, etc.) are secure, well lit and not accessible to the public; and
- all participants in a transport operation must have received security training.

Furthermore, the participants in the chain must draw up a security plan for the transport of dangerous goods identified by the regulation as "high risk" (chapter 1.10 of the ADR). The safety plan makes it possible to minimise and control risks in particular:

- driver aggression;
- attempted theft of dangerous goods; and
- diversion of dangerous goods.

In addition to the checks that may be carried out by the applicable authorities, a "safety adviser" must be appointed in all companies whose business involves the transport of dangerous goods by road, or the packaging, loading, filling or unloading operations associated with such transport. The role of the safety advisor is to help prevent risks to people, property and the environment.

In particular, the advisor must check compliance with ADR rules and guide the company in operations relating to the transport of dangerous goods. They are also responsible for overseeing transport-related tasks and operations. Their tasks are as follows:

- ensure compliance with regulations on the transport of dangerous goods;
- advise the company on operations involving the transport of dangerous goods;
- produce an annual report for company management or, where appropriate, a local public authority, on the company's activities relating to the transport of dangerous goods. This report must be kept for five years by the company and must be made available to any competent authority to establish infringements of legislation on the transport of dangerous goods; and
- ensure that an accident report is produced, analysing the causes of the accident, with written recommendations to prevent a recurrence. This report must be sent to the head of the company no later than four months after the accident, and the company must keep it on file with the authorities for five years.

In terms of civil liability, the hazardous nature of the material transported does not change the legal regime governing liability under transport law. The regulations governing the transport of dangerous goods make it possible to identify the contractual commitments of the parties involved in the transport operation, and therefore to determine any essential breaches. Penalties are specified under the French Transport Code.

1.11. Industrial property

The Group's industrial property rights consist mainly of rights to distinctive signs such as trademarks and domain names. These property rights held by the Group are registered or in the process of being registered in the countries where the Group operates, to ensure suitable protection. The Group has also put in place measures to protect the know-how it has developed.

1.11.1. Protecting know-how

The intellectual property protection strategy put in place aims to ensure:

- the secrecy of the company's inventions and know-how thanks to a strict confidentiality policy;
- the priority of inventions and know-how through the filing of Soleau envelopes and the filing of sealed documents under bailiff's affidavit;
- freedom to operate through active and targeted patent monitoring; and
- the identification of inventions and know-how so that the appropriate level of protection can be assessed.

Rather than filing patents, the Group protects its know-how preventively and defensively.

Preventive measures currently being deployed or already deployed include the development of an internal trade secret policy, the secure storage of confidential information, the regular review of what is confidential and what is not, and the inclusion of non-disclosure clauses in agreements signed by the Group where the exchange of confidential information is highly likely and/or necessary.

Defensive measures have been put in place by filing Soleau envelopes, which is a simple and inexpensive means of proving the date of certain concepts and proving the prior existence of the Group's innovation to a competitor. However, Soleau envelopes do not confer industrial property rights and are valid for 10 years. Compared with filing patents, filing Soleau envelopes is not public and makes it possible to date the origin of the creation.

For example, certain offshore production technologies and the code of certain internal software tools are protected by Soleau envelopes. The entire hydrogen production process has also been protected by Soleau envelopes.

1.11.2. Brands

The Company has registered the following trademarks:

Brand	Geographical area	Number	Date	Protected classes
Lhyfe	France	4377042	Filed on 18 July 2017 and registered on 24 November 2017[1]	1; 4; 9; 11; 35; 37; 39; 40; 41; 42
	European Union	1539672	Registered on 23 March 2020	1; 9; 35; 37; 39; 40; 41; 42
Lhyfe Box	France	4732375	Filed on 12 February 2021 and registered on 18 June 2021	7; 9; 35; 40
	European Union	018531261	Filed on 18 August 2021 and registered on 03 January 2022	7; 9; 35; 40
Lhyfe Heroes	France	4907372	Filed on 21 October 2022 and registered on 24 March 2023	1; 4; 7; 9; 35; 36; 37; 38; 39; 40; 41; 42
	European Union	018779775	Filed on 21 October 2022 and registered on 11 May 2023	1; 4; 7; 9; 35; 36; 37; 38; 39; 40; 41; 42
Heroes of Lhyfe	France	4907940	Filed on 24 October 2022 and registered on 10 February 2023	1; 4; 7; 9; 35; 36; 37; 38; 39; 40; 41; 42

1.11.3. Domain names

The Company has registered several domain names, mainly around its "Lhyfe" name, including "lhyfe.com", which is used by the Group's website.

1 Then transferred to the Company on 20 December 2019

2 Corporate Social and Environmental Responsibility

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Faced with the observed consequences of climate change and its current and future impact on our way of life, Lhyfe has been an active player in the decarbonisation movement from the outset, with the goal of helping to offer future generations a more breathable world. By producing green hydrogen, the Company aims to contribute to efforts to decarbonise mobility and industry.

This decarbonisation goal can only be achieved by implementing a clear strategy and must be accompanied by an awareness of the importance of environmental, social and societal issues, both by the Group's management team and employees and by all its stakeholders.

Lhyfe's values, combining respect for nature and people, make it a company that is deeply committed to environmental and social issues. This dual component also feeds into the Group's societal approach, which seeks to limit any negative impact it may have while promoting positive actions and approaches in favour of the environment and the preservation of a healthy and sustainable lifestyle.

This chapter sets out Lhyfe's ambitions in terms of corporate social and environmental responsibility (CSR). As the Company is not required to publish a statement of non-financial performance or a sustainability statement in accordance with the rules in force, the information provided is voluntary and has not been the subject of an audit report.

2.1. The Group's general policy in terms of CSR

Environmental, social and societal issues are, by their very nature, central to the Group's concerns and to its role in decarbonisation.

Green hydrogen, i.e. hydrogen produced from renewable (particularly wind or solar) or low-carbon electricity, has the advantage of emitting very little CO_2 when it is produced and none at all when it is used, making it an essential component of decarbonisation policies.

The green hydrogen market is currently booming, with increasing demand from the mobility and industrial sectors for a growing number of applications and uses. Increasing the Group's demand for and production of green hydrogen automatically generates significant environmental benefits.

The emergence of the green hydrogen market should also lead to the creation of new jobs, particularly in the regions in which the Group operates, and contribute to the transformation of the industrial sector, which is still based on fossil fuels.

Finally, as it develops its business, the Group is committed to respecting human rights throughout its value chain and strives to develop high-quality, trust-based relationships with its stakeholders.

CSR governance

In accordance with its internal regulations, the Board of Directors has set up a Social and Environmental Responsibility Committee, whose remit is to examine the Group's CSR strategy, ambitions, policies and commitments and monitor the Group's actions in this area and their deployment; to examine environmental and social risks in conjunction with the Audit Committee and the impact of environmental and social issues in terms of investment, performance and image; and finally, to carry out an annual review of a summary of the non-financial ratings obtained by the Group. The composition, powers and operation of the Social and Environmental Responsibility Committee are described in paragraph 3.2.2.2 of the Universal Registration Document.

CSR issues are coordinated by Nolwenn Belléguic, Head of Human Resources and Communications, and supported and implemented by internal leads in each *business unit*. A CSR project manager was recruited in 2024 to ensure that these issues are managed on a day-to-day basis.

Involving Group employees proactively in the development of its CSR approach

Lhyfe believes that CSR is not just about regulatory compliance; it must be a proactive approach, integrated into the company's culture and strategy. This means anticipating environmental and social challenges, innovating to go beyond legal obligations and, above all, proactively involving the Group's employees in this process.

The Group thus fosters long-term commitment and the co-construction of initiatives that have a positive impact. This approach enables it to continually improve its CSR performance and to strengthen well-being and human relations within the company. Through concrete actions and regular exchanges, Lhyfe aligns its economic development with its social and environmental responsibility, making it a committed and sustainable company.

Action plan

The Group has drawn up an action plan setting out its strategic priorities in terms of CSR, which has been reviewed by the Social and Environmental Responsibility Committee and approved by the Board of Directors.

This plan is monitored and re-examined every year according to the various impact and financial issues that may change over time, and is supplemented by the regular consultation of monitoring indicators.

In 2025, Lhyfe plans to establish its double materiality in order to assess its various impact and financial issues with even greater objectivity. This approach aims to better reflect the expectations and priorities of its stakeholders, both internal and external, as well as those of its management. By using a materiality matrix, Lhyfe will be able to target its CSR strategy and actions more precisely.

The matrix will be used to identify and classify issues according to their importance for stakeholders and their impact on value creation for the Group. The issues will be divided into several categories, ranging from fundamental issues, which are the essential basis for responsible business practice, to decisive issues, which make an essential contribution to value creation.

This approach will enable Lhyfe to better understand and manage its CSR risks, while aligning its actions with the expectations of its stakeholders and its strategic objectives.

Figures concerning the action plan

The action plan includes a number of actions subject to monitoring. The table below sets out in detail the actions that have been or are being implemented and their status on the date of the Universal Registration Document:

	Action identified		Status
Environmental actions	Environmental study of the impacts and benefits of renewable hydrogen over its entire life cycle	✓	**Action completed in 2024** with: ○ a complete and detailed analysis of the life cycle of the Bouin production site (from the construction of the wind turbine to the delivery of the hydrogen), ○ a sourced study of the impact of the Group's activities on biodiversity, water consumption and energy consumption, and ○ a prospective analysis of the various impacts of the electrolyser on the management of rare raw materials and the impacts of the Group's future offshore activities.
	Assessment of the dependence of the Group's activities on raw materials, particularly in terms of scarcity, price and supply	◑	**Action in progress**: the supply of raw materials is a strategic issue for the Group, directly influencing the economic and environmental viability of its activities. This dependency is analysed from several angles (identification of critical raw materials, analysis of scarcity and availability, impact of price fluctuations, risk mitigation strategy, etc.). This analysis needs to be strengthened in 2025.
	ISO 50001 certification (management of energy and energy performance)	◑	**Action in progress**: at the Schwäbisch Gmünd production site (Germany), Lhyfe is actively working towards ISO 50001 certification. This certification, which focuses on the continuous improvement of energy efficiency, is a strategic lever for optimising environmental performance. Once obtained, this certification will serve as a model and inspiration for other sites, encouraging the adoption of good energy practices and reinforcing the incorporation of energy issues at the heart of the Group's CSR strategy.
	Transparency on the origin and distribution of the energy sources used by the Group	✓	**Action completed in 2023**: the Group's energy consumption was audited by Bureau Veritas as part of the audits mentioned above. All the energy consumed comes from directly connected wind or solar farms or, failing that, from power purchase agreements (PPAs) with guarantees of origin.
	Raising employee awareness of environmental issues through "The Week" training and identification of 15 in-house environmental projects	✓	**Action completed in 2024**: during a seminar, all Group employees took part in the "The Week" project, watching documentaries to raise awareness of the real consequences of climate change and taking part in group discussions. Employees were then invited to come up with concrete actions. Fifteen projects were identified, some of which were implemented in 2024 (beach and park clean-ups, tree planting and raising awareness of climate change among schoolchildren). Other projects will be implemented in 2025 and new awareness-raising formats are being considered.
Social actions	Formalisation of the policy on quality of life at work, diversity and inclusion	◑	**Action in progress**: Lhyfe is currently working on formalising its commitments in terms of quality of life at work, diversity and inclusion, particularly with regard to disability. This approach is carried out in collaboration with employee representatives in order to organise the actions already implemented and identify new areas for improvement.
	Calculation of the professional gender equality index, analysis and incorporation of the results in the Group's social and pay policy	✓	**Action carried out each year since 2024**, see paragraph 2.3.6 of the Universal Registration Document: Lhyfe's actions and training on professional equality have enabled it to achieve a score of 95/100, reflecting its ongoing commitment to the subject.
	Developing relationships of trust with associations and social integration organisations	✓	**Action completed in 2024** with the launch of a partnership with the "School of Second Chance" (École de la Deuxième Chance) (see paragraph 2.4.1 of the Universal Registration Document). In 2025, a project will be set up in schools to raise awareness of climate change through waste management. Lhyfe also welcomed Volga, a future guide dog in training, to its premises, demonstrating its commitment to inclusion and to making its teams more aware of visual impairment.
	Ongoing commitment to employee well-being	✓	**Actions carried out on an ongoing basis**: the Group fosters a healthy and inclusive working environment through a variety of initiatives (flexible working through remote working and adapted working hours, sporting activities and challenges and seminars to strengthen team spirit) and friendly workspaces. Lhyfe also encourages personal and professional development through training and participatory management. Finally, the Group's commitment to making a positive impact is reflected in its corporate culture, which values mutual support, listening and a work-life balance.

	Action identified		Status
Societal actions	Development of relationships based on trust with local communities by organising information meetings, open days and visits to our production sites	✓	**Actions carried out on an ongoing basis** and part of the Group's transparency approach towards local populations, which must be implemented for each of the Group's current or future production sites.
	Creation of a virtuous ecosystem through partnerships with local entities, with the aim of promoting the transition to hydrogen mobility	✓	**Action completed**, in particular with the setting up of Lhyfe Heroes, a digital platform connecting leaders of projects considering the use of use green hydrogen or who have already started the process and are looking to equip themselves, on the one hand, and players in the "hydrogen" ecosystem (service station or vehicles construction companies, distributors, etc.), on the other hand (see paragraph 1.2.4 of the Universal Registration Document).
Group governance and organisation	Obtaining quality certifications (including ISO 9001)	✓	**Action completed in 2023**, with ISO 9001:2015 certification. This certification, which is valid for the registered office in Nantes and the production site in Bouin, guarantees that Lhyfe has put in place a quality management system that enables it to supply its products and services in accordance with customer requirements and applicable legal and regulatory requirements.
	Prioritisation of the significant non-financial impacts of the Group's activities and consideration of the implementation of mitigation policies	○	**Action to be carried out**: discussions will be held and working groups set up to assess and reduce the impact of Lhyfe's activities on various material issues, by drawing up a double materiality matrix (financial and impact materiality). Depending on the significant impacts, mitigation policies will be put in place.
	Establishment of an organisational system to facilitate development, relations and areas of delegation with the Group's various subsidiaries	◑	**Action in progress.**
	Establishment of an internal organisation and architecture dedicated to dealing with CSR issues	◑	**Action completed**: CSR issues are coordinated by Nolwenn Belléguic, Head of Human Resources and Communications, and supported and implemented by internal leads in each business unit. Special recruitment was carried out in 2024 to manage these issues.
	Review of the succession plan	✓	**Action completed**: the succession plan is regularly reviewed in accordance with Recommendation 17 of the Middlenext Code.

Non-financial rating of the Group by EthiFinance

Since 2022, the year of its IPO, Lhyfe's CSR performance has been analysed annually by EthiFinance, an independent European rating agency specialising in the assessment of companies listed on European markets, for the benefit of sustainable finance. This assessment is based on a reference framework of 140 criteria divided into four pillars: environment, social, governance and external stakeholders, guaranteeing a complete and rigorous analysis of Lhyfe's impact.

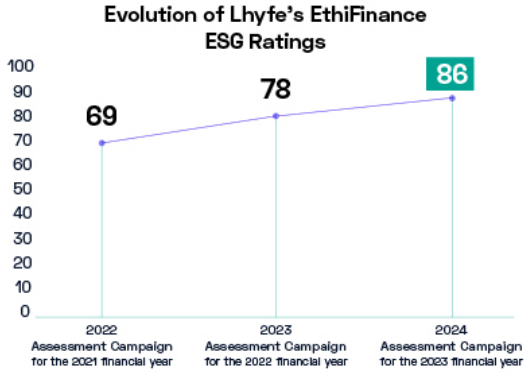
In 2024, EthiFinance gave Lhyfe a score of 86/100 for financial year 2023 (compared to 78/100 for 2022 and 69/100 for 2021[1]), compared to an average score of 59/100 for a panel of 73 companies in the same sector[2]. This rating places Lhyfe in 1st position in its sector in Europe and in 7th position in France for all sectors combined, raising it from Gold Level to Platinum Level.

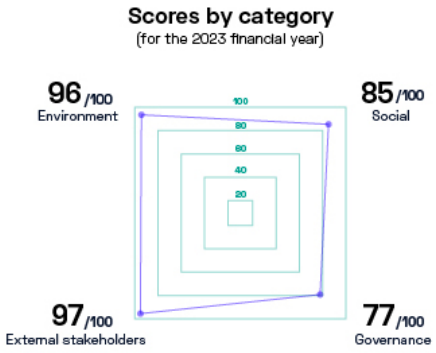
This represents an increase of 17 points in two years, confirming the soundness and viability of Lhyfe's innovative business model, which sets sustainability as a priority alongside strong growth. It also demonstrates the commitment of our teams and management to accelerating the decarbonisation of industry and mobility, while meeting the expectations of our stakeholders.



86/100

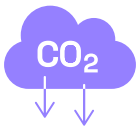
1st in its category





1 These ratings of 78/100 for financial year 2022 and 69/100 for financial year 2021 differ from those given in the 2023 universal registration document (75/100 for 2022 and 67/100 for 2021), due to a methodological adjustment applied by EthiFinance in its latest rating campaign
2 Sector benchmark based on the 2024 ratings of 73 companies in the "Utilities sector"

2.2. Environmental information



1.0 kg

CO_2 emitted by Lhyfe to produce 1 kg of green hydrogen at Bouin site

(versus **11.1 kg** of CO_2 emitted to produce 1 kg of grey or fossil-based hydrogen)[1]

2.2.1. Group environmental policy

The very purpose of Lhyfe, the production of green hydrogen for mobility and industry, is dedicated to the environment. The green hydrogen produced by the Group can replace the fossil fuels currently used in mobility and industry.

In order to measure this impact in concrete terms, Lhyfe evaluates the CO_2 emissions avoided through the use of the green hydrogen it produces. This approach is in line with our commitment to transparency and social responsibility, enabling us to quantify Lhyfe's contribution to the fight against climate change.

In addition to its green hydrogen production business, the Group has an ambitious environmental policy, making use of all the levers at its disposal.

Assessment related to the European taxonomy

The Group asked EthiFinance, on a voluntary basis, to assess its activities in relation to the European taxonomy resulting from Regulation (EU) 2020/852 and Delegated Regulation (EU) 2021/2139, which set out screening criteria for economic activities that contribute "substantially" to "climate change mitigation and adaptation" (the "European Taxonomy"). EthiFinance therefore assessed the eligibility and the alignment of the Group's revenue with the European Taxonomy. The Group's revenue for financial year 2024 corresponds to several activities that are listed among the activities contributing to the "climate change mitigation" objective: manufacture, storage and transport of hydrogen.

EthiFinance has estimated that for financial year 2024:

- 100% of the Group's revenue was eligible for the European Taxonomy, due to the nature of its activities;
- and that 51% of turnover was aligned with the European Taxonomy. While some of the technical criteria defined in the European Taxonomy for qualifying the Group's activities as sustainable (Substantial Contribution Criteria) have been met up to 70%, the 5 "Do No Significant Harm" or DNSH principles have only been met up to 51%. These 5 principles are (i) adaptation to climate change, (ii) sustainable use and protection of water and marine resources, (iii) transition to a circular economy, (iv) prevention and control of pollution and (v) protection and restoration of biodiversity and ecosystems.

For the record, for financial year 2023, 61% of revenue was eligible and aligned. The difference in alignment between 2024 and 2023 is explained by the redistribution of certain activities that still only partially satisfy some of the 5 DNSH principles.

2.2.2. Adapting to climate change

Emissions of greenhouse gases (GHGs), in particular CO_2, are causing climate change, resulting in an intensification of extreme weather events. Green hydrogen will play a key role in the energy transition by intervening in two of the most CO_2 emitting sectors after energy production itself, industry and mobility (see paragraphs 1.2.3 and 1.2.4 of the Universal Registration Document).

The green hydrogen produced by the Group therefore helps to reduce CO_2 emissions. In order to accurately measure its impact in this area, the Group has set up a system for monitoring CO_2 emissions in two ways:

- an annual review of the greenhouse gas emissions generated by its activities;
- monitoring of the carbon life cycle of the hydrogen produced.

2.2.2.1. Annual review of greenhouse gas emissions

The Group carries out an annual assessment, on a voluntary basis, to analyse the direct and indirect greenhouse gas emissions generated by all its activities (at consolidated scope level), using the GHG Protocol methodology (the methodology adopted by Directive (EU) 2022/2464, known as the "CSRD" for Corporate Sustainability Reporting Directive), with the following scopes:

- Scope 1 corresponds to direct greenhouse gas emissions from sources owned or controlled by the Group;
- Scope 2 relates to indirect emissions resulting from the production of electricity, steam, heat or cooling purchased or acquired and consumed by the Group;

1 Details available in 2.2.2 Analysis of C02 emissions linked to the life cycle of the renewable hydrogen produced

- Scope 3 corresponds to other indirect emissions (not included in Scope 2 GHG emissions) produced in the Group's value chain, including upstream and downstream emissions.

	CO_2 emissions (in tCO_2)[1]				
Scope	**2024**	**2023**	**2022**	**2021**	**Analysis of changes**
Scope 1	3	29	70	0	Scope 1 emissions correspond to direct emissions linked to the company's activities. During financial year 2024, a change in the vehicle fleet led to a reduction in Scope 1 emissions.
Scope 2	244	64	54	7	Scope 2 emissions relate to the electricity used to produce the hydrogen. The higher the volume of green hydrogen produced, the higher the volume of emissions. During financial year 2024, Scope 2 emissions rose mechanically, in line with the increase in green hydrogen production. The use of renewable energy significantly reduces the emissions linked to this scope.
Scope 3	3,348	2,631	1,463	836	Scope 3 emissions relate mainly to site construction, business trips as well as goods and services used at corporate level. During financial year 2024, the construction of new production plants as well as the increased transport of hydrogen mechanically increased Scope 3 emissions.
Total	**3,595**	**2,724**	**1,587**	**843**	**Despite a significant increase in consolidated turnover in financial year 2024 (approximately x 4), the Group's CO_2 emissions over the same period only rose by a moderate amount.**

The Group has not yet defined a target validated by the Science Based Target initiative (SBTi).

The Group is growing rapidly and building new production sites to decarbonise mobility and industry, which mechanically results, in absolute terms, in an increase in its emissions, particularly those linked to Scopes 2 and 3. Carbon intensity (tonnes of CO_2 emitted/million euros of turnover), meanwhile, is falling dramatically (from 1.6 in 2023 to 0.7 in 2024).

While scopes 1, 2, and 3 focus on greenhouse gas emissions generated directly and indirectly by a company's operations, Scope 4 emissions refer to the emissions reductions achieved through the use of the company's products or services. Scope 4 emissions thus offer a more comprehensive view of a company's environmental impact by highlighting the positive externalities of its products or services. This aspect of carbon accounting is essential to fully understand a company's carbon footprint and its contributions toward a net-zero economy. Developing and adopting a comprehensive standard for scope 4 emissions will require time, coordinated effort, and collaboration between industries and regulatory bodies. In this context, the Group is currently developing a methology to calculate the greenhouse gas emissions avoided through the production and use of green hydrogen. At the same time, Lhyfe continues to control its CO_2 emissions in all areas of its business (see below).

2.2.2.2. Analysis of CO2 emissions linked to the life cycle of the renewable hydrogen produced

Although there is currently no international legal framework or global consensus on the characterisation of hydrogen as green, renewable, low-carbon or carbon-neutral (see Section 1.10 of the Universal Registration Document), Lhyfe has chosen to adopt a transparent and responsible approach, in line with the European criteria defined for RFNBOs (Renewable Fuels of Non-Biological Origin). The Group complies with strict sustainability requirements for the production of green hydrogen, based on the exclusive use of renewable energy and an electrolysis process.

Until now, the international reference has been the "Methodology for Determining Greenhouse Gas Emissions Associated with Hydrogen Production" published in November 2022 by the IPHE *(International Partnership for Hydrogen and Fuel Cells*), an international intergovernmental partnership of countries and the European Commission, whose aim is to facilitate and accelerate the transition to clean energy using hydrogen and fuel cells.

The Group has decided to establish its own methodology for quantifying and reporting the carbon footprint of products (CFP), in a manner consistent with international standards:

- ISO 14040/44:2006 – Environmental management – Life cycle assessment – Principle and framework;
- ISO 14067:2018 – Carbon footprint of products – Requirements and guidelines for quantification;
- the general certification procedure for products and services "Voluntary Certification for Hydrogen Carbon Footprint Assessments" developed by the Bureau Veritas Technical & Decarbonisation Centre.

The methodology used is in line with Directive (EU) 2018/2001 (so-called "RED II"), which requires greenhouse gas emission savings of 73.4% compared to a fossil fuel comparator in a manner similar to the approach defined in Article 25(2) and Appendix V of said Directive.

The Bouin site has obtained the "CertifHy Green Hydrogen" label, which guarantees the traceability of the hydrogen.

The assessment was carried out at the Lhyfe plant in Bouin and includes all upstream activities, i.e. the production of raw materials for the construction of the plant, the production of hydrogen on site, the compression of the hydrogen to 350 bars and transport to the customer's plant. However, as the storage and delivery stages are extremely sensitive to the distance from the production site to the customer site and to the average consumption of the vehicle, the assessment is divided into two subsystems:

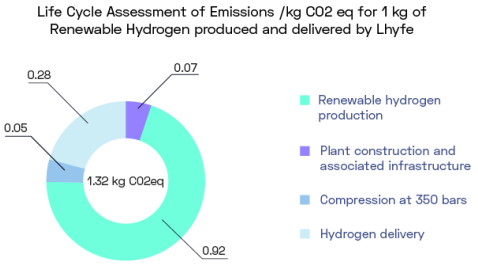
- *Cradle to Gate*: on-site hydrogen production;
- *Gate to Customer*: compression, storage and transport.

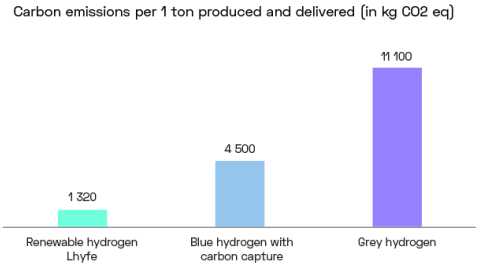
This data was compiled with the help of a third-party organisation and has been certified by Bureau Veritas.

1 At consolidated scope level

Subsystem	CO_2 emissions (in $kgCO_2/kg$ of green hydrogen produced)
Cradle to Gate – Hydrogen production at 30 bars, operation and maintenance	0.992
Gate to Customer – Compression and storage of hydrogen at 350 bars, distribution	0.330
Total	**1.322**

The CO_2 emitted by Lhyfe to produce one kilogram of green hydrogen is therefore 0.992 $kgCO_2$, eleven times less than that emitted by hydrogen produced by steam reforming of natural gas (so-called "grey" or "fossil-based" hydrogen), which is 11.1 $kgCO_2/kgH_2$[1].





2.2.2.3. Measures taken to control CO_2 emissions

As well as producing green hydrogen, the Group is seeking to reduce its CO_2 emissions in all areas of its business:

- **Design of production units**: production site buildings are eco-designed.
- **Construction of production units**: the Group prioritises local service providers and equipment manufacturers for the construction of its production sites, in order to limit the CO_2 emissions generated by their travel and transport.
- **Delivery**: green hydrogen is delivered using low-emission lorries, with the aim of using lorries that use green hydrogen where possible.
- **Registered office**: The Group's registered office, located at 1 ter mail Pablo Picasso in Nantes, France, has been awarded the Breeam[2] "Very Good" label, after taking into account a number of parameters relating to thermal and visual comfort, indoor air quality, energy performance, water savings, the environmental and carbon impact of materials and pollution management, attesting to Lhyfe's commitment to sustainability and environmental protection.

  In 2025, as part of the Group's ongoing development, Lhyfe will move its registered office to a new building in Nantes, the construction of which has just been completed. The building, designed to achieve Breeam "Very Good" certification, is fully in line with the Group's environmental approach. It implements greater energy efficiency, using renewable energies to cover energy needs. The architecture of this building is based on high energy performance, with a wooden structure, bio-sourced and recycled materials, and terracotta tiles for thermal comfort. The absence of air conditioning means a better ecological balance, offset by a ventilation system that limits the temperature inside. In addition, rainwater collection systems have been installed to optimise the use of natural resources.
- **Other travel**: the Group tracks CO_2 emissions generated by employee travel. A hydrogen vehicle and an electric vehicle have been acquired and cycling is strongly encouraged. The Group has, for example, set up a cycling plan for employees at its registered office in Nantes, which includes bike maintenance and repair workshops, visibility kits, a suitable infrastructure on the premises (secure parking, changing rooms, showers and helmet and clothing racks) and training in safe cycling. At the end of 2023, cycling was the main mode of transport for employees based in Nantes and Paris, with a modal share of 71%. The Group's efforts have been rewarded with a "Pro-Bike Employer" gold medal, awarded in 2023 by Qualianor Certification, on behalf of the French Federation of Bicycle Users.

2.2.3. Pollution

Production process

The process of producing green hydrogen by electrolysis of water emits, in addition to hydrogen, only oxygen and produces no waste. At the Bouin site, the water used in the production process mainly comes from an underground salt water table originating from the sea. All the brine (water concentrated in salts), is returned to the mouth of the *Canal du Dain*, near the production site, without any additives. The residual water recovered after compression is also filtered and returned to the original water table to minimise the site's impact on the natural environment. Acidic and basic solutions

1 Ademe footprint base https://base-empreinte.ademe.fr (excluding transport of hydrogen to distribution point)
2 BRE Environmental Assessment Method

are used to regenerate water purification systems and are collected and reprocessed. Potassium hydroxide is used to activate the electrolysis reaction but remains in a closed circuit. The oily residue from hydrogen compression is also collected and reprocessed.

Waste

The Group seeks to continuously improve its environmental impact in terms of the waste it produces.

The waste generated by Lhyfe in the course of its activities consists mainly of household waste, waste from selective collection, waste brought to waste collection centres and the recovery of hazardous chemical products. All waste generated by Lhyfe is collected and recycled.

During financial year 2024:

- the quantity of waste generated by the Group for its sites in operation and construction stages amounted to 32.4 tonnes, a significant proportion of which was recycled; and
- the quantity of waste classified as hazardous amounted to 32%, while the proportion of non-hazardous waste was 68%.

Managing access to water

As a producer of renewable hydrogen via water electrolysis, the issue of access to this resource has been taken into consideration by Lhyfe since its creation.

Water electrolysis, which uses electricity to break down water into hydrogen and oxygen, requires a limited amount of water.

At the Bouin site, Lhyfe uses 99.9% purified seawater to optimise the efficiency of the process. To purify this seawater, Lhyfe uses the reverse osmosis process. For every kilogram of green hydrogen produced, around 71 litres of seawater are removed. Of these 71 litres, only 18 litres are used in the electrolysis process. The remaining 53 litres, in the form of brackish water, are discharged in a controlled manner into the mouth of the Dain, with no significant impact on the ecosystem, according to detailed studies by the Regional Directorate for the Environment, Planning and Housing (*Direction Régionale de l'Environnement, de l'Aménagement et du Logement*).

2.2.4. Circular economy

Reconditioned equipment

Protecting the environment means limiting waste and using raw materials sensibly and responsibly. While Lhyfe pursues an active recycling policy, it also reuses and recovers resources. To illustrate this, the Group endeavours to select reconditioned furniture and IT equipment for its internal operations, as is the case for all its employees' smartphones, which are supplied by its partner Largo, a reconditioning specialist based in Nantes.

Purchases

As an integrated player, the Group strives to play an active role in the local ecosystem, using local suppliers and producers to meet the needs of its renewable hydrogen production business and its operations as a company.

2.2.5. Protecting biodiversity

2.2.5.1. Environmental considerations in the design of Group sites

To meet the needs of its business, the Group seeks land suitable for its green hydrogen production units. During the development of its projects and the construction and operation of its production sites, the Group ensures that its activity matches the potential of the sites and the issues facing the region.

During the development stage, an impact study is carried out to assess the potential effects of the Group's activity and the measures to be taken into account in order to design a project that fits in with its environment as well as possible. This impact study is submitted to the Regional Directorate for the Environment, Planning and Housing to ensure that all environmental requirements are met.

The Group's production sites, which are often located close to renewable energy infrastructure, incorporate measures for rational soil management, wildlife protection and ecological monitoring. For offshore projects, particular attention is paid to preserving marine ecosystems, in collaboration with biodiversity experts. This commitment is part of the Group's overall approach to combining industrial performance with respect for the environment.

The design of a hydrogen production plant complies with the principles of the "avoid, reduce, compensate" (ERC) approach, meaning that priority is given to the avoidance of environmental issues in the broadest sense (ecological, air, noise, water, soil, health, etc.) and then, if certain issues cannot be avoided, implementing the means to reduce the residual effects. Finally, if negative effects remain despite the reduction measures, the Group must compensate for them with appropriate measures, such as the creation (or the re-creation) of areas conducive to biodiversity.

During the construction and operational stages of the production sites, preventive measures and standards are put in place to limit their impact on the various environmental components as far as possible, such as adapting the construction schedule to species present on the site, preventive measures to combat pollution by making anti-pollution kits available on site or, if necessary, installing shelters for wildlife.

In any case, the Group complies with applicable environmental regulations, in particular those relating to installations classified for environmental protection (ICPE) (see paragraph 1.10.3 of the Universal Registration Document).

2.2.5.2. Ocean reoxygenation: a promising initiative for biodiversity

Lhyfe is taking part in the "Baltic Sea Oxygenation and the Super-Green Hydrogen Economy" project, or "BOxHy", in partnership with Flexens (project coordinator) and the Department of Ecology, Environment and Plant Sciences at

Stockholm University.

The main aim of this project is to tackle the problem of anoxia (complete lack of oxygen in the marine environment) in the Baltic Sea, by injecting oxygen into the sea using offshore hydrogen production from water electrolysis. This innovative project assesses suitable offshore sites for a pilot study of the reoxygenation of marine ecosystems via the oxygen co-produced during this water electrolysis.

At the end of 2024, Lhyfe, Flexens and Stockholm University delivered the initial conclusions of the BOxHy project, which show that injecting oxygen by electrolysis could be an effective solution against anoxia in the Baltic Sea. The feasibility study identified 19 potential sites, three of which were selected for a pilot project. Preliminary analyses indicate that this method could improve water quality and restore local marine ecosystems, subject to further validation.

In November 2024, the BOxHy project was approved by the United Nations as part of the UN Decade of Ocean Science for Sustainable Development. This recognition underlines the importance of the initiative, which combines the production of offshore green hydrogen and the restoration of marine ecosystems in an integrated circular and sustainable economy model.

As a result, the project will benefit from increased visibility and the commitment of international players in the field of innovative ecological solutions. It is fully in line with the objectives of the green energy transition and the protection of marine ecosystems, while contributing to global efforts to combat the climate crisis and protect the oceans.

2.3. Social information

199 Average Group workforce in 2024

0.0% Lost time injury frequency rate[1] for 2024

3,751 hours of training in 2024[2] (at group level)

95/100 Professional gender equality index[3] (compared to 89/100 for 2023)

2.3.1. Employment

At 31 December 2024, the Group had 199 employees. In 2024, the Group's average workforce (Full Time Equivalent) is also 199, broken down as follows:

Country	Average workforce on 31 December 2024
France	157
Germany	24
Sweden	7
Spain	5
United Kingdom	1
Netherlands	1
Denmark	2
Belgium	1
Total	**199**

In 2024, 21% of the Group's workforce was based outside France, and the breakdown of staff by function was as follows:

Function	Average workforce in 2024	Percentage breakdown
Business development and sales	48	24%
Industry	64	32%
Innovation and R&D	14	7%
Operations and maintenance	28	14%
Central functions	45	23%
Total	**199**	**100%**

In 2024, the Group's average workforce totalled 199 employees, compared with 195 in 2023, 32% of whom were dedicated to industry, in order to continue developing solutions and rolling out production sites, 24% to business development and sales in all the geographical areas targeted by the Group, and 14% to operations and maintenance.

The average workforce was mainly composed of employees with open-ended contracts (96%). The remainder of the workforce is made up of work-study students, reflecting Lhyfe's commitment to the career development of young people, the diversity of profiles and the transmission of skills, and reinforcing its social responsibility and its role in training the talents of tomorrow.

In December 2024, the average age of the workforce was 38 years and 10 months old, broken down as follows:

Age range	Average workforce in 2024	Percentage breakdown
Under 30	22	11%
From 30 to 39	97	49%
From 40 to 49	53	27%
50 and over	27	14%
Total	**199**	**100%**

1 LTIFR
2 On average of 18.73 hours of training per employee
3 2024 data

The Group's churn rate[1] was 11.55% in 2024, while the churn rate at the initiative of employees[2] was 5.25%.

During financial year 2024, the absenteeism rate[3] was 1.18%.

2.3.2. Organisation of work

Structuring of the human resources (HR) function

Over the course of 2024, the Group structured its HR organisation to support its development. The work of the Human Resources Department is carried out by:

- the Director of Human Resources;
- two general Human Resources Business Partner (HRBP) positions, in France and internationally, whose role is to follow employees throughout their lives within the Group, to support managers in managing their teams and to ensure that the Group's values and corporate culture are disseminated throughout the Group; and
- a team of HR specialists, including (i) two recruitment positions, whose role, in liaison with managers, is to recruit and integrate new employees, ensuring that they have the right skills and adhere to the Group's values, (ii) two payroll and personnel administration positions (managing the Group's HRIS, preparing payroll in liaison with external partners, drafting and monitoring employment contracts and amendments, monitoring leave accounts, managing various employee benefits, HR reporting, etc.), (iii) a training and skills management position (gathering training needs, drawing up, implementing and monitoring the training plan, training engineering, creating e-learning courses, knowledge management, drafting and updating job descriptions, etc.), and (iv) an employment law lawyer position (organising labour relations in France, providing employment expertise on all issues in France and abroad, etc.).

Corporate culture, benefits and quality of life at work

The Group organises its business based on three fundamental values: courage, optimism and solidarity. These values are reflected in our management culture, which strives for a balance between high standards and a caring culture. To this end, in addition to the HRPB function, the Group also offers dedicated training programmes to support team managers.

The Group also favours a good work-life balance, with a flexible remote working policy and, particularly in France, favourable working hours and the provision of a time savings account (compte épargne-temps, CET).

The remuneration policy is organised in line with the Group's development. As of the date of the Universal Registration Document, a Long-term Incentive Plan had been set up, consisting of plans for the allocation of free shares, stock options or founder's share warrants (bons de souscription de parts de créateur d'entreprise or BSPCE)[4], granting all employees a share in the value created by the Group. The Group also pays the full cost of mutual health and provident insurance for the Company's employees in France. Social security cover in other countries depends on the development and regulations of each country. Lhyfe employees in Germany benefit from sports vouchers, a scheme designed to encourage physical activity and well-being. These vouchers provide access to sports facilities and a range of activities, contributing to a better work-life balance and promoting a healthy lifestyle.

Finally, at the end of 2023, the Company was awarded the "Pro-Bike Employer" Gold award for its efforts to promote soft mobility among its employees. Lhyfe supports its employees in this area by setting up bike maintenance and repair workshops on its premises, distributing visibility kits (high-visibility vests, reflective strips, etc.), providing suitable infrastructure on the premises (secure bike park, changing room and showers, helmet and clothing racks) and offering dedicated bike safety training.

Finally, in 2024, Lhyfe launched a project to formalise its corporate culture, a key factor in its commitment, performance and resilience. A representative French-speaking group was formed, accompanied by a consultant, to define the "Lhyfe spirit". This project aims to transmit this identity to employees, partners and customers, while promoting well-being and human relations within the company. Three sessions have been scheduled and the project will continue to evolve throughout 2025. All employees will be kept regularly informed of developments.

2.3.3. Health and safety

Accidents at work

The lost time injury frequency rate (LTIFR) for 2024 was 0.0%.

HSE policy

The Group's HSE policy aims to ensure the health and safety of Group employees, subcontractors and customers, preserve the integrity of the Group's assets and protect the environment.

Workload

The Group also pays particular attention to the prevention of psychosocial risks. The entire HR team continued to receive training on this subject in 2024. Preventive measures have been set out in a document made available to all employees. *Job descriptions* have also been drawn up to define functions and prevent potential organisational risks.

The Group already measures a number of indicators to monitor the social climate (employee departure rate and absenteeism rate) and organises a "moodometer", i.e. a survey of all employees, twice a year. These surveys allow employees to express their views anonymously on issues such as their working conditions, workload or work-life balance.

Workload and work-life balance issues also form an integral part of the annual appraisal campaign, enabling discussions to be opened up with management and, if necessary, an action plan to be put in place with the support of the HRBP.

1 Total departures/average workforce over the year
2 Resignations and termination of trial periods at the initiative of employees/average workforce over the year
3 Number of days of absence due to sick leave, sick leave due to accidents at work/commuting accidents/occupational illnesses and unjustified absences/number of days theoretically worked
4 The plans for the allocation of free shares, stock options or founder's share warrants are set out in detail in Section 7.2.4 of the Universal Registration Document

Harassment officer

An initiative to prevent sexual harassment and gender-based harassment has been presented to the Social and Economic Committee (CSE), including the appointment of an ad hoc representative specially trained in this area. In France, an internal procedure for reporting harassment has been formally appended to the Internal Regulations and is available to all employees.

In 2025, this major issue will be rolled out internationally and an anti-harassment protocol will be defined at Group level.

2.3.4. Employee relations

In France, a new CSE was elected in February 2025.

The CSE is kept informed of the general progress of the company and puts forward employees' questions at its ordinary meetings, held 6 times a year. It is also informed of safety matters, in particular.

In addition to its ordinary meetings, the CSE has defined its operating procedures (in particular by adopting its own internal regulations), and was informed and consulted on a number of issues in 2024: remuneration policy applicable to "worksite" travel, policy regarding business expenses, prevention of sexual harassment, the internal mobility policy or subjects linked to professional equality.

A number of CSR-related data were presented to the CSE as part of the consultation process on the Company's social policy (measures put in place by the Company to encourage employees to express their views, monthly information on changes in the workforce by gender and age group, training and, in particular, the resources allocated and number of employees trained, data on pay differentials by gender and age group, measures put in place by the Company to promote parenthood, etc.).

2.3.5. Training

The Group organises its training budget based on five main pillars: training courses defined as strategic, training focused on *safety*, technical training necessary for its activity and training relating to career management (internal mobility) and online training (e-learnings).

In 2024, the Group organised 3,756 hours of training (including 3,205 in France), representing an average of 18.73 hours of training per employee having benefited from at least one training course.

A significant proportion of training investment was devoted to health, safety and security training, totalling 1,179 hours (including 1,572 in France). The Group also organised management training (for more than 277 hours and 39 employees), training for the entire HR team (including on the prevention of psychosocial risks) and technical training on design and production activities.

The Group has also initiated a process of creating partnerships with training organisations and schools, which it has started to set up and which it will continue to develop over the coming months.

Particular attention is paid to the quality of the training on offer. Regular audits of the various organisations and past training courses are carried out as part of a continuous improvement process.

2.3.6. Diversity policy

The average workforce is 34% female (67 employees) and 66% male (132 employees). The gender breakdown of the Group's average workforce by country and function in 2024 is as follows:

Breakdown of women/men by country

Country	Women	Men	Total number of employees
France	37%	63%	157
Germany	22%	78%	24
Sweden	43%	57%	7
Spain	18%	82%	5
Denmark	0%	100%	2
United Kingdom	0%	100%	1
Netherlands	0%	100%	1
Belgium	0%	100%	1
Total	**34%**	**66%**	**199**

Breakdown of women/men by function

Function	Women	Men	Total number of employees
Business development and sales	31%	69%	48
Industry	18%	82%	64
Innovation and R&D	15%	85%	14
Operations and maintenance	22%	78%	28
Central functions	71%	29%	45
Total	**34%**	**66%**	**199**

The breakdown of the workforce shows a classic predominance of men in technical, technical-commercial and industrial functions and a predominance of women in central functions (human resources, finance, marketing, etc.).

Gender equality in the workplace is one of the Group's top priorities. For example:

- the Executive Committee has, at the date of the Universal Registration Document, full parity between men and women;
- the Group is a member of the Women in Green Hydrogen network, whose mission is to promote the role of women in the hydrogen industry;
- as parenthood is a key issue with regard to gender equality at work, the Group has set up a system of support for pregnant women before and after maternity leave and the continued payment of the full salary of employees on paternity leave after one year's seniority. This support is rolled out across all Group companies, including international companies, taking into account locally applicable regulations;
- the professional equality index for France illustrates the company's policy in this area, with a score of 95 out of 100 (2024 data).

Lastly, a "Professional Equality" charter was presented to the CSE in December 2023 and distributed in France over the course of 2024. In this context, Lhyfe will continue to organise its recruitment, training, career management (promotions) and remuneration policies from a gender equality perspective. In addition, a "quality of life at work, diversity and inclusion" policy is currently being formalised.

To mark International Women's Day, a week-long event was organised involving all Group employees. During this period, a number of initiatives were set up, including the sharing with employees of a chronological fresco showing the major stages in the history of women's rights, a quiz to raise awareness of issues such as harassment and sexism in the workplace, and themed round tables.

During financial year 2024, the Group also endeavoured to communicate with its employees on its maternity and paternity leave policies.

2.4. Societal information

2.4.1. Societal commitments

School of Second Chance (École de la Deuxième Chance)

The School of Second Chance offers young adults the chance to train and discover promising careers. The mentoring system, with enhanced support, enables them to build a network and receive guidance in their professional projects.

As part of this, the Group organises open days at its premises and plants, as well as job-shadowing courses and simulations, to enable people who are retraining or looking for a new career direction to discover a variety of professions.

Clean Walk

Lhyfe took part in several "clean walks" in 2024. During these events, the Company's employees got together to pick up rubbish around the premises, thus actively contributing to the cleanliness and upkeep of the immediate environment.

These clean walks are participatory ecological initiatives that encourage people to get out of their work spaces to collect waste in public areas. The aim is to raise participants' awareness of the environmental impact of waste, while creating a spirit of solidarity within the teams. These actions are not limited to simple collection, but also serve to strengthen community involvement, promote a more responsible lifestyle and raise awareness of waste management.

Odysséa

The Group also supports the Odysséa association, which organises charity races throughout France in aid of breast cancer research. A number of Group employees took part in the Nantes initiative and accompanied visually impaired people in their race during the event.

2.4.2. Subcontractors and suppliers

Lhyfe is deeply committed to maintaining a lasting relationship with its strategic suppliers and subcontractors, who play an essential role in the Group's ability to operate and supply its products and services to its customers.

To provide a framework for these relationships, the Group has put in place a purchasing policy designed to create long-term value for all its stakeholders. This policy is applied to all purchases made by the Group, regardless of the nature or value of the contract.

This policy can be consulted on the LHYnks portal set up by Lhyfe and is accessible to the Group's suppliers and potential suppliers.

Aware that the actions and practices of its suppliers and subcontractors have repercussions for the Group as a whole, Lhyfe's purchasing policy provides for selection on the basis of merit and after analysing a number of CSR variables. Lhyfe also expects its suppliers and subcontractors to comply with applicable legal and regulatory requirements and to act in accordance with the Group's values and in line with the principles set out in its purchasing policy.

Lhyfe is also developing and implementing a supply chain management system to complement this policy and ensure that its principles are properly applied.

The Group's purchasing policy is based on the principles of the United Nations International Bill of Human Rights, Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights and Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD).

This policy includes the following:

- respect for human rights and labour law: dignity, equality, prohibition of all forms of harassment or discrimination, prohibition of slavery and forced or child labour and health and safety at work;
- transparency and business conduct: combating corruption, promoting the principles of fair competition, preventing conflicts of interest and protecting personal data;
- the environment: taking climate considerations into account, wildlife and biodiversity and prohibiting the use of resources from conflict zones; and
- respect for intellectual property rights and protection of the Group's assets and resources.

2.4.3. Preventing corruption

Combating all forms of corruption is part of an ethical approach to which the Group is deeply committed, and an anti-corruption policy applying to all its employees has been set up in addition to the purchasing policy applying to its suppliers and subcontractors.

This policy sets out the behaviour to be adopted in order to prevent any risk of corruption and establishes a whistleblowing mechanism enabling any employee to alert the Group to a potential or proven situation likely to constitute a corrupt practice.

2.4.4. Human rights

Lhyfe is deeply committed to people and is committed to promoting and respecting internationally or locally recognised human rights and fundamental freedoms, such as the principles of non-discrimination, non-harassment and child or forced labour, in all countries where the Group operates.

In line with the Group's purchasing policy, Lhyfe is also committed to ensuring that its suppliers and subcontractors comply with regulations on human rights and labour law.

As such, Lhyfe selects its suppliers and subcontractors with care, as well as the raw materials it uses for its activities. In particular, the Group does not use raw materials from conflict zones, likely to affect wildlife or biodiversity, or extracted or produced through slavery.

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3.7.3. Potential significant impacts on governance 101

This chapter constitutes the corporate governance report referred to in Article L. 225-37 of the French Commercial Code. For easier reading, please refer to the cross-reference table in Section 8.6.4 of the Universal Registration Document, which identifies the main disclosures in the corporate governance report required by applicable laws and regulations.

This section was drawn up by a working group comprising the Legal, Finance and Human Resource departments. It was reviewed by the Appointment and Remuneration Committee and approved by the Company's Board of Directors. It will be presented to shareholders at the Company's annual General Meeting on 23 May 2025.

3.1. General principles of corporate governance

3.1.1. Reference to the Middlenext Code

Pursuant to Article L. 22-10-10 of the French Commercial Code, the Company refers to the corporate governance code for small and mid caps as published in September 2021 by Middlenext (available at www.middlenext.com), insofar as the principles it contains are compatible with the Company's organisation, size, resources and shareholder structure.

3.1.2. Governance method

The Company is managed by a Board of Directors, whose composition and functioning are described in Section 3.2 of the Universal Registration Document.

On 11 March 2022, the Board of Directors decided not to separate the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company and appointed Matthieu Guesné as Chairman and Chief Executive Officer. His term of office was renewed on 24 May 2022 for the duration of his directorship, i.e. for a period of three years.

The Board of Directors may, at any time and, in any event, whenever the term of office of the Chief Executive Officer or the Chairman expires, decide to change the current governance method and opt to separate the functions of Chairman and Chief Executive Officer, in accordance with Article L. 225-51-1 of the French Commercial Code and Article 14.1 of the Company's Articles of Association. This decision is taken by a simple majority of the Directors present or represented and is notified to the shareholders and third parties under the regulatory conditions in force, without this entailing any amendment to the Company's Articles of Association.

As Matthieu Guesné's term of office as Chairman and Chief Executive Officer expires at the end of the Annual General Meeting on 23 May 2025, a meeting of the Board of Directors will be held at the end of that meeting to decide on his reappointment, provided that the shareholders have previously approved his reappointment as a Director. There are no plans to separate the roles of Chairman of the Board of Directors and Chief Executive Officer.

3.2. Board of Directors and Committees

3.2.1. Composition of the Board of Directors

The Board of Directors comprises a minimum of three Directors and a maximum of 18 Directors, subject to the exception provided by law in the event of a merger. Directors are appointed and reappointed by the ordinary General Meeting.

The internal regulations of the Board of Directors also provide for the possibility of appointing up to three observers. Observers are appointed and reappointed by the Board of Directors.

As of the date of the Universal Registration Document, the Board of Directors comprised six Directors and two observers.

3.2.1.1. Summary of the composition of the Board of Directors

The table below summarises the composition of the Board of Directors as of the date of the Universal Registration Document:

First name and surname	Gender	Age	Nationality	Independence[1]	Committees
Chairman of the Board of Directors - Chief Executive Officer					
Matthieu Guesné	Male	43	French		
Directors					
Amaury Bierent	Male	57	French		Member of the Audit Committee
Alena Fargere	Female	36	French	✓	Chair of the Social and Environmental Responsibility Committee Member of the Audit Committee Member of the Appointment and Remuneration Committee
Bruno Le Jossec	Male	60	French	✓	Chairman of the Audit Committee Chair of the Appointment and Remuneration Committee
Maria Pardo Saleme	Female	44	Spanish		Member of the Social and Environmental Responsibility Committee
Christopher Sorensen	Male	64	American	✓	Member of the Appointment and Remuneration Committee
Observers					
Noria, represented by Christophe Guillaume	Male	58	French		
Mitsui & Co., Ltd, represented by Makoto Kan	Male	49	Japanese		

33% of Directors are women

67% of Directors are men

83% of Directors are members of at least one Committee

50% of Directors are independent

100% Directors' average attendance rate at Board meetings in 2024

50.5 Average age of Directors

1 Independence based on the criteria of the Middlenext Code to which the Company refers

3.2.1.2. Directors' biographies

i. **Directors in office**

Matthieu Guesné



Chairman of the Board of Directors - Chief Executive Officer

Age: 43

Nationality: French

Year of first appointment: 2022

Term of office expiry date: Annual General Meeting called to approve the 2024 financial statements to be held in 2025 - Renewal of term of office to be put to the vote at the General Meeting of 23 May 2025 (12th resolution)

Number of shares held on 31 December 2024: 8,951,403(1)

Business address: 1 ter mail Pablo Picasso, 44000 Nantes, France

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Matthieu Guesné is an electronics and IT engineer. A father of two, he has acquired a strong international, business and scientific culture over the course of his career.

He was Director of the *Commissariat à l'énergie atomique et aux énergies alternatives* (CEA) Tech Pays de la Loire and Bretagne, dedicated to marine renewable energies and their storage. This research centre specialises in energy storage using batteries and hydrogen, robotics and materials. The CEA is a French public research body responsible for 40% of French patents on hydrogen technology. Matthieu Guesné was in charge of an investment plan worth tens of millions of euros. He also managed the creation of the team, as well as the contractualisation of R&D partnerships with industrialists and the execution of research work within a public/private framework.

Before joining this public research organisation, Matthieu Guesné was responsible for business and commercial functions. He has signed contracts worth several tens of millions of euros all over the world with major manufacturers in the space, aeronautics, defence, automotive and telecommunications industries.

Matthieu Guesné was the International Sales Director of an SME specialising in hyperfrequency electronics and managed partners in over 30 countries, enabling him to travel the world and acquire a strong international culture. Finally, he worked as Key Account Manager at Hewlett-Packard in the test and measurement division (Keysight today).

Current offices

- Manager of Fresh Future

Offices or positions held outside the Company in the last five years

None

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(1) Directly and indirectly via Fresh Future.

Amaury Bierent



Director

Member of the Audit Committee

Age: 57

Nationality: French

Year of first appointment: 2022

Term of office expiry date: Annual General Meeting called to approve the 2024 financial statements to be held in 2025 - Renewal of term of office to be put to the vote at the General Meeting of 23 May 2025 (13th resolution)

Number of shares held on 31 December 2024: 3,793,305[1]

Business address: 1 ter mail Pablo Picasso, 44000 Nantes, France

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Holder of an engineering degree, Amaury Bierent graduated from HEI (Lille) in 1990 and EDC Mc Gill University in 1993. He is also an alumnus of the Faculté Agronomique des Sciences de Gembloux (University of Liège, class of 2001).

After working ten years as an engineer and then as an infrastructure project manager at EGIS, part of the Caisse des Dépôts Group, Amaury Bierent created several companies, including Ovive in 1999 (independent industrial water treatment company), Mobipur in 2004 (independent environmental equipment rental company), Lhotellier Eau in 2004 (independent urban water treatment company) and Mobipur GmbH (Germany).

Amaury Bierent is currently co-manager of Les Saules, manager of Mobipur GmbH, president of Optyma and president of Sofiwaga.

Current offices

- Director of Lixo
- Director of Tryon Environnement
- Director of Adionics
- Director of Hesus
- Co-manager of Les Saules
- Manager of Mobipur GmbH
- President of Optyma
- President of Sofiwaga

Offices or positions held outside the Company in the last five years

- Chief Executive Officer of Ovive

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(1) Via the company Les Saules.

Alena Fargere



Independent Director

Chair of the Social and Environmental Responsibility Committee

Member of the Audit Committee

Member of the Appointment and Remuneration Committee

Age: 36

Nationality: French

Year of first appointment: 2022

Term of office expiry date: Annual General Meeting called to approve the 2024 financial statements to be held in 2025 - Renewal of term of office to be put to the vote at the General Meeting of 23 May 2025 (14th resolution)

Number of shares held on 31 December 2024: 1,500

Business address: 1 ter mail Pablo Picasso, 44000 Nantes, France

Passionate about the challenges of the energy transition and mitigating the effects of climate change, Alena Fargere is an investor in renewable gases and an international expert on hydrogen energy. She was part of the founding team of the SWEN Impact Fund for Transition, the first European fund dedicated to financing renewable gas, biogas and hydrogen infrastructure. Drawing on her industrial experience at Air Liquide, she also advises international organisations, including the United Nations, on sustainable energy, gas and mobility strategies. Alena Fargere holds a PhD in Economics from the Ecole Polytechnique.

Current offices

None

Offices or positions held outside the Company in the last five years

None

Bruno Le Jossec



Independent Director

Chairman of the Audit Committee

Chair of the Appointment and Remuneration Committee

Age: 60

Nationality: French

Year of first appointment: 2022

Term of office expiry date: Annual General Meeting called to approve the 2024 financial statements to be held in 2025 - Renewal of term of office to be put to the vote at the General Meeting of 23 May 2025 (15th resolution)

Number of shares held on 31 December 2024: 2,050

Business address: 1 ter mail Pablo Picasso, 44000 Nantes, France

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Bruno Le Jossec received a university diploma in technology (D.U.T.) in "Company and Public Administration Management" in 1985, a diploma from the Institut Commercial Supérieur (I.C.S.) – Paris 3rd in 1988, postgraduate diplomas (DESS/Master 2) in Law and Finance "Financial Engineering" from the Faculty of Law in Caen associated with the Centre de Formation aux Professions Bancaires (C.F.P.B.) in 1990, an Executive MBA from the Ecole Supérieure de Commerce de Paris (ESCP), a university diploma (DU) in Corporate Taxation from ISFEC: Ordre des Experts Comptables and UBS (Université de Bretagne Sud) in 2007, a university diploma (DU) in Asset Management from ISFEC: Ordre des Experts Comptables and IGR Rennes, as well as training at the Institut des Hautes Etudes de la Sécurité et de la Justice (INHESJ) of the French Ministry of the Interior in cybersecurity and the Institut des Hautes Etudes de Défense (IHEDN), Digital Sovereignty session.

Bruno Le Jossec began his career in cash (Franc and currencies) and debt management at Société de Protéines Industrielles (SPI), the DIANA division of Groupe Guyomarc'h. He then worked as an Executive Attaché in the Financial Engineering and Private Equity department of Ouest Croissance (a subsidiary of Banques Populaires du Grand Ouest) before becoming Executive Director of Société Financière Lorient Développement (SFLD) in 1994. Since 2011, he has been Executive Director of SEM XSEA.

He is a member of the *Réserve Opérationnelle Marine* (CF) and of the *Réserve Opérationnelle RAID et DGPN* (C).

Current offices

- Observer of Kerlink (ALKLK)[1]
- President of SCAAL
- President of Cadusun

Offices or positions held outside the Company in the last five years

- Non-executive Managing Director of Urosfin

1 Listed company.

Maria Pardo Saleme



Director and Chief Financial Officer

Member of the Social and Environmental Responsibility Committee

Age: 44

Nationality: Spanish

Year of first appointment: 2022

Term of office expiry date: Annual General Meeting called to approve the 2024 financial statements to be held in 2025 - Renewal of term of office to be put to the vote at the General Meeting of 23 May 2025 (16th resolution)

Number of shares held on 31 December 2024: 650

Business address: 1 ter mail Pablo Picasso, 44000 Nantes, France

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Maria Pardo Saleme has almost 20 years' experience in investment banking, where she carried out a number of assignments in risk and derivatives modelling, later specialising in providing corporate finance advice to public and private companies at BNP Paribas. From 2015, she headed the equity capital markets teams for the Iberian region, with whom she led a number of strategic projects (IPOs, share capital increases, equity financing and share sales). From 2020, she contributed to the creation and launch of BNP Paribas' EMEA private fundraising advisory business dedicated to innovative companies.

Maria is fluent in five languages, has a degree in engineering from ENSTA Paris and is a member of the Institut Polytechnique de Paris. She also holds a Master's degree in Modelling and Mathematical Methods in Economics from Université Paris 1 Panthéon-Sorbonne.

Current offices

- President of Athena
- Manager of LKF Lecourbe

Offices or positions held outside the Company in the last five years

None

Christopher Sorensen



Independent Director

Member of the Appointment and Remuneration Committee

Age: 64

Nationality: American

Year of first appointment: 2022

Term of office expiry date: Annual General Meeting called to approve the 2024 financial statements to be held in 2025 - Renewal of term of office to be put to the vote at the General Meeting of 23 May 2025 (17th resolution)

Number of shares held on 31 December 2024: 0

Business address: 1 ter mail Pablo Picasso, 44000 Nantes, France

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Christopher Sorensen, a native of New York, has worked at the forefront of technological and commercial innovation for over 30 years on three continents. After starting his career as a manager of large projects at Accenture in New York and Paris, for the last 20 years he has focused on creating a positive social impact by applying technological and commercial innovation on a large scale. More recently, he has supported the development of a new global clean-tech cluster in Masdar City, including the Masdar Institute and Masdar Clean Energy in Abu Dhabi.

He then applied his experience to creating the GreenLab green energy industrial platform in Denmark. Christopher Sorensen has participated in the CEO Council for the EU Clean Hydrogen Alliance, the Danish Government Advisory for Industrial Climate Partnership, the Technical University of Denmark Energy Advisory Board (DTU) and the Danish Energy PtX Partnership. He is currently serving as an independent global growth advisor.

Current offices

- Founder, Greener World ApS

Offices or positions held outside the Company in the last five years

- Chief Executive Officer, GreenLab Skive AS

ii. Director whose appointment will be put to a vote at the General Meeting of 23 May 2025 (18th resolution)

Jana Kley



Independent Director Candidate(1)

Age: 55

Nationality: German

Number of shares held on 31 December 2024: 0

Jana Kley graduated from Freie Universität Berlin with a Master's degree in Business Administration in 1995, with a major in human resources, marketing and organizational psychology.

She is a multinational (German – French) Senior HR executive with 27 years' experience in global industrial and service companies. Jana is a business-oriented HR leader with a clear vision of the contribution of the HR function at strategic and operational levels. Her HR Executive positions at United Technologies Corporation, OP Mobility and Saur Group provided her with the opportunity to acquire relevant experience in all HR fields, in France, Germany and globally; with a focus on supporting transformation projects and cultural evolution, restructuring projects, divestitures and M&A, organizational evolution, employee retention and engagement.

Jana is currently the Executive Vice President HR Operational for the Saur Group.

Current offices

- President of WR.HR (provider of Human Resources Services)

Offices or positions held outside the Company in the last five years

None

(1) For further details on the determination of independence, please refer to paragraph 3.2.1.4(ii) of the Universal Registration Document.

3.2.1.3. Biographies of the observers

Noria, represented by Christophe Guillaume



Observer

Age: 58

Nationality: French

Year of first appointment: 2022

Term of office expiry date: annual General Meeting called to approve the 2024 financial statements to be held in 2025

Number of shares held on 31 December 2024: 7,540,611[1]

Business address: Noria, Mr Christophe Guillaume, 67 place Rihour, 59800 Lille, France

Christophe Guillaume is an agricultural engineer from UniLaSalle (1990). He began his career in the agri-food industry at the Vivescia group, where he was tasked with managing Westhove, an industrial SME engaged in the production of cereal ingredients that was having financial problems. He was responsible for the company's turnaround and development, acquired it through an LBO in 1999 and then sold it to Limagrain between 2004 and 2006. In 2004, he began investing in the low-carbon energy sector, developing a wind farm and making investments as a business angel, while also managing a work-linked training structure, Campus Pro, between 2007 and 2015.

Since 2016, he has managed Noria, a family-owned investment structure committed to integral ecology. As a long-term investor, Noria participates in the capital and governance of a dozen players in the energy transition, including DualSun, Elements, Ciel & Terre International, NewHeat, Waga Energy, Lhyfe, BW Ideol, Jimmy Energy, TLS Geothermics and Geosophy. Within the group, he created Noria Gestion, an AMF-approved asset management company, which he has chaired since 2020.

Current offices

- Representative of Noria Invest SRL, director of Waga Energy[2]
- Chairman of Noria Gestion SAS
- Chairman of Noria SAS
- Manager of CKM SARL
- Manager of Campus Pro Emploi SARL
- Manager of Eoliennes des 4 Chemins SARL
- Manager of Eolienne de Nozet SARL
- Chairman of Passo SAS
- Permanent representative of Passo SAS, Chair of Campus Pro SAS
- Director of Noria Invest SRL - Belgium
- Director of Orlandia SA - Belgium
- Director of Cimalp SA - Luxembourg
- Manager of Larochette Invest SARL - Luxembourg

Offices or positions held outside the Company in the last five years

- Permanent representative of Noria Invest (SRL), Chair of Passo (SAS)

(1) Number of shares held by Noria, directly and indirectly (via Noria Invest SRL). In addition, Christophe Guillaume personally holds 30,000 Lhyfe shares through a life insurance policy.

(2) Listed company.

Mitsui & Co Ltd. represented by Makoto Kan



Observer

Age: 49

Nationality: Japanese

Year of first appointment: 2022

Term of office expiry date: Annual General Meeting called to approve the 2024 financial statements to be held in 2025

Number of shares held on 31 December 2024: 1,269,842

Business address: Mitsui & Co. Ltd, Mr Makoto Kan, 2-1, Otemachi 1-chome, Chiyoda-ku Tokyo 100-8631, Japan

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Makoto Kan holds a law degree from Keio University in Japan (1998) and an MBA from the University of Michigan (2015). Prior to joining Mitsui & Co. Ltd. in 2015, Makoto Kan worked at Toray Industries, Inc. between 1998 and 2007 and Sumitomo Chemical Co, Ltd. between 2008 and 2013. Between 2019 and 2021, he was seconded by Mitsui & Co. Ltd. to Toyota Motor Corp.

Current offices

- General Manager, Mitsui & Co, Ltd

Offices or positions held outside the Company in the last five years

- Project Manager, Toyota Motor Corporation (until March 2022)
- Deputy General Manager, Mitsui & Co, Ltd (until March 2019)

3.2.1.4. General principles governing the composition of the Board of Directors

i. Appointment principles

Appointment and term of office of Directors

The Directors, appointed and reappointed by the ordinary General Meeting, may be natural persons or legal entities.

Directors that are legal entities must, at the time of their appointment, designate a permanent representative who is subject to the same conditions and obligations and incurs the same liabilities as if he were a Director in his own name, all without prejudice to the joint and several liability of the legal entity that he represents.

When a Director that is a legal entity terminates the appointment of its permanent representative, it must notify the Company immediately by registered letter of its decision and the identity of its new permanent representative. The same applies in the event of the death or resignation of the permanent representative.

Directors may or may not be chosen from among the shareholders.

Directors are appointed for a three-year term. Their duties end at the close of the annual ordinary General Meeting held in the year in which their term of office expires and called to approve the financial statements for the previous financial year.

Any Director placed under supervision is automatically deemed to have resigned.

The number of Directors over the age of 70 may not exceed one-third of the Directors in office. If this threshold is exceeded during the term of office, the oldest Director is automatically deemed to have resigned at the end of the next General Meeting.

Directors may be re-elected. They may be removed at any time by the ordinary General Meeting.

In the event of a vacancy arising from the death or resignation of one or more Directors, the Board of Directors may, between two general meetings, make provisional appointments in order to add new members to the Board. These appointments must be made within three months of the vacancy if the number of Directors falls below the statutory minimum. The Director thus co-opted will hold office for the remainder of his predecessor's term of office.

Provisional appointments made by the Board of Directors are subject to confirmation at the next ordinary general meeting. Failing confirmation, the decisions and actions taken nevertheless remain valid.

If the number of Directors falls below the legal minimum, the Directors remaining in office must immediately call an ordinary General Meeting in order to add new members to the Board of Directors.

Appointment and term of office of observers

Observers, appointed and reappointed by the Board of Directors, may be natural persons or legal entities. Observers that are legal entities must appoint a permanent representative.

The term of office of observers is set by the Board of Directors in the appointment decision. Observers may be re-elected, but the total length of their term of office may not exceed nine years. They may be removed at any time by a decision of the Board of Directors.

The age limit for serving as an observer is 70. Any observer who reaches this age is automatically deemed to have resigned at the end of the annual ordinary General Meeting following the date of his seventieth birthday.

Observers attend Board meetings as observers and may be consulted by the Board. They must be called to each meeting of the Board of Directors under the same conditions as other Directors. Observers may assist the Board of Directors in its work, provide it with necessary information and offer their expertise and knowledge. In any event, observers do not have voting rights and, as such, do not vote on decisions taken by the Board of Directors.

Observers are subject to the same provisions of the internal regulations as other Directors in terms of ethics, particularly as regards measures to prevent conflicts of interest and the obligations of loyalty and confidentiality. Like other Directors, they are also regularly made aware of the regulations on market abuse.

ii. Independence of Directors

In light of the independence criteria defined by the Middlenext Code of September 2021 to which the Company refers, the Board of Directors considers that:

- three Directors in office (out of a total of six Directors in office, i.e. a proportion of 50%), whose reappointment will be put to the vote at the General Meeting of 23 May 2025, qualify as independent, namely Alena Fargere, Bruno Le Jossec and Christopher Sorensen (the situation of the latter being described in greater detail below);
- Jana Kley, whose appointment as Director will be put to the vote at the General Meeting of 23 May 2025, is qualified as independent.

Subject to the renewal of the terms of office of the Directors in office and the appointment of Jana Kley as a Director by the General Meeting of 23 May 2025, the Board of Directors will, from that date, comprise four Independent Directors (out of a total of seven Directors, i.e. a proportion of 57%).

The Company's analysis of the independence of each Director in office and the Director candidate based on the criteria set out in the Middlenext Code is as follows:

Independence criteria	Directors						Candidate
	Matthieu Guesné	Amaury Bierent	Alena Fargere	Bruno Le Jossec	Maria Pardo Saleme	Christopher Sorensen	Jana Kley
Is not, and has not been over the last five years, an employee or an executive corporate officer of the Company or a Group company	✗	✓	✓	✓	✗	✓	✓
Does not have, and has not had over the last two years, a significant business relationship with the Company or the Group (customer, supplier, competitor, service provider, creditor, banker, etc.)	✓	✗	✓	✓	✓	✗ (2)	✓
Is not a principal shareholder of the Company and does not have a significant percentage of voting rights	✗	✓	✓	✓ (1)	✓	✓	✓
Does not have a close relationship or close family ties with a corporate officer or a principal shareholder	✓	✓	✓	✓	✓	✓	✓
Has not been, over the last six years, a statutory auditor of the Company	✓	✓	✓	✓	✓	✓	✓

(1) Bruno Le Jossec has executive power within Société Financière Lorient Développement, which has a non-significant stake in the Company.

(2) Christopher Sorensen was, until 14 September 2024, Chief Executive Officer of GreenLab Skive AS, Lhyfe's industrial partner, and therefore had a significant business relationship with the Company.

Christopher Sorensen's situation

At its meeting on 25 and 26 March 2025, the Board of Directors considered the situation of Christopher Sorensen, who has been a Director since 24 May 2022. Christopher Sorensen did not qualify as independent at the time of his appointment because of his management duties at GreenLab Skive AS, Lhyfe's industrial partner in the GreenHyScale project. As Christopher Sorensen's management duties ended on 14 September 2024, the Board of Directors decided to reassess his independence, in the absence of any other economic or legal relationship between Christopher Sorensen and GreenLab Skive AS.

The Board of Directors therefore considered that Christopher Sorensen had no relationship with the Company or the Group that could affect the independence of his judgement. Under these conditions, the Board of Directors, availing itself of the possibility offered by Recommendation No. 3 of the Middlenext Code to waive one of the criteria for presuming a Director's independence, decided not to apply the second criterion, which requires a period of two years to elapse between the end of the significant business relationship with the Company or the Group and qualification as an Independent Director.

It also considered that the exceptional assignment it entrusted to Christopher Sorensen on 22 December 2024 and the corresponding contract (described in greater detail in paragraph 3.4.1.3 of the Universal Registration Document) were not such as to call into question his independence.

It should be noted that, if the Board of Directors were to take decisions concerning GreenLab Skive AS or the GreenHyScale project, the Board of Directors would be particularly vigilant with regard to the application of the provisions of the internal regulations regarding the management of conflicts of interest of the members of the Board of Directors, the main measures of which are detailed below.

iii. Ethics

Convictions and bankruptcies

To the Company's knowledge, and as of the date of the Universal Registration Document, none of the members of the Board of Directors and general management mentioned in Sections 3.2 and 3.3 of the Universal Registration Document has, in the last five years:

- been convicted of fraud;
- been involved as an officer or Director in a bankruptcy, sequestration, liquidation or placement in receivership;
- been disqualified by a court from having the right to serve as a member of an issuer's administrative, management or supervisory body or from being involved in the management or operation of an issuer's business; or
- been implicated and/or been subject to official public sanctions imposed by statutory or regulatory authorities (including designated professional bodies).

Family ties

There are no family ties among the members of the Board of Directors or between the members of the Board of Directors and the Chairman and Chief Executive Officer.

Conflicts of interest

To the Company's knowledge, there are no potential conflicts of interest between the duties of the members of the Board of Directors and the Chairman and Chief Executive Officer vis-à-vis the Company and their private interests and/or other duties.

Article 3.2 of the internal regulations of the Board of Directors sets out the measures applicable to the management of conflicts of interest of members of the Board of Directors. In particular, it stipulates that all members of the Board of Directors must:

- make every effort to avoid any conflict that may exist between their moral and material interests and those of the Company;

- inform the Board of Directors of any conflict of interest in which they may be involved, in particular as a member of the management bodies of companies in the same business sector; and
- in cases where they cannot avoid having a conflict of interest, refrain from taking part in discussions and any decisions on the matters in question.

Service contracts

An exceptional engagement agreement was entered into between the Company and Christopher Sorensen, Independent Director, on 22 December 2024. This agreement is described in greater detail in paragraph 3.4.1.3 of the Universal Registration Document and is included in the Statutory Auditors' report on related-party agreements in paragraph 3.6.1 of the Universal Registration Document.

To the Company's knowledge, as of the date of the Universal Registration Document, there are no other service contracts binding the members of the Board of Directors and the Chairman and Chief Executive Officer to the Company or to any of its subsidiaries which provide for the granting of benefits.

iv. Training of Board members

A training plan for Board members had been developed for their entire current term of office, i.e. three years. This training plan included one day of training on the Group's business, including a presentation of hydrogen market issues and a site visit, awareness of regulations on market abuse, and sessions related to certain IFRS topics or to regulatory developments in the area of sustainability reporting.

A new three-year training plan will be drawn up after the General Meeting of 23 May 2025.

v. Diversity policy

In accordance with Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code, when the Board of Directors of a company whose shares are admitted to trading on a regulated market has eight members or fewer, the difference between the number of Directors of each gender may not exceed two.

As of the date of the Universal Registration Document, the Board of Directors, as described above and without taking into account the Observers, comprises four men and two women, and is therefore in compliance with legal requirements.

Subject to the renewal of the terms of office of the Directors and the appointment of Jana Kley as a Director by the General Meeting of 23 May 2025, the Board of Directors will, from that date, comprise four men and three women, representing approximately 57% and 43% respectively of the total number of Directors.

The average age of Directors is 50.5.

3.2.2. Organisation and functioning of the Board of Directors and committees

3.2.2.1. Organisation and functioning of the Board of Directors

i. Meetings and chairmanship

Proceedings of the Board of Directors

The Board of Directors meets as often as necessary to ensure the Company's interests, at the Chairman's invitation.

The Chief Executive Officer, when not acting as Chairman of the Board of Directors, or at least two Directors, may ask the Chairman to convene a meeting of the Board of Directors for a specific agenda.

The Chairman is bound by the requests made to him under the above paragraph.

Meetings of the Board of Directors are held at the registered office or at any other place indicated in the notice of meeting. Notices of meetings are sent by any written means (including email) at least five days before the date of the meeting. Meetings may also take place verbally and immediately if all the Directors agree and are present, deemed to be present or represented, or in case of an emergency duly justified by exceptional circumstances. The notice of meeting includes all documents necessary for the Directors to perform their duties and take informed decisions.

The Board of Directors is validly in session only if at least one-half of the Directors are present (or deemed to be present if videoconferencing is used).

Decisions of the Board of Directors are taken by a simple majority of the Directors present (or deemed to be present if videoconferencing is used) or represented.

The Chairman, or in his absence the meeting chairman, casts the deciding vote.

The Board of Directors appoints a secretary who may or may not be chosen from among the Directors. The secretary is replaced by a simple decision of the Board of Directors. The Board of Directors adopts internal regulations.

For the purpose of calculating the quorum and majority, and subject, where applicable, to the laws and regulations in force, Directors who participate in the Board meeting by videoconference or other telecommunications media enabling participants to be identified and ensuring their actual participation, in accordance with the regulations in force, are deemed to be present. Decisions relating to the responsibilities of the Board of Directors referred to in Article L. 225-24, the last paragraph of Article L. 225-35, the second paragraph of Article L. 225-36 and point I of Article L. 225-103 of the French Commercial Code, as well as decisions to transfer the registered office within the same French department, may be taken by written consultation of the Directors. At the General Meeting of 23 May 2025, shareholders will be asked to amend the Articles of Association to allow written consultation in all circumstances, as well as postal voting, in accordance with the provisions of the French "Attractiveness" Law no. 2024-537 of 13 June 2024.

The proceedings of the Board of Directors are recorded in minutes drawn up in accordance with the legal provisions in force. The minutes are signed by the meeting chairman and a Director. If the meeting chairman is unable to do so, the minutes are signed by at least two Directors.

Copies or excerpts of the minutes of the Board of Directors' proceedings are issued and certified as provided by law.

Chairman of the Board of Directors

The Board of Directors elects the Chairman, who must be a natural person, from among the Directors. It determines the Chairman's term of office, which may not exceed that of his directorship. The Board of Directors may remove him at any time.

No person over the age of seventy may be appointed Chairman. If the Chairman in office exceeds this age, he is automatically deemed to have resigned.

The Chairman represents the Board of Directors. He organises and directs the Board's work and gives an account of said work to the General Meeting. He ensures that the Company's bodies are working properly and that the Directors are able to perform their duties.

The Chairman's remuneration is determined by the Board of Directors.

In case of the Chairman's absence or incapacity, the Board of Directors appoints the meeting chairman.

When general management of the Company is assumed by the Chairman, the provisions of paragraph 3.3.1.2 of the Universal Registration Document apply to him.

ii. Responsibilities of the Board of Directors

The Board of Directors determines the policies related to the Company's business and ensures that they are implemented. Subject to the powers expressly granted by law to general meetings and within the limits of the corporate purpose, the Board deals with all matters concerning the proper operation of the Company and, through its proceedings, settles matters concerning it.

Sureties, guarantees and security given by the Company to third parties must be authorised by the Board of Directors in accordance with the provisions of Article L. 225-35 paragraph 4 of the French Commercial Code.

The Board of Directors conducts any audits and verifications that it deems appropriate. The Chairman or the Chief Executive Officer of the Company is required to provide each Director with all documents and information needed to perform their duties.

The Board of Directors may grant to one or more of its members or to third parties, whether or not they are shareholders, any special powers for one or more specific purposes.

The Board of Directors may decide to set up committees to examine matters that it or its Chairman submits to them for their opinion. It determines the composition and responsibilities of the committees that operate under its responsibility.

3.2.2.2. Composition, responsibilities and functioning of Committees

The table and paragraphs below show the Board Committees set up in accordance with the internal regulations of the Board of Directors as of the date of the Universal Registration Document.

Composition of Board Committees

	Alena Fargere[1]	Bruno Le Jossec[1]	Amaury Bierent	Maria Pardo Saleme	Christopher Sorensen[1]	Proportion of Independent Directors
Audit Committee	Member	Chairman	Member			*2/3 (67%)*
Appointment and Remuneration Committee	Member[2]	Chairman[3]			Member	*3/3 (100%)*
Social and Environmental Responsibility Committee	Chair			Member[4]		*1/2 (50%)*

(1) Independent Director.

(2) Alena Fargere replaced Valérie Bouillon-Delporte as a member of the Appointment and Remuneration Committee pursuant to a decision of the Board of Directors on 17 June 2024.

(3) Bruno Le Jossec replaced Valérie Bouillon-Delporte as Chair of the Appointment and Remuneration Committee pursuant to a decision of the Board of Directors on 17 June 2024.

(4) Maria Pardo Saleme replaced Valérie Bouillon-Delporte as a member of the Social and Environmental Responsibility Committee pursuant to a decision of the Board of Directors on 17 June 2024.

i. Audit Committee

Composition

The Audit Committee is composed of three to five members, at least two-thirds of whom are Independent Directors.

At least one of the independent members of the Audit Committee must have specific expertise in finance, accounting or statutory auditing.

The Chairman of the Audit Committee is appointed by the Board of Directors, on the recommendation of the Appointment and Remuneration Committee, from among the independent members following a special review.

As of the date of the Universal Registration Document, the members of the Audit Committee were Bruno Le Jossec (Independent Director and Chairman of the Committee), Alena Fargere (Independent Director) and Amaury Bierent.

Responsibilities

The role of the Audit Committee is to monitor matters relating to the preparation and audit of accounting and financial information and ensure the effectiveness of the risk monitoring and operational internal control system, in order to help the Board of Directors perform its audit and verification duties in this area.

To this end, the responsibilities of the Audit Committee are as follows:

- monitoring the financial reporting process;

- monitoring the effectiveness of the internal control, internal audit and risk management systems relating to financial and accounting information;
- monitoring the statutory audit of the company and consolidated financial statements by the Company's Statutory Auditors; and
- monitoring the Statutory Auditors: selection and reappointment procedure and independence.

ii. Appointment and Remuneration Committee

Composition

The Appointment and Remuneration Committee is composed of three to five members, the majority of whom are Independent Directors. They are appointed by the Board of Directors from among its members on the basis of their independence and expertise in the selection or remuneration of executive corporate officers of listed companies. The Appointment and Remuneration Committee may not include any executive corporate officers.

The composition of the Appointment and Remuneration Committee may be modified by the Board of Directors acting at the Chairman's request, and must, in any event, be modified in case of a change in the general composition of the Board of Directors.

The Chairman of the Appointment and Remuneration Committee is appointed from among the independent members by the Board of Directors.

As of the date of the Universal Registration Document, the members of the Appointment and Remuneration Committee were Bruno Le Jossec (Independent Director and Chairman of the Committee), Alena Fargere (Independent Director) and Christopher Sorensen (Independent Director).

iii. Social and Environmental Responsibility Committee

Composition

The Social and Environmental Responsibility Committee is composed of two to five members, at least one of whom is an Independent Director. They are appointed by the Board of Directors from among its members on the basis of their independence and expertise in corporate social and environmental responsibility.

The Committee's composition may be modified by the Board of Directors acting at the request of its Chairman.

The Chairman of the Social and Environmental Responsibility Committee is appointed from among the independent members by the Board of Directors.

As of the date of the Universal Registration Document, the members of the Social and Environmental Responsibility Committee were Alena Fargere (Independent Director and Chair of the Committee) and Maria Pardo Saleme.

Operating procedures

The Audit Committee meets as often as necessary and, in any event, at least twice a year at the time of preparation of the annual and half-yearly financial statements.

Meetings are held before the Board of Directors' meeting and, if possible, at least two days before this meeting when the Audit Committee's agenda concerns the review of the half-yearly and annual financial statements prior to their review by the Board of Directors.

Responsibilities

The main role of the Appointment and Remuneration Committee is to assist the Board of Directors in selecting the members of the Company's and the Group's management bodies and in determining and regularly assessing all remuneration and benefits of the Group's executive corporate officers and/or senior managers, including any deferred benefits and/or voluntary or compulsory severance payments made by the Group.

To this end, its main responsibilities are as follows:

- proposals for the appointment of members of the Board of Directors, senior managers and Board Committee members;
- annual assessment of Directors' independence; and
- review and proposal to the Board of Directors concerning all components and conditions of the remuneration of the Group's executive corporate officers.

Operating procedures

The Appointment and Remuneration Committee meets as often as necessary and, in all cases, prior to any meeting of the Board of Directors called to decide on the remuneration of senior managers, the appointment of members of the Board of Directors or the distribution of the total annual package allocated to the Board of Directors.

Responsibilities

The role of the Social and Environmental Responsibility Committee is as follows:

- reviewing and making recommendations regarding the Group's strategy, ambitions, policies and commitments in terms of social and environmental responsibility, particularly in the areas of the environment and sustainable development, ethics and compliance, human rights, health and personal safety;
- monitoring the Group's social and environmental responsibility initiatives and their implementation;
- examining environmental and social risks in conjunction with the Audit Committee, and the impact of environmental and social issues in terms of investment, performance and image; and
- annually reviewing a summary of the Group's non-financial ratings.

Operating procedures

The Social and Environmental Responsibility Committee meets as often as necessary and, in any event, before the Company's corporate governance report is drawn up.

3.2.2.3. Assessment, meetings and work of the Board of Directors and Committees

i. Assessment of the functioning of the Board of Directors and Committees

Once a year, an item on the Board of Directors' agenda must be dedicated to assessing its operating procedures.

A formal assessment of the Board of Directors and Committees must also be carried out at least every three years, possibly under the management of an Independent Director and, where applicable, with the help of an external consultant. The following points are taken into consideration:

- whether the frequency and length of Board meetings are adequate for the Board of Directors to perform its duties and whether the information available to the Board and each of its members enables them to deliberate effectively;
- the quality of the preparatory work of the Committees and their composition, which must ensure that they can objectively review matters they are asked to examine;
- whether certain categories of decisions should be reserved for the Board of Directors; and
- any failures by members of the Board of Directors to perform their duties.

At the meeting held on 25 and 26 March 2025, at the invitation of the Chairman and Chief Executive Officer, the members of the Board of Directors discussed the functioning of the Board of Directors and Committees, and the preparation of the Board's work.

ii. Meetings and work of the Board of Directors and Committees in 2024

The table below shows the number of meetings of the Board of Directors and its Committees and the attendance rate of its members during the year ended 31 December 2024:

	Board of Directors		Audit Committee		Appointment and Remuneration Committee		Social and Environmental Responsibility Committee	
Number of meetings	*5*		*3*		*3*		*1*	
Member of the Board of Directors	**Number of meetings attended**	**Attendance rate**	**Number of meetings attended**	**Attendance rate**	**Number of meetings attended**	**Attendance rate**	**Number of meetings attended**	**Attendance rate**
Matthieu Guesné	5	100%						
Amaury Bierent	5	100%	3	100%				
Valérie Bouillon-Delporte	2[1]	100%[1]			2[1]	100%[1]	1	100%
Alena Fargere	5	100%	3	100%	1[2]	100%[2]	1	100%
Bruno Le Jossec	5	100%	3	100%	3	100%		
Maria Pardo Saleme	5	100%						
Christopher Sorensen	5	100%			3	100%		
Christophe Guillaume[3]	5	100%						
Makoto Kan[3]	5	100%						
Average attendance rate[4]		**100%**		**100%**		**100%**		**100%**

(1) Valérie Bouillon-Delporte resigned as an Independent Director with effect from 31 May 2024 and attended all meetings of the Board of Directors and the Appointment and Remuneration Committee held up to that date.

(2) Alena Fargere replaced Valérie Bouillon-Delporte as a member of the Appointment and Remuneration Committee pursuant to a decision of the Board of Directors on 17 June 2024 and has attended the meeting of the Appointment and Remuneration Committee held after that date.

(3) Observers of the Board of Directors.

(4) The attendance rate does not take into account the presence of observers.

3.3. General management

3.3.1. Chairman and Chief Executive Officer

Depending on the method chosen by the Board of Directors, the Chairman or the Chief Executive Officer is responsible for general management of the Company.

The Chief Executive Officer is appointed by the Board of Directors, which determines his term of office, the length of which may not exceed that of his directorship.

The Board of Directors determines his remuneration.

To carry out his duties, the Chief Executive Officer must be under seventy years of age. If this age limit is reached during his term of office, the Chief Executive Officer is automatically deemed to have resigned and a new Chief Executive Officer is appointed.

A Chief Executive Officer placed under supervision is automatically deemed to have resigned.

The Chief Executive Officer may be removed at any time by the Board of Directors. The removal of the Chief Executive Officer may give rise to damages if it is found that he was removed without just cause.

3.3.1.1. Appointment and biography

The Company is managed by Matthieu Guesné. The functions of Chairman of the Board of Directors and Chief Executive Officer are not separated.

Matthieu Guesné was appointed by the Board of Directors on 11 March 2022, and his term of office was renewed by the Board of Directors on 24 May 2022 for the duration of his directorship, i.e. for a period of three years. His term of office will expire at the end of the General Meeting of 23 May 2025 called to approve the financial statements for the year ended 31 December 2024. A meeting of the Board of Directors will be held at the end of that General Meeting to decide on his reappointment, provided that the shareholders have previously approved his reappointment as a Director.

Matthieu Guesné's biography is presented in paragraph 3.2.1.2 of the Universal Registration Document.

The Chief Executive Officer's business address is the Company's registered office located at 1 ter mail Pablo Picasso, 44000 Nantes, France.

3.3.1.2. Powers

The Chief Executive Officer has the broadest powers to act under all circumstances on behalf of the Company. He exercises these powers within the limits of the corporate purpose and subject to the powers expressly granted by law to general meetings and the Board of Directors.

He represents the Company in its dealings with third parties. The Company is bound even by the actions of the Chief Executive Officer that are outside the scope of the corporate purpose, unless it can prove that the third party knew that the action in question was outside the scope of such purpose or could not have been unaware thereof given the circumstances, it being specified that the publication of the Company's Articles of Association alone is not sufficient to constitute such proof.

In accordance with the provisions of Articles L. 225-149 and L. 232-20 of the French Commercial Code, the Chief Executive Officer is authorised to update the Company's Articles of Association, based on delegation from the Board of Directors, following a share capital increase resulting from the issuance of securities or payment of the dividend in shares.

The Chief Executive Officer may be authorised by the Board of Directors, if the latter deems this appropriate, to give sureties, guarantees and security, in the aggregate and in an unlimited amount, to guarantee commitments made by companies under the exclusive control of the Company. He may also be authorised to do so in an unlimited amount and for an unlimited time; however, in this case he must report to the Board of Directors on the use of this authorisation at least once a year.

Limitations imposed by the Board of Directors on the powers of the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers

In accordance with Article 4.2 of the internal regulations of the Board of Directors, the following decisions relating to the Company that the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers wish to take are subject to the prior approval of the Board of Directors:

- approval of the Company's annual budget and any off-budget commitments in excess of 30% of the budget;
- approval of the remuneration of the Company's senior managers or changes thereto;
- any issuance and allocation by the Company of shares or other securities giving the right, immediately or in the future, by conversion, exchange, redemption, presentation or exercise of a warrant or in any other manner, to the allocation of securities representing a portion of the Company's share capital or voting rights;
- the creation of any incentive plan or plan to allocate options, free shares or securities giving immediate or future access to the Company's share capital for the benefit of senior managers and/or employees of the Company and its subsidiaries;
- any acquisition or disposal (including by way of sale, merger, demerger or spin-off) by the Company or one of its subsidiaries of a shareholding in excess of €100,000,000 (with the exception of any transactions to be completed by the Company or one of its subsidiaries on the shares of subsidiaries that are, in each case, directly or indirectly wholly-owned by the Company);

- any transfer or disposal of all or substantially all of the Company's assets or any merger, demerger, winding-up or liquidation of the Company (with the exception of any transactions with one of its subsidiaries that are merely internal reorganisation transactions with no impact on the rights and obligations of shareholders);
- any equity investment by the Company or one of its subsidiaries, immediately or in the future, or any expenditure relating to a project not included in the budget in a unit amount of more than €50,000,000;
- any investment or expenditure by the Company or one of its subsidiaries relating to a project included in the budget or authorised by the Board of Directors, in an amount that results in an increase of more than 15% in the equity provided for in the budget or authorised by the Board of Directors, for said project;
- any loan or corporate financing to a person other than a subsidiary or one of its shareholders and any guarantee, surety or other similar commitment to pay made by the Company that increases the Company's total debt by more than €150,000,000;
- any change to the Company's corporate form or corporate purpose;
- any decision to transfer the registered office outside France (or to move the main decision-making centres outside France);
- approval of the Company's annual and half-yearly financial statements and the annual and half-yearly consolidated financial statements;
- any distribution of dividends by the Company;
- prior authorisation of any related-party agreement within the meaning of Article L. 225-38 of the French Commercial Code, in accordance with the provisions of said article; and
- the decision to (a) change the Company's stock market listing, (b) carry out the initial public offering of the Company on another regulated market or multilateral trading facility, or (c) carry out the initial public offering of a subsidiary of the Company on a regulated market.

3.3.2. Deputy Chief Executive Officers

At the proposal of the Chief Executive Officer (whether this function is assumed by the Chairman or by another person), the Board of Directors may appoint up to three Deputy Chief Executive Officers to assist the Chief Executive Officer.

The Deputy Chief Executive Officer must always be a natural person. He may or may not be chosen from among the Directors.

If the Chief Executive Officer ceases to hold office, the Deputy Chief Executive Officer will, unless the Board of Directors decides otherwise, remain in office until the appointment of a new Chief Executive Officer.

The Deputy Chief Executive Officer may be removed at any time at the proposal of the Chief Executive Officer. The removal of the Deputy Chief Executive Officer may give rise to damages if it is found he was removed without just cause.

3.3.2.1. Appointment and biographies

As of the date of the Universal Registration Document, there is no Deputy Chief Executive Officer in office at the Company.

As part of the Group's business development, Nolwenn Belléguic and Antoine Hamon, Deputy Chief Executive Officers appointed by the Board of Directors on 7 April 2022, resigned from their positions on 27 March 2024, effective that same date, in order to devote all their efforts to their operational duties.

3.3.2.2. Powers

In consultation with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers of the Deputy Chief Executive Officers. Such powers may not exceed those of the Chief Executive Officer or be held longer than the Chief Executive Officer's term of office. The Board of Directors determines the remuneration of the Deputy Chief Executive Officers.

The Deputy Chief Executive Officers have the same powers vis-à-vis third parties as the Chief Executive Officer.

In particular, the limitations imposed by the Board of Directors on the powers of the Chief Executive Officer, as described in paragraph 3.3.1.2, apply to the Deputy Chief Executive Officers.

In accordance with the provisions of Articles L. 225-149 and L. 232-20 of the French Commercial Code, the Deputy Chief Executive Officers are authorised to update the Company's Articles of Association, based on delegation from the Board of Directors, following a share capital increase resulting from the issuance of securities or payment of the dividend in shares.

3.4. Remuneration and benefits of corporate officers

In this section, corporate officers are defined as the Chairman and Chief Executive Officer and Deputy Chief Executive Officers (executive corporate officers), on the one hand, and the Directors (non-executive corporate officers), on the other.

The General Meeting of 23 May 2025 (the "**General Meeting**") will be asked to deliberate:

- "*ex ante*" on the remuneration of the corporate officers for financial year 2025, and
- "*ex post*" on the remuneration of the corporate officers for financial year 2024.

This Section describes the remuneration policy for the Company's corporate officers in accordance with:

- Articles L. 22-10-8, L. 22-10-9 and L. 22-10-34 of the French Commercial Code;
- the recommendations of the Middlenext Code; and

- Position-Recommendation 2021-02, amended on 28 July 2023, of the Autorité des marchés financiers, "Guide to Preparing Universal Registration Documents".

This Section includes the provisions of Articles L. 22-10-8, L. 22-10-9 and L. 22-10-34 of the French Commercial Code (and the corresponding regulatory section). These principles were adopted by the Board of Directors at its meeting on 25 and 26 March 2025, on the recommendation of the Appointment and Remuneration Committee.

This Section presents:

- the remuneration policy for the Company's corporate officers for financial year 2025 ("*ex ante*"); and
- the fixed, variable and exceptional components of the total remuneration and benefits in kind paid during financial year 2024 or allocated for that same year to the corporate officers ("*ex post*").

3.4.1. Remuneration policy for corporate officers for financial year 2025

3.4.1.1. General description

This Section contains the information specified in Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code, as well as additional information that the Board of Directors considers useful for providing an overview of the remuneration of corporate officers.

The implementation of the remuneration policy for corporate officers for 2025 described below is subject to the adoption by the General Meeting of the resolutions on the overall remuneration policy.

The Board of Directors refers in particular to the recommendations of the Middlenext Code when determining the remuneration policy for corporate officers.

Information on the remuneration policy applied to all corporate officers is summarised in the table below:

Criteria defined in Article R. 22-10-14 I. of the French Commercial Code	
Respect for the Company's interests, contribution to its business strategy and continuity	The remuneration policy for corporate officers respects the Company's interests and contributes to its business strategy and continuity by providing for periodic reviews based on feedback and observation of the practices of other comparable companies.
Decision-making process for its determination, review and implementation	The remuneration policy is established by the Board of Directors in accordance with applicable laws and regulations after obtaining proposals from the Appointment and Remuneration Committee.
Consideration of the remuneration and employment conditions of the Company's employees	The Company publishes equity ratios that are used to establish the level of remuneration of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers in relation to the average and median remuneration on a full-time equivalent basis of the Company's employees, other than the corporate officers (see Section 3.4.2.1 below).
Assessment methods - fulfilment of performance criteria for variable and share-based remuneration	The Appointment and Remuneration Committee reviews the fulfilment of the performance criteria and informs the Board of any observations it may have before the Board decides on the level of fulfilment of the performance criteria.
Change of governance	In the event of a change of governance, the remuneration policy will be applied to the Company's new corporate officers, with any necessary adjustments.
Deviations from the application of the remuneration policy	In accordance with the applicable laws and regulations, the Board of Directors reserves the right to temporarily deviate from this policy under exceptional circumstances, but only after a determination by a majority of the Directors, including a majority of the Independent Directors, provided that such deviation from the remuneration policy is necessary to serve the long-term interests and continuity of the Company as a whole or to ensure its viability.

It should be noted that the remuneration policy for corporate officers for 2025 described below is subject to an overall vote, which has no bearing on the result of the individual votes on the remuneration of the Chairman and Chief Executive Officer and the Directors for financial year 2025.

3.4.1.2. Remuneration policy of the Chairman and Chief Executive Officer

Matthieu Guesné was appointed Chairman and Chief Executive Officer of the Company by a decision of the Board of Directors on 11 March 2022 and his term of office was renewed by the Board of Directors on 24 May 2022. His term of office will expire at the end of the General Meeting. A meeting of the Board of Directors will be held at the end of that General Meeting to decide on his reappointment, provided that the shareholders have previously approved his reappointment as a Director.

The Board of Directors has adopted the following general principles for determining the remuneration and benefits of the Chairman and Chief Executive Officer:

Fixed remuneration	The amount of fixed remuneration is determined by the Company's Board of Directors on the recommendation of the Appointment and Remuneration Committee, taking into account market practices and the remuneration observed for similar positions in French listed companies in the sector of a comparable size.

	The Appointment and Remuneration Committee analyses the remuneration of the Chairman and Chief Executive Officer once a year, without this review necessarily resulting in an adjustment of the remuneration.
Variable remuneration	The Chairman and Chief Executive Officer receives variable remuneration in respect of his corporate office equal to 50% of his fixed remuneration, based on quantitative and qualitative criteria. For each criterion, the performance of the Chairman and Chief Executive Officer is assessed by comparing the target set with the result obtained. Payment of the components of variable remuneration allocated for the previous financial year is subject to approval by the ordinary General Meeting of the components of the remuneration and benefits of any kind of the Chairman and Chief Executive Officer paid during the previous financial year or allocated for said financial year (individual *ex post* vote).
Long-term remuneration	The Company's long-term remuneration policy is based on a strategy of giving the Chairman and Chief Executive Officer a stake in the Company's capital in a way that is competitive with market practices and in line with the objectives of the remuneration policy established by the Board of Directors, namely respect for the Company's interests and contribution to the Group's strategy and long-term development. Allocations of free shares or other instruments giving access to the Company's share capital (BSPCE or stock options) are decided by the Board of Directors under the terms of the authorisation granted to it by the General Meeting of shareholders.
Other remuneration	The Chairman and Chief Executive Officer does not have an employment contract with the Company. In addition, he does not receive any other remuneration in respect of his corporate office, such as multi-year variable remuneration, exceptional remuneration, supplementary pension scheme or severance pay. He receives some benefits in kind, as described below.

The components of the total remuneration and benefits of any kind that may be granted to the Chairman and Chief Executive Officer in respect of his corporate office for financial year 2025 are as follows (10th resolution of the General Meeting):

Fixed remuneration	The Chairman and Chief Executive Officer receives annual fixed remuneration of €250,000 gross, paid monthly, i.e. €20,833 gross per month.
Variable remuneration	The Chairman and Chief Executive Officer receives annual variable remuneration of a maximum gross amount equal to 50% of his annual fixed remuneration, i.e. €125,000, based on the following criteria: ○ for 1/3, on the basis of a quantifiable criterion related to a consolidated revenue and other financial revenue target for 2025; ○ for 1/3, on the basis of a quantifiable criterion related to a lost-time injury frequency rate target in 2025; and ○ for 1/3, on the basis of a quantifiable criterion based on the financial means necessary for the Company to ensure its activities over a specific period of time, with the portion of variable remuneration allocated under each of these criteria (with the exception of the last criterion) being proportional to the degree of achievement of the related target, it being specified that no variable remuneration under a criterion will be allocated if the degree of achievement of the related target is less than 70%. Each of the above quantifiable criteria have been pre-set and precisely defined by the Board of Directors on the recommendation of the Appointment and Remuneration Committee, but are not made public for confidentiality reasons.
Long-term remuneration	The Chairman and Chief Executive Officer will not receive any long-term remuneration in respect of the 2025 financial year.
Non-compete compensation	In case of involuntary termination only, a lump-sum monthly payment equal to 12 months of fixed monthly remuneration applicable for the financial year during which notice of involuntary termination is given.
Benefits in kind	The Chairman and Chief Executive Officer is entitled to the same collective rights and benefits as the Company's employees (supplementary health insurance, communication media, business expenses and travel expenses), even though he has no employment contract with the Company. The Chairman and Chief Executive Officer also benefits from provident insurance (death, disability and/or long-term illness) and directors & officers liability insurance.

3.4.1.3. Remuneration policy for members of the Board of Directors

The General Meeting of 23 May 2024 decided to set the total remuneration package allocated to members of the Board of Directors at €150,000.

For financial year 2025, the Board of Directors will propose to the General Meeting that this budget be increased to €200,000 (11th resolution of the General Meeting), in line with

the proposed appointment of Jana Kley as a new Independent Director, bringing the total number of Independent Directors to four (compared to three at the time of the General Meeting vote on the overall budget for financial year 2024).

The Board of Directors complies with the recommendations of the Middlenext Code by defining a method for distributing the remuneration of Directors, which benefits Independent Directors only, that takes into account the duties actually performed by each of them (whether or not they are members of a Board committee) and their attendance record.

The table below shows the breakdown of remuneration per Director applicable for financial year 2025, unchanged from the Remuneration policy for financial year 2024:

Board of Directors meetings	
Fixed remuneration	€10,000 per financial year
In-person participation in a Board of Directors meeting	€3,000 per meeting
Remote participation in a Board of Directors meeting	€1,500 per meeting
Committee meetings	
Fixed remuneration of the committee Chairman	€5,000 per financial year
In-person participation in a committee meeting	€2,500 per meeting
Remote participation in a committee meeting	€1,500 per meeting

Observers and Directors other than Independent Directors do not receive any remuneration.

All Directors and Observers may be reimbursed for reasonable expenses incurred in the course of their duties by providing receipts.

Special assignments entrusted to members of the Board of Directors under Article L. 225-46 of the French Commercial Code

The Board of Directors may entrust special paid assignments to members of the Board of Directors, in accordance with the provisions of Article L. 225-46 of the French Commercial Code. The corresponding agreements will be subject to the provisions of Articles L. 225-38 et seq. of the French Commercial Code.

As such, the Board of Directors meeting on 12 December 2024 decided to entrust Christopher Sorensen with a special assignment covering international development and the establishment of strategic partnerships. The corresponding service agreement was approved in accordance with the related-party agreement procedure and is presented in the Statutory Auditors' report on related-party agreements in paragraph 3.6.1 of the Universal Registration Document.

The duration of this assignment is 5 months from 22 December 2024. The remuneration will be €2,400 per month, i.e. a maximum of €12,000.

3.4.1.4. Information on employment contracts with the Company

With the exception of Maria Pardo Saleme (Chief Financial Officer), the Company's corporate officers do not have employment contracts with the Company.

3.4.2. Components of remuneration and benefits of any kind paid or allocated to corporate officers for financial year 2024

This Section contains the information specified in Article L. 22-10-9 of the French Commercial Code, as well as additional information that the Board of Directors considers useful for providing an overview of the remuneration of corporate officers. The information contained herein relating to the Deputy Chief Executive Officers covers the period from 1 January 2024 to 27 March 2024, the date on which their term of office ends.

3.4.2.1. Remuneration ratios

Pursuant to sections I.6 and 7 of Article L. 22-10-9 of the French Commercial Code, the following tables show the average and median remuneration paid on a full-time equivalent basis to employees of the Company other than the corporate officers (benchmark), as well as the "equity" ratios between these benchmarks and the minimum wage (SMIC), on the one hand, and the remuneration paid to each of the executive corporate officers (Chairman and Chief Executive Officer and Deputy Chief Executive Officers), on the other.

Summary of gross remuneration used to calculate equity ratios

Financial year	Financial year 2024	Financial year 2023	Financial year 2022
Remuneration of the Chairman and Chief Executive Officer, Matthieu Guesné	€619,096[1]	€333,333	€7,976,900[1]
Remuneration of the Deputy Chief Executive Officer, Nolwenn Belléguic	€4,841[2]	€20,000[2]	€20,000[2]
Remuneration of the Deputy Chief Executive Officer, Antoine Hamon	€4,841[2]	€20,000[2]	€20,000[2]
Average employee remuneration	€90,315[1]	€79,215[1]	€94,142[1]
Median employee remuneration	€70,473[1]	€66,697[1]	€66,550[1]
Gross average minimum wage (SMIC)	€21,272	€20,815	€19,744

(1) Including the allocation of free shares or BSPCE during the financial year, as detailed in the methodology below.

(2) The components of remuneration related to the employment contract between the Deputy Chief Executive Officers and the Company, including the allocation of free shares or BSPCE, have not been included in the remuneration used to calculate the ratios as detailed in the methodology below.

Ratio calculation methodology

The methodology used by the Company is based on the guidelines updated by the AFEP in February 2021.

The employees included in the calculation of the ratio are employees of the Company in France who worked there throughout 2024, excluding interns, work-study employees and people on long-term absence. Annual fixed and variable remuneration is determined on a full-time basis.

The numerator should include the remuneration and benefits of any kind due or allocated to each executive corporate officer during the financial year. The denominator should include the remuneration paid or allocated to employees during the financial year:

- **Calculation of the numerator** - Inclusion of the components allocated during financial year 2024: fixed portion, annual variable portion, exceptional remuneration, remuneration linked to the position of Director, long-term remuneration instruments and benefits in kind;
- **Calculation of the denominator** - Inclusion of the components allocated during financial year 2024: fixed portion, annual variable portion, exceptional remuneration, long-term remuneration instruments, employee savings schemes and benefits in kind.

The Company's shares have only been admitted to trading on the Euronext Paris regulated market since 23 May 2022. Prior to the Company's conversion into a public limited company (société anonyme) by a decision of the General Meeting on 3 March 2022 which took effect on 11 March 2022, the Company was a simplified joint stock company (société par actions simplifiée) whose sole corporate officer was its Parent Company, Fresh Future. Accordingly, the information presented below applies only to financial years 2022, 2023 and 2024.

Chairman and Chief Executive Officer - Matthieu Guesné			
Financial year	**FY 2024**	**FY 2023**	**FY 2022**
Change (as a %) in the remuneration of the Chairman and Chief Executive Officer, Matthieu Guesné	86%(1)	-96%(2)	N/A
Information for the Company as a whole			
Change (as a %) in the average remuneration of employees	14%	-16%	N/A
Ratio to the average remuneration of employees	6.85	4.21	84.73
Change in the ratio (as a %) compared with the previous year	63%	-95%	N/A
Ratio to the median remuneration of employees	8.78	5.00	119.86
Performance of the Company			
Consolidated revenue (in thousands of euros)	5,099	1,317	570
Change (as a %) compared with the previous year	287%	131%	N/A
Independent reference			
Ratio to the minimum wage (SMIC)	29.10	16.01	404.02

(1) This increase is explained by the granting of long-term remuneration during financial year 2024 (see paragraph 3.4.3 of the Universal Registration Document)

(2) This decrease is explained by the absence of long-term remuneration in financial year 2023.

Deputy Chief Executive Officer - Nolwenn Belléguic			
Financial year	**FY 2024(1)**	**FY 2023**	**FY 2022**
Change (as a %) in the remuneration of the Deputy Chief Executive Officer, Nolwenn Belléguic	-76%	0%	N/A
Information for the Company as a whole			
Change (as a %) in the average remuneration of employees	14%	-16%	N/A
Ratio to the average remuneration of employees	0.23(2)	0.25	0.21
Change in the ratio (as a %) compared with the previous year	-10%	19%	N/A
Ratio to the median remuneration of employees	0.29(2)	0.30	0.30
Performance of the Company			
Consolidated revenue (in thousands of euros)	5,099	1,317	570
Change (as a %) compared with the previous year	287%	131%	N/A
Independent reference			
Ratio to the minimum wage (SMIC)	0.96(2)	0.96	1.01

(1) Data for the period from 1 January 2024 to 27 March 2024, when the term of office ended.

(2) For reasons of comparability, these ratios are calculated taking into account the remuneration of employees or the minimum wage pro-rated over the period from 1 January 2024 to 27 March 2024, the date on which Nolwenn Belléguic's term of office ends.

Deputy Chief Executive Officer - Antoine Hamon			
Financial year	**FY 2024(1)**	**FY 2023**	**FY 2022**
Change (as a %) in the remuneration of the Deputy Chief Executive Officer, Antoine Hamon	-76%	0%	N/A
Information for the Company as a whole			
Change (as a %) in the average remuneration of employees	14%	-16%	N/A
Ratio to the average remuneration of employees	0.23(2)	0.25	0.21
Change in the ratio (as a %) compared with the previous year	-10%	19%	N/A
Ratio to the median remuneration of employees	0.29(2)	0.30	0.30
Performance of the Company			
Consolidated revenue (in thousands of euros)	5,099	1,317	570
Change (as a %) compared with the previous year	287%	131%	N/A
Independent reference			
Ratio to the minimum wage (SMIC)	0.96(2)	0.96	1.01

(1) Data for the period from 1 January 2024 to 27 March 2024, when the term of office ended.

(2) For reasons of comparability, these ratios are calculated taking into account the remuneration of employees or the minimum wage pro rata for the period from 1 January 2024 to 27 March 2024, the date on which Antoine Hamon's term of office ends.

3.4.2.2. Components of remuneration and benefits of any kind paid or allocated to each executive corporate officer for financial year 2024

i. Chairman and Chief Executive Officer (Matthieu Guesné)

Components of remuneration paid during financial year 2024 or allocated for the same financial year to Matthieu Guesné, Chairman and Chief Executive Officer, in respect of his corporate office (6th resolution of the General Meeting)		
Components of remuneration	**Financial year 2024**	
	Amounts allocated(1)	**Amounts paid**
Fixed remuneration	€250,000	€250,000
Variable remuneration	€71,096	€83,333
Long-term remuneration (allocation of BSPCE)	€298,000(2)	-
Total	**€619,096**	**€333,000**

(1) These components comply with the remuneration policy approved by the General Meeting of 23 May 2024 (10th resolution).

(2) Valuation of the 1,000,000 BSPCE 2024 D allocated to Matthieu Guesné, as shown in the IFRS Financial Statements included in Section 6.1 of the Universal Registration Document.

On the recommendation of the Appointment and Remuneration Committee, at its meeting on 25 and 26 March 2025, the Board of Directors noted the achievement of the variable remuneration criteria as detailed below, it being noted that no variable remuneration under a criterion is allocated if the degree of achievement of the related target is less than 70%:

Criteria	Weighting	Percentage of achievement(1)	Corresponding amount
Quantifiable criterion related to a consolidated revenue target for financial year 2024	1/3	70.6%	€29,430
Quantifiable target criterion of obtaining financing(2) at the Company level during financial year 2024	1/3	<70%	€0
Quantifiable criterion of employee engagement rate target measured based on overall satisfaction criteria and a recommendation rate noted during financial year 2024	1/3	100%	€41,666
Total	**-**	**-**	**€71,096**

(1) No variable remuneration under a criterion is allocated if the achievement of the related target is less than 70%.

(2) Equity financing, loans, guarantees, subsidies or project financing, subject to a firm commitment or contractual formalisation.

ii. Deputy Chief Executive Officer (Nolwenn Belléguic)

Components of remuneration paid during financial year 2024 or allocated for the same financial year to Nolwenn Belléguic, Deputy Chief Executive Officer, in respect of her corporate office (7th resolution of the General Meeting)		
Components of remuneration	**Financial year 2024**	
	Amounts allocated(1)	**Amounts paid**
Fixed remuneration	€20,000	€4,841(2)
Total	**€20,000**	**€4,841**

(1) These components comply with the remuneration policy approved by the General Meeting of 23 May 2024 (11th resolution).

(2) The amounts paid correspond to the amounts allocated prorated over the period from 1 January 2024 to 27 March 2024, the effective date of Nolwenn Belléguic's resignation from her office as Deputy Chief Executive Officer.

In addition, and for the sake of comprehensiveness, Nolwenn Belléguic received fixed remuneration of €26,205 under her employment contract with the Company for the period from 1 January 2024 to 27 March 2024.

iii. **Deputy Chief Executive Officer (Antoine Hamon)**

Components of remuneration paid during financial year 2024 or allocated for the same financial year to Antoine Hamon, Deputy Chief Executive Officer, in respect of his corporate office (8th resolution of the General Meeting)		
Components of remuneration	**Financial year 2024**	
	Amounts allocated[1]	**Amounts paid**
Fixed remuneration	€20,000	€4,841[2]
Total	**€20,000**	**€4,841**

(1) These components comply with the remuneration policy approved by the General Meeting of 23 May 2024 (12th resolution).

(2) The amounts paid correspond to the amounts allocated prorated over the period from 1 January 2024 to 27 March 2024, the effective date of Antoine Hamon's resignation from his office as Deputy Chief Executive Officer.

In addition, and for the sake of comprehensiveness, Antoine Hamon received fixed remuneration of €31,446 under his employment contract with the Company for the period from 1 January 2024 to 27 March 2024.

3.4.2.3. Components of remuneration paid or allocated to members of the Board of Directors for financial year 2024

The General Meeting of 23 May 2024 decided to set the total remuneration package allocated to the Board of Directors at €150,000 for financial year 2024.

The table below shows the total amount of remuneration allocated to each Independent Director for financial year 2024, based on the breakdown approved for that year. It was prepared in accordance with Appendix 2 of AMF Position-Recommendation 2021-02.

Observers and Directors other than Independent Directors do not receive any remuneration for their duties.

Table 3

Non-executive corporate officers	Financial year 2024[1][2]		Financial year 2023	
	Amounts allocated	**Amounts paid**	**Amounts allocated**	**Amounts paid**
Valérie Bouillon-Delporte				
Director's remuneration	€15,250	€36,000	€36,000	€33,000
Other remuneration	N/A	N/A	N/A	N/A
Alena Fargere				
Director's remuneration	€38,000	€27,788	€27,788	N/A
Other remuneration	N/A	N/A	N/A	N/A
Bruno Le Jossec				
Director's remuneration	€45,417	€44,521	€44,521	€35,000
Other remuneration	N/A	N/A	N/A	N/A
Total	**€98,667**	**€108,309**	**€108,309**	**€68,000**

(1) Components of remuneration subject to ex-post vote under the 5th resolution of the General Meeting.

(2) These components comply with the remuneration policy approved by the General Meeting of 23 May 2024 (13th resolution).

Exceptional remuneration for Christopher Sorensen

As indicated in paragraph 3.4.1.3 of the Universal Registration Document, the Board of Directors meeting on 12 December 2024 decided to entrust Christopher Sorensen, Director, with an exceptional assignment to provide consulting and assistance with regard to international development and the establishment of strategic partnerships.

The agreement, which runs for five months from 22 December 2024, provides for total remuneration of €12,000, i.e. €2,400 per month, in return for carrying out this exceptional assignment. A total of €697 was allocated for financial year 2024. This remuneration constitutes a temporary deviation from the remuneration policy for financial year 2024, as permitted by that policy, in compliance with the applicable legal and regulatory provisions.

3.4.3. AMF standard tables

This Section contains the information that must be included in the tables of AMF Position-Recommendation 2021-02 and is not provided elsewhere in the Universal Registration Document.

Table 5 (Stock options exercised during the financial year by each executive corporate officer), Table 6 (Free shares allocated to each executive corporate officer) and Table 7 (Performance shares that became available during the financial year for each corporate officer) are not applicable, as no stock options were exercised, no free shares were allocated to corporate officers in respect of their corporate office and no performance shares became available during financial year 2024.

Table 1

Summary table of the remuneration and options granted to each executive corporate officer		
(amounts in euros)	**Financial year 2024**	**Financial year 2023**
Matthieu Guesné, Chairman and Chief Executive Officer		
Remuneration allocated for the financial year *(detailed in table 2)*	€321,096	€333,333
Valuation of multi-year variable remuneration allocated during the financial year	-	-
Valuation of BSPCE or options granted during the financial year[1] *(detailed in table 4)*	€298,000	-
Valuation of free shares allocated	-	-
Valuation of other long-term remuneration plans	-	-
Total	**€619,096**	**€333,333**
Nolwenn Belléguic, Deputy Chief Executive Officer		
Remuneration allocated for the financial year *(detailed in table 2)*	€4,841	€20,000
Valuation of multi-year variable remuneration allocated during the financial year	-	-
Valuation of BSPCE or options granted during the financial year	-	€25,058
Valuation of free shares allocated	-	€42,700
Valuation of other long-term remuneration plans	-	-
Total	**€4,841**	**€87,758**
Antoine Hamon, Deputy Chief Executive Officer		
Remuneration allocated for the financial year *(detailed in table 2)*	€4,841	€20,000
Valuation of multi-year variable remuneration allocated during the financial year	-	-
Valuation of BSPCE or options granted during the financial year		€25,058
Valuation of free shares allocated	-	€42,700
Valuation of other long-term remuneration plans	-	-
Total	**€4,841**	**€87,758**

(1) Valuation of BSPCE as shown in the IFRS Financial Statements included in Section 6.1 of the Universal Registration Document.

Table 2

Summary table of remuneration paid to each executive corporate officer				
(amounts in euros)	Financial year 2024		Financial year 2023	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Matthieu Guesné, Chairman and Chief Executive Officer				
Fixed remuneration	€250,000	€250,000	€250,000	€250,000
Annual variable remuneration	€71,096	€83,333	€83,333	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration allocated in respect of directorship	-	-	-	-
Benefits in kind	-	-	-	-
Total	**€321,096**	**€333,333**	**€333,333**	**€250,000**
Nolwenn Belléguic, Deputy Chief Executive Officer				
Fixed remuneration	€20,000	€4,841	€20,000	€20,000
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration allocated in respect of directorship	-	-	-	-
Benefits in kind	-	-	-	-
Total	**€20,000**	**€4,841**	**€20,000**	**€20,000**
Antoine Hamon, Deputy Chief Executive Officer				
Fixed remuneration	€20,000	€4,841	€20,000	€20,000
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration allocated in respect of directorship	-	-	-	-
Benefits in kind	-	-	-	-
Total	**€20,000**	**€4,841**	**€20,000**	**€20,000**

Table 4

BSPCE or options granted free of charge during the financial year to each corporate officer by the Company and by any Group company							
Name of executive corporate officer	**Name and date of the plan**	**Type of BSPCE or option (purchase or subscription)**	**Valuation of BSPCE or options according to the method used for the consolidated financial statements**	**Number of BSPCE or options granted during the financial year**	**Exercise price**	**Exercise period**	**Performance conditions**
Matthieu Guesné, Chairman and Chief Executive Officer	BSPCE 2024 D 17/06/2024	BSPCE	€298,000	1,000,000	€2	from 17/06/2027 to 17/06/2032	Performance condition based on an average target share price of €15 over a 6-month period, observed between the allocation of the BSPCEs and their expiry
Total	-	-	**€298,000**	**1,000,000**	-	-	-

Table 11

Executive corporate officers	Employment contract		Supplementary pension scheme		Compensation or benefits due or potentially due as a result of the termination or change in duties		Compensation related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Matthieu Guesné, Chairman and Chief Executive Officer		✗		✗		✗	✓	

3.4.4. Amounts provisioned by the Company for the payment of pensions and other benefits to corporate officers

The Company has not set up any provisions for the payment of pensions, retirement or similar benefits to its corporate officers.

3.5. Application of the recommendations of the Middlenext Code

The table below shows the Company's position in relation to all the recommendations set out in the Middlenext Code as of the date of the Universal Registration Document.

Recommendations of the Middlenext Code	Applied	Not applied	Will be applied	Comments
"Supervisory" power				
R 1: Ethics of Board members	✓			-
R 2: Conflicts of interest	✓			-
R 3: Composition of the Board - Presence of independent members		✗		See paragraph 3.2.1.4(ii) for an analysis of the independence of each Director, particularly as regards the Board of Directors' decision not to apply one of the criteria for presuming Directors' independence to Christopher Sorensen.
R 4: Information for Board members	✓			-
R 5: Training of Board members	✓			-
R 6: Organisation of Board and Committee meetings	✓			-
R 7: Creation of committees	✓			-
R 8: Creation of a specialised Corporate Social and Environmental Responsibility (CSR) Committee	✓			-
R 9: Establishment of internal regulations of the Board	✓			-
R 10: Choice of each Board member	✓			-
R 11: Terms of office of Board members		✗		Terms of office are not staggered. This decision was made given the short terms of office (three years), which makes it possible to change the members of the Board of Directors regularly and, in the Company's view, achieve the same objectives.
R 12: Remuneration of Board members in respect of their corporate office	✓			-
R 13: Establishment of an assessment of the Board's work	✓			-
R 14: Shareholder relations	✓			
Executive power				
R 15: Diversity and equity policy within the company	✓			-
R 16: Definition and transparency of executive corporate officers' remuneration	✓			-
R 17: Preparation of management succession	✓			-
R 18: Combination of employment contract and corporate office	✓			-
R 19: Severance pay	✓			-
R 20: Supplementary pension schemes	✓			-
R 21: Stock options and free share allocations	✓			-
R 22: Review of watch points	✓			-

3.6. Related-party and similar agreements

3.6.1. Statutory auditors' special report on related-party agreements

General Meeting called to approve the financial statements for the year ended 31 December 2024

To the Lhyfe General Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the General Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors ("*Compagnie Nationale des Commissaires aux Comptes*") relating to this engagement.

These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the General Meeting

Pursuant to Article L. 225-40 of the French Commercial Code, we were advised of the following agreement entered into during the year and previously authorized by the Board of Directors.

Exceptional consulting and support engagement

At its meeting of December 12, 2024, your Company's Board of Directors authorized an agreement between Lhyfe SA and Mr. Christopher Sorensen, a director of your Company, with the following features:

Date of the agreement: December 22, 2024.

Nature and purpose: agreement covering exceptional consulting and support services for international development and the set-up of strategic partnerships, assigned by your Board of Directors to Mr. Christopher Sorensen, a director of your Company.

Terms and conditions: agreement with a term of 5 months as of its signature date, in exchange for a fee of €2,400 per month, i.e. a total of €12,000.

Your Company incurred an expense of €696.77 excluding tax in respect of this agreement in fiscal year 2024.

Agreements previously approved by the General Meeting

We inform you that we have not been advised of any agreement previously approved by the General Meeting that remained in force during the year.

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Nantes, on 29 April 2025

The Statutory Auditors

Baker Tilly Strego	**Deloitte & Associés**
François Pignon-Hériard	Guillaume Radigue

3.6.2. Procedure for assessing ordinary course agreements

In accordance with Article L. 22-10-12 of the French Commercial Code, at its meeting on 14 December 2022 the Board of Directors adopted a procedure for assessing whether agreements relating to day-to-day operations entered into on an arm's length basis meet these conditions.

The purpose of this procedure is to identify and qualify, based on criteria, ordinary course agreements entered into on an arm's length basis to which the Company is a party. It applies prior to the conclusion, amendment, renewal or termination of an agreement. The Board of Directors is informed annually of the implementation of the assessment procedure.

3.6.3. Agreements entered into by senior managers or shareholders and companies controlled by the Company

Pursuant to Article L. 225-37-4 of the French Commercial Code, the corporate governance report must mention any agreements entered into, directly or through an intermediary, between the Chief Executive Officer, a Director or a shareholder holding more than 10% of the Company's voting rights, on the one hand, and another company controlled by the Company within the meaning of Article L. 233-3 of the French Commercial Code, on the other, except where such agreements relate to day-to-day operations and were entered into on an arm's length basis.

The Company is not aware of any such agreements.

3.7. Other information

3.7.1. Participation in general meetings

Notice of meeting

Shareholders' meetings are convened and deliberate under the conditions set out in the laws and regulations in force and the Company's Articles of Association.

Meeting place

Shareholders' meetings may be held at the Company's registered office or at any other place in mainland France indicated in the notice of meeting.

Agenda

In principle, the agenda for a shareholders' meeting is set by the person who convenes the meeting.

Participation

All shareholders who own shares of the Company have the right to participate in general meetings and to cast their votes in accordance with the terms and conditions set out in the laws and regulations in force.

All shareholders have the right to participate, in person or by proxy, in shareholders' meetings, subject to proof of identity and of ownership of their shares under the conditions set out in the laws and regulations in force.

All shareholders may vote by post in accordance with the terms and conditions set out in the laws and regulations in force.

Shareholders may, if the Chairman so decides in the notice of meeting, participate in and vote at a shareholders' meeting by videoconference or by any other means of telecommunication that enables them to be identified under the conditions set out in the laws and regulations in force at the time of its use. Any shareholder participating in a shareholders' meeting by one of the aforementioned means is deemed to be present for the purposes of calculating the quorum and majority.

Holding of meetings

Shareholders' meetings are chaired by the Chairman. Failing this, the meeting itself elects the meeting chairman.

The duties of vote tellers are performed by the two (2) members of the meeting who are present and accept these duties and have the largest number of votes.

The officers of the meeting appoint the secretary, who may or may not be a shareholder.

An attendance sheet duly signed by the participants and certified as accurate by the officers of the meeting is kept.

The deliberations of shareholders' meetings are recorded under the conditions set out in the laws and regulations in force.

Minutes of meetings are signed by the officers of the meeting. Copies or excerpts of these minutes are validly certified by the Chairman, a Director or the secretary of the meeting.

Voting rights

Voting rights attached to shares are proportional to the percentage of share capital they represent, and each share gives a right to one vote at shareholders' meetings, regardless of how long or the form in which the share is held.

As an exception, double voting rights will be granted to shares that are fully paid-up and for which proof is provided of registration in the name of the same shareholder for a period of at least two years.

Ordinary General Meeting

The Ordinary General Meeting, when convened the first time, is validly in session only if the shareholders present or represented own at least one-fifth (1/5) of the shares with voting rights.

The ordinary General Meeting, when convened the second time, is validly in session regardless of the number of shares held by the shareholders present or represented.

Decisions of the ordinary General Meeting are taken by a majority of the votes held by the shareholders present or represented.

The ordinary General Meeting deliberates on all proposals that do not fall within the exclusive remit of the extraordinary General Meeting. It meets at least once a year, within six (6) months of the end of each financial year, to approve the financial statements for that year and, where applicable, the consolidated financial statements.

Extraordinary General Meeting

The Extraordinary General Meeting, when convened the first time, is validly in session only if the shareholders present or represented own at least one-fourth (1/4) of the shares with voting rights.

The extraordinary General Meeting, when convened the second time, is validly in session only if the shareholders present or represented own at least one-fifth (1/5) of the shares with voting rights.

Decisions of the extraordinary General Meeting are taken by a two-thirds (2/3) majority of the votes held by the shareholders present or represented.

The extraordinary General Meeting is solely authorised to amend any provision of the Articles of Association.

The extraordinary General Meeting may under no circumstances, unless unanimously approved by the shareholders, increase the shareholders' commitments or undermine the equality of their rights.

3.7.2. Factors that may have an impact in the event of a takeover bid or exchange offer

Pursuant to Article L. 22-10-11 of the French Commercial Code, the Company must present and, where applicable, explain factors that may have an impact in the event of a takeover bid or exchange offer.

Structure of the Company's share capital and direct or indirect interests in the Company's share capital

The structure of the Company's share capital and the direct or indirect interests of which the Company is aware are described in paragraph 7.2.2 of the Universal Registration Document.

Statutory restrictions on the exercise of voting rights and share transfers

There are no statutory restrictions on the exercise of voting rights or share transfers that could have an impact in the event of a takeover bid or exchange offer, with the exception of the sanction provided for in Article L. 233-14 of the French Commercial Code, applicable by reference to Article 11 of the Company's Articles of Association, in case of failure to comply with the obligation to notify the Company of any crossing of the thresholds set out in the Articles of Association (2% of the share capital or voting rights or any multiple thereof).

This sanction results in the shareholder concerned being stripped of the voting rights attached to the shares in excess of the fraction not duly notified, at the request, recorded in the minutes of the General Meeting, of one or more shareholders holding at least 5% of the Company's share capital or voting rights.

The rules governing the crossing of legal or statutory thresholds are described in paragraph 7.2.5 of the Universal Registration Document.

The Company has not been informed of any clauses referred to in item 2 of Article L. 22-10-11 of the French Commercial Code.

List and description of holders of securities with special control rights

Article 18.6 of the Company's Articles of Association provides for double voting rights for shares that are fully paid-up and for which proof is provided of registration in the name of the same shareholder for at least two years. Subject to this condition, there are no securities with special control rights.

Control mechanisms provided for in an employee share ownership scheme, where control rights are not exercised by employees

As of the date of the Universal Registration Document, the Company has not set up an employee share ownership scheme other than free share allocations and BSPCE and stock option grants.

Agreements between shareholders that may result in restrictions on share transfers and the exercise of voting rights

To the Company's knowledge, there are no agreements between shareholders that may result in restrictions on share transfers and the exercise of voting rights.

Rules applicable to the appointment and replacement of members of the Board of Directors and to amendments to the Company's Articles of Association

The rules applicable to the appointment and replacement of members of the Board of Directors are the legal and statutory rules described in paragraph 3.2.1.4 of the Universal Registration Document.

Similarly, the Company's Articles of Association are amended in accordance with the laws and regulations, the main components of which are described in paragraphs 3.7.1, 3.3.1.2 and 3.3.2.2 of the Universal Registration Document.

Powers of the Board of Directors

The powers of the Board of Directors to issue or repurchase shares, in accordance with the delegations granted by the shareholders' General Meeting, are described in paragraph 7.1.5 of the Universal Registration Document.

Agreements entered into by the Company that may be amended or terminated in the event of a change of control of the Company

The financing agreements and the syndicated loan agreement contain change of control clauses.

Agreements providing for compensation for members of the Board of Directors or employees

There are no agreements providing for compensation for members of the Board of Directors or employees in the event that they resign or are dismissed without just cause, or if their employment is terminated as a result of a takeover bid or exchange offer.

3.7.3. Potential significant impacts on governance

With the exception of the appointment of Jana Kley as Director, put to the vote at the General Meeting of 23 May 2025, as of the date of the Universal Registration Document, no significant change in the governance of the Company is envisaged. For further information on Jana Kley, please refer to paragraph 3.2.1.2 (ii) of the Universal Registration Document.

4 Risk factors and risk management

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Investors are invited to consider all the information contained in the Universal Registration Document, including the risk factors described in this Section, before deciding to subscribe for shares issued by the Company. In the course of preparing the Universal Registration Document, the Company conducted a risk review. The risks described in this Section are those which, as of the date of the Universal Registration Document, the Company believes, based on its current stage of development, could have a material adverse effect on the Company, its business, financial position, results, development or outlook, and which are material to investment decision-making.

However, the Company draws investors' attention to the fact that, pursuant to Article 16 of Regulation (EU) 2017/1129 and the recommendations of the European Securities and Markets Authority (ESMA), only the risks that are specific to the Company and the most material are mentioned. The list presented in this Section is therefore not exhaustive and other risks, specific to the economic sector in which the Company operates, to all listed companies, or to any other company, or currently unknown or considered unlikely, as of the date of the Universal Registration Document, to have a material adverse effect on the Company, its business, outlook, financial position, results and development, may exist or arise.

The table below shows the main risks identified by the Company, divided into five categories. Within each category, the risk factors are presented in descending order of criticality, as assessed by the Company as of the date of the Universal Registration Document. For each of these risks, the table shows the probability of their occurrence and their negative impact on the Group on the date of filing of the Universal Registration Document, taking into account the actions and control measures implemented by the Company. The probability of occurrence is assessed according to three levels ("low", "moderate" and "high") and the extent of their negative impact according to four levels ("low", "moderate", "high" and "critical").

Ref.	Risk factors	Probability	Negative impact
4.1.1	**Risks related to the hydrogen market**		
4.1.1.1	Risk related to regulations and changes to them	High	Critical
4.1.1.2	Risk related to the emerging nature of the green hydrogen market and development of its ecosystem	High	High
4.1.1.3	Risk related to the development of different uses of hydrogen and competition from other energies	Moderate	High
4.1.1.4	Risk of competition from other hydrogen producers	Moderate	Moderate
4.1.1.5	Risk of industrial accidents involving hydrogen	Low	High
4.1.2	**Risks related to the Group's business model**		
4.1.2.1	Risk related to the availability of strategic equipment	High	Critical
4.1.2.2	Risk related to the Company's maturity	Moderate	Critical
4.1.2.3	Risk related to the newness of technological solutions for offshore hydrogen production	High	Moderate
4.1.2.4	Risk related to the Group's ability to implement its growth strategy	Moderate	High
4.1.2.5	Risk related to the presence of co-shareholders in certain projects	High	Moderate
4.1.3	**Project-related risks**		
4.1.3.1	Risk related to the development of long, complex projects	High	High
4.1.3.2	Risk related to the extent of leverage in case of default on financing for the Group's projects	High	High
4.1.3.3	Risk related to the Group's ability to procure renewable electricity	Low	High
4.1.3.4	Risk related to securing hydrogen sales contracts	Moderate	Moderate
4.1.3.5	Risk related to the use of service providers during project construction	Moderate	Low
4.1.3.6	Risk related to obtaining and maintaining permits required for the Group's projects	Low	Moderate

Ref.	Risk factors	Probability	Negative impact
4.1.4	**Operational risks**		
4.1.4.1	IT infrastructure risk	Moderate	Critical
4.1.4.2	Risk related to the difficulty of insuring against certain risks	Moderate	Critical
4.1.4.3	Risk related to the Group's liability in the event of an accident	Low	Critical
4.1.4.4	Risk of divergence between the cost of procuring renewable electricity and hydrogen sales	High	Moderate
4.1.4.5	Risk related to operating problems at the Group's production facilities	Moderate	High
4.1.4.6	Key person risk	Low	High
4.1.4.7	Counterparty risk	Moderate	Moderate
4.1.4.8	Intellectual property risk	Moderate	Moderate
4.1.4.9	Risk related to climate change and extreme weather events	Low	Moderate
4.1.5	**Financial risks**		
4.1.5.1	Risk related to obtaining future financing	High	Critical
4.1.5.2	Risk related to the Group's ability to secure bank guarantees	High	Critical
4.1.5.3	Risk related to access to subsidies and changes in public policy	Moderate	Critical
4.1.5.4	Risk related to covenants and commitments included in the Group's financing arrangements	Moderate	High
4.1.5.5	Interest rate risk related to the Group's financing	Moderate	Moderate
4.1.5.6	Risk related to transfer pricing between Group entities	Low	Moderate
4.1.5.7	Liquidity risk	Low	Low

4.1. Risk factors

4.1.1. Risks associated with the hydrogen market

4.1.1.1. Risk related to regulations and changes to them

The Group's hydrogen production, transport and sales activities, including the purchase of electricity required for production, are subject to numerous regulations in all countries in which the Group operates. The main regulations applicable to the Group are described in Section 1.10 of the Universal Registration Document.

Regulations governing the construction and operation of units to produce hydrogen, a flammable and potentially explosive gas, are relatively well established. The same applies to regulations governing the transport of hydrogen by private pipeline over short distances and by lorry, the main modes of transport used by the Group to transport hydrogen from its production units to its end customers (public or private hydrogen distribution stations, industrial sites, etc.). Despite the compliance monitoring measures put in place, however, the Group is still exposed to the risk of breaches, including by third-party subcontractors (such as carriers) which could result in fines, temporary or permanent bans or the revocation of permits and authorisations. In addition, these regulations may change and become more stringent.

The situation is different with regard to specific regulations concerning the emerging market for the production, transport, distribution and sale of hydrogen and access to renewable energy sources – mainly electricity – to produce this hydrogen. In fact, the main risk is linked to the evolving nature of these regulations (even if the risks related to compliance with them, as mentioned in the above paragraph, remain relevant). The directives, regulations, laws and other regulatory instruments that make up this body of legislation have recently been adopted (2023–2024) or are still in the process of being drawn up at European Union level. The other countries that are most advanced in the roll-out of their hydrogen strategy are also developing their regulatory framework with the same stated aim of facilitating the development of this market as part of the energy transition (Net Zero Scenarios). Each of the authorities likely to be involved in this process is proceeding at its own pace and in a manner that is not necessarily coordinated with the others, and even within the European Union, the transposition of legislation adopted at European level is quite slow and subject to significant disparities from one country to another.

The regulatory framework for the hydrogen market covers a wide range of topics, including in particular:

- identifying different categories of hydrogen depending on the production methods used and the carbon intensity of the product delivered to the end user. Hydrogen may thus fall into different categories that are not yet subject to harmonised legal definitions at the beginning of 2025, even within the European Union:
  - "Sustainable hydrogen": defined in the European Green Taxonomy published in 2020, based on a maximum carbon intensity threshold equivalent to 3 tCO2eq/tH2,
  - "Renewable hydrogen": defined as a "renewable fuel of non-biological origin" (RFNBO) in the delegated act to Directive (EU) 2018/2021 of the European Parliament and of the Council on Renewable Energy,
  - "Low-carbon hydrogen": defined in general terms in Directive 2024/1788 of the Gas Package of 13 June 2024, but without the detailed methodology for certifying it as such having been adopted yet (delegated acts expected by June 2025), and

  - "High-carbon hydrogen": defined as any form of hydrogen produced from fossil fuels (coal or natural gas) and therefore exceeding a certain threshold of CO_2 emissions per kilo of hydrogen produced;
- the determination of certification schemes that will make it possible to prove the nature of this hydrogen, via voluntary certification schemes approved by the European Commission for RFNBO renewable hydrogen or other voluntary certification schemes that will be defined on the basis of the future definition of low-carbon hydrogen and will make it possible to prove the carbon content of the hydrogen;
- the nature of and access to the various forms of financial aid (including tax and/or tariff aid) granted by the European Union, the Member States and their local authorities to any player in the hydrogen market – from the producer to the distributor or the end user, including research & development, equipment manufacturers and plant constructors – to facilitate the development of the market, with differences depending on the nature of the hydrogen produced and/or used;
- access to renewable energy sources, mainly electricity;
- the physical, legal and financial conditions for direct connection to renewable electricity production sites;
- the guarantee of origin mechanism for electricity purchased from renewable electricity producers and/or transiting via the grid;
- access to and use of transmission (pipeline network), large-scale storage and distribution infrastructure;
- the degree of separation, mandatory or otherwise, of hydrogen production, transport, distribution and sales activities (as with electricity and gas). In the European Union, the main rules were laid down in the Gas Package adopted in mid-2024 and are gradually being transposed;
- the regulatory framework applicable to calls for tenders for the construction and operation of production units, by both public and private players; and
- for users, the possibility of easily changing supplier, benefiting from preferential regulated tariffs, long-term contracts or any other incentive (including penalties for using high-carbon hydrogen) to use green hydrogen.

A key issue is the definition of and method used to certify the type of hydrogen – "renewable", "low-carbon" or "carbon-based" (the terms currently used in French regulations), as this can largely determine access to the other measures facilitating the development of the market.

Depending on the countries in which the Group develops its activities and the nature of the projects it develops, the hydrogen produced by the Group may be classified as "renewable" (RFNBO) or sometimes only as "low-carbon". The regulatory consequences of this qualification are outlined above.

Defining and categorising hydrogen is just one of the regulatory issues – albeit an important one – facing the Group. Even if all the stakeholders, and in particular the authorities responsible for this regulatory framework, show a willingness to promote the development of the renewable hydrogen market, certain aspects of the regulatory landscape may still not be favourable to the Group and its activities. The Group is therefore keeping a close eye on changes to this regulatory framework.

4.1.1.2. Risk related to the emerging nature of the green hydrogen market and development of its ecosystem

The Group produces and supplies hydrogen produced mainly from renewable electricity for industrial use and land, sea and river transport. The Group's activities are detailed in Chapter 1 of the Universal Registration Document.

Numerous governments, international organisations (including the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC)) and other public and private stakeholders agree on the capacity of green hydrogen to contribute significantly to the fight against global warming, in addition to the massive expansion of renewable electricity generation capacity, direct electrification where possible and relevant, and the implementation of energy efficiency policies[1].

Demand for hydrogen has grown by more than 50% since 2000, reaching 97 MtH in 2023 (+2.5% compared to 2022)[2]. Almost all of this demand was still being met in 2024 by hydrogen produced using conventional production methods (99.2%), mainly from fossil fuels, and emitting around 900 million tonnes of CO_2 per year. In Europe, hydrogen production through water electrolysis still only accounts for 0.4% of hydrogen production capacity[3].

Replacing this existing and growing demand for hydrogen with renewable or low-carbon hydrogen is now recognised as a key pillar in accelerating the decarbonisation of industry. Global demand for hydrogen, all sectors combined, could reach more than 140 million tonnes by 2030 (with around 35% coming from new uses of hydrogen) and around 530 million tonnes by 2050[4]. In Europe, some analysts estimate that hydrogen production (all production methods combined) could reach more than 15 million tonnes in 2030 (compared to 11.4 million tonnes at present), including between 2.5 and 4.4 million tonnes of renewable hydrogen (70%) and low-carbon hydrogen (30%)[5].

The hydrogen market, and more specifically the green hydrogen market in which the Group is positioned, is therefore an emerging market whose volumes currently remain limited. Its growth may be slowed by numerous factors, including, as observed in 2023 and 2024:

- inflation, which has had a severe impact on the business models of projects and delayed final investment decisions;
- the lack of clarity and medium- and long-term visibility in the financial support mechanisms, incentives and regulations put in place by governments (mandates, quotas);
- the lack of coordination in the implementation of certification schemes for renewable and low-carbon hydrogen;
- the inability to rapidly reform regulations relating to permits and authorisations to accelerate the implementation of projects; or

1 IPCC Working Group III Report, Climate Change 2022: Mitigation of Climate Change, 4 April 2022
2 International Energy Agency, *Global Hydrogen Review*, October 2024
3 Clean Hydrogen Monitor, Hydrogen Europe, November 2024
4 International Energy Agency, *Global Hydrogen Review*, October 2024
5 Clean Hydrogen Monitor, Hydrogen Europe, November 2024

- the insufficient maturity of certain technologies available on the market and relating to the process of hydrogen production through water electrolysis.

One of the key stages in the development of this market is the continued reduction in the cost price of green hydrogen, so that it becomes equivalent to or lower than that of hydrogen produced from fossil fuels and other fossil resources for which it could be substituted. One of the key factors in reducing this cost is, for hydrogen produced through water electrolysis, the reduction in the cost of electrolysers. The cost is expected to decrease as the number of electrolysers increases thanks to economies of scale and technical advancements, thereby replicating the trend observed for turbines, wind turbine blades and solar panels. However, one obstacle to this positive development is that it requires the establishment of a virtuous circle: increased demand for electrolysers leading to increased production, leading to a reduction in cost, leading to increased demand, etc. However, there is no guarantee that this virtuous circle can be easily triggered or, more specifically, that the public policies enabling it will be as successful as they have been for wind and solar power. Even if this were the case, there is no guarantee that this can occur in the geographic markets in which the Group is or will be present and within a timeframe compatible with its source of financing. Furthermore, there is no guarantee that the expected economies of scale and technical advancements will materialise, or at the very least materialise within a reasonable period of time.

Another key factor for producers of hydrogen through water electrolysis, such as the Group, is the development of and access to renewable and low-carbon electricity. While the number of wind and solar farms has increased rapidly in recent years and targets for the development of production capacity have been revised upwards (particularly in Europe with the adoption of the revised RED Directive in 2023), it is generally considered that this rate of growth will have to increase substantially to achieve the CO_2 emission reduction targets and then carbon neutrality of the Member States. As a result, the Group finds itself in competition with other renewable electricity producers who are also seeking to replace CO_2-emitting energy sources for the production of their hydrogen, even though the growth in the supply of renewable electricity may not be enough to meet demand. Insufficient or slow development of renewable sources of electricity could curb the Group's growth.

Development of the hydrogen market also requires the creation of an entire complex ecosystem that is largely non-existent at present and the main elements of which are:

- the sources of funding needed to build production, transmission, distribution and delivery facilities. These sources may be public (subsidies, repayable advances, regulated tariffs or other favourable contractual arrangements such as additional remuneration mechanisms) or private (venture capital, private equity, financial markets). Players in the renewable hydrogen and low-carbon market could be competing with other players in the renewable energy sector and, more generally, in the fight against global warming for access to this funding;
- favourable regulations and, more generally, favourable public policies. The European Union and all its Member States have announced their intention, and begun to implement the necessary measures, to support the development of the hydrogen market in this way (for more details on these public policies, see paragraph 1.2.5 of the Universal Registration Document). However, this may take time, may not produce the expected results or may favour ecosystem actors other than the Group; and
- the establishment of and access to hydrogen storage, transmission, distribution and delivery infrastructure. Planning for the large-scale hydrogen transmission network is now well advanced (as part of the 10-year plan for energy infrastructure in Europe[1]) and construction of the initial sections accelerated in 2024, notably with the first final investment decisions taken for projects in Germany, Belgium and the Netherlands. Some industrial hubs that are already major consumers of hydrogen are developing local distribution network projects. For mobility applications, which is one of the Group's areas of activity, work has begun on developing a network of hydrogen refuelling stations and supplying them with hydrogen, some of which is already carbon-free. Building this infrastructure represents significant investment, without those who will be called upon to finance it having any certainty as to the use of this infrastructure or the time it will take for a return on their investment, as the hydrogen market is still developing. Although the Group's development does not depend directly on the development of storage, pipeline transport and distribution capacities, the hydrogen sector as a whole does, and a delay in development could therefore have an indirect impact on the Group. With regard to refuelling stations, however, the impact relates to bulk projects and there is therefore no guarantee that these will be deployed within the timeframes compatible with the Group's objectives or in the geographical areas in which the Group will operate.

Therefore, although there is a strong consensus within governments to implement the measures necessary to develop this ecosystem, and an interest on the part of many private actors and the financial markets in financing it, it is still in its infancy and the measures and actions undertaken by all these actors have not yet proven effective.

If the production price of hydrogen does not decrease or does not decrease quickly enough, if the Group cannot access renewable electricity at competitive prices, or if any of the components of this ecosystem does not develop quickly enough or at all, the development prospects of the entire hydrogen sector, and therefore those of the Group, would be severely impacted.

1 Launched by the European Commission (Directorate-General for Energy) in conjunction with the European Network of Transmission System Operators for Gas (ENTSOG, see the Ten-Year Network Development Plan 2024), the next edition of which will be entrusted to the new European Network of Network Operators for Hydrogen (ENNOH, established in 2024)

4.1.1.3. Risk related to the development of different uses of hydrogen and competition from other energies

The uses of hydrogen in industry and mobility, the Group's target areas, could develop less quickly or differently from what the Group currently anticipates.

For the industry segment, the main markets for hydrogen produced by the Group are found in heavy industry where hydrogen is used (i) for its chemical properties as a raw material in the production cycle, particularly in the ammonia or fertiliser production sectors, or certain other chemical uses, and (ii) as fuel to replace fossil fuels for the production of steel, glass or electronic components.

While hydrogen is already used in some industrial sectors (e.g. chemicals), its use in other industrial sectors (e.g. steel or glass) is dependent on the adaptation of heavy industrial processes to this energy and the development of related technologies. Technical barriers to the use of hydrogen in these sectors could prove impossible or too costly to overcome, which would significantly reduce the demand for hydrogen in this market segment.

In the mobility segment, the hydrogen produced by the Group will be used to supply vehicle refuelling stations, mainly for charging heavy-duty vehicles, commercial vehicles or captive fleets, generally in the passenger transport (buses, taxis) or waste management (household waste collection) sectors.

The current significant development of industrial capacity, electric vehicles (in 2024, almost one in five cars sold in France was electric[1]) and charging stations (more than 154,000 electric vehicle charging points in France at the end of 2024[2]) limits the prospect of growth in demand for hydrogen for the light mobility sector.

In addition, the cost of installing a hydrogen refuelling station are higher than those of installing a petrol station. These costs could be an obstacle to installing hydrogen refuelling stations, thereby hindering the development of the hydrogen mobility market and reducing the attractiveness of hydrogen vehicles.

In more general terms, despite the strong pressure to reduce the use of fossil fuels that generate CO_2, these are still cheaper than hydrogen and continue to represent strong competition.

The inclusion of road transport in EU ETS 2, adopted in 2023 and due to come into effect in 2027[3], should nevertheless make it possible to reduce the price differences between fossil solutions with high GHG emissions and low-carbon solutions.

An increase in the use of hydrogen, and therefore in the volumes of hydrogen produced, is one of the key components in improving the cost structure of renewable and low-carbon hydrogen (see the risk factor described in paragraph 4.1.1.2 "Risks related to the emerging nature of the hydrogen market and development of its ecosystem" above). If this growth were lower than expected, or did not materialise, the competitiveness of hydrogen compared with other energy sources, and therefore the Group's growth prospects, would be severely impacted.

4.1.1.4. Risk of competition from other hydrogen producers

The Group believes it has a technological edge in the production of green hydrogen onshore (see paragraph 1.7.3 of the Universal Registration Document) and offshore (see Section 1.6 of the Universal Registration Document).

Despite this technological edge, however, in some markets the Group could be exposed to competition from:

- other green hydrogen producers already present in this market or wishing to enter it, who may succeed in developing more efficient and/or less expensive technologies;
- electricity producers with greater commercial, financial, technical or human resources than the Group and, in the case of renewable electricity producers, direct access to this resource;
- electrolyser producers wishing to develop the downstream value chain by building and operating production units themselves and selling the green hydrogen thus produced; and
- gas producers already established on the high-carbon hydrogen market.

A description of the Group's competitive environment is given in paragraph 1.2.6 of the Universal Registration Document.

The pressure exerted by this competition could force the Group to limit its sales prices and reduce its margins, scale back its development plan, or significantly increase its research and development budget, thereby calling into question its ability to generate the expected profit within the proposed timeframes.

The Group's future success will therefore depend on its ability to (i) maintain its technological edge, (ii) improve the performance, power, efficiency and reliability of its technology and facilities, (iii) quickly adapt to the competitive environment (particularly in terms of cost competitiveness) and (iv) implement its ambitious industrial and commercial development plan (see Section 1.3 of the Universal Registration Document).

1 PFA, December 2024
2 Baromètre Avere-France, 8 January 2025
3 https://www.ecologie.gouv.fr/politiques-publiques/marches-du-carbone-seqe-ue-2

4.1.1.5. Risk of industrial accidents involving hydrogen

The Group operates in a sector where there are industrial risks related to hydrogen production and storage sites, as well as the transport of this energy. The applicable regulations are described in paragraph 1.10 of the Universal Registration Document.

Like any fuel, hydrogen can ignite and/or explode in case of a leak. The equipment used by the Group must therefore be designed with safety features that limit any risk of an industrial accident that could cause serious or even fatal injuries.

Even if, as of the date of the Universal Registration Document, the Group has not suffered such an accident, its occurrence could result in an extended suspension of the operation of production or service equipment, or even the partial or total destruction of the installation, and have serious consequences for third parties and their property and for the Company's staff and assets. In addition, the occurrence of any of these risks could trigger the opening of an investigation of the Group and its key managers/persons, which could result in the need for corrective measures, administrative or criminal penalties and the payment of significant damages, including for personal injury (see the risk factor described in paragraph 4.1.4.3 "Risk related to the Group's liability in the event of an accident"). In addition, the Group may not be insured for these costs (see the risk factor described in paragraph 4.1.4.2 "Risk related to the difficulty of insuring against certain risks"). Such an accident would also affect the Group's image and reputation.

More generally, any accident of this type occurring at a hydrogen installation, whether it belongs to the Group or to a third party, could harm the image of the hydrogen sector, which could hinder its expected development and lead to more stringent legal or regulatory requirements. This could result in an increase in the financial guarantees to be provided, a significant rise in insurance premiums, stricter regulations, difficulties in obtaining or maintaining facilities classified for environmental protection or other administrative authorisations, or problems obtaining land.

4.1.2. Risks relating to the Group's business model

4.1.2.1. Risk related to the availability of strategic equipment

The Group's hydrogen production facilities use strategic equipment for which there may be only a limited number of suppliers worldwide who themselves use very advanced manufacturing processes and specific machinery, which may limit the availability of this equipment.

For example, the electrolysers, compressors and containers used by the Group are only distributed by a small number of suppliers around the world, with delivery times that currently remain long. The Group aims to predict the supply of this strategic equipment by some of its suppliers and is also trying to negotiate partnerships so that it can secure a certain volume of supply from its main suppliers.

However, it may not be able to do so depending on the market environment and competitive conditions. It could therefore be subject to shortages, changes to processes, production chain disruptions, design flaws in certain equipment essential to the Group's business, export bans on the part of these suppliers, refusal or delay in certifying certain equipment, some suppliers' refusal to supply, or the need to obtain supplies at above-market prices in an oligopolistic context or at rising prices in the current inflationary environment. As of the date of the Universal Registration Document, the procurement times for certain strategic equipment such as electrolysers, compressors and containers are particularly long, forcing the Group to plan ahead for its purchases which in turn impacts its working capital requirement.

The Group may also need to replace one of its strategic suppliers if it fails to fulfil its obligations to supply equipment that meets the Group's quality, quantity or cost requirements in a timely manner or has financial difficulties. In this situation, it would have a limited number of alternative solutions, which could require product adaptations and cause disruptions and delays in the construction of the Group's green hydrogen production sites. Moreover, as the growing use of hydrogen leads to increasingly high demand, suppliers may not be able to meet this demand, which could result in an increase in tariffs and procurement times for some strategic equipment. This uncertainty regarding tariffs and procurement times could hinder the development or profitability of the Group's projects.

Changes in the purchase prices of certain strategic equipment needed to design and build the Group's hydrogen production sites could therefore lead to significant variations in project costs and not be fully offset by a corresponding increase in the sale price of hydrogen produced by the Group.

To limit this risk, the Group has set up collaboration agreements with some suppliers that, under certain conditions, would give it preferred access to this equipment.

Moreover, in some international markets where the Group plans to operate, the high cost of procuring certain products, particularly as a result of customs duties, import charges and transport costs, could lead to significant variations in cost prices, limiting the Group's opportunities for development.

The difficulties in procuring strategic equipment described above could pose a risk to the Group's project development and therefore significantly affect its growth prospects.

4.1.2.2. Risk related to the Company's maturity

The Company was founded in April 2019 and has therefore only been in existence for around six years as of the date of the Universal Registration Document. It is involved in industrial activities and project development, but has a track record that is still limited in terms of the construction and operation of medium or large sites, given its ambitions in France and abroad.

For more details on the Group's onshore projects, see paragraph 1.8.2 of the Universal Registration Document and for more details on the development of offshore production technologies, see Section 1.6 of the Universal Registration Document.

As such, there is no guarantee that the Group will be able to apply the skills it has acquired rolling out its 1 to 10 MW projects to its larger projects (>100 MW) and outside its traditional locations (France and Germany).

This risk of a lack of perspective is compounded by the fact that the Group relies mainly on its ability to use and reproduce, in larger projects, the experience acquired and successes achieved in its initial, smaller-scale projects.

For the financial year to 31 December 2024, consolidated turnover amounted to €5,099k, with a net loss of €29,091k.

4.1.2.3. Risk related to the newness of technological solutions for offshore hydrogen production

The Group is involved in a number of research projects aimed at developing green offshore hydrogen production technologies, as described in Section 1.6 of the Universal Registration Document.

The Group believes it has a real technological edge over potential competitors in this market, with an initial experimental installation that opened in September 2022 (for more details on this project, see Section 1.6 of the Universal Registration Document). However, these are research projects involving the installation of very large electrolysis capacities, which could prove more complicated than anticipated, or even fail, and for which public support mechanisms are still limited. The large-scale deployment of offshore hydrogen production could therefore prove impossible, or more costly than expected.

If the Group were *ultimately* to abandon the development of offshore hydrogen production projects, this could have an impact on its long-term development prospects.

4.1.2.4. Risk related to the Group's ability to implement its growth strategy

The Group anticipates strong growth in its business, which is expected to result in the acquisition of new customers, the deployment of numerous hydrogen production sites and a sharp increase in turnover (see Section 1.3 of the Universal Registration Document). Absorbing such growth depends in part on its ability to anticipate and manage it effectively, including by recruiting and integrating dedicated staff and making the necessary technological investments. To this end, the Group must:

- implement an ambitious industrial and commercial development programme, both in France and abroad;
- anticipate demand for the hydrogen produced and the revenue this is likely to generate;
- anticipate the costs associated with this growth and the associated funding requirements;
- recruit, train, manage, motivate and retain a growing number of employees; and
- increase its operational capacity, in particular the capacity of its IT, financial, administrative and, more generally, management systems and, in particular, its administrative and operational procedures and controls.

As part of its development strategy presented in Section 1.3 of the Universal Registration Document, the Group will need to hire many additional staff, which could make significant use of its internal resources.

Given its level of maturity, the Group may have difficulties recruiting and integrating these new profiles, which entails transferring the Group's know-how and corporate culture to them, and may therefore be unable to make use of the internal resources needed for this integration while still ensuring high-quality project development and monitoring. In addition, this recruitment will require the Group to strengthen its management control teams and procedures, which may not occur as quickly as the recruitment. If this were to happen, the reliability of the management control data could be impacted.

In addition, delayed or abnormally slow development of the Group's industrial, commercial, technological or equipment resources in relation to the expected growth in the use of hydrogen could reduce its ability to meet future demand, thereby encouraging its potential customers to turn to other hydrogen producers.

4.1.2.5. Risk related to the presence of co-shareholders in certain projects

As part of its development strategy, the Group joins forces with partners and shares the ownership of certain project companies, resulting in the holding of a majority stake or, in some cases, a minority stake, particularly for projects completed via the co-development partnership model. The success of such a project company depends mainly on its ability to generate dividends or profits and on the ability of the parties to maintain good relations.

A disagreement between the partners, potentially leading to an impasse or major difficulties in managing the project company, could result in a financial loss for the Group or delay the development of the project for which that project company was formed.

Moreover, if the Group had only a minority stake, particularly for projects carried out via the partnership-based co-development model, its ability to steer the development of these structures in line with its objectives would be restricted, which could affect its investment.

Difficulties with the Group's co-shareholders in the project companies could delay or compromise the development of those projects, or even affect the Group's ability to continue to operate in the country or region in question and hinder the implementation of its strategy.

4.1.3. Project risks

4.1.3.1. Risk related to the development of long, complex projects

The Group's pipeline consists of dozens of projects for which a number of steps still need to be taken over the coming months/years before the production facilities are actually built and become operational. For further details on the pipeline, see Section 1.8 of the Universal Registration Document.

The Group devotes a great deal of time to its project development, including for (i) initial prospecting and site identification, (ii) obtaining permits and administrative authorisations and conducting environmental studies (see the risk factor described in paragraph 4.1.3.6 "Risk related to obtaining and maintaining permits required for the Group's projects"), (iii) securing the procurement of renewable electricity via a direct connection to a production site or the purchase of certificates of origin (see the risk factor described in paragraph 4.1.3.3 "Risk related to the Group's ability to procure renewable electricity"), and (iv) securing contracts to sell the hydrogen produced (see the risk factor described in paragraph 4.1.3.4 "Risk related to securing hydrogen sales contracts").

The Group also allocates financial resources to these activities, which increase as projects progress through their development stages.

Some of these projects may not come to fruition. Indeed, problems encountered by the Group during the project development stages (obtaining permits and authorisations, site engineering, construction, testing and commissioning stages) may result in delays or additional costs that can make the projects less competitive than originally expected. In some cases, this may result in the postponement or abandonment of the project and the loss of development costs incurred.

In addition, financing generally needs to be obtained to complete a project. The Group could have problems obtaining the desired financing terms, resulting in insufficient profitability or an inability to generate the expected returns on investment, which could jeopardise the viability of a project and lead to its abandonment (see the risk factor described in paragraph 4.1.5.1 "Risk related to obtaining future financing").

Depending on the country, the Group receives subsidies from public entities under government support policies. Applications are reviewed by the entities on a case-by-case basis to determine the feasibility of the project and compliance with the criteria established for receiving the subsidies. The procedures for allocating aid and subsidies may take longer than the Group expects. If the allocation of aid to the Group were rejected or postponed for too long, this could also jeopardise the viability of a project and lead to its abandonment. Once allocated, aid and subsidies are the subject of a contract between the Group and the public entity and are systematically subject to objective criteria such as the actual completion of the project in accordance with the terms defined in the contract. If the Group failed to meet its commitments, the aid could be jeopardised or any aid already paid would need to be paid back. The risks related to the Group obtaining aid and subsidies are described in paragraph 4.1.5.3 of the Universal Registration Document.

Finally, the projects in which the Group plans to participate are almost always the subject of calls for tenders, to which many competitors respond. Competitors may be larger and have more resources than the Group, a better track record or a local presence, which could favour them (see the risk factor described in paragraph 4.1.1.4 "Risk of competition from other hydrogen producers"). In this case, the Group's chances of success are reduced. The Group also responds to certain calls for tenders via consortia in which the Group's partners might not fulfil their obligations, which could jeopardise the viability of a project and lead to its abandonment.

4.1.3.2. Risk related to the extent of leverage in case of default on financing for the Group's projects

When financing its projects, the Group may use significant leverage to limit its equity contribution. Project financing implemented by the Group may involve a heavy reliance on debt at the level of the project companies (SPV) or investment holding companies (HoldCo).

If a project company, or its holding company, were to default on its payment obligations under its financing agreements (for example, due to an unforeseen event or a deterioration in its financial situation) or fail to comply with certain minimum debt service coverage ratios, this default could render the project's debt immediately payable. In the absence of a waiver or a restructuring agreement on the part of the lenders, the latter could be entitled to seize the assets or securities provided as collateral (in particular the Group's stake in the subsidiary that owns the installation).

In addition, the failure of a project company or investment holding company to repay its debt could affect its ability to pay dividends to the Group, pay costs and interest and repay intra-group loans and make any other cash distributions, as the defaulting entity is generally prohibited from making cash distributions. This would probably result in a loss of confidence on the part of the Group's customers, lenders or co-contractors, which would adversely affect the Group's access to other sources of financing for its projects.

Finally, in the event of the insolvency, liquidation or reorganisation of one of the project companies, creditors (including suppliers, judgment creditors and tax authorities) could be entitled to payment in full of their claims from the revenues generated by the installations, before the Group is permitted to receive any distributions from the project. When debt exists for a given project, the lenders could demand that payment of the debt be accelerated and seize any assets pledged as collateral, in which case the Group could lose its stake in the project companies concerned.

4.1.3.3. Risk related to the Group's ability to procure renewable electricity

The Group produces its green hydrogen from renewable electricity, which it procures either via the electricity grid and the purchase of guarantees of origin, or via a direct connection to a renewable electricity production site. The Group's electricity purchasing policy is described in paragraph 1.5.1 of the Universal Registration Document.

The availability of renewable electricity could be impacted by a lack of wind or solar farms, the time required to develop new wind or solar farms or competition from other users of renewable electricity. In particular, based on the principle of additionality set out in European regulations, the renewable electricity generation sites supplying the Group's renewable hydrogen production sites must be commissioned at the same time as the commissioning of the production sites starting in 2028.

If the Group were unable to obtain sufficient supplies of renewable electricity, or if this proved too costly, it would be forced to reduce its production of hydrogen considered renewable, which would reduce what it views as its competitive advantage over producers of hydrogen considered low-carbon and could impact its ability to access certain public financing or favourable regulatory mechanisms.

4.1.3.4. Risk related to securing hydrogen sales contracts

The value and viability of the Group's projects depend on its ability to sell the hydrogen produced by those projects under contracts with solvent counterparties and at appropriate prices.

If the Group were unable to secure hydrogen sales contracts on sufficiently favourable terms, it may not be able to obtain financing for those projects or may only be able to obtain financing on unfavourable terms.

Moreover, the Group may not be able to renew or negotiate new hydrogen sales contracts after the initial contracts expire or may not be able to negotiate sales prices under subsequent contracts on terms at least equivalent to those of the initial contracts.

4.1.3.5. Risk related to the use of service providers during project construction

The Group uses various service providers for project construction, as described in more detail in paragraph 1.5.2 of the Universal Registration Document, including, in addition to suppliers of strategic equipment, subcontractors working on the sites.

If the Group's service providers (or their subcontractors) fail to meet their obligations, provide services that do not comply with the Group's quality standards, encounter financial difficulties or fail to comply with the laws and regulations in force (including as regards compliance with health, safety and environmental rules), the Group could suffer damage to its reputation, in addition to being exposed to the risk of significant criminal penalties or civil liability. The Group's ability to obtain compensation from its subcontractors may be limited by their financial solvency or contractual limitations of liability, and the guarantees provided by these subcontractors or their affiliates may not fully cover the losses incurred by the Group.

In particular, commissioning delays could have a significant impact on the Group's results and, after a certain date, hydrogen sales contracts could be terminated due to failure to meet their deadlines for commissioning the installations.

The Group's contractors may also ask that additional construction costs be covered, which could increase the cost of the investment as originally forecast and affect the profit assumptions made at the time of the initial investment. In the event of a disagreement as to who is liable for payment of these additional construction costs, based on the contractual provisions, the Group could be subject to an amicable settlement procedure, a procedure involving resolution by a panel of experts, arbitration proceedings or even legal disputes, which could lead to judgements requiring the Group's subsidiaries to bear additional construction costs in excess of the contractually agreed budget, thereby affecting the investment amount and the project's return on investment.

Finally, growth in the hydrogen industry, intense competition and the Group's strict contractual requirements may limit the availability of a sufficient number of service providers to respond to calls for tenders at prices and conditions in line with the Group's expectations.

4.1.3.6. Risk related to obtaining and maintaining permits required for the Group's projects

Current regulations in France and the European Union require that any hydrogen production system obtain authorisation as an installation classified for environmental protection (ICPE) when the quantity of hydrogen likely to be present on site exceeds 1,000 kg. This authorisation is binding and requires that the establishment housing the hydrogen production station comply with the conditions set out by prefectural decree. The time needed to obtain such authorisation is nine to 12 months.

For smaller facilities where the quantity of hydrogen likely to be present on site is greater than 100 kg but less than 1,000 kg, only a reporting requirement applies. In this case, the establishment housing the hydrogen production facilities must comply with the general regulations corresponding to the ICPE category to which its facilities belong, as defined by decree.

The Group is therefore subject to strict regulations regarding, among other things, operation of the ICPE, integration of the ICPE into the landscape, prevention of air pollution, protection of water resources and aquatic environments, waste, prevention of noise pollution and vibrations, prevention of technological risks, and monitoring of aqueous waste emissions and their effects.

In case of non-compliance with the obligations arising from maintaining an ICPE authorisation, the Company or a Group company may be held liable and penalties may be payable by that Company or Group company. Said authorisation may also be revoked, which would halt the construction or operation of the project by the Group.

Compliance with applicable regulations and, more generally, the Group's responsibilities require it to incur regular operating expenses.

Increasing production capacity on the Group's sites will require that authorisations be obtained for the quantities produced, stored or used. For example, the procedures for obtaining authorisation for the Bouin site, which had been operating under a declaration regime since its commissioning, were completed in 2023. Similarly, any transfer of the ICPE to another site may require an application for authorisation.

Additional permits and authorisations, such as building permits, land clearance authorisations, environmental authorisations or exemptions from the ban on destroying protected species and their habitats, may also be required based on the configuration of each installation.

Similar regulations and obligations apply to the Group's projects abroad.

Consequently, if the Group does not obtain the necessary permits, authorisations or licences for the construction and/or operation of its installations, it may be forced to delay or even cancel the implementation of some projects. Moreover, if it fails to comply, or ensure that its installations comply, with the applicable laws and regulations, it could be sanctioned by the authorities and face administrative penalties (formal notice, deposit of sums of money, suspension of operations, administrative fine, if necessary under penalty) or criminal penalties. The Group may also be impacted by increased costs as a result of bringing its sites into compliance and/or implementing measures to reduce the financial penalties incurred.

Permits, authorisations or licences obtained and required for the construction and/or operation of the Group's installations may also be subject to legal action, in particular by local residents, the Group's competitors or associations that may bring claims before the courts of landscape degradation, noise disturbance or pollution, or environmental damage, especially if these facilities are developed in connection with wind farms, which are usually the subject of numerous lawsuits. Although the Group's projects have not been subject to such lawsuits as of the date of the Universal Registration Document, their occurrence could result in an extension of the timeframes related to the Group's projects or their cancellation.

4.1.4. Operational risks

4.1.4.1. IT infrastructure risk

The Group's business relies on the quality and reliability of its IT infrastructure, which includes information, telecommunications and remote control systems, industrial robots, proprietary algorithms (particularly for its artificial intelligence technology) and complex data processing systems.

The Group may experience failures, interruptions and other disruptions to its information systems and networks caused by a wide range of sources, including internal fraud, cyber-attacks, viruses, malware and ransomware, theft of data or algorithms, failures in its electrical or telecommunications infrastructure, or similar events or disruptions.

Disruptions to the Group's IT systems and, to a lesser extent, those involving the service providers used by the Group, could seriously disrupt the Group's commercial and operational activities and administrative management. Such a situation could also result in a loss of service for customers and generate significant constraints and expenses to correct security flaws or damage to the system, particularly if the Group is unable to be aware of these malfunctions as soon as they occur.

In particular, a failure in the system used to monitor and control remote operations (focused on the availability, activity, efficiency and control of the installation, operational monitoring, health and safety and compliance with environmental laws and regulations) could affect the Group's image and reputation and result in a loss of revenue, breach of contractual obligations and penalties or damages payable by the Group.

In addition, a breach of the Group's IT security protocols or cyber-attacks (attempted phishing, intrusion into the information systems, etc.) could lead to a breach of personal data within the meaning of the applicable regulations or to the theft of sensitive data, exposing the Group to the risk of administrative, criminal or financial penalties, and to a significant loss of confidence in the security of its information systems on the part of customers as well as suppliers and subcontractors.

4.1.4.2. Risk associated with the difficulty in insuring against certain risks

In the course of developing and operating hydrogen production installations, the Group takes out insurance policies to protect itself against damage and incidents that, were they to occur, could affect an installation.

The Group may have difficulties insuring its assets under acceptable conditions that are in line with its risk management policy. In particular:

- with regard to projects intended for industrial use, which will be installed near industrial sites, the Group may not be insured against all potential risks and, in the event of a major industrial accident, its liability could exceed the maximum coverage provided by its civil liability insurance; and
- with regard to offshore hydrogen production projects, the Group may encounter difficulties in obtaining adequate insurance due to the novelty and complexity of this type of project (for a description of the Group's offshore hydrogen production projects, see Section 1.6 of the Universal Registration Document).

4.1.4.3. Risk related to the Group's liability in the event of an accident

The Group's installations could be the cause of potentially serious accidents. In the event of a malfunction of a production unit, particularly one that is installed in a larger, more complex industrial complex or at a sensitive site or area, or due to a fault or human error, the Group and its key managers/persons may be held liable for any resulting personal injury, property damage or consequential loss.

In addition, the involvement of several companies (e.g. subcontractors for construction or suppliers of electrolysers or compression solutions) on the same construction or production site exposes the Group to the actions of third parties, which could lead to operating incidents or accidents due, for example, to the carelessness of a worker on the site, or the penetration of an ill-intentioned third party from outside the site.

Indeed, despite the procedures put in place to ensure the safety of its installations and the risk prevention mechanisms implemented by the Group, the occurrence of an operating incident could have serious impacts on personal safety and the business of the Group and of the Group's customer on whose site the installation is being built. Such a risk could also result in an extended suspension of the operation of production equipment, or even the partial or total destruction of the Group's or customer's installation, and have serious consequences for the Group's and its customer's staff and property. If the Group's production units were installed in or near industrial sites that are themselves highly regulated (Seveso-type sites), the Group would not only be exposed to the risks specific to these sites, but any incident at the Group's installation impacting such sites could have even more serious consequences.

The wide range of business sectors, geographical areas and working environments in which the Group may operate will require constant vigilance in terms of workplace health and safety. In particular, activities relating to the construction, installation, operation and maintenance of the Group's installations are, during the installation construction and implementation stages and during the operating stage, exposed to risks of errors or improper handling that may cause serious or even fatal injuries, the destruction of property, installations and equipment and a suspension of operations.

In addition, the occurrence of any of these risks could trigger the opening of an investigation of the Group and its key managers/persons, which could result in the need for corrective measures, administrative or criminal penalties and the payment of significant damages, including for personal injury.

4.1.4.4. Risk of divergence between the cost of procuring renewable electricity and hydrogen sales

The profitability of a Group project is directly related to the Group's ability to procure renewable electricity at an acceptable cost and sell the hydrogen produced at each site at a price and in sufficient volumes to ensure this profitability.

The cost of procuring renewable electricity may also be impacted by (i) a potential shift in the timetable for construction of the Group's renewable hydrogen production sites, (ii) a difference in the quantities of renewable electricity actually delivered to the Group, and (iii) a difference in the quantities of renewable hydrogen actually delivered to customers.

The Group aims to reduce these risks by:

- introducing an in-house policy for assessing and monitoring the aforementioned risks, enabling the Group's exposure to them to be managed. This monitoring policy determines the activation of risk hedging solutions (particularly vis-à-vis the energy markets);
- implementing energy market access contracts with suppliers/aggregators, enabling the continuous supply contract portfolio to be rebalanced and the risks identified as part of the aforementioned risk monitoring policy to be covered through liquid products;
- for bulk projects, a portfolio of diversified customers for each of the production sites, for which contracts will be signed for a period varying in principle from 3 to 5 years (as is already the case at Bouin), with the renewal of these contracts expected to be staggered over time. The Group endeavours to obtain contractual terms of sale of hydrogen that take into account and allow a redistribution of risks in the customer portfolio;
- for on-site projects, the support of a major industrial customer who is contractually committed in principle for a period of 15 years. The Group endeavours to obtain contractual terms of sale of hydrogen that take into account and allow a redistribution of risks in the customer portfolio;
- the diversification of electricity supply sources (type of renewable energy, contractual conditions, diversification of suppliers) allowing for an abundance of generation profiles and a stabilisation of the quantities of renewable energy delivered to the Group;
- the development of tools to forecast the demand of customers who consume green hydrogen, enabling the continuous adjustment of electricity supply conditions depending on the anticipated needs of the Group's customers.

Thanks to this positioning, the Group hopes to develop a resilient, high-visibility business model; however, there is no guarantee that it will be able to fully achieve this for every project and that it will therefore not be exposed to divergences between the purchase price of renewable electricity and the sale price of hydrogen, which would have a negative impact on the profitability of the affected projects.

4.1.4.5. Risk related to operating problems at the Group's production installations

The Group's economic performance is directly linked to the performance of its installations.

To oversee the performance of its installations without depending on third parties, the Group manages all aspects of their operation (preventive and corrective maintenance, day-to-day operation, management of parts stock, etc.). This approach also enables the Group to oversee the training and skills of the persons involved and protect its know-how. In this respect, the Group relies on certain suppliers to perform some of the maintenance of its installations, particularly during the first years of operation.

Although the Group generally ensures that its technicians are trained and competent and designs its hydrogen plants so as to minimise any technical incidents, it remains exposed to the risks inherent in an industrial activity. The operation of these installations, even when controlled remotely, requires occasional human intervention. Their operation can be affected by malfunctions or by the failure of certain components or equipment, resulting in reduced performance and availability.

These malfunctions and failures can be caused by wear and tear of a component or piece of equipment, negligence by an employee or subcontractor, or intrusion by a malicious third party (human error, insufficient maintenance, or even theft or deliberate sabotage). This type of incident or human error could result in an installation being unavailable for a relatively long period (up to several months in serious cases), as well as penalties under hydrogen sales contracts.

In addition, any unforeseen event in the performance of one of the Group's plants, in terms of the quantity of hydrogen produced or quality of the hydrogen produced (i.e. purity), constitutes a risk for the Group that may lead to additional costs (higher operating costs, unplanned capital expenditure) and the inability to keep up with deliveries, resulting in a reduction in the Group's turnover due to the sale of reduced quantities of hydrogen. In particular, any unforeseen extended failure could cause projects to be less profitable. A suspension of production could also result in the payment of penalties, or even termination of a contract, and could require that financing of the project be payable before the due date.

The risk is currently concentrated at the Bouin site, the Group's only production site producing at maximum capacity as of the date of the Universal Registration Document. Any extended suspension of production at this site would therefore have even more serious consequences.

4.1.4.6. Key person risk

The Group's success is largely due to the quality and involvement of its management team, particularly its founder and current Chairman and Chief Executive Officer, Matthieu Guesné. If he or a member of his management team were to have an accident or leave the Company, the Company may not be able to replace him quickly or find a suitable replacement, which could affect its operational performance and its ability to develop and implement its strategy.

4.1.4.7. Counterparty risk

Counterparty risk is the risk that a party to a contract with the Group will default on its contractual obligations, resulting in a financial loss for the Group.

For its production sites, the Group procures equipment (the specific risks relating to the procurement of strategic equipment are described in paragraph 4.1.2.1 of the Universal Registration Document), renewable electricity and services under contracts generally entered into with private counterparties.

The Group's current and future hydrogen production will be sold under hydrogen sales contracts signed with public counterparties (central governments, local governments and state-controlled enterprises), hydrogen distribution companies, industrial companies and other private buyers.

The financial performance of the Group's installations depends on the regular fulfilment by the Group's counterparties of their contractual obligations, particularly under renewable electricity supply and hydrogen sales contracts. The Group is therefore exposed to the risk of non-fulfilment by its counterparties of their obligations under renewable electricity supply or hydrogen sales contracts and/or late payment by said counterparties.

4.1.4.8. Intellectual property risk

The Group has chosen to protect its intellectual property by taking preventive measures to avoid the leakage or theft of its trade secrets, inventions, know-how, software solutions and algorithms, and by filing Soleau envelopes that make it possible to date certain concepts and prove that the Group's innovation preceded that of a competitor that may attempt to use them (see paragraph 1.11.1 of the Universal Registration Document).

This method of protection, which is less costly than filing patents, does not offer the same degree of protection against leakages or theft or, more importantly, against the parallel and legitimate development of competing intellectual property by third parties. For instance, Soleau envelopes do not provide the right to bring legal action for infringement or invalidate a third party's patent. Moreover, the Soleau envelope mechanism works only for France, which means that the Group has no protection abroad. As a result, the Group could not only lose what it considers to be the advantage that its intellectual property represents, but third parties could successfully argue that the Group's intellectual property infringes on their own and therefore prohibit or limit its use by the Group.

4.1.4.9. Risk related to climate change and extreme weather events

Risks related to climate change or extreme weather events could affect the Group's installations and activities. To the extent that climate change causes variations in temperature, wind resources and weather conditions, or increases the intensity or frequency of extreme weather events, it can adversely affect the Group's installations and activities. In addition, extreme weather events can damage the Group's installations or lead to increased downtime or higher operating and maintenance costs.

4.1.5. Financial risks

4.1.5.1. Risk related to obtaining future financing

The Group's business is capital-intensive and requires significant financing and refinancing through equity and external debt.

The Group's annual cash flow requirements have so far been met through the use of tools such as bank loans, capital increases, issues of convertible bond loans, leasing transactions and conditional subsidies and advances.

The majority of the Group's financing is and will be deployed for project companies (Special Purpose Vehicles (SPV) or holding companies (HoldCos). The Company itself must also find significant sources of financing, particularly to finance its upstream project development activities and the equity it must provide for projects. Furthermore, these projects require a significant amount of development time and involve an investment stage over several years during which revenue does not cover the costs, particularly financing costs.

On 31 December 2024, the Group's net financial debt amounted to €8 million, including €9.9 million in convertible debenture loans, €36.2 million in bank debt and €30.5 million in lease liabilities. On the same date, the portion of financial debts due in less than one year was €9.1 million and the portion due in one year or later was €71 million (refer to Note 3.8 to the IFRS Financial Statements for the financial year ended 31 December 2024 presented in Section 6.1 of the Universal Registration Document).

The Group may have difficulties finding the financing it needs for its project development due to factors inherent to the Group such as its perceived risk, but also external factors such as the lack of perspective in the green hydrogen sector, new banking regulations or a drastic reduction in the supply of credit, particularly as a result of financial, economic and cyclical conditions. As such, although the Group has not experienced any refusal of financing by external sources to date, it could face delays of varying lengths in obtaining the financing required for its development.

In addition, the Group's ability to obtain financing for its medium- and long-term projects could be reduced if the investors who financed projects in the past do not offer it terms – particularly in terms of leverage, maturity or cost of credit – similar to those for previous projects. The Group might therefore need to contend with an increase in its medium- and long-term financing costs.

In addition, if the necessary funds were not available on acceptable terms, the Group could be forced to limit or postpone the deployment of its production capacities, thereby adversely affecting its growth prospects, financial position and results.

Finally, if a project does not generate enough income to repay the loans obtained, this could result in a default or the enforcement of security by the financial counterparties.

Moreover, if the Company were to raise capital by issuing new shares or other financial instruments that may eventually give access to the Company's share capital, its shareholders could be diluted. As of the date of the Universal Registration Document:

- the Company has issued the "OCA LB2" and "OCA LB2 Bis" convertible bond loans, described in paragraph 7.1.3.5 of the Universal Registration Document, and whose dilutive impact of the full conversion cannot be calculated on the date of the Universal Registration Document insofar as it will depend on the respective market value of the OCA LB2 and OCA LB2 Bis at the time of their conversion, it being recalled, however, that these two bonds are not intended to be converted into shares except in the event of default; and
- the general meetings of 14 April 2022, 23 May 2023 and 23 May 2024 granted the Board of Directors a number of delegations of authority in respect of share capital increases, as described in paragraph 7.1.6 of the Universal Registration Document.

4.1.5.2. Risk related to the Group's ability to issue bank guarantees

In the course of developing its projects, the Group may request the issue of bank guarantees, which may be required in particular in calls for tenders to which the Group submits a bid or by its counterparties, for example for contracts for the purchase of electricity, equipment or services, hydrogen sales contracts or subsidy contracts.

The Group may find it difficult to obtain these bank guarantees, particularly given its stage of development and the uncertainties related to the newness of the hydrogen sector.

If the Group is unable to obtain the requested bank guarantees, it may not be able to enter into contracts for certain subsidies or respond to certain calls for tenders, which would adversely affect the Group's development prospects; it may also not be able to finalise electricity and equipment purchase contracts or hydrogen sales contracts, which would impact the Group's financial position and results. It may also be required to provide collateral by placing all or part of the guarantee amount in escrow, thus limiting its available cash flow to continue project development.

4.1.5.3. Risk related to access to subsidies and changes in public policy

The renewable and low-carbon hydrogen sector currently benefits from public policies in support of carbon-free energy. In 2020, the European Union estimated that between €180 billion and €470 billion would have to be invested between now and 2050 to roll out a new clean hydrogen economy in Europe[1]. More than 60 countries around the world have adopted national strategies for the development of the clean hydrogen[2] economy and, since 2020, many of them have set up associated financial support programmes. The national strategies and support mechanisms of the countries in which the group is developing its initial projects are detailed in paragraph 1.2.2 of the Universal Registration Document.

In Europe, these plans have been or are being revised in light of the regulatory provisions that were adopted at European level in 2023 and 2024, particularly as part of the Green Deal legislative package, the RePowerEU strategic plan, the Hydrogen and Decarbonised Gas Package (Directive and Regulation establishing common rules for the internal markets in natural and renewable gas and hydrogen) (see paragraph 4.1.1.1 of the Universal Registration Document) as well as the Clean Industrial Deal presented by the European Commission on 26 February 2025.

These developments in national strategies are very encouraging but, despite the European Union's efforts to coordinate this support within the European Hydrogen Bank (as part of the Auction as a Service proposal) and to make progress on regulatory issues related to the standardisation and certification of clean hydrogen according to its production methods and carbon intensity, the lack of clarity and visibility caused by the differing positions of Member States has contributed to delays in the development of projects and final investment decisions in Europe. Even though the European Hydrogen Bank was launched in 2023 as part of the European Innovation Fund (with an initial pilot auction launched at the end of 2023, with a limited budget of €800 million, and a second auction launched at the beginning of 2025 with a budget of €1.2 billion), the Auction as a Service option was chosen by only three Member States in 2024 (Spain, Lithuania and Austria). The other States, as well as the United Kingdom, have worked on support mechanisms with quite different eligibility and assessment criteria[3]. Thus, the United Kingdom (*Hydrogen Allocation Rounds*), Denmark (*PtX Auctions*) and the Netherlands (*OWE*) launched their first calls for projects in 2023 with very contrasting conditions and results. They were joined by Spain in 2024 (with its *Valles del Hidrogeno* call) and France launched a "*Competitive tendering procedure with competitive dialogue on support for the electrolytic production of renewable or low-carbon hydrogen*" in December 2024.

On 31 December 2024, the Group had contracted a total of €104.7 million in subsidies and €6 million in repayable advances, of which a total of €27.1 million and €3.1 million respectively had already been received on that date (see paragraph 5.3.1.2(v) of the Universal Registration Document summarising the repayable advances and subsidies obtained).

However, existing public policies could be amended due to legislative, regulatory or administrative texts favouring certain traditional energy sources or alternative renewable energy sources, or due to budgetary constraints leading to a reduction in the public funds available for the roll-out of such policies to support decarbonised solutions, including renewable or low-carbon hydrogen.

Each country has a different hydrogen support policy. The lack of subsidies or a change in their volume in the countries where the Group plans to operate could, in some cases, make international expansion of its business less attractive.

4.1.5.4. Risk related to covenants and commitments included in the Group's financing arrangements

The Group has entered into several financing contracts through the Company or its subsidiaries, which include financial and/or operational covenants that it must comply with or other commitments, such as the commitment not to pay dividends.

In the event of non-compliance with covenants or commitments, the Group could be required to pay the debt in question before the due date, which would adversely affect its cash position, its ability to obtain new financing and the cost of its future financing. In addition, if the Company or one of its subsidiaries were to experience significant financial difficulties, the cross-default clauses in some financing contracts could be enforced, resulting in simultaneous defaults at various levels of the Group. If the Company does not obtain a waiver or restructuring agreement from the lenders, the latter could be entitled to seize the assets related to these projects or the securities or other assets provided as collateral (in particular the Group's stake in the subsidiary that owns the assets).

On 31 December 2024, all the financial and operational covenants included in the Group's financing agreements were met (see paragraph 5.3.1.2 of the Universal Registration Document). As of the date of the Universal Registration Document, the Group does not anticipate any particular difficulties regarding compliance with covenants in the coming months. However, failure by the Company to comply with its covenants could have a material adverse effect on the Group's business, financial position, reputation, results and outlook.

4.1.5.5. Interest rate risk on Group financing

The Group has taken out a number of loans to finance its activities and project development. Given the Group's growth strategy, new financing arrangements are likely to be put in place.

The debt of the Company and the Group's project companies is recognised in the consolidated financial statements of the Company, whose earnings may be affected by positive or negative changes in interest rates in the future.

When the Group takes out variable-rate loans without specific hedging to convert variable-rate debt into fixed-rate debt, or if the hedge is ineffective, a higher interest rate would lead to an increase in the Group's financing costs.

1 Les Echos, *Le plan de Bruxelles pour faire « décoller » l'hydrogène en Europe*, 8 July 2020
2 National Hydrogen Strategies and Roadmap Tracker database of the Center on Global Energy Policy at Columbia University https://www.energypolicy.columbia.edu/publications/national-hydrogen-strategies-and-roadmap-tracker/
3 See paragraph 1.2.2 of the Universal Registration Document

4.1.5.6. Risk of transfer pricing between the various Group entities

As of the date of the Universal Registration Document, the Group is established in several countries (France, Germany, Belgium, the Netherlands, Denmark, Sweden, Finland, Spain, the United Kingdom and Canada) and is therefore exposed to potential changes in tax regulations in all the countries in which it operates.

In particular, the Group is implementing a transfer pricing policy for the various international subsidiaries, including the development companies (DevCo), the investment holding companies (HoldCo), the project companies (SPV) and the Company. This policy requires transparency vis-à-vis the tax authorities regarding the invoicing of costs incurred and the margins applied. If the Group were to undergo a tax audit resulting in a different interpretation by the tax authorities or tax adjustment proceedings in case of proven non-compliance with intra-group transfer pricing measures, this could give rise not only to costs related to tax litigation or possible administrative fines, but also reputational risk in the given jurisdiction.

The impact of these risks could increase the tax burden to which the Group is subject and thus have an adverse effect on the Group's effective tax rate.

4.1.5.7. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its cash requirements based on its available resources.

As of the date of the Universal Registration Document, in light of:

- the Group's cash and cash equivalents on 31 December 2024 amounting to €72.1 million;
- the repayment schedule for its financial debt, which totalled €80.2 million, including €71 million due in more than 5 years on 31 December 2024 (the portion related to lease liabilities totalling €30.5 million);
- its firm investment commitments totalling €54 million as described in paragraph 5.4.2 of the Universal Registration Document; and
- the anticipated level of business over the coming months,

the Group reviewed its liquidity risk and believes that it will be able to meet its obligations over the next 12 months. The Company would therefore be able to meet its commitments in terms of cash requirements.

Beyond the liquidity horizon, the Group will continue to have significant financing needs to expand its operations. Its ability to generate cash flows equivalent to its needs in the future is uncertain (see the risk factor described in paragraph 4.1.5.1, "Risk related to obtaining future financing").

4.2. Insurance and risk management

4.2.1. Insurance

In the course of developing and operating green hydrogen production installations, the Group takes out insurance to optimise coverage of its business and financial risks.

The Insurance Department, which is part of the Group's Legal Department, works across the Group, in close collaboration with the other teams, to manage all risks.

The Group relies on leading players in the insurance market that are recognised as financially sound. The Group has chosen to cover all its risks via France, with the exception of countries where that is not possible.

The Group has taken out the following main insurance policies, with levels of cover (and compensation limits) that it considers appropriate:

- **Employee cover**: all salaried staff in the countries in which the Group operates benefit from cover, in accordance with local regulations, for healthcare costs, welfare protection and business travel.
- **Civil liability and related risks**: a policy has been taken out to cover the Group's civil liability at the highest level of the organisation chart, thus encompassing all employees and subsidiaries, as well as the Group's commercial commitments throughout the world. A plan that also covers the risk of accidental pollution has been set up along these same lines to protect the environment and third parties from the consequences of any type of incident. The liability of the corporate officers arising from their activities within the Group is also covered via a "Corporate officers' civil liability" insurance policy. Local policies can also be taken out to comply fully with the regulatory provisions of each zone.
- **Damage to plant and equipment**: all the Group's assets, mainly its green hydrogen production installations, are covered by a property damage insurance policy, also underwritten at Group level. This plan covers risks such as fire, lightning, explosion, theft and natural events, within the limit of the capacity available on the insurance market. Before "Property damage" cover applies, the Group's projects are protected by a Group "Builders risk insurance" policy, which covers all hazards during the construction of green hydrogen production installations.

4.2.2. Internal control and risk management procedures

The internal control system involves the following key players:

- General Management: the Chairman and Chief Executive Officer is responsible at all levels for the management of the internal control system. He is also in charge of the developing, operating and managing the internal control systems, and must guarantee the implementation of these various stages;
- the Audit Committee is responsible for examining and assessing, if necessary, the internal control procedures, particularly those concerning financial information, thus contributing to the preparation of the Group's consolidated financial statements;
- the Finance and Administration Department defines the Group's accounting rules and methods, the main financial processes and the reporting tools, in order to control day-to-day operations; and
- the Legal Department guarantees the Group's compliance and oversees risk management.

Given the Group's size and management's proximity to the operational staff, the involvement of General Management and the operations managers is strong and centred around the following key areas:

- clearly defined areas of responsibility;
- principle of delegation and supervision;
- segregation of duties between authorisation, control, recording and payment functions;
- distinction between operators who initiate transactions and those responsible for validating, monitoring or settling them;
- detection controls at all levels, whether purely financial or more technical (intrusions, IT security, fraud, etc.).

With a view to continuous improvement, the internal control system is continuously enhanced through organisational changes and the development or updating of internal policies and procedures. Since its creation, the Administrative and Finance Department has developed and implemented various procedures relating to:

- the procurement process, including all operations from the issuing of the requirement to the related disbursement;
- the customer invoicing process;
- the management of expenses claims; and
- the budget process.

All these procedures are available and accessible to all Company employees and new employees are made aware of their existence and importance.

The team is also assisted by experts in their field:

- accounting firms recognised in each country where the Group is present ensure the drafting of the financial statements of the Group's companies according to local accounting standards and the preparation of tax returns;
- an accounting firm that produces the consolidated financial statements prepared according to IFRS standards.

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Readers are asked to read the following information on the Group's financial position and results in conjunction with the whole of the Universal Registration Document and in particular the IFRS Financial Statements, as shown in Section 6.1 of the Universal Registration Document.

The IFRS Financial Statements were prepared in accordance with the *International Financing Reporting Standards* (IFRS), as adopted by the European Union on 31 December 2024. They were approved by the Company's Board of Directors on 29 April 2025 and an audit report on them by the statutory auditors is provided in Section 6.2 of the Universal Registration Document.

The following comments on the financial statements are based solely on the consolidated financial statements.

5.1. Financial condition

5.1.1. Segment reporting

In accordance with IFRS 8, the Group only identified a single operating segment for the sale of green hydrogen. In terms of geographic distribution, most of the Group's business was carried out in France in the periods presented. In future, and according to its international growth strategy, the Group may present the geographic segmentation of its business.

5.1.2. Main sources of income

The Group's main source of income is the sale of green hydrogen from its production sites to Business-to-Business (B-to-B) customers. These sales are recognised in turnover at the time of delivery.

At a more limited level, engineering services may also be provided and recognised in turnover when they are actually performed.

Exceptionally, and in a very limited number of specific cases, the Group is required to temporarily rent out mobile hydrogen production systems in order to meet the demand of certain customers who wish to check the relevance of green hydrogen in their production process.

5.1.3. Performance indicators monitored by the management

The performance indicators monitored by the management are both financial and non-financial.

5.1.3.1. Financial performance indicators

In addition to turnover, the three financial performance indicators monitored by the management are:

- the adjusted EBITDA, which corresponds to the consolidated current operating result before depreciation, amortisation and provisions, and before charges linked to equity-based compensation. It should be noted that since the financial year to 31 December 2023, the Group has changed the definition of this indicator, by also restating the expenses linked to equity-based compensation. The Group considers that these expenses do not reflect its current operating performance and have no direct impact on the cash position. In financial year 2024, the Group recognised the impact of the fair value of derivative financial instruments for the first time, but considers that this impact does not reflect its operating performance and has no direct impact on its cash position, and it is therefore also restated for this indicator;
- the adjusted EBITDA margin, which is defined as the ratio of adjusted EBITDA to turnover; and
- the net financial debt, which corresponds to the loans and borrowings less the amount of cash and cash equivalents.

The table below shows the changes in these indicators during financial year 2024:

In thousands of euros	**Financial year 2024**	**Financial year 2023**
Turnover	5,099	1,317
Adjusted EBITDA	-25,666	-28,114
Adjusted EBITDA margin	N/A[1]	N/A[1]
Net financial debt	8,050	-60,585

(1) The N/A is justified by the fact that the adjusted EBITDA was negative for the relevant financial year.

5.1.3.2. Non-financial performance indicators

The pipeline is the non-financial performance indicator monitored by the Group to analyse and assess the development of its activities and their trends, measure their performance and make strategic decisions. The definition and calculation of this indicator are provided in Section 1.8 of the Universal Registration Document.

5.1.4. Research and development (R&D) linked to technologies and capitalised development costs

The accounting treatment of R&D expenses linked to technology is as follows:

- expenses incurred during the research stage are recognised as expenses;
- expenses incurred during the development stage are recognised as intangible assets when they meet all of the following criteria, in accordance with IAS 38:
  - the expenses can be reliably measured and the Company can demonstrate the technical and commercial feasibility of the product or process,
  - the existence of probable future economic benefits
  - the intention and availability of sufficient resources to complete the development and use or sell the asset,
  - the ability to monitor the costs allocated to the project;
- otherwise, they are expensed as incurred.

Costs linked to the development of future onshore green hydrogen production sites are capitalised if all of the criteria described above are met. The Group generally considers that these criteria are met when a project enters the Tender Ready stage in the project portfolio. These criteria differ depending on whether the project is linked to an industrial application (request by the potential customer to submit an "attractive" offer, or else submission of the offer is necessary for the process of obtaining subsidies) or a bulk application (strategic investment decision after analysis of the demand in a geographical area, the ability to meet the demand and the possible subsidies).

The development costs of future onshore hydrogen production sites mainly comprise internal costs (valued on the basis of the working time charged to the projects) and external costs (commitments made to suppliers or external service providers, etc.).

Amortisation of intangible assets is calculated to fully write off the cost of the intangible asset, after deducting its residual value, using the straight-line method over the estimated useful life, from the time the asset is usable.

5.1.5. Suppliers and service providers

To carry out its business, the Group uses various suppliers and service providers according to the level of progress of the production sites.

During the site construction stage, the main suppliers are the manufacturers of electrolysers, compressors and hydrogen storage containers, as well as the service providers who build the buildings and install the equipment on the sites.

When the sites are operational, the main suppliers are:

- renewable energy producers from whom the Group obtains electricity. These are mainly players with their own wind farms or photovoltaic panels. However, the Group may have to obtain supplies from the electricity transmission network (RTE in France) (supplemented by the purchase of guarantees of origin) if the renewable energy production, which is intermittent by nature, is insufficient, to avoid limiting the quantity of hydrogen produced;
- transporters who carry out deliveries to customer sites using storage containers belonging to the Group;
- insurance companies; and
- service providers who carry out some of the maintenance operations.

For further details see Section 1.5 of the Universal Registration Document.

5.1.6. Seasonal variations

The Group considers that it should not face structural seasonal variations.

5.1.7. Main factors affecting the results

Certain key factors as well as certain past events and operations have had, and may continue to have, an impact on the activities and results of the Group that are presented in this Universal Registration Document. This Section should be read in conjunction with Chapter 4 of the Universal Registration Document, which describes the risk factors likely to have an impact on the Group's business and outlook.

The main factors affecting the Group's results include:

- the electricity procurement policy (purchase and hedging costs) and the cost of transporting the hydrogen produced to the delivery sites of customers in the bulk sector;
- the procurement lead time and the purchase cost of the electrolysers, compressors and containers needed to produce and distribute green hydrogen for mobility-related uses, included in each hydrogen production site in a context of heavy demand, and the actual output of the electrolysers;
- the Company's ability to carry out an employee recruitment plan within the required time limit and to retain key talent;
- the time required to negotiate, install and bring into operation new green hydrogen production sites;
- the production capacity of the sites installed and their output, particularly in the event of more or less prolonged interruptions;
- the ability to obtain the funding required to build new green hydrogen production sites and have energy production guarantees, as well as their conditions, in particular the financial conditions;
- the ability to manage the foreign exchange risk generated by the expected international development of the activities;
- any restrictive changes in the regulations applicable to the hydrogen production and transport business, which may entail additional operating costs; and
- the loss of certain favourable tax schemes such as the R&D tax credit (CIR).

5.2. Analysis of the business and consolidated results

Profit and loss account (in thousands of euros)	31/12/2024	31/12/2023
Turnover	5,099	1,317
Revenue	**5,099**	**1,317**
Purchases consumed	-891	-645
External expenses	-12,482	-12,438
Personnel expenses	-16,944	-20,593
Taxes, duties and similar payments	-230	-172
Other current operating income and expenses	585	1,861
Depreciation and amortisation of fixed assets	-3,533	-3,290
Provisions for liabilities and charges	-337	-14
Current operating result	**-28,733**	**-33,974**
Other non-current operating income and expenses	-271	-395
Non-current operating income	**-271**	**-395**
Operating result	**-29,004**	**-34,369**
Cost of financial debt	-1,411	-672
Other financial revenue and expenses	2,619	2,287
Financial result	**1,208**	**1,615**
Profit before tax	**-27,796**	**-32,754**
Income taxes	0	0
Share of earnings of companies accounted for under the equity method	-1,389	-803
Consolidated net result	**-29,185**	**-33,557**
Minority interests	-94	-69
Net result (Group share)	-29,091	-33,488
Basic and diluted earnings per share (in euros)	-0.61	-0.7

5.2.1. Turnover

During the financial year to 31 December 2024, the Group's turnover almost quadrupled, increasing from €1,317k to €5,099k. This strong growth in business is the result of the broadening of the Group's customer portfolio in France and Germany during the period. During financial year 2024, the Bouin production site was therefore able to reach its maximum level of production. In addition, in 2024 the Group recorded turnover from the sale of engineering services, amounting to €1m.

5.2.2. Adjusted EBITDA

In thousands of euros	31/12/2024	31/12/2023
Revenue	5,099	1,317
Purchases consumed	-891	-645
External expenses	-12,482	-12,438
Personnel expenses excluding share-based payments	-18,318	-18,036
Taxes, duties and similar payments	-230	-172
Other current operating income and expenses	585	1,861
Change in fair value of derivative financial instruments	571	
Adjusted EBITDA	**-25,666**	**-28,114**

As was explained above, since the financial year to 31 December 2023, the Group has changed the definition of EBITDA, by restating the expenses linked to equity-based compensation. Since the financial year to 31 December 2024, the Group has recognised the impact of the fair value of derivative financial instruments. This impact is also restated for EBITDA, as the Group considers that it does not reflect its operating performance.

Adjusted EBITDA amounted to a loss of €25;666k for the financial year to 31 December 2024, compared with a loss of €28,114k for the financial year to 31 December 2023.

This variation is the result of the growth in business, thereby making it possible to generate a higher gross margin, and of the efforts made by the Group to rationalise its external expenses. The Group's workforce remained stable during the period.

The main expense items used to calculate adjusted EBITDA changed as follows:

5.2.2.1. Purchases consumed

Purchases consumed amounted to €891k for the financial year to 31 December 2024, compared with €645k for the financial year to 31 December 2023. Purchases consumed mainly relate to the cost of purchasing the electricity and water needed to produce hydrogen, and the rise in them is linked to the increase in business during the year and to non-recurring expenses recognised in 2023. Restated for these non-recurring items, purchasesconsumed increased at a lower rate than the businessdue in particular to better management ofpower consumptionand greater efficiency of the production sites.

5.2.2.2. External expenses

External expenses remained more or less stable, amounting to €12,482k for the financial year to 31 December 2024, compared with €12,438k for the financial year to 31 December 2023, but their composition changed noticeably in favour of expenses directly linked to the production and sale of hydrogen. On the other hand, the Group rationalised its external expenses, in particular by making much less use of service providers. External expenses had the following breakdown:

In thousands of euros	**31/12/2024**	**31/12/2023**
Rent and rental charges	1,594	1,588
Maintenance and repairs	928	203
Insurance premiums	314	109
Other external services	256	1,808
Seconded staff	1,512	1,523
Fees	2,872	4,028
Advertising, publications, public relations	669	787
Transport	1,857	386
Travel and reception expenses	1,864	1,722
Postal and telecommunications costs	174	106
Bank fees	297	109
Other external expenses	145	69
External expenses	**12,482**	**12,438**

The changes in the main items were as follows:

Maintenance and repairs: this expense item increased by €725k, from €203k in the previous year to €928k in the financial year to 31 December 2024. This increase is linked to the operation at full capacity of the Bouin site and the commissioning of the Buléon site, both of which generate maintenance costs.

Insurance premiums: as for the maintenance and repair costs, the Group incurred additional insurance costs in 2024 (+€205k) both in connection with the activity of the sites and the growth in the number of hydrogen storage and transport assets.

Other external services: last year, the Group made significant efforts of around €1.6m to complete the Sealhyfe project, in connection with the operation of an offshore platform. As these expenses are not recurrent, there was a significant decrease in this item in 2024.

Fees: the Group incurred significant charges for fees amounting to €4,028k for the financial year to 31 December 2023 in connection with its international expansion, which required it to employ local legal advisers in order to adapt its contractual models to local legal constraints. The Group also hired the consultants in connection with its international expansion, particularly in the UK, as well as firms specialised in obtaining subsidies and preparing applications. In 2024, the Group rationalised these expenses on fees, thereby leading to a significant decrease in this expense item (-€1,156k).

Transport: there was a sharp rise in transport costs in 2024. This change is directly linked to the sales of hydrogen. The growth in the Group's business made it necessary to incur expenses for the delivery of hydrogen to customers.

5.2.2.3. Personnel expenses

As in previous years, this is the main expense item for the financial year to 31 December 2024. It includes salaries and social security charges, but does not take into account the payroll costs relating to the time spent by engineering teams on R&D projects and projects under development which were capitalised in the balance sheet, or the charges linked to equity-based compensation. Capitalised payroll amounted to €4,574k for the financial year to 31 December 2024, compared with €3,481k for the financial year to 31 December 2023.

The payroll restated in this manner had the following breakdown:

In thousands of euros	31/12/2024	31/12/2023
Wages and salaries	13,204	13,059
Social security charges	5,113	4,977
Personnel expenses	**18,317**	**18,036**

Personnel expenses were stable from one period to the next. The Group's average workforce increased slightly from 188 full-time employees in 2023 to 199 full-time employees in 2024, due to the full-year impact of the recruitments carried out last year. This volume effect was offset by the increase in the capitalised payroll, as the Group devoted more of its internal resources to projects under construction or to more mature projects under development.

5.2.2.4. Taxes, duties and similar payments

The increase in taxes, duties and similar payments is linked to the increases in the personnel expenses, as this item mainly comprises payroll taxes. The increase in this expense, which is more than the proportional increase in the payroll, is due to threshold effects.

5.2.2.5. Other current operating income and expenses

Other current operating income and expenses amounted to €585k for the financial year to 31 December 2024, compared with €1,861k for the financial year to 31 December 2023.

This item mainly comprises income from subsidies intended to offset current expenses, mainly research expenses as well as income linked to ARENH.

The amounts recognised for the financial year to 31 December 2023 mainly relate to the R&D tax credit (CIR) totalling €990k and subsidies received from the Pays de la Loire Region and ADEME totalling €638k in connection with the Sealhyfe project.

In financial year 2024, the CIR recognised in operating income fell by €844k, due to non-recurring expenses linked to this project. The same applies to the operating subsidies.

Income linked to carbon offsetting and ARENH had a positive impact on other revenue.

This item also suffered the negative impact of changes in the fair value of derivative financial instruments during the period totalling €571k, following the recognition of derivative financial instruments as balance sheet assets and liabilities.

5.2.3. Charges linked to equity-based compensation

This expense item represents income for the financial year to 31 December 2024 (see paragraph 5.2.2.3) in connection with the reversal of expenses previously recognised. Following the change of strategy announced by the Group in March 2024 and the adjustment of certain medium-term targets, certain performance conditions linked to one of these plans will no longer be met.

5.2.4. Depreciation of fixed assets and provisions for liabilities and charges

Depreciation of fixed assets amounted to €3,870k for the financial year to 31 December 2024, compared with €3,304k for the financial year to 31 December 2023. This change was due to:

- a significant reduction of €1,480k in depreciation of property, plant and equipment, linked to the depreciation in 2023 of assets linked to the Sealhyfe project, representing an expense of €1,741k last year and not recurring in 2024, partly offset by the commissioning in 2024 of the Buléon production assets;
- an increase in amortisation of intangible assets, which amounted to €1,175k for the financial year to 31 December 2024, compared with €297k for the financial year to 31 December 2023, due to the commissioning of certain research and development projects, in particular for onshore projects and software developed in-house; and
- an increase in the amortisation of right-of-use assets of €1,054k, linked to the refinancing of hydrogen transport and storage assets in 2023 and 2024, and the leases taken out in connection with the construction of future hydrogen production sites.

Provisions for liabilities and expenses increased by €323k, due to the recognition for the first time of a provision for retirement benefits (€91k), and the increase in provisions for periodic maintenance of hydrogen storage assets.

5.2.5. Current operating result

Due to the factors described above, the current operating result improved noticeably during the period to a loss of €28,733k for the financial year to 31 December 2024, compared with a loss of €33,974k for the financial year to 31 December 2023.

5.2.6. Operating result

The operating result amounted to a loss of €29,004k for the financial year to 31 December 2024 compared with a loss of €34,369k for the financial year to 31 December 2023. In addition to the factors described above, the operating result was affected by expenses relating to abandoned projects.

5.2.7. Cost of financial debt

The cost of financial debt was -€1,411k for the financial year to 31 December 2024, compared with -€672k for the financial year to 31 December 2023. Expenses for the period were mainly due to interest on lease liabilities, which were up by €906k following the financing of hydrogen storage and transport assets by leasing agreements or operating leases.

5.2.8. Other financial revenue and expenses

In the financial year to 31 December 2024, the Group received interest income of €2,620k in particular due to the rise in yields on cash investments.

5.2.9. Financial result

Due to the financing transactions carried out during the period, the financial result fell slightly to €1,208k for the financial year to 31 December 2024, compared with €1,615k for the financial year to 31 December 2023.

5.2.10. Profit before tax

After taking into account the operating result and the financial result, the profit before tax amounted to a loss of €27,796k for the financial year to 31 December 2024, compared with a loss of €32,754k for the financial year to 31 December 2023.

5.2.11. Income taxes

No deferred tax assets were recognised in excess of deferred tax liabilities in the Group's consolidated financial statements on 31 December 2024, as of 31 December 2023.

The loss for the financial year to 31 December 2024 resulted in an additional loss carry forward of €31,779k. The Group therefore has tax losses which can be carried forward indefinitely totalling €68,911k, broken down as follows:

In thousands of euros	**2024 loss carry -forward**	**Previous loss carry-forwards**	**Accumulated loss carry-forwards**
Capitalised tax losses (taxable base)	0	0	835
Non-capitalised tax deficit (taxable base)	31,779	36,297	68,076
Total tax losses	**31,779**	**36,297**	**68,911**

5.2.12. Net result

The Group's consolidated net loss after taking into account the Group's share of profits of companies accounted for under the equity method, was €29,091k for the financial year to 31 December 2024, compared with €33,488k for the financial year to 31 December 2023.

5.3. Cash, capital and financing

This Section presents information on the equity, liquidity and sources of financing of the Group.

The comments on the equity, liquidity, sources of financing and cash flows presented in this Section of the Universal Registration Document are based on the Group's financial information and should be read in conjunction with the IFRS Financial Statements presented in Section 6.1 of the Universal Registration Document.

5.3.1. Information on the equity, liquidity and net financial debt

5.3.1.1. Information on the equity and liquidity

On 31 December 2024, the consolidated equity amounted to €71,675k compared with €102,418k on 31 December 2023. The change in equity during the period is mainly due to the loss of €29,091k recorded in the financial year to 31 December 2024.

On 31 December 2024, net available cash amounted to €72,124k compared with €114,252k on 31 December 2023.

On 31 December 2024, consolidated net financial debt amounted to €8,050k, compared with -€60,585k on 31 December 2023. It should be noted however, that a large proportion of the financial debt included in this aggregate has a long maturity, with the capital of the syndicated debt contracted (€25.3m at the end of December 2024) being repayable in full at the end of 2028.

This item breaks down as follows:

In thousands of euros	31/12/2024	31/12/2023
Bank loans	33,042	30,761
Bond issues	8,251	9,892
Lease liabilities	27,633	6,702
Conditional advances	2,114	1,959
Non-current financial debt	**71,040**	**49,314**
Bank loans	3,245	617
Bond issues	1,664	1,651
Lease liabilities	2,905	1,272
Conditional advances	610	78
Interest accrued but not due	710	735
Current financial debt	**9,134**	**4,353**
Financial debt	**80,174**	**53,667**
Cash	**72,124**	**114,252**
Net financial debt	**8,050**	**-60,585**

It should be noted that the debts contracted by the Group at the end of 2023 and supplemented by an additional drawdown of €3m in 2024 have a long maturity. The green syndicated loan of €25.2m will only be repaid by the end of 2028 without prior amortisation, and the Group still has a grace period of 2 years for repayment of the €5m New Industry Loan contracted with Bpifrance. Consequently the net financial debt restated for non-current liabilities (i.e. amounts due in more than one year) amounted to -€62,990k.

The decrease in net cash recorded in the financial year to 31 December 2024 is partly due to the cash consumed by the Group both for its operating activities (€27m) and for its investments (€34.6m), a very large proportion of which was devoted to the construction of its future hydrogen production sites.

5.3.1.2. Information on the Group's sources of financing

The Group is still in the deployment stage of its business and has never shown positive operating cash flows. Since its creation, the Group has met its needs through various sources of external financing, i.e.:

- share capital increases;
- convertible bond loans;
- bank loans;
- finance leases;
- public financing such as subsidies and conditional advances.

The changes in each of these sources of financing during the financial years presented are shown below.

i. Equity financing

The Company has carried out several share capital increases since its creation in April 2019 for total gross proceeds of €164,300k. Prior to the capital transactions carried out during the financial year to 31 December 2022, the Company carried out two share capital increases in July and October 2019 for €750k and €3,250k respectively.

During the financial year to 31 December 2024, the Company's share capital was affected as follows:

	Number of shares	Nominal value (€)	In thousands of euros		
			Capital	Premiums	Total
On 31 December 2023	**47,908,148**	**0.01**	**479**	**163,824**	**164,303**
Share capital increase - 7 May 2024[1]	35,700	0.01	0	15	15
Share capital increase - 23 December 2024[1]	12,200	0.01	0	5	5
Share capital increase - 23 December 2024[1]	14,300	0.01	0	6	6
On 31 December 2024	**47,970,348**	**0.01**	**480**	**163,850**	**164,330**

(1) Date of recognition of the capital increase.

There were not many changes in the Company's share capital during the financial year to 31 December 2024, linked to the exercise of profit-sharing instruments by employees.

ii. Financing by convertible bond loans (OCA)

In July 2021, the Group issued two bonds called OCA LB2, subscribed by the Banque des Territoires (Deposit and Consignment Office) and Swen Impact Fund for Transition, for a total of €10,250k. Subsequently, in December 2021, the Group issued a new bond called OCA LB2 Bis for a total of €2,000k, subscribed by Les Saules (Ovive).

A breakdown of the amount of the bonded debt convertible into shares on 31 December 2024 is shown below:

OCA name	Nominal amount issued (in thousands of euros)	Nominal amount subscribed on 31 December 2022 (in thousands of euros)	Balance to be repaid on 31 December 2024 (in thousands of euros)	Amount recognised on 31 December 2024 (in thousands of euros)	Interest rate	Method of redemption
OCA LB2	10,250	10,250	8,332	8,310	Between 8.8% and 9.2% [1]	78 monthly instalments after an 18-month grace period, i.e. since January 2023
OCA LB2 Bis	2,000	2,000	1,626	1,605	Between 8.8% and 9.2% [1]	78 monthly instalments after an 18-month grace period, i.e. since June 2023
Total	**12,250**	**12,250**	**9,958**	**9,915**		

(1) The OCA LB2 and OCA LB2 Bis bear interest at a variable rate of between 8.8% and 9.2% per annum, depending on whether or not the number of tonnes of CO_2 avoided in respect of the previous financial year is achieved.

In view of the IFRS restatements linked in particular to the conditions for conversion of OCAs, the bonded debt on 31 December 2024 amounted to €9,915k (net of issue costs), compared with a debt of €11,543k at the end of 2023, the decrease being due to repayments made during the period in accordance with the planned repayment schedules.

The convertible bond loans OCA LB2 and OCA LB2 Bis do not include any financial covenants but are subject to two other types of covenant described below:

- customary covenants such as:
  - maintain the business and the authorisations required for the business,
  - ban on the sale of a substantial amount of the assets,
  - disclosure requirement,
  - no dividends paid,
  - not to grant guarantees other than those required for the purposes of the SPVs;
- commitment to limit additional debt: consequently, on the date of the Universal Registration Document, and it being understood that the Company has obtained the necessary waivers from its lenders in order to take out the €25.2m syndicated green loan, this commitment complied with by the Company means that it cannot take out additional debts other than:
  - senior debt (excluding subsidies, repayable advances, R&D loans, factoring, financing of the working capital requirement and leasing, which are authorised) up to a maximum of €5m,
  - additional subordinated debts (in particular shareholder current account advances, issuance of debt instruments).

iii. Financing by bank debt

On 31 December 2024, the Group had ten bank loans with outstanding capital of €36,290k, excluding issuance costs, broken down as follows:

Loans in thousands of euros	Nominal amount	APR	Date	Duration (and grace period)	Maturity date	Guarantees	Balance outstanding on 31/12/2024	Purpose
Pays de Loire Region loan	650	2.03%	August 2019	Repayable over 4 years after a 4-year grace period, i.e. from October 2023.	December 2026.	None	325	Launch of the project
Crédit Agricole Vendée	1,000	2.90%	April 2021.	Repayable in monthly instalments over 7 years after a 6-month grace period, i.e. from November 2021	April 2028.	Pledge of business assets BPI guarantee granted to the lending institution for 50% of the loan	528	Financing of the working capital requirement
Banque Populaire Grand Ouest	600	1.43%	August 2021	Repayable in monthly instalments over 5 years after a 2-year grace period, i.e. from August 2023.	August 2028	Guarantee of €420k by the European Guarantee Fund for the lending institution	443	Contribution to the Sealhyfe 1 project
Crédit Mutuel Océan	1,000	1.94%	December 2021.	Repayable in monthly instalments over 7 years	December 2028	Pledge of equipment (electrolyser and compressor) BPI guarantee granted to the lending institution for €500k	580	Financing of investments at the Bouin site
Pays de Loire Region loan	90	0.00%	August 2022	Repayable over 3 years after a 2-year grace period, i.e. from August 2025.	August 2027	None	90	Contribution to the Sealhyfe 1 project
Banque Populaire Grand Ouest	900	3.39%	December 2022.	Repayable in monthly instalments over 5 years after a 2-year grace period, i.e. from January 2025	December 2029.	Guarantee of €630k by the European Guarantee Fund for the lending institution	900	Contribution to the Sealhyfe 2 project
Bpifrance	800	8.35%	October 2023	Repayable in quarterly instalments over 6 years after a 32-month grace period, i.e. from June 2026	March 2031		800	
Bpifrance	5,000	4.61%	December 2023.	Repayable in quarterly instalments over 12 years after a 3-year grace period, i.e. from March 2027	December 2038.		5,000	
Syndicated loan	25,200	Euribor 6M + 3.75%	December 2023.	Repayable *in fine* end 2028	December 2028.		25,200	
Crédit Agricole Vendée	2,425	3.94%	December 2024	Redeemable at maturity in 1 to 12 months	December 2025		2,425	
						Balance outstanding on 31/12/2024	**36,290**	

The nine loans outstanding on 31 December 2023 were repaid in accordance with the schedules.

In addition, the Group contracted a new short-term debt of €2,425k at the end of 2024, in connection with refinancing operations.

Only the syndicated loan agreement signed at the end of 2024 includes covenants. The covenants concern tests on the level of past and future liquidity, the debt-to-equity ratio and the installed capacities in MW. The covenants were met on 31 December 2024.

iv. Finance leases

In accordance with IFRS 16, the Company recognised rights of use with a corresponding financial liability (lease liabilities).

Lease liabilities amounted to €30,538k on 31 December 2024, compared with €7,973k on 31 December 2023. The new lease liabilities recognised on 31 December 2024 relate to:

- leasing agreements for hydrogen transport and storage assets amounting to €10.4m mainly for terms of 7 to 13 years ; and
- operating leases on the same type of assets totalling €12.5m for a period of 10 years.

Debt was also affected by leases relating to future hydrogen production sites totalling €1.7m.

v. Financing by subsidies and repayable advances

Since its creation, the Group has received several subsidies and repayable advances for certain research and development projects. This funding is detailed in the tables below, which indicate the amounts obtained and those already received on 31 December 2024 and 31 December 2023.

Breakdown of the subsidies obtained

Project	Amount granted	Amounts already received			Amount still to be collected on 31 December 2024
	(in €thousands)	2024	2023	Prior to 2023	
Deep Tech	1,244	622	0	622	0
H2 Ouest	908	181	0	727	0
Sealhyfe - Pays de la Loire region	356	144	141	71	0
Sealhyfe - Ademe	729	219	401	109	-0
GreenHyScale	11,852		374	4,148	7,330
Lorient - Buléon	3,067	1,138	0	613	1,316
Bessières	1,893	738	209	379	568
Sorigny - ADEME	1,561			0	1,561
Hope - European Commission	9,820	417	3,437	0	5,966
Hope - Belgian state	13,053	1,139		0	11,914
TH2nicio - European Commission	4,400	690	1,282	0	2,428
Advanced H2 Valley	1,628		1,302	0	326
ImagHyne	750	364		0	386
GreenH2forAll	2,139			0	2,139
Schwäbisch Gmünd	6,477			0	6,477
FTJ Le Cheylas	5,505	1,101		0	4,404
Hy'Touraine - ERDF	2,000			0	2,000
Jordergba	10,961	5,480		0	5,480
Vallmoll	14,105			0	14,105
Others	402	12	92	0	298
Total	**92,846**	**12,245**	**7,237**	**6,669**	**66,695**

For the record, on 31 December 2023 the main subsidies obtained concerned the following projects:

- **Deep Tech**: this aid was granted by Bpifrance Financement and helps to finance projects linked to the design of a standard onshore hydrogen production site, additional studies linked to offshore hydrogen production and work linked to artificial intelligence. The project received funding of €2,488k, including €1,244k in the form of a subsidy, and the same amount as a conditional advance (see below).
- **H2 OUEST**: this subsidy from the French Environment and Energy Management Agency (ADEME) is used to finance equipment at the Bouin site in connection with the call for proposals for the mobility ecosystem, which is intended to finance projects to produce hydrogen from wind energy.
- **"Sealhyfe":** this project, which concerned the pilot site for offshore hydrogen production, received two grants from the Pays de la Loire Region and ADEME in the forms of subsidies totalling €1,085k.
- **Buléon**: this subsidy, granted by the ADEME in connection with the VHyGo 2 project, concerns the financing of hydrogen production equipment located in Buléon, Morbihan.
- **Bessières**: this subsidy granted by the Occitanie Region is intended to finance the construction of the hydrogen production site located in Bessières in Occitanie. This financing agreement also provides for support for this project through a repayable advance for a total of €4,103k (see below).
- **Clean Hydrogen Partnership and Belgian State - Hope financing agreements**: these subsidies, totalling €9,820k and €13,053k respectively, were granted by the European Commission and the Belgian State. They concern a project to develop and build an offshore green hydrogen production site off Ostend in Belgium with a capacity of 10 MW.
- **Clean Hydrogen Partnership - TH2nicio financing agreement**: this subsidy for a total of €4,400k was contracted with the European Commission. This aid is intended to finance the construction of an onshore hydrogen production site in Milan, Italy.
- **Ecosystème H2 – Hy'Touraine financing agreement**: at the beginning of 2023 the Group signed a contract with the French Environment and Energy Management Agency (ADEME) for a subsidy of €1,560k to finance the construction of a hydrogen production site in Sorigny, Touraine.
- **Clean Hydrogen Partnership - AdvancedH2Valley financing agreement**: this subsidy contract was signed at the end of 2023 with the European Commission for a total of €1,628k. The funds are intended to finance the construction of the Hy'Touraine site near Sorigny, and the ramp-up of the Bouin site.

- **Schwäbisch Gmünd financing agreement**: in 2023 the Group obtained a subsidy of €6.5m. These funds are intended to finance the project of that name in Germany.

During the financial year to 31 December 2024, the Group was awarded further subsidies, of which the main ones are detailed below:

- **H2 Pioneros - Vallmoll financing agreement**: this subsidy of €14m was contracted at the very beginning of 2024. This aid is intended to finance the construction of a hydrogen production site in Vallmoll, in the province of Tarragona, with an installed capacity of 15 MW.
- **Fonds de Transition Juste - Le Cheylas financing agreement**: the Group was awarded a subsidy of €5.5m to finance the green hydrogen production site in Le Cheylas, in the Auvergne Rhône-Alpes region, with an installed capacity of 10 MW.
- **Klimatklivet - Jordergba financing agreement**: this first subsidy obtained by the Group in Sweden amounts to €11m. It concerns the financing of the Group's first green hydrogen production site in Sweden, with an installed capacity of 10 MW.

At the end of 2021, the Group obtained a subsidy for a total of €11,852k granted by the European Commission in connection with the GreenHyScale project, run by a European consortium, GreenLab. At the beginning of 2025, the consortium instigated proceedings with the European Commission to terminate the subsidy contract. The advances received in respect of this project were therefore classified as current liabilities.

Conditional advances

The Group has received four subsidies in the form of repayable advances, which are recognised under financial debt, taking into account the likelihood of repayment in view of the repayment conditions. They cover:

- **the Deep Tech project**: this conditional advance is part of the public financing obtained for the project detailed above. This aid is repaid in quarterly instalments over 4 years from the end of 2024.
- **International prospecting insurance - Germany and Canada**: the Company has obtained two advances granted by Bpifrance Assurance Export to guarantee the Group against the total or partial failure of its prospecting efforts in Germany and Canada. The advances will be repaid in 12 quarterly instalments from 2025, according to the turnover achieved in Germany, and in quarterly instalments for 4 years from 2028 for Canada.
- **the Sealhyfe project:** together with the subsidy granted by ADEME for a total of €729k, the Group has also received a repayable advance for a total of €243k as part of the financing of the Sealhyfe project, a pilot site for offshore production of renewable hydrogen. This advance will be repaid to ADEME in two annual instalments in 2025 and 2026.
- **Bessières:** under the financing agreement signed with the Occitanie Region, the Group received an advance to finance equipment for the future hydrogen production site located in Bessières for a total of €4,103k. This advance will be repaid to the Occitanie Region in monthly payments over a period of 7 years, with a two-year grace period after completion of the operation.

Project	Amount granted	Amounts already received			Amount still to be collected on 31 December 2024
	(in €thousands)	2024	2023	Prior to 2023	
Deep Tech	1,244	622	0	622	0
Bessières	4,103		452	821	2,830
Sealhyfe 2	243	73	134	36	-0
International Prospecting Insurance - Canada	93		44	0	49
Total	**5,683**	**695**	**630**	**1,479**	**2,879**

The balance sheet liability amounted to €2,724k on 31 December 2024, compared with €2,036k on 31 December 2023. These amounts correspond to the advances received less the IFRS restatement linked to the accretion expense on these interest-free debts.

5.3.2. Cash flow

The Group's cash position declined by -€42,128k for the financial year to 31 December 2024, whereas the variation for the financial year to 31 December 2023 amounted to -€30,240k.

The table below provides the breakdown of the various cash flows generated in the two financial years presented.

CASH FLOW STATEMENT *(In thousands of euros)*	2024	2023
Net cash flows from operating activities	-26,971	-22,608
Net cash flows from investment activities	-34,626	-44,091
Net cash flows from financing activities	19,478	36,458
Impact of changes in the foreign exchange rate	-9	1
Net change in cash and cash equivalents	**-42,128**	**-30,240**

5.3.2.1. Cash flow from operating activities

As the Company was created in April 2019, operating activities result in net consumption of cash due to the development stage of the Group.

CASH FLOW STATEMENT *(In thousands of euros)*	2024	2023
Consolidated net result	-29,185	-33,557
Share of earnings of companies accounted for under the equity method	1,389	803
Adjustments for:		
○ Depreciation, amortisation and provisions	4,706	3,577
○ Net financial result	1,136	596
○ Expenses calculated related to share-based payments	-1,373	2,557
○ Change in fair value of financial instruments	846	76
○ Other changes	-566	-164
Tax expense for the period	-	-
Impact of the change in working capital requirement:		
○ Change in inventory	-71	-34
○ Change in trade receivables	-1,444	-541
○ Change in current non-trade receivables	-8,274	-5,986
○ Change in trade payables	693	4,236
○ Change in other current liabilities	5,172	5,829
Net cash flows from operating activities	**-26,971**	**-22,608**

During the financial year to 31 December 2024, the net cash flow from operating activities declined, amounting to -€26,971k on 31 December 2024 compared with cash consumption of -€22,608k in 2023. This change was mainly due to the impact of the working capital requirement, whereas operating cash flows improved markedly. Cash flows from operating activities had the following breakdown:

- negative operating cash flows of -€23,047k, compared with operating cash flows of -€26,112k in 2023. This change is the result of the increase in business, thereby making it possible to achieve a higher gross margin, combined with efforts made during the period to rationalise the Group's expenses;
- a significant increase in the working capital requirement of €3,924k, largely due to the increase in current non-trade receivables, mainly linked to VAT and trade receivables, following the increase in the Group's business.

5.3.2.2. Cash flows from investment activities

CASH FLOW STATEMENT *(In thousands of euros)*	2024	2023
Purchase of intangible assets	-7,991	-6,303
Purchase of property, plant and equipment	-27,081	-34,101
Disposals of property, plant and equipment	5	1
Purchase of financial assets	441	-1,538
Impact of changes in the scope of consolidation	-	-2,150
Net cash flows from investment activities	**-34,626**	**-44,091**

The financial year to 31 December 2024 resulted in significant negative net cash flows from investment activities of -€34,626k, reflecting the continuation of investments by the Group in the deployment of its projects for hydrogen production sites and the continuation of its research and development activities.

As a result, the Group spent a total of €7,911k on both internal costs linked to engineering, and external costs incurred for the studies required prior to the development of the sites and the continuation of its research and development activities, mainly the design of proprietary software tools.

The Group also invested very heavily in purchases of equipment for the hydrogen production sites under construction. The majority of these investments concerned the purchase of equipment for Buléon, which was commissioned in 2024, for the installed sites in Bessières and Schwäbisch Gmünd, and for the sites under construction in Le Cheylas and Croixrault.

5.3.2.3. Cash flows from financing activities

CASH FLOW STATEMENT *(In thousands of euros)*	2024	2023
Share capital increases, net of expenses	27	3
Issuance of new loans, net of expenses	15,736	31,935
Repayable advances received	695	764
Subsidies received	12,156	7,921
Loan and current account repayments	-2,268	-1,131
Repayment of repayable advances	-78	-
Repayment of lease liabilities	-2,019	-910
Sales/(purchases) of treasury shares	-164	-113
Interest paid	-4,607	-2,011
Net cash flows from financing activities	**19,478**	**36,458**

The financial year to 31 December 2024 resulted in considerable net cash flows from financing activities of €19,478k, resulting both from the issue of new loans (€15.7m) and the receipt of subsidies intended for future investments. The new funding had the following breakdown:

- following on from the green syndicated bank loan totalling €22.2m contracted at the end of 2023, the Group contracted an additional debt of €3m in June 2024. This debt, with an initial maturity of 5 years, has *bullet repayment* at the end of 2028;
- in addition, the Group refinanced hydrogen transport and storage assets for a total of €10.4m.
- Finally, the Group has taken out a short-term loan for a total of €2.3m.

In addition, the Group repaid the loans it had previously taken out and paid the rents due in respect of its lease liabilities in accordance with the schedules. The increase in repayments of lease liabilities and financial interest between 2023 and 2024 is linked to the financing obtained in 2023, i.e. the syndicated green loan and the refinancing of part of the hydrogen storage and transport assets.

5.3.3. Financing requirements and financing structure

The Group's main financing requirements include:

- its operating working capital requirement;
- its policy of investing in the development of new green hydrogen production sites in France and abroad; and
- repayment of its bond and bank loans, lease liabilities (including interest payments) and conditional advances detailed in paragraphs 5.3.1.2(ii) to 5.3.1.2(v) of the Universal Registration Document.

In the future, the Group will also face new requirements linked to the need to provide sufficient financial guarantees for the energy purchasing commitments (electricity and where appropriate wind power).

Information on the financing structure of the Company's activities is given in paragraph 5.3.1 above.

5.3.4. Restriction on the use of capital

Only the syndicated loan agreement signed at the end of 2023 includes covenants. The covenants concern tests on the level of past and future liquidity, the level of debts compared to equity and the installed capacities in MW. The covenants were met on 31 December 2024. Furthermore, there are other commitments attached to OCA LB2 and OCA LB2 Bis described in paragraph 5.3.1.2(ii) of the Universal Registration Document.

5.3.5. Sources of financing needed in the future to meet the investment commitments made

Since its creation, the Group has financed its growth by increasing its own funds through successive share capital increases, financing certain investments by leasing, obtaining subsidies and public aid for innovation, and by using medium-term bank debt and issuing convertible bond loans.

On 31 December 2024, the Group's cash and cash equivalents amounted to €72,124k, and the external financing available to the Group is detailed in Note 3.8 "Loans and borrowings" to the IFRS financial statements included in Section 6.1 of the Universal Registration Document.

The Group will continue to have substantial financing requirements for the development of its activities. Its ability to generate cash flows equivalent to its needs in the future is uncertain (see the risk factor described in paragraph 4.1.5.1 of the Universal Registration Document, "Risk related to obtaining future financing").

The Group may not manage to raise additional capital when it is needed, or such capital may not be available under financial terms acceptable to the Group. If the necessary funds are not available, the Group may, in particular, have to slow down its research and development and commercial efforts (see the risk factor described in paragraph 4.1.5.7 "Liquidity risk" of the Universal Registration Document).

5.3.6. New financing obtained since the end of the financial year to 31 December 2024

In January 2025, the Group was awarded a further subsidy of €11m in Sweden. This aid, granted by Klimatklivet, will finance the construction of a new green hydrogen production site in Vaggeryd, in the south of Sweden, with a capacity of 10 MW.

5.4. Investments

5.4.1. Investments made during the financial year

During the financial year to 31 December 2024, the Group's investments were focused on the green hydrogen production sites under development. At the same time, the Group continued its investments in its various research and development programmes.

The table below shows the investments made by the Group in the financial year to 31 December 2024.

In thousands of euros	Financial year 2024	Financial year 2023
Intangible investments	7,991	6,643
Tangible investments	32,249	41,089
Rights of use/leasing	24,538	5,004
Equity method investments	0	2,150
Total	**64,778**	**54,886**

Intangible investments

During financial year 2024, the Group devoted a considerable proportion of its investments in intangible assets to the construction of its future hydrogen production sites. Excluding the capitalisation of borrowing costs, the Group therefore invested €8m of its internal resources, mainly broken down as follows:

- the Group devoted €4.1m of its internal resources to various projects in the construction stage;
- in addition the Group devoted €1.9m to projects in the development stage (post Tender Ready stages);
- the remaining intangible investments concerned the development of internal software and the design of generic solutions for future larger hydrogen production sites.

Tangible investments

The Group invested significant amounts in industrial equipment in order to build its onshore hydrogen production sites during financial year 2024, for a total amount of €27.4m (excluding capitalisation of loan costs), including €25.1m for projects in the construction stage.

In addition, the Group continued to invest in containers for transporting hydrogen before they are sold in the framework of sale and leaseback transactions.

Rights of use under lease contracts (IFRS 16)

The rights of use capitalised in 2024 relate to leasing agreements for hydrogen transport and storage assets totalling €10.4m, operating leases for those assets totalling €12.5m and leases on land for future hydrogen production sites totalling €1.7m.

5.4.2. Current investments

At the end of December 2024, the Group's main investments in progress concern the renewable hydrogen production sites under development and construction, as well as the acquisition of containers for transporting hydrogen. The total amount of firm commitments made in this respect on 31 December 2024 was €105m, most of which have already been recognised under construction work in progress on 31 December 2024. These amounted to €53,667k on 31 December 2024, compared with €37,884k on 31 December 2023 (see Note 3.1.2 "Property, plant and equipment" of the notes to the IFRS Financial Statements presented in Section 6.1 of the Universal Registration Document).

The geographical distribution of these investments corresponds to the geographical distribution of the Group's most advanced projects, in particular in France and Germany. These investments are financed by the Group's cash.

5.4.3. Future investments

The Group intends to continue its investments in connection with the deployment of numerous hydrogen production sites in France and in many European countries.

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6.1. Consolidated financial statements

6.1.1. Consolidated profit and loss account

In thousands of euros	Notes	31/12/2024 (12 months)	31/12/2023 (12 months)
Turnover	2.1.2	5,099	1,317
Revenue		**5,099**	**1,317**
Purchases consumed	2.1.4	-891	-645
External expenses	2.1.5	-12,482	-12,438
Personnel expenses	2.1.6	-16,944	-20,593
Taxes, duties and similar payments	2.1.7	-230	-172
Other current operating income and expenses	2.1.8	585	1,861
Depreciation and amortisation of fixed assets	2.1.9	-3,533	-3,290
Provisions for liabilities and charges	2.1.9	-337	-14
Current operating result		**-28,733**	**-33,974**
Other non-current operating income and expenses	2.1.10	-271	-395
Non-current operating result		**-271**	**-395**
Operating result		**-29,004**	**-34,369**
Cost of financial debt	2.2	-1,411	-672
Other financial income and expenses	2.2	2,619	2,287
Financial result		**1,208**	**1,615**
Income before tax		**-27,796**	**-32,754**
Income taxes	2.3	-	-
Share of income of companies accounted for under the equity method	3.2	-1,389	-803
Consolidated net result		**-29,185**	**-33,557**
Minority interests		-94	-69
Net result (Group share)		-29,091	-33,488
Earnings per share (in euros)	2.4	**-0.61**	**-0.70**

6.1.2. Consolidated statement of comprehensive income

In thousands of euros	Notes	31/12/2024 (12 months)	31/12/2023 (12 months)
Net result for the period		**-29,185**	**-33,557**
Change in the fair value of hedging instruments		-	-
Currency translation adjustments		-48	-56
Change in the fair value of debt securities		-	-
Gains and losses recognised in equity that can be recycled to profit or loss		**-48**	**-56**
Actuarial gains and losses on employee benefits		-	-
Tax effect		-	-
Gains and losses recognised in equity that cannot be recycled to profit or loss		**-**	**-**
Comprehensive income		**-29,233**	**-33,613**

6.1.3. Consolidated statement of financial position

ASSETS *In thousands of euros*	Notes	31/12/2024	31/12/2023
Intangible assets	3.1.1	18,254	11,004
Property, plant and equipment	3.1.2	74,571	50,306
Right-of-use assets	3.1.3	30,530	7,761
Investments in companies accounted for under the equity method	3.2	965	2,387
Non-current derivative instruments	3.9	-	-
Other non-current assets	3.5	2,288	3,249
Deferred tax assets	3.14	-	-
Non-current assets		**126,608**	**74,707**
Inventory	3.3	248	176
Trade receivables	3.4	2,048	604
Current derivative financial instruments	3.9	430	-
Other current assets	3.5	20,994	10,743
Cash and cash equivalents	3.6	72,124	114,252
Current assets		**95,844**	**125,775**
Assets		**222,452**	**200,482**

LIABILITIES AND EQUITY *In thousands of euros*	Notes	31/12/2024	31/12/2023
Share capital	3.7.1	480	479
Premiums	3.7.1	163,850	163,824
Reserves		-63,401	-28,328
Net result		-29,091	-33,488
Equity (Group share)		71,838	102,487
Minority interests		-163	-69
Shareholders' equity		**71,675**	**102,418**
Non-current provisions	3.13	3,528	3,167
Non-current borrowings and financial liabilities	3.8	71,040	49,314
Non-current derivative instruments	3.9	599	-
Deferred tax liabilities	3.14	-	-
Other non-current liabilities	3.11	24,189	16,273
Non-current liabilities		**99,356**	**68,754**
Current provisions	3.13	20	44
Current borrowings and financial liabilities	3.8	9,134	4,353
Current derivative financial instruments	3.9	402	-
Trade payables	3.10	21,195	15,225
Other current liabilities	3.11	20,670	9,688
Current liabilities		**51,421**	**29,310**
Liabilities and equity		**222,452**	**200,482**

6.1.4. Consolidated statement of changes in equity

EQUITY *In thousands of euros*	Notes	Share capital	Capital reserves	Treasury shares	Consolidated reserves and income	Profits and losses recognised directly in equity	Equity (Group share)	Equity (Minority interests)	Total equity
Equity on 31 December 2022		**479**	**163,821**	**-296**	**-30,420**	**-**	**133,584**	**-**	**133,584**
Share capital increases		-	3	-	-	-	3	-	3
Share-based payments		-	-	-	2,557	-	2,557	-	2,557
Currency translation adjustment		-	-	-	-56	-	-56	-	-56
Change in treasury shares		-	-	-113	-	-	-113	-	-113
Net result		-	-	-	-33,488	-	-33,488	-69	-33,557
Equity on 31 December 2023	3.7.1	**479**	**163,824**	**-409**	**-61,407**	**-**	**102,487**	**-69**	**102,418**
Share capital increases		1	26	-	-	-	27	-	27
Share-based payments		-	-	-	-1,373	-	-1,373	-	-1,373
Currency translation adjustment		-	-	-	-48	-	-48	-	-48
Change in treasury shares		-	-	-163	-	-	-163	-	-163
Net result		-	-	-	-29,091	-	-29,091	-94	-29,185
Shareholders' equity on 31 December 2024	3.7.1	**480**	**163,850**	**-572**	**-91,920**	**-**	**71,838**	**-163**	**71,675**

6.1.5. Cash flow statement

In thousands of euros	Notes	31/12/2024 (12 months)	31/12/2023 (12 months)
Consolidated net result		**-29,185**	**-33,557**
Share of income of companies accounted for under the equity method		1,389	803
Adjustments for:			
○ Depreciation, amortisation and provisions	2.1.9	4,706	3,577
○ Net financial result	2.2	1,136	596
○ Expenses calculated related to share-based payments	2.1.6	-1,373	2,557
○ Change in fair value of financial instruments		846	76
○ Other non-cash effects	02/01/2010	-566	-164
Income taxes paid		-	-
Impact of the change in WCR:			
○ Change in inventory	3.3	-71	-34
○ Change in trade receivables	3.4	-1,444	-541
○ Change in current non-trade receivables	3.5	-8,274	-5,986
○ Change in trade payables	3.10	693	4,236
○ Change in other current liabilities	3.11	5,172	5,829
Net cash flows from operating activities		**-26,971**	**-22,608**
Purchase of intangible assets	3.1.1	-7,991	-6,303
Purchase of property, plant and equipment	3.1.2	-27,081	-34,101
Disposals of property, plant and equipment	3.1.2	5	1
Purchase of financial assets	3.5	441	-1,538
Impact of changes in the scope of consolidation	3.2	-	-2,150
Net cash flows from investment activities		**-34,626**	**-44,091**
Share capital increases, net of expenses	3.7.1	27	3
Issue of new loans, net of expenses	3.8	15,736	31,935
Repayable advances received	3.8	695	764
Subsidies received	3.11	12,156	7,921
Loan and current account repayments	3.8	-2,268	-1,131
Repayment of repayable advances	3.8	-78	-
Repayment of lease liabilities		-2,019	-910
Sales/(purchases) of treasury shares		-164	-113
Interest paid	3.8	-4,607	-2,011
Net cash flows from financing activities		**19,478**	**36,458**
Impact of changes in foreign exchange rates		-9	1
Net change in cash and cash equivalents		**-42,128**	**-30,240**
Cash and cash equivalents at beginning of the year	3.6	114,252	144,492
Cash and cash equivalents at end of the year		72,124	114,252

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Note 1 General notes

Note 1.1. General information

Lhyfe is a limited liability company incorporated in France and registered on the register of companies of Nantes under number 850 415 290 (and referred to as the "**Company**"). Its registered office is located in France, 1 ter Mail Pablo Picasso, 44000 Nantes. Lhyfe's consolidated financial statements include the Company and its subsidiaries (referred to together as the "**Group**").

These notes are an integral part of the Group's IFRS consolidated financial statements for the financial year to 31 December 2024.

All amounts are in thousands of euros, unless otherwise indicated. Numbers have been rounded for ease of presentation. The calculations, however, are based on exact figures. As a result, the sum of the numbers in a column of a table may not match the total figure displayed in the column.

The Group's consolidated financial statements were approved by the Board of Directors of the Company on 29 April 2025.

Note 1.2. Description of the Group's business

Lhyfe was established in 2017 in Nantes, and produces and supplies renewable green hydrogen for mobility and industry. Its production sites and its pipeline of projects should make it possible to have access to renewable green hydrogen in industrial quantities, and establish a virtuous energy model aimed at environmental benefits.

Lhyfe opened its first industrial green hydrogen production site in September 2021. Located in Bouin in the Vendée, it has an electrolysis capacity of 1 MW, i.e. current production of 300 kg/day, which will be increased to 1 tonne/day in 2025 to meet a growing demand. In 2024, the Group also commissioned a second hydrogen production site in Buléon, Morbihan.

Lhyfe has also installed two other production sites in France and Germany (5 MW and 10 MW) and has several sites under construction or that are being extended, throughout Europe.

Note 1.3. Highlights of the financial year

Note 1.3.1. Financing

During the financial year to 31 December 2024, the Group continued to secure its cash position and the financing of its projects via various sources of funding.

Bank loans

Following on from the green syndicated bank loan for an amount contracted at the end of 2023, the Group extended this financing by €3m on 27 June 2024, thereby increasing it to €25.2m. This debt has an initial maturity of 5 years with *bullet repayment* at the end of 2028.

Lease financing

In 2024, the Group contracted new funding in the form of leasing agreements and operating leases for its hydrogen transport and storage assets. This funding, which was restated in the financial statements under IFRS 16, amounts to a total of €22.8m. Firstly, the Group refinanced part of its hydrogen transport and storage assets for a total of €10.4m in connection with the sale and leaseback transaction. Secondly, the Group was able to finance the rest of its container fleet for a total of €12m through an operating lease.

Subsidies

During the financial year to 31 December 2024, the Group was awarded subsidies totalling €29m. The vast majority of this aid will make it possible to finance the Group's future hydrogen production projects in France and abroad.

At the beginning of 2024, the Group obtained a subsidy in Spain totalling €14m. This subsidy, granted in connection with the Spanish H2 Pioneros programme, is intended to finance the construction of a hydrogen production site in Vallmoll, in the province of Tarragona. This Site has an installed capacity of 15 MW and will supply up to 5 tonnes of green hydrogen per day.

During the financial year, the Group was also awarded a subsidy of €5.5m to finance the green hydrogen production site in Le Cheylas, in the Auvergne Rhône-Alpes region in France, with an installed capacity of 10 MW. This funding was awarded in connection with the Just Transition Fund (JTF) programme. The Group received a total of €1.1m in respect of this aid in 2024.

Finally, the Group obtained a subsidy of around €11m in Sweden in connection with the Klimatklivet programme. This aid is intended to finance the construction of the Group's first green hydrogen production site in Sweden, with an installed capacity of 10 MW. The Group received €5.5m in this respect in 2024.

Note 1.3.2. Business development

In 2024, the Group quadrupled its turnover to €5.1m, compared with €1.3m in 2023. This performance is the result of several factors. Firstly, the Group greatly developed its hydrogen sales business in France and Germany, mainly due to the fact that production at the Bouin site is now at full capacity throughout the year, and to the broadening of its customer portfolio with the signing of new contracts for the sale of green hydrogen. It

should also be noted that the Group made its first deliveries in 2024 from the Buléon and Bessières sites. Secondly, the Group recorded turnover in 2024 of €1m from the sale of engineering services.

Note 1.3.3. Deployment of renewable hydrogen production units

During the financial year to 31 December 2024, the Group continued to invest heavily in the construction and development of its future onshore hydrogen production sites. This heavy investment resulted in purchases of property, plant and equipment for a total of €32m, mainly for production equipment. Furthermore, the Group also devoted almost €7.9m of its internal and external resources to developing its sites.

The main resources were allocated to projects under construction, in particular the Buléon, Bessières and Schwäbisch Gmünd sites, which were completed at the end of 2024. In addition, the Group invested heavily in the sites under construction at Le Cheylas and Croixrault, where civil engineering work was almost complete at the end of the financial year.

The Group also allocated resources to projects in the post-tender ready development stage, for which the construction stage has not yet started, which are longer-term projects of a more significant size in terms of installed capacity.

Note 1.3.4. Impact of the crisis in Ukraine

As regards the current situation linked to the war between Russia and Ukraine, apart from the macroeconomic consequences, the Group believes that it is not currently suffering any impact insofar as it does not achieve any sales or obtain supplies in either of these countries, or in areas directly affected by the war, and none of its assets are established there.

Note 1.4. Post-closing events

In January 2025, the Group was awarded a further subsidy of €11m in Sweden. This aid, granted by Klimatklivet, will finance the construction of a new production site in Sweden. with a capacity of 10 MW.

On 9 April 2025, the Group received notification from the Belgian government mentioning its refusal to Lhyfe's request for an extension of the deadline for completion of the project and consequently the cancellation of the €13 million subsidy granted at the beginning of 2023. The Group is currently assessing the impact of this cancellation on the schedule and scope of the project.

On 16 April 2025**,** the French Prime Minister confirmed the award of the €149 million subsidy to Lhyfe's Green Horizon project, as part of the presentation of the National Hydrogen Strategy 2030. This announcement concretises the commitment made by the French government in March 2024. To date, Lhyfe has already submitted the building permit and the application for the environmental authorisation. Connection to the electricity grid and the provision of the needed power capacity have been secured. Lhyfe will receive a first advance of €18 million by June 2025. A second tranche of the advance will be released in the following months and subsequent payments will take the form of reimbursements of costs incurred and duly justified by the successful achievement of predefined annual milestones over a period of 4 years.

On 29 April 2025, Lhyfe announced that it had successfully completed, with three financial partners, the refinancing of the construction of four green hydrogen production sites located in France and Germany, for an amount of € 53 million. Of these four sites, two have already been built (Buléon in France and Schwäbisch Gmünd in Germany) and two are under construction (Le Cheylas and Croixrault in France). The transaction consists of (i) the refinancing of part of the capex already invested by Lhyfe in these sites and (ii) the financing of the remaining investments. It comprises a mix of bonds and unsubordinated senior bonds, with a maturity in 2034, subscribed by Edmond de Rothschild Asset Management, Triodos Bank and Sienna Investment Managers, supplemented by bridge financing (subsidies and VAT) provided by Groupe BPCE, through BPCE Energeco and BPGO, one of the Group historical partners. Lhyfe achieves its first project financing transaction, the first of its kind in Europe for bulk green hydrogen production. This transaction strengthens the Group's balance sheet and cash position. It demonstrates the support and confidence of leading financial partners in Lhyfe's infrastructure model and industrial and commercial scale-up strategy.

Note 1.5. General accounting principles

Note 1.5.1. Accounting standards

The Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). As the Company's shares are listed on Euronext Paris, in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, the Group's consolidated financial statements for the financial year to 31 December 2024 were prepared in accordance with IFRS as adopted by the European Union on the date they were prepared, including the International Accounting Standards (IAS and IFRS) and the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Reporting Interpretations Committee (IFRIC).

The standards applied are available on the website of the European Commission (https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX%3A02002R1606-20080410).

The accounting policies and rules for application used to prepare the consolidated financial statements are the same as those used in the most recent annual consolidated financial statements.

The following standards, amendments and interpretations, which are mandatory for financial years from 1 January 2024, did not have a significant impact on the financial statements:

- Amendments to IAS 7/IFRS 7 - Supplier Finance Arrangements;
- Amendment to IAS 1 - Presentation of financial statements - Impact of covenants on the classification of liabilities as current or non-current;
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback.

The Group has not anticipated any of the new standards, amendments and interpretations mentioned below that may affect it, the application of which is not mandatory on 1 January 2024:

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates, entitled "Lack of Exchangeability";
- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures;
- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments.

The Group does not anticipate that the application of the amendments indicated above will have a material impact on its financial statements in future financial years, except for those resulting from IFRS 18 - Financial statements.

IFRS 18 replaces IAS 1, and incorporates many of the provisions of IAS 1 without amending them, as well as adding new provisions. In addition, certain paragraphs of IAS 1 have been transferred to IAS 8 and IFRS 7. The IASB has also made minor amendments to IAS 7 and IAS 33 Earnings Per Share.

IFRS 18 also introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss;
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements;
- Improve aggregation and disaggregation.

The Group is required to apply IFRS 18 for the financial year from 1 January 2027. Earlier application is permitted. The amendments to IAS 7 and IAS 33, as well as the revised versions of IAS 8 and IFRS 7, will come into force when the Group applies IFRS 18. That standard must be applied retrospectively, and transitional provisions are planned.

Note 1.5.2. Significant accounting estimates and judgements

In order to prepare the consolidated financial statements, the management must use estimates and assumptions that are considered reasonable, and are liable to have an impact on the amounts of assets, liabilities, equity, revenue and expenses included in the financial statements, and on the information included in the notes to the financial statements.

These estimates are based on the going concern assumption and on the information available when they are made.

The main judgements made by the management of the Group when preparing the consolidated financial statements relate to:

- meeting the criteria for capitalising the various research and development projects in progress with regard to IAS 38, and the assumptions used to carry out impairment tests (see Notes 1.7.1 and 3.1.1);
- fair value measurement of share-based payments (BSPCE, BSA, SO and AGA) granted to the founders, directors, employees and external service providers. Measurement of the fair value is based on models that require the use of assumptions (volatility, revenue, exercise period, etc.) (see Notes 1.7.16, 3.7.2 and 3.7.3);
- the methods of applying IFRS 16, including in particular the determination of the discount rates and the period of lease to be used to measure the lease liability for contracts with renewal or termination options (see Notes 1.7.4 and 3.1.2);
- the valuation of derivative financial instruments linked to forward sales contracts for the supply and sale of electricity (see Note 1.7.13.2);
- capitalisation of any deferred tax relating to loss carry-forwards (see Note 3.14).

Details are provided in the note on significant accounting principles. Depending on changes in these assumptions or different economic conditions, the final amounts may differ from these estimates.

These estimates may be revised if the circumstances on which they are based change or as a result of new information.

Note 1.5.3. Segment reporting

IFRS 8 requires operating segments to be identified based on the internal reporting used by the chief operating decision maker to make decisions about allocating resources and assessing the Group's performance. Lhyfe is organised in-house to report to its Board of Directors, the chief operating decision maker, based on information consolidated at Group level. The Board of Directors makes strategic decisions and measures business performance quarterly, based on data consolidated at Group level. Consequently, all of Lhyfe's business constitutes a single operating segment under IFRS 8.

For more information on the financial performance indicators, see Note 1.7.22.

Note 1.6. Scope and methods of consolidation

Note 1.6.1. Scope of consolidation

During financial year 2024, the Group continued to expand by creating seven subsidiaries, including two in the United Kingdom, one in Belgium and one in Canada for hydrogen production. These seven subsidiaries are included in the scope of consolidation by means of full consolidation.

The Group comprised 46 companies on 31 December 2024.

		31 December 2024			31/12/2023		
Company	Location	% control	% interest	Consolidation method	% control	% interest	Consolidation method
Lhyfe SA	France	Parent	Parent	Full consolidation	Parent	Parent	Full consolidation
Lhyfe Bouin SAS	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Sombrero SAS	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Territoires x Lhyfe SAS	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Buléon SAS	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Bessières SAS	France	80%	80%	Full consolidation	80%	80%	Full consolidation
Lhyfe Sorigny	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Production 2	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Le Cheylas	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Production Bussy-Saint-Georges	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Production 5	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Production 6	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Production 7	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Production 8	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Production 9	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Production 10	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Croixrault	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Ingrandes SAS	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Ingrandes PS SAS	France	50%	50%	Equity method	50%	50%	Equity method
Lhyfe Gonfreville-l'Orcher	France	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Green Power Traceability France	France	100%	100%	Full consolidation			
HoldCo Sparkle	France	100%	100%	Full consolidation			
FinCo Sparkle	France	100%	100%	Full consolidation			
Lhyfe Germany GmbH	Germany	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Schwäbisch Gmünd GmbH	Germany	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Niedersachsen GmbH	Germany	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Wasserstoff GmbH	Germany	100%	100%	Full consolidation	100%	100%	Full consolidation
Hydrogen Bay GmbH	Germany	100%	100%	Full consolidation	100%	100%	Full consolidation
Duisburg Hydrogen GmbH	Germany	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Oostende BV	Belgium	100%	100%	Full consolidation			
Hydrogen Lhyfe Canada	Canada	100%	100%	Full consolidation	100%	100%	Full consolidation
Hydrogène Lhyfe Montréal-Est	Canada	100%	100%	Full consolidation			
Lhyfe Denmark ApS	Denmark	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Lakrids ApS	Denmark	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Skive ApS	Denmark	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Hidrogeno SL	Spain	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Finland	Finland	100%	100%	Full consolidation	100%	100%	Full consolidation
Flexens	Finland	49%	49%	Equity method	49%	49%	Equity method
Lhyfe Netherlands BV	Netherlands	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Delfzijl BV	Netherlands	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe UK Ltd	United Kingdom	100%	100%	Full consolidation	100%	100%	Full consolidation

Company	Location	31 December 2024 % control	31 December 2024 % interest	31 December 2024 Consolidation method	31/12/2023 % control	31/12/2023 % interest	31/12/2023 Consolidation method
Lhyfe Wallsend	United Kingdom	100%	100%	Full consolidation			
Lhyfe Kemsley	United Kingdom	100%	100%	Full consolidation			
Lhyfe Sweden AB	Sweden	100%	100%	Full consolidation	100%	100%	Full consolidation
Lhyfe Trelleborg AB	Sweden	100%	100%	Full consolidation	100%	100%	Full consolidation
Botnia Hydrogen	Sweden	32.5%	39.2%	Equity method	32.5%	39.2%	Equity method

Note 1.6.2. Balance sheet date of the consolidated companies

The consolidated financial statements cover a 12-month period and are drawn up on 31 December of each year.

The entities created during the 2024 financial year end their first financial year either on 31 December 2024 or on 31 December 2025. For those that close their accounts on 31 December 2025, interim financial statements on 31 December 2024 were used for the purposes of the Group's consolidated financial statements.

The annual financial statements of the consolidated companies for the periods presented were restated to bring them into line with the accounting principles used to prepare the consolidated financial statements.

Note 1.6.3. Consolidation methods

Note 1.6.3.1. Subsidiaries

Subsidiaries are consolidated from the date they were taken over. Intercompany transactions, assets and liabilities between consolidated companies have been eliminated. The earnings from intercompany transactions with controlled companies have been fully eliminated.

Subsidiaries are all entities controlled by the Group. Control is defined according to three criteria: the power exercised over the entity, exposure to the entity's variable returns and the ability to influence the entity's returns. This definition of control implies that the power held over an entity can be exercised in several ways and not only by holding voting rights. The existence and effect of potential voting rights are considered when assessing control if they are substantive. Control generally involves directly or indirectly holding more than half of the voting rights, but may also exist with a smaller holding.

Note 1.6.3.2. Associate companies

Associate companies comprise all entities over which the Group exercises significant influence over their management and financial policy, without having control or joint control, which generally involves holding 20% to 50% of the voting rights. Associate companies are accounted for using the equity method. They are initially valued at their acquisition cost, unless they were previously controlled by the Group. The securities are then measured at fair value through profit or loss on the date of loss of control.

Thereafter, the Group's share of the associate company's profits or losses is recognised in profit or loss under "Share of earnings of companies accounted for under the equity method". The share of other comprehensive income from associate companies is recognised under a separate item in the statement of comprehensive income. If the Group's share of an associate company's losses equals or exceeds its stake in the associate company, the Group no longer recognises its share of the losses, unless it has a legal or constructive obligation or has made payments on behalf of the associate company. Goodwill relating to an associate company is included in the book value of the holding, shown on a single line in the balance sheet under "Investments in companies accounted for under the equity method". Earnings from intercompany transactions with associates accounted for under the equity method are eliminated to the extent of the Group's stake in these companies.

Note 1.6.4. Foreign currency translation

Note 1.6.4.1. Functional currency and reporting currency

The financial statements are presented in thousands of euros (€k), the functional currency of the parent company Lhyfe S.A. For the presentation of the consolidated financial statements, the assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros using the exchange rates prevailing at the end of each financial year. Revenue and expenses are translated at the average exchange rate for the financial year. Where appropriate, the resulting foreign exchange gains or losses are recognised in own funds under "Currency translation reserves" in the Consolidated Statement of Changes in Equity.

Note 1.6.4.2. Foreign currency transactions and accounts

The activities of foreign subsidiaries included in the scope of consolidation are considered to be an extension of those of the parent company. For that purpose, the subsidiaries' financial statements are translated using the monetary/non-monetary method. Applying this method results in an impact on the financial situation and results similar to what would have been observed if the parent company had carried out the business abroad itself. On the balance sheet date, the monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate of the foreign currency on the balance sheet date. Non-monetary items are translated at the historical rate. All currency translation adjustments are entered in the profit and loss account.

Note 1.7. Accounting methods and valuation rules used

Note 1.7.1. Development costs

Note 1.7.1.1. Technology development costs

In accordance with IAS 38 Intangible Assets, research costs are recognised as an expense in the financial year in which they are incurred.

Expenses relating to in-house development of technologies by the Group are only recognised as intangible assets if all of the following six criteria are met:

a) Technical feasibility required to complete the intangible asset so that it can be brought into service or sold,

b) Intention of the Group to complete the intangible asset and use or sell it,

c) Ability of the Group to use or sell the intangible asset,

d) Demonstration of the probability of future economic benefits attached to the asset. The entity must demonstrate, among other things, the existence of a market for the output of the intangible asset or for the intangible asset itself or, if it will be used in-house, its usefulness,

e) Availability of appropriate technical, financial and other resources to complete the development and use or sell the intangible asset, and

f) Ability to reliably assess the expenses attributable to the intangible asset during its development.

Capitalised development costs include external costs (commitments made to suppliers or external service providers - invoices, invoices receivable, etc.) and internal costs (valued based on the working time allocated to the projects).

Impairment of intangible assets is calculated to fully write off the cost of the intangible asset, using the straight-line method over the estimated useful life (3 years), from the time the asset is usable, and is recognised under "Depreciation and amortisation of fixed assets".

The Group assesses the recoverability of intangible assets if there is an indication of impairment. For unamortised intangible assets, an impairment test is carried out at least once a year, and whenever there is an indication of impairment (see Note 1.7.5 Impairment of fixed assets).

Note 1.7.1.2. Capitalised costs on projects under development

Expenses relating to the development of the future renewable hydrogen production sites are capitalised if all of the criteria of IAS 38 listed above are met.

Direct external development costs (commitments made to suppliers or external service providers - invoices, invoices receivable, statements of account etc.) and internal development costs (valued based on the working time allocated to the projects), are capitalised as soon as the corresponding projects are likely to succeed.

The Group generally considers that the criteria of IAS 38 have been met when a project enters the Tender Ready stage in the project portfolio, i.e. when the conditions defined by the Group as described below have been met. These criteria differ depending on whether the project is:

- linked to an industrial application: request by the potential customer to submit an "attractive" offer, or else submission of the offer is necessary for the process of obtaining subsidies,
- a mobility application: strategic investment decision after analysis of the demand in a geographical area, the ability to meet the demand and the possible subsidies.

All projects are reviewed on each balance sheet date. If the conditions for recognising an internally generated fixed asset are not met, the project development expenses are recognised as expenses in the financial year in which they are incurred.

The expenses linked to these projects are no longer capitalised when the hydrogen production sites are commissioned. When the project is brought into service, impairment is calculated on a straight-line basis over the estimated useful life of the underlying asset.

If the Group considers that there is less likelihood of success as a result of unusual external factors, the development expenses are written down and recognised under "Impairment of non-current assets". When a project is abandoned, the related development costs are entered as expenses under "Other non-current operating income and expenses" if the impact of abandoning it is material.

Note 1.7.2. Other intangible assets

Other intangible assets are initially recognised at their acquisition cost.

They mainly comprise software and licence fees, as well as the capitalised onshore research and development costs on bulk sites (sites for producing green hydrogen delivered in bulk by containers). Other intangible assets acquired are entered on the balance sheet at their acquisition cost, where appropriate, less accumulated amortisation and impairment losses.

The estimated useful life for the current period is 36 months for concessions, software and patents.

Onshore research and development costs are amortised over 36 months.

The depreciation methods, useful lives and residual values are reviewed on each balance sheet date and adjusted if necessary.

Note 1.7.3. Property, plant and equipment

Property, plant and equipment are valued at acquisition cost (purchase price and incidental expenses) less accumulated depreciation and any impairment losses. Subsequent expenses are included in the book value of the asset or, where appropriate, recognised as a separate asset if it is probable that the Group will receive the future economic benefits associated with the asset and that the cost of the asset can be reliably measured. All repair and maintenance costs are recognised as expenses.

They are not revalued.

Depreciation is calculated on a straight-line basis according to the estimated useful life. Residual values are not taken into account as their impact is not material. The most commonly used depreciation periods are as follows:

- Plant and equipment: 1 to 20 years,
- General installations, miscellaneous fixtures and fittings: 3 to 9 years,
- Transport equipment: 4 to 5 years,
- Office and IT equipment: 3 to 10 years.

Note 1.7.4. Leases

Under IFRS 16, the Group is only a lessee.

The Group recognises a right of use of the asset from the time it has the right to use the underlying asset, and a liability related to the lease obligation, under current and non-current "Loans and borrowings".

On initial recognition of a contract, the right of use and the lease liability are measured by discounting the future lease payments over the term of the lease, taking into account the assumption that leases will be renewed or terminated early if there is a reasonable certainty that these options will be exercised. The rents in question only relate to the fixed component of the contracts. Any variable component is treated as an operating expense for the period (the Group did not have this type of contract on 31 December 2024).

The Group has used the optional exemptions provided for short-term contracts (lease term as defined by the standard of less than one year) and those relating to low-value items (value of the underlying asset less than $5,000). As a result, the lease payments relating to these contracts are entered in the profit and loss account on a straight-line basis over the term of the lease. See Note 2.1.5 on external expenses.

The lease term was determined taking into account both the contractual terms and the economic environment of the contract (in particular if it is linked to a project). The term of the leases held by the Group is the non-cancellable term.

The terms were defined individually for each contract, based on the term of the contract and according to the type of asset:

- From 3 to 9 years for commercial leases for offices;
- From 7 to 13 years for transport and storage assets;
- From 2 to 20 years for land.

The discount rate used to calculate the rent liability is the rate implicit in the contract where this can be determined. Otherwise, the incremental borrowing rate on the effective date of the contract is used. This rate corresponds to the interest rate that the lessee would obtain, at the start of the lease, to borrow the funds required to acquire the asset for a similar period, with similar security and in a similar economic environment.

The impact of applying IFRS 16 is presented in Note 3.1.3.

Note 1.7.5. Impairment of fixed assets

In accordance with IAS 36, the Group uses the following process to assess the recoverability of its long-term assets:

- The Group assesses whether there is an indication of impairment for depreciated property, plant and equipment and intangible assets at each balance sheet date. These indications are identified based on external or internal criteria, such as a change in technology or a cessation of activity.
- For unamortised intangible assets (projects under development and under construction), an impairment test is carried out at least once a year, and whenever there is an indication of impairment.

Where appropriate, the Group identifies the cash-generating unit (CGU) to which the asset belongs if it is not possible to estimate the recoverable amount of the individual asset. A CGU is the smallest group of assets that includes the asset to be tested, continuing use of which generates cash inflows that are largely independent of the cash inflows generated by other groups of assets.

The Group has recognised each project as a CGU.

The value in use of a CGU is determined with reference to the value of the discounted future cash flows expected from these assets, based on the economic assumptions and operating conditions anticipated by the Company's management. Where appropriate, an impairment test is performed by comparing the net book value of the CGU with the recoverable amount, which is the fair value less the disposal cost, or the value in use, whichever is higher. If the recoverable amount of the CGU exceeds its book value, the CGU and the goodwill allocated to it must be considered as not impaired. If the book value of the CGU exceeds its recoverable amount, an impairment loss is recognised. In practice, impairment tests are carried out regarding the value in use which corresponds to the present value of the estimated cash flow from use of the CGU.

Future cash flows are based on the fifteen-year business plan drawn up and approved by the management. Cash flow forecasts are made without taking into account the restructuring not yet begun, growth investments or the capital structure, in accordance with the standard. Cash flows are discounted using a discount rate that corresponds in practice to the weighted average cost of capital determined by the company after tax.

Impairment losses are reversed through profit or loss when the updated tests result in a recoverable amount higher than the net book value.

The key assumptions used to determine the recoverable amount of the various CGUs, including a sensitivity analysis, are presented and explained in greater detail in Note 3.1.1.

Note 1.7.6. Inventory

Inventory is valued at the cost price or the net realisable value, whichever is lower. The cost price is calculated using the weighted average unit cost.

The net realisable value is the estimated sales price in the ordinary course of business, less the estimated costs of completion and the estimated sales costs.

Note 1.7.7. Subsidies

In accordance with IAS 20, state subsidies are recognised when there is reasonable assurance that the subsidy will be received and that all related conditions will be met.

Note 1.7.7.1. Subsidies

The Group receives state subsidies for its innovative projects or future renewable hydrogen production sites. They are recognised once the Group has reasonable assurance that the conditions attached to the subsidies can be met and that the subsidy will be received.

The subsidy is recognised as a liability (under "Other non-current liabilities"), until the related costs are (i) recognised in the profit and loss account if the subsidies are linked to non-capitalised projects (external expenses and personnel expenses), or (ii) the asset to which it relates is brought into service (in which case the subsidy will be systematically recognised over the useful life of the asset, i.e. at the rate at which it is depreciated). These subsidies are recognised in the profit and loss account under "Other current operating income".

Subsidies receivable are recognised under "Other current assets" and "Other non-current assets" according to the recovery schedule.

Note 1.7.7.2. Conditional advances

The Group also receives financial aid in the form of conditional advances, which may be repayable in full or in part based on the recognition by the funding entity of the technical or commercial success of the related project.

The amount resulting from the deemed benefit due to its interest-free nature is considered to be a subsidy for accounting purposes. The deemed benefit is determined by applying a discount rate equal to the effective interest rate during the repayment period of the advances.

On initial recognition of conditional advances, the difference between their fair value (value of future cash flows discounted at the market rate) and the amount of cash received is recognised as a state subsidy under "Other revenue" as and when the expenses financed by these advances are recognised, in accordance with IAS 20.

In the event of a change in the stipulated repayment schedule of the conditional advances, the Group recalculates the net book value of the debt by discounting the new expected future cash flows. The resulting adjustment is recognised in the profit and loss account for the financial year in which the change is recognised, under financial result.

If the project is declared unsuccessful, the waiver granted is recorded under "Other revenue".

Note 1.7.7.3. R&D tax credit

The R&D tax credit (CIR) can be used to pay income taxes, and is granted to companies by the tax authorities to encourage them to carry out technical and scientific research.

The characteristics of the CIR are such that it is always repaid by the French State to the company, either by offsetting against the income taxes to be paid, or directly if the company has no taxable income or a tax loss. The CIR therefore falls within the scope of IAS 20 and is equivalent to a subsidy.

The portion of the CIR relating to research expenses that does not meet the conditions for capitalisation is recognised under "Other current income".

The portion of the CIR relating to development expenses that are capitalised is initially recognised under "Other non-current liabilities", then recognised as income at the same rate as the amortisation of the capitalised costs to which it relates.

Details of the subsidies and conditional advances are given in Notes 3.8.4 and 3.11.

Note 1.7.8. Borrowing costs

In accordance with IAS 23, general and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are recognised as part of the cost of the assets if it is likely that they will generate future economic benefits and the costs can be reliably measured.

Qualifying assets are those that require a long period of preparation to be completed for their intended use. They are no longer capitalised when all material aspects of the activities required to complete the asset have been completed.

All other borrowing costs are recognised as expenses.

The impact of contract borrowing costs is indicated in Note 2.2.

Note 1.7.9. Financial assets

In accordance with IFRS 9 - Financial Instruments, the main financial assets are classified in one of the following three categories:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVOCI);
- Financial assets measured at fair value through profit or loss (FVPL).

The classification applied determines the accounting treatment of these assets. It is determined by the Group on the date of initial recognition, according to the contractual characteristics of the cash flow from these assets and the purpose for which they were acquired (management business model).

Purchases and sales of financial assets are recognised on the transaction date.

Note 1.7.9.1. Assets at amortised cost

These are financial assets held in order to collect contractual cash flows which solely comprise interest and repayment of principal at specific dates. These assets are initially recognised at fair value and subsequently at amortised cost using the effective interest method. This category mainly includes cash, trade receivables and deposits and guarantees (mainly comprising security deposits and security granted in connection with commercial leases).

The recoverable amount is reviewed if there is any indication that the asset may have suffered a loss in value, and at least on each balance sheet date. If the recoverable amount is less than the book value, an impairment loss is recognised immediately in the consolidated statement of net income.

Note 1.7.9.2. Assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or designated as such upon initial recognition, or if the contractual cash flows do not

consist exclusively of interest and repayment of principal at specific dates (e.g. derivatives). Financial assets are classified as at fair value through profit or loss if the Group manages such investments and makes purchase and sales decisions based on their fair value in accordance with the Group's risk management policy or investment strategy. Directly attributable transaction costs are recognised in profit or loss on the date of initial recognition of the assets. Financial assets at fair value through profit or loss are measured at fair value, and any resulting variation, which takes into account dividend income, is recognised in profit or loss.

However, derivatives documented as hedges of future cash flows are also classified in this category.

On 31 December 2024, forward contracts for the supply and sale of electricity are classified as assets at fair value through profit or loss.

Note 1.7.9.3. Impairment

The Group applies the expected loss model to financial assets carried at amortised cost. Trade receivables are measured using the simplified approach of IFRS 9 - Financial Instruments. Impairment losses are calculated using the historical loss rate observed, adjusted for prospective events, taking into account both individualised credit risks and the economic outlook for the market in question.

Note 1.7.10. Cash and cash equivalents

Cash and cash equivalents include liquid assets, short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are included in current liabilities in the statements of financial position, under short-term loans and borrowings. Investments with an original maturity of more than three months from the date of acquisition and no possibility of early redemption are excluded from cash and cash equivalents.

Note 1.7.11. Capital and capital issuance costs

Equity instruments are recorded upon issue at the transaction price less transaction costs. Equity instruments are not revalued. If the equity instrument is cancelled or redeemed, the consideration paid is deducted directly from equity and no profit or loss is recognised in profit or loss.

Expenses directly attributable to share capital increases are recognised as a deduction from the share premium, i.e. as a deduction from equity in accordance with IAS 32.

Note 1.7.12. Provisions

In accordance with IAS 37, the Group recognises provisions if there are current legal or constructive obligations resulting from prior events, it is likely that an outflow of resources embodying economic benefits will be required to settle the obligations resulting from past or current events, and a reliable estimate can be made of the amount of the outflow of resources.

The amount of the provision recognised is the estimate of the expense required to settle the obligation, discounted if necessary on the balance sheet date. Provisions for contingencies include provisions for ongoing disputes. The amount of the provisions corresponds to the most likely estimate of the risk.

The Group assesses provisions on the basis of the facts and circumstances of current obligations on the balance sheet date, according to its experience in this area and to the best of its knowledge, possibly after consulting the Group's lawyers and legal advisers on the balance sheet date.

Contingent liabilities are not recognised but are disclosed in the notes to the financial statements unless it is very unlikely that there will be an outflow of resources and the impact is immaterial.

Note 1.7.13. Financial liabilities

Note 1.7.13.1. Liabilities at amortised cost

In accordance with IFRS 9, these are initially recognised at the fair value of the consideration transferred, and subsequently at amortised cost, using the effective interest method. Transaction costs and premiums directly attributable to the issue of a financial liability are deducted from its initial fair value. They are then amortised actuarially over the life of the liability, using the effective interest rate.

This category mainly comprises bond issues (debt components), bank loans and overdrafts, trade payables and conditional and repayable advances.

Note 1.7.13.2. Derivatives

This category mainly comprises derivative instruments documented in a fair value hedging relationship and other derivative instruments that do not qualify for hedge accounting.

The effective portion of changes in the fair value of derivative instruments documented in a cash flow hedging relationship is recognised under other comprehensive income (with subsequent recycling). Other changes in fair value (ineffective portion) are recognised in profit or loss.

During the financial year, the Group recognised for the first time changes in the fair value of forward contracts relating to the supply and sale of electricity contracted for its production requirements, and meeting the qualification criteria of IFRS 9 "Financial Instruments". The change in fair value results in the capitalisation of a derivative financial instrument when the change in fair value is positive, or recognition of a liability when the change in fair value is negative (see Note 3.12.). The contra entry is entered in the profit and loss account for the period under Other current operating income and expenses (see Note 2.1.8.).

Note 1.7.14. Bonds convertible into shares (OCA)

Bonds issued by the Group were recognised in accordance with IAS 32 Financial Instruments: Presentation. Depending on the characteristics of the embedded conversion option, convertible bonds may result in the recognition:

- either of a debt component and an equity component (if it is specified that conversion will be carried out by the delivery of a fixed number of equity instruments in exchange for a fixed amount of cash);

- or of a debt component and a liability derivative (in all other cases).

On 31 December 2024, the Group only had convertible debenture loans for which the conversion option is recognised as a derivative financial instrument liability.

The conversion option on convertible loans has been separated, recognised as a derivative liability due to the variable conversion parity, and measured at fair value with changes in fair value recognised in profit or loss in accordance with IFRS 9.

Derivative instruments are recognised at fair value. Profits or losses resulting from revaluation at fair value are recognised immediately in the consolidated statement of income as and when they arise.

Note 1.7.15. Share-based payments

Since its creation, the Group has introduced several equity-settled remuneration plans in the form of 'founder's share warrants' (BSPCE), 'share warrants' (BSA), 'free share allocation' (AGA) or 'stock options' (SO) allocated to employees, consultants and/or directors.

In accordance with IFRS 2, the cost of equity-settled transactions is expensed with an offsetting increase in equity during the vesting period of the rights to benefit from the equity instruments.

The Group applied IFRS 2 to all equity instruments granted to executive corporate officers, external service providers and employees. The amount recognised as an expense is adjusted to reflect the number of rights for which it is estimated that the service and off-market performance conditions will be met, so that the amount ultimately recognised is based on the actual number of rights that meet the service and off-market performance conditions on the vesting date. For share-based payment rights with other conditions, measurement of fair value on the awarding date reflects these conditions, and no subsequent adjustment is made for differences between the estimate and the actual amount. The characteristics of the instruments and the impact of IFRS 2 are presented in Notes 2.1.6, 3.7.2 and 3.7.3.

Note 1.7.16. Pension liabilities and other post-employment benefits

The Group may be required to recognise pension liabilities in respect of French retirement indemnities.

In this connection, the Group recognises its pension obligations using the projected unit credit method as required by IAS 19 - Employee Benefits. This valuation includes assumptions regarding mortality rates, staff turnover and forecasts of future salaries.

The liability recognised in the balance sheet on each closing date is the present value of the defined benefit obligation: the present value means the present value of expected future payments to settle the obligation arising from current and previous services, less the fair value of plan assets.

Actuarial gains and losses are recognised in other comprehensive income. The cost of services rendered during the period is recognised under provisions for liabilities and charges and the financial cost is recognised under other financial income and expenses.

These consist of retirement benefit commitments due under the Syntec collective bargaining agreement in France. The acquisition of rights based on length of service gives entitlement to retirement indemnities.

Note 1.7.17. Turnover

The Group's revenue results from the sale of goods or services and reflects the fair value of the consideration which the Group expects to be entitled to. IFRS 15 requires the Group to assess revenue recognition using a five-step model.

Consequently, for its contracts with customers, the Group identifies distinct performance obligations (goods or services), determines the transaction price, allocates the contract transaction price to the performance obligations, and recognises revenue if (or as and when) the performance obligations are met.

A performance obligation is considered to be met when the customer obtains control of the asset sold. Control is defined as the present ability to determine the use of the asset and to obtain substantially all the residual economic benefits from it.

The rate of turnover recognition is determined for each contract, by examining the terms and performance obligations in each specific contract. Based on each specific contract and their obligations, revenue under IFRS 15 is either recognised at a given time, or over time. Revenue is recognised over time using the method that best depicts the pattern of transfer of control over time. The input cost method is used, adjusted as and when the time and goods are delivered to the customer.

The transaction price does not include a significant financing component given that the time limits for payment are reasonably short. It also does not include any significant variable consideration. Furthermore, the contract costs are expensed as incurred.

The turnover comprises revenue from the supply and delivery of hydrogen, as well as revenue from the provision of hydrogen storage equipment to customers. The Group's customers simultaneously receive and consume the benefits of the hydrogen supply service or its availability. Consequently, turnover from these contracts is recognised as and when the gas is supplied or the reserved capacity is made available. Lhyfe supplies the hydrogen with its own equipment (containers). Customers do not have any right to control the identified assets within the meaning of IFRS 16 Leases.

Consequently, the hydrogen supply contracts do not contain any leases, and the turnover is recognised as follows:

- Hydrogen supply: turnover from these contracts is recognised as and when the gas is supplied or the reserved capacity is made available.
- Provision of services (supply of containers): turnover is recognised as and when the services are provided.

As the Group's teams have key expertise in green hydrogen production, turnover also includes engineering consultancy services, for which the turnover is recognised as and when the services are provided.

Note 1.7.18. Income taxes

Income tax comprises current and deferred tax. It is recognised in net income. There was no tax consolidation on 31 December 2024.

Note 1.7.18.1. Current tax expense

Current tax comprises the estimated amount of tax due (or receivable) in respect of the taxable profit (or loss) for a period and any adjustment to the amount of tax due in respect of previous periods. The amount of current tax due (or receivable) is determined based on the best estimate of the amount of tax that the Group expects to pay (or receive), reflecting, where appropriate, the related uncertainties. It is calculated using the tax rates that have been enacted or substantively enacted on the balance sheet date. Current tax also includes any tax arising from the declaration of dividends.

The company added-value contribution (CVAE) is treated as income taxes.

See Note 2.3 for more information on corporate income tax.

Note 1.7.18.2. Deferred tax

Deferred tax is recognised on the basis of temporary differences between the book value of assets and liabilities and their tax basis.

Deferred tax assets and unused tax credits are recognised if it is likely that the Group will have future taxable profits against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset will be realised or the liability will be settled, based on the tax rates that have been enacted or substantively enacted on the balance sheet date.

The measurement of deferred tax must reflect the tax consequences that would result from the way in which the Group expects, on the balance sheet date, to recover or settle the book value of its assets and liabilities.

Deferred tax assets and liabilities are shown as a net position (net deferred tax) for each tax entity.

Note 1.7.19. Earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to Group shareholders by the weighted average number of outstanding shares during the financial year, adjusted for the maximum impact of the conversion of dilutive instruments into ordinary shares using the share buyback method. Treasury shares are not taken into account in this calculation.

Dilution is defined as a reduction in the earnings per share, or an increase in losses per share. Consequently, if the consolidated net income attributable to Group shareholders is a loss, given that the exercise of any outstanding stock options, BSA, BSPCE, SO or AGA, or the conversion of any other convertible instruments would have the effect of reducing the loss per share, these instruments are considered to be antidilutive and excluded from the calculation of the loss per share (see Note 2.4).

Note 1.7.20. Related parties

Related parties presented in the consolidated financial statements are defined as:

- parties controlled by the Group or over which the Group exercises significant influence;
- parties controlling the Group, such as corporate shareholders;
- individuals who are managers of the Group or of parties that control the Group or exercise significant influence over it.

Financial assets and liabilities relating to related parties are presented as non-current financial assets or liabilities if they are settled or made payable within 12 months of the balance sheet date of the period presented, failing which they are presented as current financial assets and liabilities. Assets and liabilities relating to related parties are discounted for their non-current portion if the effect of the time value is material.

In accordance with IAS 24, related party disclosures are presented in Note 4.2.

Note 1.7.21. Cash flow statement

The cash flow statement has been prepared using the indirect method and presents the cash flows from (used in) operating, investing and financing activities separately.

Operating activities correspond to the entity's main revenue-generating activities and all other activities that do not meet the criteria for investing or financing. Cash flows from (used in) operating activities are calculated by adjusting the net income for changes in the working capital requirement, non-cash items (depreciation, amortisation, impairment, etc.), gains on disposals and other calculated revenue and expenses.

Cash flows from (used in) investment activities correspond to cash flows from acquisitions and the production of fixed assets, disposals of fixed assets and other investments.

Financing activities are transactions resulting from changes in the size and composition of the capital provided and borrowings of the entity. Share capital increases and the obtaining or redemption of convertible debenture loans and bank loans are included in this category. The Group has chosen to classify financial interest, repayable advances and subsidies in this category.

Note 1.7.22. Alternative performance measures

In addition to turnover, the two financial performance indicators defined by the Group are:

- Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) since the financial year to 31 December 2023. The Group has changed the definition of the EBITDA, by also restating the expenses linked to equity-based compensation. In the 2024 financial year, the Group recognised the impact of the fair value of derivative financial instruments for the first time, but considers that this impact does not reflect its operating performance, and there is no direct impact on its cash position (see Note 2.1.3). These two items are therefore restated to calculate the adjusted EBITDA;
- Net financial debt, which corresponds to the loans and borrowings less cash and cash equivalents (see Note 3.8).

These performance indicators do not replace the IFRS indicators and should not be seen as such. They are used in addition to the IFRS indicators. Although they are used by the Board of Directors as an important factor for setting the targets and measuring the performance of the Group, these indicators are neither required nor defined by IFRS.

As an internal measure of the Group's performance, these operational indicators have their limits and the management of the Group's performance is not restricted to these indicators alone.

Note 2 Profit and loss account

Note 2.1. Current operating activity items

Note 2.1.1. Segment reporting

The Group only reports on one operating segment on the basis of the reports that it examines regularly in order to make decisions about allocating resources to the segment and assessing its performance.

On 31 December 2024, two customers individually accounted for over 10% of turnover. Turnover achieved with these two customers amounted to 25% of the Group's sales.

Note 2.1.2. Turnover

The Group's consolidated turnover amounted to €5,099k in 2024, compared with €1,317k in 2023. The increase in income was mainly due to production at the Bouin site which is now at full capacity throughout the year, and the broadening of the customer portfolio after signing new contracts for the sale of green hydrogen in France and Germany. It should be noted that the turnover of €5.1m also comprises services totalling €1m, which explains part of the increase in business.

Note 2.1.3. Adjusted EBITDA

Performance indicator

The main financial performance indicator monitored by the Group is the adjusted EBITDA, defined in Note 1.7.22. As the Group has only identified one operating segment for the two financial years presented, this indicator is monitored as a whole.

In thousands of euros	31/12/2024	31/12/2023
Revenue	5,099	1,317
Purchases consumed	-891	-645
External expenses	-12,482	-12,438
Personnel expenses excluding share-based payments	-18,318	-18,036
Taxes, duties and similar payments	-230	-172
Other current operating income and expenses	585	1,860
Change in fair value of derivative financial instruments	571	-
EBITDA	**-25,666**	**-28,114**

Note 2.1.4. Purchases consumed

In thousands of euros	31/12/2024	31/12/2023
Purchases of non-inventory materials and supplies	-962	-679
Change in inventory	71	34
Purchases consumed	**-891**	**-645**

Purchases consumed include, in particular, the cost of purchasing the electricity and water needed to produce hydrogen, their increase being due to the growth in the Group's business, it being stated that certain expenses incurred in 2023 were non-recurring. Restated for these non-recurring items, purchases consumed did not increase in proportion to the business, due in particular to better management of power consumption.

Note 2.1.5. External expenses

In thousands of euros	31/12/2024	31/12/2023
Leases and lease expenses	1,594	1,588
Maintenance and repairs	928	203
Insurance premiums	314	109
Other external services	256	1,808
Seconded staff	1,512	1,523
Fees	2,872	4,028
Advertising, publications, public relations	669	787
Transport	1,857	386
Travel and reception expenses	1,864	1,722
Postal and telecommunications costs	174	106
Bank fees	297	109
Other external expenses	145	69
External expenses	**12,482**	**12,438**

Other external purchases and expenses were stable on the whole between 2023 and 2024, but their composition changed noticeably.

For instance, transport costs (linked both to hydrogen sales and the commissioning of containers) rose by €1,471k. Maintenance costs were up by €725k due to the commissioning of the Buléon site and more intensive operation of the Bouin site. Insurance costs (up €205k) also increased due to the increase in business and in the hydrogen storage and transport assets.

Alongside these increases, fees fell significantly by €1,156k, as the Group introduced measures to rationalise its external expenses, in particular by reducing its use of service providers, particularly for legal aspects and seeking subsidies.

Other external services fell significantly by €1,552k, as the Group had incurred expenses of €1,569k in 2023 for the Sealhyfe project, linked to offshore operations of the platform.

Bank charges increased by €188k, largely due to the guarantees obtained under the Power Purchase Agreements (PPAs).

Note 2.1.6. Personnel expenses and workforce

In thousands of euros	31/12/2024	31/12/2023
Wages and salaries	13,204	13,059
Social security expenses	5,113	4,977
Charges linked to equity-based compensation	-1,373	2,557
Personnel expenses	**16,944**	**20,593**

Personnel expenses for capitalised projects under development, amounted to €3,814k in 2024, compared with €2,970k in 2023. For more information on development costs, see Note 3.1.1.

The decrease in personnel expenses is mainly due to the reversal of expenses recognised in previous financial years in respect of an equity-based remuneration plan. Following a change in strategy decided by the Board of Directors on 27 March 2024, the performance conditions linked to one of these plans will not be met, therefore generating income of €2,339k. Restated for this non-recurring item, the equity-based compensation expense for the period amounted to €965k.

The Group's workforce is shown below in full-time equivalents:

Number of employees	31/12/2024	31/12/2023
Engineering	77	68
Business development	48	54
Operations	28	21
Support	46	45
Workforce - Full-time equivalents (FTE)	**199**	**188**

	31/12/2024	31/12/2023
Workforce - FTE	199	188
Workforce at year-end	199	195

Charges linked to equity-based compensation

On 31 December 2024, share-based payment plans consisted of founder's share warrants (BSPCE), share warrants (BSA), stock options (SO) and free share allocation plans (AGA).

Expenses recognised under IFRS 2

The total cost of the plan to be recognised corresponds to the plan fair value. It is spread over the duration of the condition of presence to acquire the shares. The expenses recognised in the consolidated financial statements under IFRS 2 Share-based Payment for the 2024 financial year are as follows:

In thousands of euros 31/12/2024	Expenses recognised per plan
BSPCE Salariés 2021	8
BSPCE Premium 2021	23
BSA 2021	5
AGA Cadres DGD 2022	75
AGA Cadres 2022	149
AGA NE1 2022	163
AGA PC 2022	51
BSPCE 2023	90
SO 2023	7
AGA 2023	254
AGA 2024	22
BSPCE 2024	4
SO 2024	1
BSPCE Dirigeant 2024	54
AGA PC 2024	59
Total expenses recognised	**965**

Note 2.1.7. Tax and duties

In thousands of euros	31/12/2024	31/12/2023
Taxes on wages and salaries	175	141
Other taxes and duties	55	31
Taxes, duties and similar payments	**230**	**172**

The increase in taxes is linked to the increase in the workforce combined with threshold effects.

Note 2.1.8. Other current operating income and expenses

In thousands of euros	31/12/2024	31/12/2023
Income from subsidies	869	1,847
Other expenses	-738	-122
Other income	1,025	136
Change in fair value of derivative financial instruments	-571	-
Other current operating income and expenses	**585**	**1,861**

The other current operating income and expenses amounted to €585k in 2024, compared with €1,861k in 2023. This item mainly comprises income from subsidies intended to offset the research expenses as well as income linked to ARENH.

The subsidies recognised in 2024 mainly relate to:

- R&D tax credit (CIR) totalling €146k, taking into account a total of €12k corresponding to the portion of CIR relating to capitalised development expenses recognised under "Other non-current liabilities";
- carbon offsets totalling €379k;
- the operating expenses portion of the Deeptech subsidy totalling €160k.

For more information on liabilities linked to subsidies, see Note 3.11.

Other revenue mainly comprises €872k in ARENH subsidies for the 2024 financial year.

Changes in the fair value of derivative financial instruments during the period are due to the recognition of derivative financial instruments as balance sheet assets and liabilities, presented in Note 3.12. Changes in the fair value of these contracts are recognised in current operating result in the Group's financial statements.

Note 2.1.9. Current operating depreciation, amortisation and provisions

In thousands of euros	31/12/2024	31/12/2023
Depreciation of property, plant and equipment	916	2,396
Amortisation of intangible assets	1,175	297
Amortisation of right-of-use assets	1,814	760
Provisions for liabilities and charges	337	14
Share of investment grants transferred to the profit and loss account	-372	-163
Current operating depreciation, amortisation and provisions	**3,870**	**3,304**

- **Depreciation of tangible assets:** depreciation of tangible assets corresponds to production tools of the sites and containers to transport hydrogen (see Note 3.1.2). They fell sharply due to the impact in 2023 of depreciation of the assets used in connection with the Sealhyfe project totalling €1,741k, offset by commissioning during the period, including the production site in Buléon.
- **Amortisation of intangible assets:** the increase in amortisation of intangible assets is mainly due to the commissioning of software developed in-house totalling €320k, and research and development costs capitalised in 2024 and the second half of 2023 (see Note 3.1.1).
- **Amortisation of right-of-use assets:** there was a substantial increase in amortisation of right-of-use assets linked to the refinancing operations carried out in 2023 and 2024, and the leases taken out in connection with the construction of future hydrogen production sites.
- **Provisions for liabilities and charges:** the contribution of this item to expenses for the period is linked to the increase in hydrogen storage and transport assets, for which provisions for periodic maintenance were recognised.

Note 2.1.10. Other non-current operating income and expenses

In thousands of euros	31/12/2024	31/12/2023
Gain or loss on disposal and scrapping of fixed assets	-29	1
Other non-current operating income and expenses	-242	-396
Other non-current operating income and expenses	**-271**	**-395**

Other non-current operating expenses in the 2024 financial year mainly relate to abandoned projects, as in 2023.

Note 2.2. Financial result

In thousands of euros	31/12/2024	31/12/2023
Interest on bank loans	-42	-116
Interest expenses on bonds	-17	-308
Interest expenses on lease liabilities	-1,077	-171
Change in fair value of financial debt	-275	-77
Cost of financial debt	**-1,411**	**-672**
Interest income	2,620	2,272
Other financial income and expenses	-1	15
Other financial income and expenses	**2,619**	**2,287**
Financial result	**1,208**	**1,615**

Financial expenses mainly comprise the cost of the Group's financial debt: interest paid, accrued interest, interest expenses on lease liabilities, changes in the fair value of convertible bond derivatives and the accretion expense for repayable advances. Other financial revenue and expenses comprise interest revenue and foreign exchange gains and losses on financial transactions.

The significant increase in the interest expense relating to lease liabilities in 2024 is due to the new leases taken out in the period, in particular for containers (see Note 3.1.3).

In accordance with IAS 23 (see Note 1.7.8), borrowing costs relating to fixed assets, production of which is spread over a long period, are capitalised. They amounted to €3,446k in 2024 and €908k in 2023.

Note 2.3. Income taxes

The reconciliation between the theoretical income tax expense and the actual income tax expense is shown below:

In thousands of euros	31/12/2024	31/12/2023
Profit before tax	-27,796	-32,754
Theoretical profit before tax	**-27,796**	**-32,754**
Theoretical tax rate 25%	25%	25%
Theoretical tax income (expense)	**6,949**	**8,189**
Tax deficit not capitalised for the year	-5,877	-7,530
R&D tax credit (CIR)	78	261
Share-based payments (IFRS 2)	343	-639
Other taxes not recognised for temporary differences	-876	38
Tax rate differences	-385	-404
Other differences	-232	85
Effective income tax expense	**-**	**-**

Note 2.4. Earnings per share

	31/12/2024	31/12/2023
Net result attributable to shareholders (in euros)	-29,184,996	-33,556,868
Weighted average number of outstanding shares	47,859,489	47,862,316
Basic earnings per share (in euros)	**-0.61**	**-0.70**
Diluted earnings per share	**-0.61**	**-0.70**

Note 3 Balance sheet

Note 3.1. Property, plant and equipment and intangible assets

Note 3.1.1. Intangible assets

Changes in intangible assets were as follows in the financial year to 31 December 2024:

Gross value *In thousands of euros*	**Development costs in progress**	**Development costs**	**Concessions, patents and licences**	**Other intangible assets**	**Total**
Gross value on 31/12/2023	**10,255**	**1,071**	**66**	**60**	**11,452**
Acquisitions	7,984	-	6	-	7,990
Capitalisation of borrowing costs	520	-	-	-	520
Disposals	-	-1,014	-	-	-1,014
Other changes	-5,113	5,629	32	-	548
Gross value on 31/12/2024	**13,646**	**5,686**	**104**	**60**	**19,496**

Amortisation In thousands of euros	**Development costs in progress**	**Development costs**	**Concessions, patents and licences**	**Other intangible assets**	**Total**
Amortisation and impairment on 31/12/2023	**-**	**382**	**21**	**45**	**448**
Amortisation	-	1,597	32	10	1,639
Reversals	-	-1,014	-	-	-1,014
Other changes	-	168	-	-	168
Amortisation and impairment on 31/12/2024	**-**	**1,133**	**53**	**55**	**1,241**

Net value In thousands of euros	**Development costs in progress**	**Development costs**	**Concessions, patents and licences**	**Other intangible assets**	**Total**
Net value on 31/12/2023	**10,255**	**689**	**45**	**15**	**11,004**
Acquisitions	7,984	-	6	-	7,990
Capitalisation of borrowing costs	520	-	-	-	520
Amortisation and provisions	-	-1,597	-32	-10	-1,639
Disposals/reversals	-	-	-	-	-
Other changes	-5,113	5,461	32	-	380
Net value on 31/12/2024	**13,646**	**4,553**	**51**	**5**	**18,255**

Intangible assets mainly comprise the Group's development costs, which meet the criteria for capitalisation set out in IAS 38 (see Note 1.7.1). Intangible assets amounted to €18.3m on 31 December 2024 and mainly related to:

- design of an industrial and modular solution for onshore production of 100% green hydrogen totalling €1.2m,
- design of proprietary software tools, i.e. €824k capitalised during the year, bringing the capitalised amount to €2.4m,
- costs capitalised for projects under construction or development totalling €12.1m, and
- engineering costs capitalised for sites commissioned totalling €2.4m.

Hydrogen production projects

The main development costs linked to hydrogen production projects amounted to €9m on 31 December 2024 excluding capitalisation of borrowing costs. Other costs capitalised during the period relate to post-tender ready projects for which the Group has not yet started construction.

R&D projects

The Group's research and development is focused on the following 2 projects:

- Design of a standard onshore hydrogen production site

  Based on the first 5 MW onshore production sites, Lhyfe's engineering teams continued to work on a new version of the design of standard 5 MW hydrogen production sites and on larger scale sites. The Group considers that the costs linked to the project meet the criteria for capitalisation, due to the outlook for expected business and profitability for the bulk sites.

- Development of proprietary software tools

  The Group launched several projects to develop software tools aimed at improving the productivity of sites in

operation or under construction or development. The Group considers that the costs linked to the development of proprietary software tools meet the criteria for capitalisation given that they are intended to optimise the hydrogen production and delivery process.

Impairment tests

Intangible assets in progress were tested for impairment at the level of each (onshore and software tools) project. The operating assumptions (turnover, margin, cash flow forecasts) used to determine the impairment test are based on the data prepared in connection with the project business plans drawn up and validated by the management.

The values in use of these two (onshore and software tools) projects were estimated using the following method:

- future cash flows are derived from the bulk business taken into account in the 15-year business plan (operating life of onshore production sites);
- the discount rate used is 12% or 10%, according to the expected level of security of the hydrogen sales contracts, depending on the type of site.

The analyses of capitalised projects by management did not lead to the recognition of impairment losses on 31 December 2024.

Sensitivity

The sensitivity of the valuation of CGUs (cash generating units) is shown if a reasonably possible change in a key assumption could result in the book value of the CGU exceeding its recoverable amount.

The sensitivity analysis carried out on the main key assumptions, i.e. hydrogen sales prices, production capacities and the ability to sell the output, did not identify a risk of impairment.

Note 3.1.2. Property, plant and equipment

Changes in property, plant and equipment were as follows in the financial year to 31 December 2024:

Gross value *In thousands of euros*	**Under construction**	**Land**	**Plant and equipment**	**Other property, plant and equipment**	**Total**
Gross value on 31/12/2023	**37,884**	**8,313**	**3,482**	**1,751**	**51,430**
Acquisitions	31,451	460	222	116	32,249
Capitalisation of borrowing costs	2,495	-	-	-	2,495
Disposals	-	-6	-8	-	-14
Sale and leaseback	-	-	-10,448	-	-10,448
Other changes	-18,163	-	19,025	-	862
Gross value on 31/12/2024	**53,667**	**8,767**	**12,273**	**1,867**	**76,574**

Amortisation *In thousands of euros*	**Under construction**	**Land**	**Plant and equipment**	**Other property, plant and equipment**	**Total**
Amortisation and impairment on 31/12/2023	**-**	**-**	**471**	**654**	**1,125**
Amortisation	-	-	450	465	915
Reversals	-	-	20	-	20
Sale and leaseback	-	-	-55	-	-55
Other changes	-	-	-	-	-
Amortisation and impairment on 31/12/2024	**-**	**-**	**886**	**1,119**	**2,005**

Net value *In thousands of euros*	**Under construction**	**Land**	**Plant and equipment**	**Other property, plant and equipment**	**Total**
Net value on 31/12/2023	**37,884**	**8,313**	**3,011**	**1,097**	**50,305**
Acquisitions	31,451	460	221	117	32,249
Capitalisation of borrowing costs	2,495	-	-	-	2,495
Amortisation and provisions	-	-	-450	-466	-916
Disposals/reversals	-	-6	-28	-	-34
Sale and leaseback	-	-	-10,392	-	-10,392
Other changes	-18,163	-	19,026	-	863
Net value on 31/12/2024	**53,667**	**8,767**	**11,388**	**748**	**74,570**

Construction work in progress mainly comprises equipment acquired in connection with the construction of the onshore hydrogen production sites. Other property, plant and equipment comprise assets linked to the industrial site located at 2 port du Bec, Bouin, and assets relating to the offices of the Company's registered office at 1 ter Mail Pablo Picasso, Nantes. Land acquired during the period relates to projects under construction.

The depreciation expense during the period of €2m for technical facilities relates to projects commissioned in previous years and commissioning of the Buléon site.

Other changes mainly comprise the commissioning of construction work in progress at the end of the previous financial year and reclassifications between categories.

Indication of impairment

No indication of impairment was identified for property, plant and equipment.

Note 3.1.3. Leases

During the financial year to 31 December 2024, rights of use under leases, which relate to property leases and hydrogen transport and storage assets, changed as follows:

In thousands of euros	Right of use - Leasing	Property	Transport and storage assets
Net value on 31/12/2023	**7,761**	**3,672**	**4,089**
New leases	14,146	1,694	12,452
Sale and leaseback	10,392	-	10,392
Revaluation	46	46	-
Amortisation	-1,814	-1,001	-813
Net value on 31/12/2024	**30,530**	**4,410**	**26,120**

In 2024, the main change in the period relates to the sale and leaseback of hydrogen transport and storage assets for €10,392k (see Note 1.3.1 Highlights of the financial year) and the entry of new contracts mainly relating to hydrogen transport and storage assets.

Note 3.2. Equity method investments

On 31 December 2024, the Group held a 39.20% stake in Botnia Hydrogen and a 49% stake in Flexens. These two entities are consolidated using the equity method. It should be noted that the negative equity of Flexens exceeds the Group's share of the investment, and therefore the equity method share relating to this investment was nil on the balance sheet date.

Net value *In thousands of euros*	Investments in companies accounted for under the equity method
Net value on 31/12/2023	**2,387**
Acquisitions	-
Profit or loss for the period	-1,389
Currency translation adjustments	-33
Net value on 31/12/2024	**965**

Note 3.3. Inventory

Inventory amounted to €247k on 31 December 2024 compared with €176k on 31 December 2023 and mainly comprised maintenance parts for the Lhyfe Bouin operating site.

No inventory write-down was recognised in the financial year.

Note 3.4. Trade receivables and related items

In thousands of euros	31/12/2024	31/12/2023
Trade receivables	2,014	604
Invoices to be issued	34	-
Gross value - End of period	**2,048**	**604**
Impairment	-	-
Net value - End of period	**2,048**	**604**

Gross trade receivables amounted to €2,048k on 31 December 2024 and €604k on 31 December 2023, the increase in this item being largely due to the increase in the Group's business.

No credit risk was identified on 31 December of each of the financial years presented. Consequently, the Group did not recognise any impairment.

Note 3.5. Other current and non-current assets

In thousands of euros	31/12/2024	31/12/2023
Other financial assets	1,733	1,883
Subsidies receivable	555	1,367
Other non-current assets	**2,288**	**3,250**
Subsidies receivable	4,486	3,177
VAT receivables	13,134	5,549
Other tax and social security receivables	3	2
Advances and payments on account	472	1,079
Credit notes and accrued income	1,510	38
Prepaid expenses	1,384	896
Other current assets	5	1
Other current assets	**20,994**	**10,742**
Other assets	**23,282**	**13,992**

Other assets mainly comprise VAT receivables and subsidies receivable, for which the Group received a commitment from the third party or considers that it will meet the conditions for obtaining the subsidy.

Other financial assets mainly comprise guarantees and deposits granted.

State subsidies receivable amounted to €5,041k on 31 December 2024, compared with €4,544k on 31 December 2023. On 31 December 2024, the non-current portion, amounting to €555k, represented holdbacks on the subsidies received. The current portion relates to subsidies receivable in 2025 and the R&D tax credit ("CIR") receivable.

The Group benefits from the CIR in France. It is received during the financial year following its allocation, provided that the Group meets the criteria for exemption from the 3-year waiting period. A CIR receivable was recognised in the balance sheet for €158k on 31 December 2024 and €1,271k on 31 December 2023.

The increase in VAT receivables is due to an increase in purchases during the period, as well as to internal reinvoicing in the Group, generating VAT receivables within Lhyfe SA. Prepaid expenses mainly relate to operations in progress, which should materialise in 2025, as well as rental charges and annualised services.

Note 3.6. Cash and cash equivalents

In thousands of euros	31/12/2024	31/12/2023
Cash	36,865	74,238
Cash equivalents	35,259	40,014
Cash and cash equivalents	**72,124**	**114,252**

Deposit accounts and cash surpluses are cash equivalents insofar as they are accessible at very short notice and at an immaterial cost.

Note 3.7. Shareholders' equity

Changes in the Group's equity during the 2024 financial year are detailed in the statement of changes in equity.

Note 3.7.1. Share capital, reserves and premiums

The table below shows the changes in the Group's capital in the financial years presented:

	Number of shares	Nominal value (€)	In thousands of euros		
			Capital	Premiums	Total
On 31 December 2023	**47,908,148**	**0.01**	**479**	**163,824**	**164,303**
Share capital increase - 7 May 2024*	35,700	0.01	-	15	15
Share capital increase - 23 December 2024*	12,200	0.01	-	5	5
Share capital increase - 23 December 2024*	14,300	0.01	-	6	6
On 31 December 2024	**47,970,348**	**0.01**	**480**	**163,850**	**164,330**

** Date of recognition of the capital increase.*

Following the exercise of BSPCE, share capital increases of €622 (62,200 shares) were carried out, with a share premium of €26,024.

Note 3.7.2. Founder's share warrants (BSPCE) and stock options (SO) awarded to employees and a director and share warrants (BSA) awarded to a consultant

Description of the plans

The Board of Directors was authorised by the General Meeting of Shareholders of 23 May 2024 to implement the following BSPCE plan:

- Issuance of 1,000,000 BSPCE Dirigeant, each giving the right to subscribe for 1 ordinary share in the Company, using the delegation of 23 May 2024. Their exercise period is 4 years. They were allocated to the Chairman and Chief Executive Officer.

The Board of Directors was authorised by the General Meeting of Shareholders of 23 May 2023 to implement the following BSPCE and SO plans:

- Issuance of 26,200 Stock Options 2024, each giving the right to subscribe for 1 ordinary share in the Company, using the delegation of 23 May 2023. Their exercise period is 4 years. They were allocated to employees;
- Issuance of 206,984 BSPCE 2024, each giving the right to subscribe for 1 ordinary share in the Company, using the delegation of 23 May 2023. Their exercise period is 4 years. They were allocated to employees.

Monitoring of the number of outstanding BSPCE, SO and BSA

The table below summarises the number of outstanding BSPCE, SO and BSA and changes in them during the period.

Number	BSPCE Salariés 2021 *	BSPCE Premium 2021 *	BSA 2021 *	BSPCE 2023 (1)	SO 2023 (2)	BSPCE Dirigeant 2024	BSPCE 2024	SO 2024	TOTAL
On 31 December 2023	**8,345**	**6,800**	**1,700**	**205,000**	**28,000**				**249,845**
Allocated during the period						1,000,000	206,984	26,200	1,233,184
Exercised during the period	-622								-622
Lapsed	-208			-4,000	-13,000				-17,017
On 31 December 2024	**7,515**	**6,800**	**1,700**	**201,000**	**15,000**	**1,000,000**	**206,984**	**26,200**	**1,465,390**

**Entitling allocation of the number of shares, after division of the nominal value by 100*
(1) The BSPCE 2023 plan comprises two tranches, the first allocating 82,000 shares and the second 123,000 shares.
(2) The SO 2023 plan comprises two tranches, the first allocating 11,200 shares and the second 16,800 shares.

Fair value measurement of BSPCE, SO and BSA

The following table summarises the authorised plans in the process of being vesting on 31/12/2024 and the methods used to measure the fair value of the associated options:

	BSPCE Salariés 2021 [1]	BSPCE Premium 2021 [1]	BSA 2021 [1]	BSPCE 2023 [2]	SO 2023 [3]	BSPCE Dirigeant 2024	BSPCE 2024	SO 2024
Date of authorisation by the GM	**16/10/2019**	**16/10/2019**	**16/10/2019**	**23/05/2023**	**23/05/2023**	**23 May 2024**	**23/05/2023**	**23/05/2023**
Awarding date	**12/04/2021**	**12/04/2021**	**08/04/2021**	**23/05/2023**	**23/05/2023**	**17/06/2024**	**23/09/2024**	**23/09/2024**
Number of instruments awarded	8,500	6,800	1,700	205,000	39,000	1,000,000	206,984	26,200
Vesting period	4 years per tranche	3.7 years	4 years	3 to 4 years	3 to 4 years	3 years	4 years	4 years
Vesting conditions	Presence	Performance	Performance	Performance	Performance	Performance	Performance	Performance
Exercise period	10 years	10 years	10 years	9 years	9 years	8 years	10 years	10 years
Measurement method used	**Black and Scholes**	**Black and Scholes**	**Black and Scholes**	**Black and Scholes**	**Black and Scholes**	**Black and Scholes**	**Black and Scholes**	**Black and Scholes**
Underlying share price*	€42.84	€42.84	€42.84	€7.00	€7.00	€3.49	€3.39	€3.39
Strike price	€42.84	€42.84	€42.84	€8.75	€8.75	€2.00	€8.75	€8.75
Expected volatility**	30.00%	30.00%	30.00%	34.70%	34.70%	38.11%	37.60%	37.60%
Risk-free rate***	-0.31% to -0.44%	-0.31%	-0.35%	2.96% and 2.97%	2.96% and 2.97%	2.98%	2.83%	2.83%
Fair value of the option	**€12.16**	**€12.76**	**€12.86**	**€2.20 and €2.33**	**€2.20 and €2.33**	**€0.30**	**€0.60**	**€0.60**

** Share price on the allocation date.*
*** Based on the volatility usually observed for instruments of the same type*
**** Risk-free bond (government loan) France 5- and 7-year fungible treasury bond (OAT)*
(1) Following the division of the nominal value by 100 and the creation of 100 new shares for one old share on 11 March 2023, each BSA and BSPCE gives the right to subscribe for 10 (shares for an inclusive price of €42.84.
(2) The BSPCE 2023 plan comprises two tranches, the first allocating 82,000 shares over a 3-year vesting period at an option fair value of €2.20, and the second allocating 123,000 shares over 4-year vesting period at an option fair value of €2.33.
(3) The SO 2023 plan comprises two tranches, the first allocating 11,200 shares over a 3-year vesting period at an option fair value of €2.20, and the second allocating 16,800 shares over a 4-year vesting period at an option fair value of €2.33.

Note 3.7.3. Free share allocation (AGA) plans

The Board of Directors was authorised by the General Meeting of Shareholders of 23 May 2023 to implement the following AGA plans:

- Issuance of 300,000 AGA PC 2024, giving the right to subscribe for ordinary shares in the Company, using the delegation of 14 April 2022, as modified by decision of the General Meeting of Shareholders on 23 May 2024. Their exercise period is 5 years. They were allocated to employees of the Company;
- Issue of 247,190 AGA 2024 subject to non-market performance conditions at the end of 2026 and giving the right to subscribe for ordinary shares in the Company, using the delegation of 23 May 2023. Their exercise period is 4 years. They were allocated to the Company's employees.

Number	AGA Dirigeant 2022	AGA Cadres DGD 2022	AGA Cadres 2022	AGA NE1 2022	AGA PC 2022	AGA 2023 [1]	AGA PC 2024	AGA 2024	TOTAL
On 31 December 2023	**954,500**	**25,000**	**50,000**	**85,000**	**20,600**	**196,200**			**1,331,300**
Allocated during the financial year							300,000	247,190	547,190
Lapsed						-14,500		-1,000	-15,500
On 31 December 2024	**954,500**	**25,000**	**50,000**	**85,000**	**20,600**	**181,700**	**300,000**	**246,190**	**1,862,990**

(1) The AGA 2023 plan comprises two tranches, the first having allocated 78,480 shares and the second 117,720 shares.

Valuation of free share allocation plans

The following table summarises the characteristics of the free share plans and the valuation data of these plans.

Plan characteristics	AGA Dirigeant 2022	AGA Cadres DGD 2022	AGA Cadres 2022	AGA NE1 2022	AGA PC 2022	AGA 2023 [1]	AGA PC 2024	AGA 2024
Awarding date	20/09/2022	20/09/2022	20/09/2022	20/09/2022	20/09/2022	03/07/2023	23/09/2024	22/11/2024
Vesting date	31/12/2027	31/12/2025	19/09/2025	19/09/2027	19/09/2026	03/07/2026 - 03/07/2027	23/09/2029	22/11/2028
Number of shares allocated	954,500	25,000	62,500	85,000	33,000	209,300	300,000	247,190
Vesting period	5 years	3 years	3 years	5 years	4 years	3 to 4 years	5 years	4 years
Condition of presence	31/12/2026	31/12/2024	31/12/2024	31/12/2026	31/12/2025	03/07/2026 - 03/07/2027	23/09/2029	22/11/2028
Fair value calculation								
Share price used*	€8.20	€8.20	€8.20	€8.20	€8.20	€7.00	€3.61	€3.36
Expected dividend**	0	0	0	0	0	0	0	0
Plan fair value in thousands of euros ***	€7,827	€205	€513	€697	€271	€1,465	€1,083	€835

** Opening share price on the plan allocation date.*
*** Based on the previous dividends paid.*
**** The plan fair value therefore corresponds to the number of shares allocated (multiplied by the share price).*
(1) The AGA 2023 plan comprises two tranches, the first allocating 83,720 shares over a 3-year vesting period at a fair value of €586k, and the second allocating 125,580 shares over a 4-year vesting period at a fair value of €879k.

Note 3.8. Loans and borrowings

The Group's net financial debt is as follows:

In thousands of euros	31/12/2024	31/12/2023
Bank loans	35,522	30,570
Bond issues	9,916	11,543
Other loans	765	808
Lease liabilities	30,537	7,973
Conditional advances	2,723	2,037
Interest accrued but not due	711	736
Financial debt (B)	80,174	53,667
Cash and cash equivalents (A)	72,124	114,252
Net financial debt (B - A)	**8,050**	**-60,585**

It should be noted that the debts contracted by the Group at the end of 2023 have a long maturity: the green syndicated loan of €25.2m will only be repaid at the end of 2028, without prior amortisation, and the Group has a grace period of 2 years for repayment of the €5m New Industry Loan contracted with Bpifrance, which has a maturity of 15 years. Net financial debt restated for non-current liabilities therefore amounted to -€62,990k.

The following table shows the changes in current and non-current financial debt:

	31/12/2023	Issues	New contracts - Sale and leaseback	New contracts - Operating leases	Repayments	Reclassification	Other changes	31/12/2024
In thousands of euros								
Bank loans	29,996	5,344				-3,202	182	32,320
Bond issues	9,892					-1,664	23	8,251
Other loans	765					-43		722
Lease liabilities	6,702		10,392	14,191		-3,652		27,633
Conditional advances	1,959	695				-610	70	2,114
Non-current financial debt	**49,314**	**6,039**	**10,392**	**14,191**		**-9,171**	**275**	**71,040**
Bank loans	574				-574	3,202		3,202
Bond issues	1,651				-1,651	1,664		1,664
Other loans	43				-43	43		43
Lease liabilities	1,272				-2,019	3,652		2,905
Conditional advances	78				-78	610		610
Interest accrued but not due	735	706			-731			710
Current financial debt	**4,353**	**706**			**-5,096**	**9,171**		**9,134**
Financial debt	**53,667**	**6,745**	**10,392**	**14,191**	**-5,096**	**-**	**275**	**80,174**
Cash	114,252							72,124
Net cash position	**60,585**							**-8,050**

Financial debt issues comprise:

- drawdown of an additional line of €3.0m on the green syndicated bank loan subscribed at the end of 2023, bringing the amount subscribed to €25.2m,
- two short-term liquidity lines granted by Crédit Agricole totalling €1.6m and €0.8m respectively,
- release of the balance of the Bpifrance Deeptech repayable advance totalling €0.6m.

In addition, a new rental debt of €24.6m was recognised during the financial year. This involves leasing agreements relating to hydrogen transport and storage assets totalling €10.4m for periods of 7 to 13 years, and operating leases for the same type of assets totalling €12.5m mainly contracted for a period of 10 years. Debt was also affected by leases relating to future hydrogen production sites totalling €1.7m.

The other changes relate to taking into account the EIR (effective interest rate) of bond issues, bank loans and repayable advances.

Note 3.8.1. Schedule of debt

The maturity of the financial debt is summarised in the table below:

In thousands of euros	Current	Non-current		Total
	Less than 1 year	1-5 years	More than five years	
Bank loans	3,202	28,377	3,943	35,522
Bond issues	1,664	8,251	0	9,915
Other loans	43	170	553	766
Lease liabilities	2,905	10,768	16,865	30,538
Conditional advances	610	1,408	705	2,723
Interest accrued but not due	710	0	0	710
Financial debt on 31 December 2024	**9,134**	**48,974**	**22,066**	**80,174**
		71,040		

The contractual maturity dates are shown in the table below:

In thousands of euros	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	TOTAL
Bank loans	3,202	909	1,215	26,246	769	3,950	36,291
Bond issues	1,664	1,814	1,977	2,155	2,348	0	9,958
Other loans	43	43	42	42	43	552	765
Conditional advances	610	484	523	425	194	754	2,990
On 31 December 2024	**5,519**	**3,250**	**3,757**	**28,868**	**3,354**	**5,256**	**50,004**

Note 3.8.2. Convertible bond loans (OCA)

To finance its expansion, in the past the Group issued several convertible bond loans (OCA).

On 31 December 2024, financial debt in respect of the OCAs amounted to €9,915k, corresponding solely to the OCA LB2 and OCA LB2 Bis convertible bonds. Both of these bonds carry a variable interest rate, calculated according to compliance with ESG criteria (tonnes of CO2 avoided in the previous financial year), of between 8.8% and 9.2%.

The other characteristics of the OCAs issued are as follows:

LB2 CB issued in July 2021

On 13 July 2021 the Company issued an LB2 convertible debenture loan for a total of 10,250,000 bonds convertible into shares, with a nominal value of €1 each, i.e. a total amount of €10.25 million. They mature on 13 July 2029 and are redeemed annually from 13 July 2023.

LB2 Bis CB issued in December 2021

On 14 December 2021 the Company issued an LB2 Bis convertible debenture loan for a total of 2,000,000 bonds convertible into shares, with a nominal value of €1 each, i.e. a total amount of €2 million. They mature on 14 December 2029 and are redeemed annually from 15 July 2023.

The LB2 and LB2 Bis OCAs were classified as hybrid instruments, since the conversion option does not meet the definition of an equity instrument due to its variable parity. They were therefore recognised entirely as financial debt at amortised cost. The conversion option was measured at fair value and recognised separately as a derivative liability. Subsequent changes in the fair value of the derivative are recognised in financial income.

Note 3.8.3. Bank loans

The loans granted to the Group, net of issue costs, amounted to €36,288k on 31 December 2024, compared with €31,378k on 31 December 2023.

During the financial year to 31 December 2024, the Group took out the following new loans:

- an additional line of €3.0m on the green syndicated bank loan subscribed at the end of 2023, bringing the amount subscribed to €25.2m, As a reminder, this green loan, indexed to Euribor, provides for *bullet repayment at the end of 2028* and was structured by the Crédit Agricole Group. It is supported by BPCE Group, HSBC and Crédit Mutuel Océan. It has an extension clause that makes it possible to increase the amount for one year from the end of 2024;
- two short-term liquidity lines granted by Crédit Agricole totalling €1.6m and €0.8m respectively,

The syndicated loan agreement signed at the end of 2023 includes covenants. The covenants concern tests on the level of past and future liquidity, the debt-to-equity ratio and the installed capacities in MW. The covenants were met on 31 December 2024.

Note 3.8.4. Conditional advances

The Group receives several types of aid in the form of advances. They were recognised as financial debt since the Group considers it will reasonably be able to repay them in full, in view of the repayment terms.

Conditional advances amounted to €2,724k on 31 December 2024, compared with €2,037k on 31 December 2023. The main change during the period was the receipt of the balance of the repayable advance received from BPI in connection with

the Deeptech programme, totalling €622k.

This advance was discounted at a rate of 2% in accordance with IAS 20; The advance will be repaid to BPI in quarterly instalments over 4 years.

The balance of the conditional advances comprises an advance granted by the Occitanie Region in connection with the financing of equipment for the future hydrogen production site located in Bessières for a total of €4,103k; The Group received €821k for this purpose in 2022 and €452k in 2023, discounted at a rate of 3.39% in accordance with IAS 20; This advance will be repaid to the Occitanie Region in monthly payments over a period of 7 years, with a two-year grace period after completion of the operation.

Note 3.8.5. Lease liabilities - IFRS 16

The lease liability is initially measured at the present value of lease payments that have not been made on the date of entry into force, discounted at the lessee's incremental borrowing rate, then repaid and accreted according to the schedule of rental payments. The assets concerned are those presented in Note 3.1.3, i.e. property leases and hydrogen transport and storage assets.

Note 3.9. Derivative instruments

Changes in the fair value of the Group's derivative financial instruments were entered in the balance sheet firstly under financial assets for €0.4m (all current) and secondly under financial liabilities for €1.0m (including €0.4m current). They involve forward energy contracts for the Group's electricity supply requirements, valued in accordance with IFRS 9.

Note 3.10. Trade payables and related items

In thousands of euros	31/12/2024	31/12/2023
Trade accounts payable	6,154	6,036
Invoices not received	15,041	9,189
Trade payables	**21,195**	**15,225**

Trade payables represent short-term debt owed to the Group's suppliers, payable within one year. The increase in this item is linked to orders in progress for equipment in connection with the construction of its future hydrogen production sites.

Note 3.11. Other current and non-current liabilities

In thousands of euros	31/12/2024	31/12/2023
Subsidies	24,189	16,273
Other non-current liabilities	**24,189**	**16,273**
Subsidies	6,436	923
Social security liabilities	4,259	3,510
Tax liabilities	8,409	2,848
Other debt	1,566	2,407
Other current liabilities	**20,670**	**9,688**
Other liabilities	**44,859**	**25,961**

Other liabilities mainly comprise state subsidies recognised as advances on subsidies obtained. The Group records the subsidies obtained separately from the expenses and the fixed assets financed.

The Group classifies the subsidies according to the nature of the expenses included in the base amount of the subsidy, defined in the contract. Monitoring of the expenses incurred for each project makes it possible to estimate the share of the subsidy to be recognised in profit or loss, under "Other current operating revenue".

The main subsidies received by the Group are as follows:

- Deeptech development aid: this subsidy was awarded by Bpifrance Financement on 11/05/2020 to finance research and development projects linked to the design of standard onshore hydrogen production sites, work linked to artificial intelligence and preliminary studies linked to offshore hydrogen production. As these various projects have been finalised, the Group received the balance of the subsidy during the 2024 financial year, i.e. €622k.
- VYhGO 2 Lorient financing agreement: this subsidy for a total of €3,067k relates to financing by the ADEME of equipment at the production site in Buléon, Morbihan. During financial year 2024, and linked to the progress of the project, the Group received €1,138k, bringing the amount received in respect of this subsidy to €1,751k.
- Corridor H2 Occitanie financing agreement: the purpose of this financing agreement formalised through a contract between the Group and the Occitanie Region is to finance

the hydrogen production equipment located in Bessières, in particular through a subsidy of €1,893k. The Group received €738k in subsidies in 2024 in respect of this funding, bringing the total amount received to €1,325k.

- Clean Hydrogen Partnership – Hope financing agreement: this subsidy for a total of €9,820k granted by the European Commission concerns a project to develop and build an offshore green hydrogen production site off Ostend in Belgium with a capacity of 10 MW. During the financial year, the Group received an additional sum of €417k, bringing the total amount received in respect of this subsidy to €3,854k.

- Hope - Belgian state financing agreement: the Group also signed a subsidy contract with the Belgian State for the Hope project for an amount of up to €13,053k. The first instalment of this subsidy totalling €1,139k was received in 2024.

- Funding for the Le Cheylas project: at the end of 2023 and the beginning of 2024, the Group contracted two subsidies for €678k and €5,505k respectively in connection with the Clean Hydrogen Partnership and the Just Transition Fund programmes. These subsidies are intended to finance the construction of the production assets in Le Cheylas. For the financial year to 31 December 2024, the Group received €1,430k in respect of this funding.

- Klimatklivet - Jordergba agreement: at the end of 2024, the Group contracted funding of around €11m to finance the construction of its first green hydrogen production site in Sweden. In December 2024, the Group received an advance of €5,450k in this respect.

At the end of 2021, the Group obtained a subsidy for a total of €11,852k granted by the European Commission for a project run by a European consortium, GreenLab, in connection with the GreenHyScale project. In this respect, the Group received an initial instalment of €4,148k in 2021 and then received an additional amount of €374k during the financial year to 31 December 2023. At the beginning of 2025, the consortium instigated proceedings with the European Commission to terminate the subsidy contract. The advances received in respect of this project were therefore classified as current liabilities.

R&D tax credit (CIR): the CIR received is treated as a state subsidy. It relates to research and development expenses incurred by the Group, and amounted to €158k in 2024 compared with €1,271k in 2023. It is allocated to projects according to the underlying expenditure.

The Group recognised under other liabilities the amounts of subsidies for which it considers that it meets the conditions for obtaining and drawing on them.

Note 3.12. On-balance sheet financial instruments

In accordance with the amendment to IFRS 7, the levels in the fair value hierarchy are as follows:

- Level 1: fair value based on the quoted prices of the instrument in an active market;
- Level 2: fair value measured using observable market data (other than the quoted prices of the instrument included in level 1);
- Level 3: fair value determined using valuation techniques based on unobservable market data.

The financial instruments recognised in the balance sheet were as follows for the financial years presented:

On 31 December 2024 (*In thousands of euros*)	Level	Net book value	Fair value through profit or loss [1]	Debt at amortised cost [2]	Fair value
Financial ASSETS					
Net trade receivables	2	2,048	-	2,048	2,048
Other financial assets	2	21,300	-	21,300	21,300
Derivative instruments	2	430	430	-	430
Supplier accounts receivable	2	1,982	-	1,982	1,982
Cash and cash equivalents	2	72,124	72,124	-	72,124
Total financial assets		**97,884**	**72,554**	**25,330**	**97,884**
Financial LIABILITIES					
Long-term loans and borrowings	2	71,040	-	71,040	71,040
Short-term loans and borrowings	2	9,134	-	9,134	9,134
Derivative instruments	2	1,001	1,001	-	1,001
Trade payables and other liabilities	2	21,195	-	21,195	21,195
Other financial liabilities	2	43,293	-	43,293	43,293
Other accounts payable	2	1,566	-	1,566	1,566
Total financial liabilities		**147,229**	**1,001**	**146,228**	**147,229**

(1) Fair value through profit or loss: the fair value of the financial assets held for sale corresponds to the market value of the assets

(2) Debt at amortised cost: the net book value of current financial assets and liabilities is considered to be an approximation of their fair value; the fair value of loans and borrowings was estimated using the discounted cash flow method at a market rate.

Note 3.13. Provisions

In thousands of euros	31/12/2024	31/12/2023
Current provisions	20	44
Non-current provisions	3,528	3,167
Provisions	**3,548**	**3,211**

Current provisions were made for ongoing disputes.

Non-current provisions mainly relate to obligations to restore the land of future production sites. They also include for the first time in 2024 the provision for retirement benefits of the French entities, for a total of €91k, as until the end of 2023 the Group did not meet the criteria for recognising a liability pursuant to the amendment to IAS 19 by IFRS IC in April 2021.

The provisions also comprise a total of €307k for periodic inspections of its containers, compared with a total of €125k recognised at the end of 2023, the increase in the provision being linked to the increase in the number of hydrogen storage assets.

Note 3.14. Deferred tax assets and liabilities

No deferred tax assets were recognised in excess of deferred tax liabilities in the Group's consolidated financial statements on 31 December 2024 and 2023.

The loss carry-forwards are shown in the table below. They are mainly from French companies and can be carried forward indefinitely.

In thousands of euros	31/12/2024	31/12/2023
Capitalised tax losses (taxable base)	-	835
Non-capitalised tax deficit (taxable base)	93,136	68,076
Total tax losses	**93,136**	**68,911**

Note 4 Other information

Note 4.1. Financial risk management

The Group's main financial instruments comprise non-current financial assets, trade receivables, financial debt, trade payables and cash. The purpose of managing these instruments is to make it possible to finance the Group's activities. The Group's policy is not to apply for financial instruments for speculative purposes.

The main risks to which the Group is exposed are liquidity risk, interest rate risk, foreign exchange risk and credit risk.

Liquidity risk

Since its creation, the Group has financed its growth by increasing its own funds through successive share capital increases, financing certain investments by leasing, obtaining subsidies and public aid for innovation, and by using medium-term bank debt and issuing bonds convertible into shares.

On 31 December 2024, the Group's cash and cash equivalents amounted to €72.1m; the Group's external financing is detailed in Note 3.6. The Company's credit agreements include covenants which were met on 31 December 2024.

The Group will continue to have substantial financing requirements for the development of its activities. Its ability to generate cash flows to meet its needs in the future is not certain.

The Group may not manage to raise additional capital when it is needed, or such capital may not be available under financial terms acceptable to the Group. If the necessary funds are not available, the Group may in particular have to slow down the development of its projects or its research and development efforts. In view of the Group's net cash position on 31 December 2024, its liquidity horizon is more than 12 months.

Interest rate risk

Interest rate risk arises on variable-rate debt, term accounts and deposits.

On 31 December 2024, the Group's external financing detailed in Note 3.6 included a syndicated bank loan for a total of €25.2m, indexed to the Euro Interbank Offered Rate (Euribor), plus a margin.

As regards term accounts and deposits, in view of the current low level of return on this type of investment, the Group considers that any change of +/- 1% in the rate would have an immaterial impact on its net result, compared to the losses generated by its operating activities.

Foreign exchange risk

Subsidiaries located outside the euro zone (Denmark, Sweden, the United Kingdom and Canada) do not generate any material translation risk at Group level due to their very limited activity at this stage.

Foreign exchange risk on operating transactions remains limited. The vast majority of the turnover and income from the business are in euros for all of the financial years, and the foreign currency expenses are immaterial.

The Group has not taken any hedging measures to protect its business against exchange rate fluctuations, in view of the insignificant nature of the foreign currency transactions.

According to the development of its business, the Group cannot rule out greater exposure to foreign exchange risk. The Group will then plan to implement a suitable hedging policy for these risks. If it fails to take effective hedging measures for exchange rate fluctuations in the future, its results could be adversely affected.

Credit risk

Credit risk arises from cash and cash equivalents, derivative instruments and deposits with banks and financial institutions, as well as from exposure linked to customer credit, in particular outstanding receivables and transactions initiated.

The credit risk linked to cash, cash equivalents and deposits at banks and financial institutions is not considered significant, as the Group only has cash and investments with top-tier banks.

The credit risk linked to customer credit is considered by the Group to be under control, as the customer portfolio is essentially made up of major industrial or public sector players.

Note 4.2. Related-party transactions

Related parties with whom transactions are carried out include associate companies and joint ventures held directly or indirectly by the Company, and entities that directly or indirectly hold a stake in the Group. There were no transactions of this type in 2024.

Executive remuneration

On 31 December 2024, the main executives are the employee members of the Board of Directors and the Chairman and Chief Executive Officer.

In thousands of euros	31/12/2024	31/12/2023
Fixed remuneration	524	741
Variable remuneration	270	248
Post-employment benefits	-	-
Share-based payments	331	2,144
Benefits in kind	-	-
Executive remuneration	**1,125**	**3,133**

There are no post-employment benefits, other long-term benefits or termination benefits.

Note 4.3. Statutory auditors' fees

The table below shows the fees for the work carried out by the Statutory Auditors during the two financial years presented:

In thousands of euros	31/12/2024		31/12/2023	
	Baker Tilly Strego	Deloitte	Baker Tilly Strego	Deloitte
Statutory audit	33	85	32	106
Services other than the financial statements certification	3	14	3	15
Statutory auditors' fees	**35**	**98**	**35**	**121**

(1) Services other than the financial statements certification relate to covenant certification and a review of the accounting rules applicable to PPA contracts.

Note 4.4. Off-balance sheet commitments

The commitments mentioned in this note include all off-balance sheet commitments to third parties identified as material by the Group. They are as follows:

- Personal sureties (guarantees);
- Collateral (mortgages, pledges).

In thousands of euros	31/12/2024	31/12/2023
Commitments given		
Pledges	2,791	3,096
Including on equipment	580	733
Including on business assets	528	680
Including on leases	875	875
Including on land mortgages	808	808
Guarantees given	24,931	7,528
Total commitments given	**27,722**	**10,624**
Commitments received	-	-
Guarantees received	31,295	16,263
Total commitments received	**31,295**	**16,263**
Net commitments	**-3,573**	**-5,639**

Guarantees given

The Group has granted:

- first demand guarantees for energy suppliers in connection with contracting PPAs in 2024 or future commitments on new projects for a total of €12.8m;
- a first demand guarantee for an electricity transmission network supplier for a total of €3.5m;
- two payment guarantees to subcontractors for civil engineering work for a total of €2.3m; At the same time, two payment guarantees of the same type expired during the financial year, totalling €2.1m.

Pledges

In 2024, the Group did not grant any new pledges.

Commitments received

The Group was granted:

- a first demand guarantee from an energy supplier in connection with contracting the PPAs for a total of €1.5m;
- an additional parent company guarantee from an industrial equipment supplier for €3.7m;
- a parent company guarantee from an equipment supplier for €5m;
- a parent company guarantee from a logistics equipment supplier for €5m;
- other first demand guarantees and miscellaneous security from equipment suppliers amounting to €0.8m.

Medium to long-term renewable power purchase agreement

To guarantee its production costs against fluctuations in spot electricity prices and ensure the traceability of its supply, Lhyfe has signed five medium to long-term renewable electricity purchase agreements with commercial counterparties, called Corporate Power Purchase Agreements (CPPAs). In 2024 the Group signed a new 15-year CPPA with EDPR for a 39 MWac solar power station, and a one-year CPPA with Quadra for 2025 for 20 GWh from several renewable electricity sources.

Production site	Country	Type	Start date	End date	Estimate of the power output (MWh/year)	Accounting treatment
Buléon wind turbines	France	Wind	01/01/2024	31/12/2039	31,700	IFRS 9 (derivatives)
Meuselwitz	Germany	Solar	01/01/2026	31/12/2040	57,921	Own-use purchase contract
Bouin wind farm	France	Wind	01/01/2022	31/12/2026	4,800	Own-use purchase contract
Brachy wind farm	France	Wind	01/09/2024	31/08/2039	46,127	Own-use purchase contract
Quadra (various assets)	Germany	Wind	01/01/2025	31/12/2025	20,000	IFRS 9 (derivatives)

6.2. Statutory auditors' report on the consolidated financial statements

Financial year to 31 December 2024

To Annual General Meeting of LHYFE,

Opinion

In compliance with the engagement entrusted to us by the General Meeting, we have audited the accompanying consolidated financial statements of LHYFE for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors, for the period from January 1, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on specific items of the consolidated financial statements.

Internally generated intangible assets relating to projects under development

Risk identified

As disclosed in Notes 1.7.1 "Development costs" and 3.1.1. "Intangible assets to the consolidated financial statements, internally generated assets include development costs for various projects concerning future renewable hydrogen production sites. These costs were recorded under work-in-progress for €12.1 million at December 31, 2024.

These development costs are capitalized when the six criteria of IAS 38 are all met.

For ongoing development costs of future projects for the construction of green hydrogen production sites, the Group mostly considers that this criteria has been met when the project enters into the "Tender Ready" phase. Once the project is commissioned, amortization is calculated on a straight-line basis over the estimated useful life of the underlying asset. Furthermore, when the Group deems that the likelihood of success is decreasing, development costs are impaired. When a project is abandoned, the related development costs are expensed under "Other non-current operating income and expenses".

Unamortized development costs are impaired based on their recoverable amount and tested annually for impairment based on the future cash flows derived from the fifteen-year business plan drafted and approved by Management.

We considered the recognition and valuation of internally generated intangible assets relating to projects under development to be a key audit matter because of the level of judgment required by Management to assess whether the corresponding costs satisfy the capitalization criteria and the sensitivity of the estimates and assumptions used by Management to determine the recoverable amount.

Responses as part of our audit

Our work notably consisted in:

- obtaining an understanding of the internal control procedures set up to identify development costs that satisfy the capitalization criteria;
- assessing, in light of current accounting standards and the capitalization rules defined by the Group, the methods used to examine the capitalization criteria based on a sample of tested projects;
- testing, on a sampling basis, the consistency of amounts recorded under assets with the project monitoring files drafted by Group management and the consistency of these files with internal and external costs incurred for these projects recognized in the accounts;
- examining the compliance of the methodology applied by the Group to determine the recoverable amount of development costs with current accounting standards;
- reviewing the consistency of the methodology used to create the impairment tests performed on the main green hydrogen production site construction projects in progress and critically analyzing the main assumptions used for the tested projects;
- lastly, we verified the appropriateness of the disclosures in Notes 1.7.1 and 3.1.1 to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of LHYFE by the General Meeting of December 21, 2021 for Deloitte & Associés and by the Bylaws of April 10, 2019 for Baker Tilly Strego SAS.

As at December 31, 2024, Deloitte & Associés and Baker Tilly Strego SAS were in the 4th year and 6th year of total uninterrupted engagement, which is the 3rd year for both firms since the securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Nantes, 29 April 2025

The Statutory Auditors

Baker Tilly Strego	**Deloitte & Associés**
François Pignon-Hériard	Guillaume Radigue

6.3. Individual financial statements

6.3.1. Assets

In thousands of euros	from 01/01/2024 to 31/12/2024			from 01/01/2023 to 31/12/2023
	Gross	Depr., Amort, Prov.	Net	Net
Fixed assets				
Intangible assets				
Preliminary expenses	-	-	-	-
Development costs	2,806	861	1,945	511
Concessions, patents and other similar rights	156	104	52	54
Other intangible assets	1,498	-	1,498	2,628
Advances and payments on account on intangible assets	-	-	-	-
Property, plant and equipment				
Land	2,920	-	2,920	6,920
Buildings	-	-	-	-
Technical installations, industrial machinery and equipment	539	73	466	489
Other property, plant and equipment	1,603	1,026	577	913
Construction work in progress	1,435	-	1,435	5,927
Advances and payments on account	-	-	-	-
Financial assets				
Investments accounted for under the equity method	-	-	-	-
Other investments	3,481	2,150	1,331	3,453
Receivables linked to holdings	14,223	-	14,223	8,406
Long-term portfolio investments	-	-	-	-
Other long-term investments	310	43	267	259
Loans	-	-	-	-
Other financial assets	366	-	366	956
TOTAL (I)	**29,337**	**4,257**	**25,080**	**30,516**
Current assets				
Inventory and work in progress	-	-	-	-
Raw materials and other supplies	-	-	-	-
Work in progress for production of goods	17,357	-	17,357	23,001
Work in progress for services	-	-	-	-
Intermediate and finished products	-	-	-	-
Goods	-	-	-	-
Advances and payments on account in respect of orders	11	-	11	938
Receivables				
Trade receivables	47,224	-	47,224	15,566
Others	52,300	-	52,300	22,136
Subscribed capital - called up and unpaid	-	-	-	-
Short-term investments	-	-	-	-
Treasury shares	-	-	-	-
Other securities	-	-	-	-
Cash instruments	-	-	-	-
Cash	59,303	-	59,303	113,497
Prepaid expenses	1,343	-	1,343	891
TOTAL (II)	**177,539**		**177,539**	**176,029**

	from 01/01/2024 to 31/12/2024			from 01/01/2023 to 31/12/2023
Issuance charges to be amortised (III)	750		750	847
Bond redemption premiums (IV)				
Translation losses (V)				
GRAND TOTAL ASSETS (I to V)	**207,625**	**4,257**	**203,369**	**207,393**

6.3.2. Liabilities

In thousands of euros	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Share capital	480	479
Issuance, merger and contribution premiums	163,917	163,891
Revaluation adjustments	-	-
Equity method goodwill	-	-
Reserves:		
- Legal reserve	-	-
- Statutory or contractual reserves	-	-
- Regulated reserves	-	-
- Other reserves	-	-
Retained earnings/losses brought forward	-45,708	-24,829
Profit or loss for the financial year	-19,957	-20,880
Investment subsidies	2,824	2,899
Regulated provisions	-	-
TOTAL (I)	**101,556**	**121,561**
Other equity	-	-
Income from issuance of participating shares	216	216
Conditional advances	1,409	792
Others	-	-
TOTAL (I a)	**1,625**	**1,008**
Provisions for liabilities and expenses	-	-
Provisions for liabilities	137	44
Provisions for expenses	2,911	3,167
TOTAL (II)	**3,048**	**3,211**
Loans and borrowings		
Convertible debenture loans	10,325	12,216
Other debenture loans	-	-
Loans and borrowings from lending institutions	35,898	30,831
Miscellaneous loans and borrowings	278	175
Advances and payments on account received on orders in progress	-	767
Trade payables	19,205	13,930
Tax and social security liabilities	12,658	6,465
Fixed asset liabilities	-	-
Other debt	2,484	7,300
Cash instruments	-	-
Deferred revenue	16,290	9,929
TOTAL (III)	**97,140**	**81,613**
Translation gains (IV)	-	-
GRAND TOTAL LIABILITIES (I to V)	**203,369**	**207,393**

6.3.3. Profit and loss account

	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Operating revenue		
Sales of goods	-	-
Sales of goods produced	659	-
Sales of services	45,098	17,626
Net turnover	**45,757**	**17,626**
Change in inventories	-5,644	3,566
Capitalised production	1,301	1,318
Operating subsidies received	1,216	817
Reversals of depreciation, amortisation and provisions, transfers of charges	1,201	608
Other revenue	-	3
TOTAL (I)	**43,832**	**23,938**
Operating expenses		
Purchases of goods (including customs duties)	-	-
Change in inventory (goods)	-	-
Purchase of raw materials and other supplies	530	8
Change in inventory (raw materials & other supplies)	-	-
Other external purchases and expenses *	41,595	28,255
Taxes, duties and similar payments	241	171
Wages and salaries	12,273	11,368
Social security expenses	5,218	4,641
Depreciation and amortisation of fixed assets	1,325	2,466
Provisions for fixed assets	-	-
Provisions for current assets	-	-
Provisions for liabilities and expenses	410	73
Other expenses	122	97
TOTAL (II)	**61,714**	**47,079**
* including:		
Equipment leasing fees	11	11
Property leasing fees	1,665	341
OPERATING RESULT (I - II)	**-17,882**	**-23,141**
Profit assigned or loss transferred (III)	-	-
Loss incurred or profit transferred (IV)	-	-
Financial revenue		
Investment revenue	-	-
Revenue from other transferable securities and receivables from fixed assets	-	-
Other interest and similar revenue	3,901	2,771
Reversals of provisions and transfers of expenses	-	13
Foreign exchange gains	-	-
Net proceeds from sales of short-term investments	-	-
TOTAL (V)	**3,901**	**2,784**

	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Financial expenses		
Depreciation, amortisation and provisions	2,193	-
Interest and similar expenses	3,370	1,264
Foreign exchange losses	-	-
Net expenses on sales of short-term investments	-	-
TOTAL (VI)	**5,563**	**1,264**
FINANCIAL INCOME (V - VI)	**-1,661**	**1,520**
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS (I-II+III-IV+V-VI)	**-19,543**	**-21,621**
Exceptional and extraordinary profits		
On management transactions	87	-
On capital transactions	14,892	4,276
Reversals of provisions and transfers of expenses	-	-
TOTAL (VII)	**14,979**	**4,276**
Exceptional and extraordinary expenses		
On management transactions	*1*	284
On capital transactions	14,515	4,410
Exceptional depreciation and provisions	1,035	111
TOTAL (VIII)	**15,551**	**4,806**
EXTRAORDINARY PROFIT OR LOSS (VII - VIII)	**-572**	**-530**
Employee profit-sharing (IX)	-	-
Income taxes (X)	-158	-1,271
TOTAL REVENUE (I + III + V + VII)	**62,712**	**30,998**
TOTAL EXPENSES (II + IV + VI + VIII + IX + X)	**82,670**	**51,877**
PROFIT OR LOSS (total revenue – total expenses)	**-19,957**	**-20,880**
including income relating to previous financial years	*87*	-
including charges relating to previous financial years	*284*	*284*
Including income relating to affiliated entities	*1,322*	*503*
Including interest relating to affiliated entities	*3*	-

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Note 1 Highlights

Note 1.1. Funding

During the financial year to 31 December 2024, the Company continued to secure its cash position and the financing of its projects via various sources of funding.

Bank loans

Following on from the green syndicated bank loan contracted at the end of 2023, the Company extended this financing by €3m on 27 June 2024, thereby increasing it to €25.2m. This debt has an initial maturity of 5 years with *bullet repayment* at the end of 2028.

Lease financing

In 2024, the Company contracted new funding in the form of leasing agreements and operating leases for its hydrogen transport and storage assets. This funding amounts to a total of €22.8m. Firstly, the Company refinanced part of its hydrogen transport and storage assets for a total of €10.4m in connection with a sale and leaseback transaction, thereby generating an outflow of the corresponding assets for an equivalent amount. Secondly, Lhyfe was able to finance the rest of its container fleet for a total of €12m through an operating lease.

Note 1.2. Business development and monitoring of projects

Percentage of completion turnover recognition

In 2024, the Company signed new EPC (Engineering, Procurement and Construction) contracts with its subsidiaries. These new contracts, together with the continuation of contracts in progress at the end of 2023, made it possible to generate turnover of €40m during the period.

At the same time, the company increased the number of services provided to its subsidiaries, mainly under development, maintenance and management services contracts, generating turnover of €3.4m during the period.

Investments in projects under development

The Company continued to invest in its development projects during the period. The outstanding balance for these Projects therefore increased by €3m.

Note 1.3. Monitoring of investments and project companies

Investments

As a result of cash flow difficulties at Flexens, in which the Company holds an interest, the entire value of the interest was written down by €2.2m.

Ingrandes project

Under a substitute agreement signed with the subsidiary Lhyfe Ingrandes, the Company transferred to it the land it held in connection with this project, thereby generating an outflow of fixed assets totalling €4m.

Note 1.4. Research and development

The Company received an R&D tax credit (CIR) of €158k for its research and development activities.

The research and development projects launched in previous years were continued in financial year 2024.

Artificial intelligence and software

The research and development programmes linked to artificial intelligence and more generally to the software packages created by Lhyfe were continued during the 2024 financial year. The Company therefore devoted just over €1.3m of its internal and external resources to these projects, including application development.

Note 1.5. Impact of the crisis in Ukraine

As regards the current situation linked to the war between Russia and Ukraine, apart from the macroeconomic consequences, the Company believes that it is not currently suffering any impact insofar as it does not achieve any sales or obtain supplies in either of these countries, or in areas directly affected by the war, and none of its assets are established there.

Note 2 Post-balance sheet events

On 9 April 2025, the Group received notification from the Belgian government mentioning its refusal to Lhyfe's request for an extension of the deadline for completion of the project and consequently the cancellation of the €13 million subsidy granted at the beginning of 2023. The Group is currently assessing the impact of this cancellation on the schedule and scope of the project.

On 16 April 2025**,** the French Prime Minister confirmed the award of the €149 million subsidy to Lhyfe's Green Horizon project, as part of the presentation of the National Hydrogen Strategy 2030. This announcement concretises the commitment made by the French government in March 2024. To date, Lhyfe has already submitted the building permit and the application for the environmental authorisation. Connection to the electricity grid and the provision of the needed power capacity have been secured. Lhyfe will receive a first advance of €18 million by June 2025. A second tranche of the advance will be released in the following months and subsequent payments will take the form of reimbursements of costs incurred and duly justified by the successful achievement of predefined annual milestones over a period of 4 years.

On 29 April 2025, Lhyfe announced that it had successfully completed, with three financial partners, the refinancing of the construction of four green hydrogen production sites located in France and Germany, for an amount of € 53 million. Of these four sites, two have already been built (Buléon in France and Schwäbisch Gmünd in Germany) and two are under construction (Le Cheylas and Croixrault in France). The transaction consists of (i) the refinancing of part of the capex already invested by Lhyfe in these sites and (ii) the financing of the remaining investments. It comprises a mix of bonds and unsubordinated senior bonds, with a maturity in 2034, subscribed by Edmond de Rothschild Asset Management, Triodos Bank and Sienna Investment Managers, supplemented by bridge financing (subsidies and VAT) provided by Groupe BPCE, through BPCE Energeco and BPGO, one of the Group historical partners. Lhyfe achieves its first project financing transaction, the first of its kind in Europe for bulk green hydrogen production. This transaction strengthens the Group's balance sheet and cash position. It demonstrates the support and confidence of leading financial partners in Lhyfe's infrastructure model and industrial and commercial scale-up strategy.

Note 3 Accounting rules and methods

(*Articles R. 123-195 and R. 123-198 of the French Commercial Code*)

Notes to the balance sheet and profit and loss account for the financial year to 31 December 2024, for which the balance sheet total before allocation was €203m, presented in the form of a list and showing a loss of €20m.

The financial year lasted for 12 months from 1 January 2024 to 31 December 2024.

The notes and tables below form an integral part of the annual financial statements.

The annual financial statements were prepared in accordance with the provisions of the French Commercial Code, the French General Chart of Accounts (PCG) and ANC Regulation No. 2020-11, as updated by the various supplementary regulations on the date of preparation of the annual financial statements.

General accounting conventions were applied, in line with the conservatism principle, in accordance with the following underlying assumptions:

- going concern,
- consistent accounting methods from one year to the next,
- time period assumption, and in accordance with generally accepted rules for the preparation and presentation of annual financial statements.

The items entered in the accounts are valued on the basis of their historical cost.

Note 3.1. Information on balance sheet and profit and loss account transactions

Only material information is disclosed in the notes to the financial statements.

Note 3.2. Intangible assets - Technology development costs

Research costs are recognised as an expense in the financial year in which they are incurred. Expenses relating to in-house development of technologies by the Company are only recognised as intangible assets if all of the following six criteria are met:

a) Technical feasibility required to complete the intangible asset so that it can be brought into service or sold,

b) Intention of the Company to complete the intangible asset and use or sell it,

c) Ability of the Group to use or sell the intangible asset,

d) Demonstration of the probability of future economic benefits attached to the asset. The entity must demonstrate, among other things, the existence of a market for the output of the intangible asset or for the intangible asset itself or, if it will be used in-house, its usefulness,

e) Availability of appropriate technical, financial and other resources to complete the development and use or sell the intangible asset, and

f) Ability to reliably assess the expenses attributable to the intangible asset during its development.

Capitalised development costs include external costs (commitments made to suppliers or external service providers - invoices, invoices receivable, etc.) and internal costs (valued based on the working time allocated to the projects). Amortisation of intangible assets is calculated to fully write off the cost of the intangible asset, using the straight-line method over the estimated useful life (3 to 5 years), from the time the asset is usable, and is recognised under “Depreciation and amortisation of fixed assets”.

The Company assesses the recoverability of intangible assets if there is an indication of impairment. For unamortised intangible assets (mainly projects that are not yet ready to be brought into service), an impairment test is carried out at least once a year, and whenever there is an indication of impairment.

Note 3.3. Other intangible assets

Other intangible assets are initially recognised at their acquisition cost. They mainly comprise software developed in-house, licence fees, as well as the research and development costs linked to the design of onshore hydrogen production sites. Other intangible assets acquired are entered in the balance sheet at their acquisition cost, where appropriate, less accumulated amortisation and impairment losses. The depreciation methods, useful lives and residual values are reviewed on each balance sheet date and adjusted if necessary.

Note 3.4. Property, plant and equipment

Property, plant and equipment are valued at acquisition cost (purchase price and incidental expenses) less accumulated depreciation and any impairment losses. Subsequent expenses are included in the book value of the asset or, where appropriate, recognised as a separate asset if it is probable that the Company will receive the future economic benefits associated with the asset and that the cost of the asset can be reliably measured. All repair and maintenance costs are recognised as expenses. They are not revalued.

Note 3.5. Depreciation

Depreciation is calculated on a straight-line basis according to the estimated useful life. Residual values are not taken into account as their impact is not material. The most commonly used depreciation periods are as follows:

- Research and development costs: 3 to 5 years,
- Concessions, patents, licences: 3 years,
- Technical and industrial installations: 2 to 20 years,
- Fixtures and fittings for buildings: 2 to 9 years,
- Transport equipment: 4 to 5 years,
- Office and IT equipment: 3 years,
- Office furniture: 1 to 10 years.

Note 3.6. Financial assets

Equity interests

Equity interests comprise the acquisition cost of securities held by the Company in companies that it controls or over which it directly or indirectly exercises an influence.

The net book value of the equity interests is their acquisition or contribution cost on the date they were acquired by the Company.

At any date other than the date of acquisition, equity interests are valued at their value in use for the Company, determined in particular according to criteria based on profitability, development prospects and the assets held.

If their net book value is higher than their current value, an impairment loss is recorded for the difference.

Treasury shares and liquidity contract

Transactions relating to the liquidity contract entered into by the Company with a financial intermediary are accounted for in accordance with Opinion CU CNC No. 98-D and Bulletin CNCC No. 137 - March 2005, i.e.:

- Treasury shares held are recorded in account 277 "Treasury shares". An impairment loss is recorded by reference to the average stock market price for the last month of the financial year if this is lower than the acquisition cost. The First In, First Out method is used to determine the gain or loss upon disposal.
- Cash paid to the intermediary and not yet used is recorded in account 276 "Other capitalised accounts receivable".

Other financial assets

Loans, deposits and other financial assets are valued at their nominal value. They are written down if their present value is less than their book value.

Receivables linked to holdings

Receivables linked to holdings are valued at face value. They are written down if their present value is less than their book value.

Note 3.7. Inventory and work in progress

Expenses linked to the development of the future renewable hydrogen production sites are monitored and are intended for resale in connection with future contracts. Direct external development costs (commitments made to suppliers or external service providers - invoices, invoices receivable, statements of account etc.) and internal development costs (valued based on the working time charged to the projects) constitute work in progress as soon as the corresponding projects are likely to succeed. The Company generally considers that the criteria are met when a project enters the Tender Ready stage in the project portfolio. These criteria differ depending on whether the project:

- is linked to an industrial application: request by the potential customer to submit an "attractive" offer, or else submission of the offer is necessary for the process of obtaining subsidies.
- is a mobility application: strategic investment decision after analysis of the demand in a geographical area, the ability to meet the demand and the possible subsidies.

All projects are reviewed on each balance sheet date. If there is no indication of impairment, no provision for impairment of work in progress is made at the closing date.

Note 3.8. Receivables

Receivables are valued at their nominal value. A write-down for impairment is made if the inventory value is lower than the book value.

Note 3.9. Retirement obligations

The Company's obligations in respect of retirement benefits for its employees are recorded as financial commitments given, to the exclusion of any accounting recognition.

Retirement obligations are estimated retrospectively on a *pro rata temporis* basis (individual rights vested on the date of retirement, prorated to the date of calculation) on the basis of an assumption of retirement on the employee's initiative at the age of 65, taking into account the following elements:

- Factors specific to each of the Company's employees (age on the balance sheet date, seniority, status, mortality rate and gross annual salary),
- Data specific to the Company (collective bargaining agreement, assumption of an increase in the payroll, estimated staff turnover rate and rate of social security expenses),
- Discount rate of 3.54%.

Any amounts covered by a specific insurance policy are indicated under commitments received.

The financial statements for the period to 31 December 2024 also include for the first time and in accordance with CNC recommendation 2003-R01 and ANC recommendation 2013-02, the amount of the provision for a total of €91k. Until the end of 2023, Lhyfe did not meet the criteria for recognition of a liability pursuant to the amendment to IAS 19 by the IFRS IC in April 2021.

Note 3.10. Deferred revenue and accrued revenue

On 31 December 2024, the Company recognised deferred revenue of €16,290k and accrued revenue of €281k in respect of the percentage of completion of the expenses incurred, linked to the various subsidy contracts signed.

Note 3.11. Subsidies

In financial year 2024, total net subsidies paid amounted to €3,278k excluding the holdbacks provided for under certain contracts. Subsidies were recognised as deferred or accrued revenue depending on the timing of the award and the expenditure incurred on the balance sheet date. Furthermore, subsidies are recognised as operating or investment subsidies depending on the nature of the expenses they finance.

Note 3.12. Current and exceptional income

Items arising from ordinary activities, even if they are exceptional in terms of their frequency or amount, are included in the current income.

Only items that do not relate to the company's ordinary activities were recorded in the extraordinary profit or loss.

Note 3.13. Foreign currency transactions

Foreign currency income and expenses are entered at their exchange value on the transaction date. Foreign currency debt, receivables and cash are included on the balance sheet at their exchange value at the rate at the end of the financial year. The difference resulting from discounting foreign currency debt and receivables at this rate is included on the balance sheet under "Translation adjustment".

A provision for liabilities is made for some or all of the unrealised foreign exchange losses that are not offset.

Note 3.14. Provisions

Provisions are recognised when, at the end of the financial year, the Company has an obligation to a third party that is likely or certain to result in an outflow of resources to the third party, without at least equivalent consideration expected from the third party.

This obligation may be legal, regulatory or contractual, or result from the Company's practices.

The estimated amount of the provisions corresponds to the outflow of resources that the Company is likely to incur to settle its obligation.

Note 3.15. Deferred expenses

Loan issuance costs

The Company has opted to spread its loan issue costs.

The total amount of costs spread is €957.8k, allocated on a straight-line basis over the duration of the loans concerned:

- €34.8k over 7 years;
- €15.1k over 7 years;
- €34.4k over 7 years;
- €10k over 15 years;
- €783k over 5 years;
- €80.5k over 4.5 years

The amount of amortisation recognised as an expense was €178.5k on 31 December 2024.

The net amount still to be amortised is €750k, recorded in account 481600 - Loan issuance costs.

Note 3.16. Turnover recognition - Long-term contracts

Lhyfe has signed contracts with some of its project company subsidiaries to supply equipment, engineering and construction for the purposes of their future production sites (EPC contracts). The terms of these contracts cover several financial years. Turnover relating to these contracts is therefore recognised in the individual financial statements of Lhyfe.

These contracts are classified as long-term contracts, and the margin they generate is recognised in accordance with the percentage of completion method described in Article 622-2, paragraph 3 of the French General Chart of Accounts.

This method involves recognising income by applying the percentage of progress to the income upon completion (Article 622-3 of the French General Chart of Accounts). The percentage of completion is determined using methods that make it possible to reliably measure the work or services carried out and accepted, according to their nature.

To do so, Lhyfe determines the ratio between the cost of the work and services performed on the balance sheet date and the estimated total cost of performance of the contract.

Where appropriate, a provision either for accrued revenue or deferred revenue is recognised.

If the estimated income on completion is negative, a provision for liabilities and expenses is recorded to immediately recognise the loss upon completion.

Note 3.17. Average workforce

	31/12/2024	31/12/2023
Executives	152	146-
Supervisors	-	-
Employees	-	-
Workers	-	-
Contractual apprentices	-	-
TOTAL	**152**	**146**

Note 3.18. Composition of the share capital

ITEM CONCERNED	Number	Nominal value	Amount in euros
1-Shares comprising the share capital at the start of the financial year	**47,908,148**	**0.01**	**479,081**
2-Shares issued during the financial year	62,200	0.01	622
3-Shares redeemed during the financial year		0.01	
4-Shares comprising the share capital at the end of the financial year (1+2-3)	**47,970,348**	**0.01**	**479,703**

Note 4 Notes relating to certain balance sheet items

Note 4.1. Financial assets

The financial assets comprise equity interests totalling €3,481k, frozen receivables of €14,223k linked to these interests, deposits and guarantees and miscellaneous non-current receivables totalling €203k, and a liquidity contract totalling €473k. In view of the development prospects of the Company and its subsidiaries, no provision for impairment of equity interests or receivables linked to these interests was made at the closing date, except for the Flexens securities which were written down by €2,150k.

Change in treasury shares:

Liquidity contract and treasury shares

The contract had the following breakdown on 31 December 2024:

- Liquid assets: €163k
- Treasury shares: €310k

Number of treasury shares	
Held on 01/01/2024	**52,718**
Acquired during the period	332,831
Sold during the period	288,661
Held on 31/12/2024	**96,888**

A provision for impairment of treasury shares was made on the balance sheet date amounting to €43k:

Name of the intermediary	Number of securities	Cost price	Historical value	Average price 12/2024	Value at the end of the period	Unrealised capital loss
ODDO BHF SCA	96,888	€3.20	310,206	€2.76	267,605	42,602

Note 4.2. Share capital, reserves and premiums

The table below shows the changes in the Company's capital in the financial years presented:

	Number of shares	Nominal value (€)	In thousands of euros		
			Capital	Premiums	Total
On 31 December 2023	**47,908,148**	**0.01**	**479.1**	**163,884.0**	**164,363.2**
Share capital increase - 7 May 2024	35,700	0.01	0.4	14.9	15.3
Share capital increase - 7 May 2024	12,200	0.01	0.1	5.1	5.2
Share capital increase - 7 May 2024	14,300	0.01	0.1	6.0	6.1
** On 31 December 2024*	*47,970,348*	*0.01*	*479.7*	*163,910.0*	*164,389.9*

Note 4.3. Founder's share warrants (BSPCE) granted to employees and a director and stock warrants (BSA) granted to a consultant

Description of the plans

The Board of Directors was authorised by the General Meeting of Shareholders of 23 May 2024 to implement the following BSPCE and SO plans:

- 17 June 2024: issue of 1,000,000 BSPCE Dirigeant 2024, each giving the right to subscribe for 1 ordinary share in the Company, using the delegation of 23 May 2024. Their exercise period is 8 years. They were allocated to the Company's Chairman and Chief Executive Officer;
- 22 November 2024: issue of 215,184 BSPCE 2024, each giving the right to subscribe for 1 ordinary share in the Company, using the delegation of 23 May 2023. Their exercise period is 10 years. They were allocated to employees;
- 22 November 2024: issue of 26,200 SO-2024, each giving the right to subscribe for 1 ordinary share in the Company, using the delegation of 23 May 2023. Their exercise period is 10 years. They were allocated to employees.

Monitoring of the number of outstanding BSPCE, SO and BSA

The table below summarises the number of outstanding BSPCE, SO and BSA and changes in them during the period.

Number	BSPCE Salariés 2021 *	BSPCE Premium 2021 *	BSA 2021 *	BSPCE 2023	SO 2023	BSPCE Dirigeant 2024	BSPCE 2024	SO 2024	TOTAL
On 31 December 2023	8,345	6,800	1,700	205,000	28,000				249,845
Allocated during the period						1,000,000	206,984	26,200	1,233,184
Exercised during the period	-622								-622
Lapsed	-17			-4,000	-13,000				-17,017
On 31 December 2024	7,706	6,800	1,700	201,000	15,000	1,000,000	206,984	26,200	1,465,390

*Entitling allocation of the number of shares, after division of the nominal value by 100

The following table summarises the authorised plans in the process of being vested on 31 December 2024:

	BSPCE Salariés 2021 (1)	BSPCE Premium 2021 (1)	BSA 2021 (1)	BSPCE 2023	SO 2023	BSPCE Dirigeant 2024	BSPCE 2024	SO 2024
Date of authorisation by the GM	16/10/2019	16/10/2019	16/10/2019	23/05/2023	23/05/2023	23 May 2024	23/05/2023	23/05/2023
Awarding date	12/04/2021	12/04/2021	08/04/2021	03/07/2023	03/07/2023	17/06/2024	22/11/2024	22/11/2024
Number of instruments awarded	8,500	6,800	1,700	205,000	28,000	1,000,000	215,184	26,200
Vesting period	4 years	3.7 years	4 years	3 to 4 years	3 to 4 years	3 years	4 years	4 years
Vesting conditions	Presence	Performance	Performance	Performance	Performance	Performance	Performance	Performance
Exercise period	10 years	10 years	10 years	9 years	9 years	8 years	10 years	10 years
Measurement method used	Black and Scholes	Black and Scholes	Black and Scholes	Black and Scholes	Black and Scholes	Black and Scholes	Black and Scholes	Black and Scholes
Underlying share price*	€42.84	€42.84	€42.84	€7.00	€7.00	€3.49	€3.39	€3.39
Strike price	€42.84	€42.84	€42.84	€8.75	€8.75	€2.00	€8.75	€8.75
Expected volatility**	30.00%	30.00%	30.00%	34.70%	34.70%	38.11%	37.60%	37.60%
Risk-free rate***	-0.31% to -0.44%	-0.31%	-0.35%	2.96% and 2.97%	2.96% and 2.97%	2.98%	2.83%	2.83%
Fair value of the option	€12.16	€12.76	€12.86	€2.20 and €2.33	€2.20 and €2.33	€0.30	€0.60	€0.60

**Share price on the allocation date*
***Based on the volatility usually observed for instruments of the same type.*
****Risk-free bond (government loan) France 5- and 7-year fungible treasury bond (OAT)*
(1) Following the division of the nominal value by 100 and the creation of 100 new shares for one old share on 11 March 2023, each BSA and BSPCE gives the right to subscribe for 100 shares for an inclusive price of €42.84.

Note 4.4. Free share allocation (AGA) plans

The Board of Directors was authorised by the General Meeting of Shareholders of 23 May 2024 to implement the following AGA plans:

- Issuance of 300,000 AGA PC 2024, giving the right to subscribe for ordinary shares in the Company, using the delegation of 23 May 2024. Their exercise period is 5 years. They were allocated to employees of the Company;
- Issue of 247,190 AGA 2024 subject to non-market performance conditions at the end of 2026 and giving the right to subscribe for ordinary shares in the Company, using the delegation of 23 May 2024. Their exercise period is 4 years. They were allocated to the Company's employees.

Monitoring of the number of outstanding free shares

The table below summarises the number of outstanding AGA and changes in them during the period.

Number	AGA Dirigeant 2022	AGA Cadres DGD 2022	AGA Cadres 2022	AGA NE1 2022	AGA PC 2022	AGA 2023	AGA PC 2024	AGA 2024	TOTAL
On 31 December 2023	**954,500**	**25,000**	**50,000**	**85,000**	**20,600**	**196,200**	**-**		**1,331,300**
Allocated during the period							300,000	247,190	547,190
Lapsed						-14,500		-1,000	-15,500
On 31 December 2024	**954,500**	**25,000**	**50,000**	**85,000**	**20,600**	**181,700**	**300,000**	**246,190**	**1,862,990**

The following table summarises the characteristics of the free share plans authorised on 31 December 2024:

Plan characteristics	AGA Dirigeant 2022	AGA Cadres DGD 2022	AGA Cadres 2022	AGA NE1 2022	AGA PC 2022	AGA 2023	AGA PC 2024	AGA 2024
Awarding date	**20/09/2022**	**20/09/2022**	**20/09/2022**	**20/09/2022**	**20/09/2022**	**03/07/2023**	**23/09/2024**	**22/11/2024**
Vesting date	**31/12/2027**	**31/12/2025**	**19/09/2025**	**19/09/2027**	**19/09/2026**	**03/07/2026 - 03/07/2027**	**23/09/2029**	**22/11/2028**
Number of shares allocated	954,500	25,000	62,500	85,000	33,000	209,300	300,000	247,190
Vesting period	5 years	3 years	3 years	5 years	4 years	3 to 4 years	5 years	4 years
Condition of presence	31/12/2026	31/12/2024	31/12/2024	31/12/2026	31/12/2025	03/07/2026	23/09/2029	22/11/2028

Note 4.5. Conditional advances

The Company receives several types of aid in the form of advances.

Conditional advances amounted to €1,625k on 31 December 2024, compared with €1,008k on 31 December 2023.

The Company received aid in the form of advances in 2024, in connection with:

- the Deeptech project: the planned total amount of the advance is €1,244k and the balance totalling €622k was received in December 2024; The Company has therefore begun repayment under the repayment schedule totalling €78k.
- the Sealhyfe project: the planned total amount of the advance is €243k and the balance was received in July 2024 totalling €73k.

The following advances were recognised on 31 December 2024:

Deep Tech:

- Advance granted by Bpifrance Financement in 2020 to finance research and development projects linked to the design of a standard onshore hydrogen production site, preliminary studies linked to offshore hydrogen production and work linked to artificial intelligence for a total of €1,244k, which was received in full at the end of 2024;
- The advance will be repaid to the BPI in quarterly instalments over 4 years from 31 December 2024, following the amendment signed in 2023.

International prospecting insurance - Germany:

- Advance granted by Bpifrance Assurance Export in 2020 to protect the Company against total or partial failure of its prospecting approach in Germany over the period from 1 July 2020 to 30 June 2023;
- This advance will be repaid to the BPI in quarterly payments over 3 years from 1 October 2027, in the event of commercial success in the country concerned.

International prospecting insurance - Canada:

- Advance granted by Bpifrance Assurance Export on 24 May 2023 to protect the Company against the total or partial failure of its prospecting approach in Canada over the period from 1 March 2023 to 28 February 2026;
- This advance will be repaid to the BPI in quarterly payments over 4 years from 1 March 2028, in the event of commercial success in the country concerned.

Financing of the Sealhyfe project by the French Environment and Energy Management Agency (ADEME):

- Advance granted by the ADEME in August 2022 for a total amount of €243k in connection with the financing of the Sealhyfe project, a pilot site for offshore renewable hydrogen production;
- This advance will be repaid to the ADEME in two annual payments, the first of which will take place 6 months after the end of the financial year in which the Investment Stage takes place.

Note 5 Notes relating to certain items on the profit and loss account

Note 5.1. Disclosures required under Article R.123-198 - 9 of the French Commercial Code

The total amount of statutory auditors' fees included in the profit and loss account for the financial year was €152k for the statutory audit of the financial statements and for advice and services included in the due diligence directly linked to the audit assignment.

Note 5.2. Operating subsidies

Operating subsidies increased by €400k in financial year 2024, mainly due to ARENH subsidies.

The main subsidies received by the Company, which may be treated as operating subsidies or investment subsidies, are as follows:

- **Deeptech development aid:** the subsidy had been awarded by Bpifrance Financement on 11 May 2020 to finance research and development projects linked to the design of standard onshore hydrogen production sites, work linked to artificial intelligence and preliminary studies linked to offshore hydrogen production. As these various projects have been finalised, the Group received the balance of the subsidy during financial year 2024, i.e. €622k.
- **Sealhyfe financing agreement**: in addition to the funding previously granted by the Pays de la Loire Region for the Sealhyfe project, the ADEME has granted the Group funding in the form of a subsidy amounting to €729k. This aid is intended to finance the pilot site for offshore hydrogen production. The Company received €109k of this aid in 2022, €401k in 2023 and the balance of €219k in 2024.
- **Clean Hydrogen Partnership – Hope financing agreement**: this subsidy for a total of €9,820k granted by the European Commission concerns a project to develop and build an offshore green hydrogen production site off Ostend in Belgium with a capacity of 10 MW. During the financial year, the Group received an additional sum of €417k, bringing the total amount received in respect of this subsidy to €3,510k.
- **Hope - Belgian state financing agreement**: the Company also signed a subsidy contract with the Belgian State for the Hope project for an amount of up to €13,053k. On 31 December 2024, the Company received an instalment of €1,139k in respect of this subsidy.
- **Clean Hydrogen Partnership - TH2nicio financing agreement**: this subsidy for a total of €4,400k was contracted with the European Commission. This aid is intended to finance the construction of an onshore hydrogen production site in Milan, Italy. The Company received pre-financing of €1,282k in the financial year to 31 December 2023 and received an additional amount of €690k during the financial year to 31 December 2024.
- **Ecosystème H2 – Hy'Touraine financing agreement**: at the beginning of 2023 the Company signed a contract with the French Environment and Energy Management Agency (ADEME) for a subsidy of €1,560k to finance the construction of a hydrogen production site in Sorigny, Touraine.
- **Clean Hydrogen Partnership - AdvancedH2Valley financing agreement**: this subsidy contract was signed at the end of 2023 with the European Commission for a total of €234k. The funds are intended to finance the coordination costs borne by Lhyfe in connection with the construction of the Hy'Touraine site near Sorigny, and the ramp-up of the Bouin site. At the end of 2024, the Company had received €187k in respect of this aid.

The Company recognised under accrued revenue the amounts of subsidies for which it considers that it meets the conditions for obtaining and drawing on them.

Note 5.3. Financial result

The financial result amounted to -€1.7m, due to the write-down of Flexens securities totalling €2.2m (see Note 1.3) and financial expenses for the period linked to the new funding contracted at the end of 2023. These expenses were partly offset by higher interest on cash investments.

Note 5.4. R&D tax credit

In connection with its research activities, the Company incurred expenses eligible for the R&D tax credit, for which a claim has been made to the tax authorities, amounting to €158k recognised on the balance sheet date.

Note 6 Other information

Note 6.1. Consolidated financial statements

Pursuant to Article L. 233-1 6 of the French Commercial Code, the Company prepares consolidated financial statements, including the financial statements of its subsidiaries, using the full consolidation method, with the exception of the subsidiaries Botnia Hydrogen, Ingrandes PS and Flexens, which are accounted for using the equity method.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS).

A copy of the consolidated financial statements can be obtained from Lhyfe's registered office.

Note 6.2. Remuneration of management bodies

On 31 December 2024, the main executives are the employee member of the Board of Directors and the Chairman and Chief Executive Officer.

In thousands of euros	31/12/2024	31/12/2023
Fixed remuneration	524	741
Variable remuneration	270	248
Post-employment benefits	-	-
Benefits in kind	-	-
Executive remuneration	**794**	**989**

Note 6.3. List of transactions with related parties

No disclosure is required because the related party transactions specified in Article R123-198 of the French Commercial Code were entered into under normal market conditions or with companies that are directly or indirectly wholly-owned.

Note 7 Financial commitments

Note 7.1. Commitments given

First demand guarantees given

For the financial year to 31 December 2024, Lhyfe granted:

- a first demand guarantee to energy suppliers in connection with the PPAs contracted in 2024 for a total of €12.8m;
- a first demand guarantee for an electricity transmission network supplier for a total of €3.5m;
- two payment guarantees to subcontractors for civil engineering work for a total of €2.3m. At the same time, two payment guarantees of the same type expired during the financial year, totalling €2.1m.

Pledges

In 2024, the Group did not grant any new pledges.

Convenants

- The syndicated loan agreement signed at the end of 2023 includes covenants. The covenants concern tests on past and future liquidity, the debt-to-equity ratio and the installed capacities in MW. The covenants were met on 31 December 2024.

Note 7.2. Commitments received

Lhyfe was granted:

- a first demand guarantee from an energy supplier in connection with contracting the PPAs for a total of €1.5m;
- an additional parent company guarantee from an industrial equipment supplier for €3.7m;
- a parent company guarantee from an equipment supplier for €5m;
- a parent company guarantee from a logistics equipment supplier for €5m;
- other first demand guarantees and miscellaneous security from equipment suppliers amounting to €0.8m;

Note 7.3. Leasing agreements

Leasing commitments	Cumulative fees paid for the year	Fees outstanding			Residual purchase price
		Up to 1 year	1 to 5 years	more than 5 years	
Land					
Buildings					
Technical installations, industrial machinery and equipment	1,669	3,900	15,911	15,446	1,625
Other property, plant and equipment					
Construction work in progress					

Note 8 List of subsidiaries and holdings

Subsidiaries	Capital	Share held	Gross val. securities	Loans/advances	Turnover
	Shareholders' equity	Divid. Received	Net val. securities	Guarantees	Income
Lhyfe Bouin SAS 2 port du Bec 85230 Bouin – France RCS La Roche-sur-Yon 878 118 272	1,000 ------- -957,999	100 -------	1,000 ------- 1,000	7,142,698 -------	2,145,949 ------- -163,030
Lhyfe Germany GmbH Im Zollhafen 24 50678 Cologne, Germany HRB 115218	25,000 ------- 260,657	100 -------	25,000 ------- 25,000	8,130,660 -------	1,017,691 ------- -3,139,434
Lhyfe Sombrero SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 901 156 257	51,000 ------- 46,812	100 -------	51,000 ------- 51,000	2,865 -------	 ------- -831
Territoires x Lhyfe SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 901 153 098	51,000 ------- 46,812	100 -------	51,000 ------- 51,000	2,865 -------	 ------- -831
Lhyfe Denmark ApS c/o Christensen Kjaerulff Østbanegade 123 2100 København Ø, Denmark CVR 42675016	5,363 ------- -918,218	100 -------	5,396 ------- 5,396	894,696 -------	 ------- -444,023
Lhyfe Lakrids ApS c/o Christensen Kjaerulff Østbanegade 123 2100 København Ø, Denmark CVR 42675024	5,363 ------- -13,101	100 -------	5,396 ------- 5,396	8,681.48 -------	0 ------- -5,968
Lhyfe Sweden AB c/o The Works Sverige AB Klarabergsgatan 60 111 21, Stockholm, Sweden 559334-3857	2,467 ------- 2,182	100 -------	2,466 ------- 2,466	3,385,924 -------	360,714 ------- -1,516,386
Lhyfe Netherlands B.V. Westerstraat 10, UNIT A1093 3016DH Rotterdam, Netherlands RSIN 863101185	1,000 ------- -452,393	100 -------	1,000 ------- 1,000	750,118 -------	98,270 ------- -103,323
Lhyfe Bessières SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 913 268 504	1,000 ------- 1,037,811	80 -------	800 ------- 800	7,212,843 -------	132,161 ------- -471,341
Hydrogen Lhyfe Canada Inc 3900-1 Place Ville-Marie Montreal (Quebec) H3B4M7 - Canada 1177977304	14 ------- -10,196	100 -------	13.59 ------- 13.59	8,092.97 -------	0 ------- -10,188
Lhyfe Skive ApS c/o Christensen Kjaerulff Østbanegade 123 2100 København Ø, Denmark CVR 43716980	5,363 ------- -604	100 -------	5,401 ------- 5,401	 ------- 	0 ------- -3,946
Lhyfe Buléon SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 910 335 850	1,000 ------- 2,244,152	100 -------	1,000 ------- 1,000	11,626,013 -------	519,898 ------- -532,476
Lhyfe Sorigny SAS 1 ter mail Pablo Picasso 44000 Nantes - France RCS Nantes 920 612 777	1,000 ------- -66,994	100 -------	1,000 ------- 1,000	592,922 -------	 ------- -33,177

Subsidiaries	Capital	Share held	Gross val. securities	Loans/advances	Turnover
	Shareholders' equity	Divid. Received	Net val. securities	Guarantees	Income
Lhyfe Croixrault SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 920 612 751	1,000 -17,587	100	1,000 1,000	266,582	-16,379
Lhyfe Production 2 SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 921 668 166	1,000 -532	100	1,000 1,000	601.27	-1,064
Lhyfe Le Cheylas SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 921 668 182	1,000 3,417,550	100	1,000 1,000		-2,657
Lhyfe Bussy Saint Georges SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 921 668 208	1,000 -25	100	1,000 1,000		-557
Lhyfe Production 5 SAS 1 ter mail Pablo Picasso 44000 Nantes - France RCS Nantes 921 668 232	1,000 -25	100	1,000 1,000		-557
Lhyfe Niedersachsen GmbH c/o Design Offices Erftstraße 15 - 17 50672 Cologne, Germany HRB 218723	25,000 364,400	100	25,000 25,000	944,374.01	60,859 -102,290
Lhyfe Schwäbisch Gmünd GmbH Robert-von-Ostertag-Straße 4 73525 Schwäbisch Gmünd - Germany HRB 745476	25,000 62,167	100	25,000 25,000	10,851,421	664,956 166,656
Lhyfe Hidrogeno, S.L 4 c.o. Audalia Nexia 28036-Madrid - Spain B09785304	3,000 10,212	100	3,000 3,000	2,061,102	0 -770,680
Lhyfe Trelleborg AB c/o The Works Sverige AB Klarabergsgatan 60 111 21, Stockholm, Sweden 559399-7488	2,181 -52,398	100	2,273 2,273	20,138	0 -54,580
Lhyfe UK Ltd. 3 More London Riverside London SE1 2AQ - Un083d Kingdom 14083786	1 -2,319,320	100	1 1	2,805,645	0 -735,736
Lhyfe Production 6 SAS 1 ter mail Pablo Picasso 44000 Nantes - France RCS Nantes 980 842 827	1,000 660	100	1,000 1,000		340
Lhyfe Production 7 SAS 1 ter mail Pablo Picasso 44000 Nantes - France RCS Nantes 980 833 099	1,000 660	100	1,000 1,000		340
Lhyfe Production 8 SAS 1 ter mail Pablo Picasso 44000 Nantes - France RCS Nantes 980 842 843	1,000 660	100	1,000 1,000		340
	1,000	100	1,000		

Subsidiaries	Capital	Share held	Gross val. securities	Loans/advances	Turnover
	Shareholders' equity	Divid. Received	Net val. securities	Guarantees	Income
Lhyfe Production 9 SAS 1 ter mail Pablo Picasso 44000 Nantes - France RCS Nantes 980 865 620	660		1,000		340
Lhyfe Production 10 SAS 1 ter mail Pablo Picasso 44000 Nantes - France RCS Nantes 980 835 367	1,000 660	100	1,000 1,000		340
Lhyfe Ingrandes SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 981 902 893	1,000 -100,098	100	1,000 1,000	3,648,033.62	-101,098
Lhyfe Gonfreville-L'Orcher SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 979 513 330	1,000 541	100	1,000 1,000		-459
Aspen Wasserstoff GmbH Robert-von-Ostertag-Straße 4 73525 Schwäbisch Gmünd – Germany HRB 746030	25,000 10,185	100	25,000 25,000	1,003.62	0 -7,367
Hydrogen Bay GmbH c/o Orangery Timmerannsstrat 4b 18055 Rostock, Germany HRB 16479	12,500 -6,367	100	12,500 12,500	1,003.62	0 -18,867
Duisburg Hydrogen GmbH c/o Design Offices Erftstraße 15-17 50672 Cologne, Germany HRB 16479	12,500 12,065	100	12,500 12,500	1,003.62	0 -435
Lhyfe Delfzijl BV Keurenplein 41, UNIT A3762 1069CD Amsterdam, Netherlands 559334-3857	1,000 -9,948	100	1,000 1,000	790,482	-10,948
Lhyfe Finland c/o HPP Asianajotoimisto Bulevardi 1 A 00100 Helsinki, Finland 2948023-9	0 -4,481	100	1,000 1,000	5,016.78	0 -4,481
Lhyfe Kemsley 3 More London Riverside London SE1 2AQ, United Kingdom 1177977304	1	100	1.2 1.2	147,966.62	
Lhyfe Wallsend 3 More London Riverside London SE1 2AQ, United Kingdom 15409059	1	100	1.2 1.2	3,038.27	
HoldCo Sparkle 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 935 355 271	1 -416	100	1 1	5,016.54	0 -417
	1,000	100	1000	732.5	0

Subsidiaries	Capital	Share held	Gross val. securities	Loans/advances	Turnover
	---	---	---	---	---
	Shareholders' equity	**Divid. Received**	**Net val. securities**	**Guarantees**	**Income**
Lhyfe Green Power Traceability France 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 984 593 178	-21,257		1000		-22,257
Lhyfe Oostende Franklin Rooseveltlaan 349 bus B19 9000 Gent, Belgium 1005.218.621	1,000	100	1000	11,209.81	
	---	---	---	---	---
			1000		
FinCo Sparkle 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 938 500 246	1	100			
	---	---	---	---	---
	1				
Hydrogène Lhyfe Montréal-Est Inc. 3900-1 Place Ville-Marie Montreal (Quebec) H3B4M7, Canada	7	100	7		
	---	---	---	---	---
			7		

Interest	Capital	Share held	Gross val. securities	Loans/advances	Turnover
	---	---	---	---	---
	Shareholders' equity	**Divid. Received**	**Net val. securities**	**Guarantees**	**Income**
Botnia Hydrogen AB Fredsgränd 11 LGH 1502 Stockholms län - Sweden 559303-0454	75,487	39.2	1,059,929		42,411
	---	---	---	---	---
	2,109,988		1,059,929		-14,816
Flexens Salomonkatu 17 B 28 00100 Helsinki, Finland	30,000	49.0	2150197		1,029,189
	---	---	---	---	---
	-6,537,595		0		-1,826,535
Ingrandes PS SAS 1 ter mail Pablo Picasso 44000 Nantes – France RCS Nantes 982 287 534	1,000	50	500	768.2	
	---	---	---	---	---
	502		500		-498

Note 9 Statement of fixed assets

	Gross value at start of year	Increase	
		Revaluation for the financial year	Acquisitions receivables transfers
Intangible assets			
Preliminary and development expenses	768	-	2,038
Other intangible assets	2,746	-	38
TOTAL	**3,514**	**-**	**2,076**
Property, plant and equipment			
Land	6,920	-	-
Buildings on own land	-	-	-
Buildings on leasehold land	-	-	-
General installations, fixtures and fittings of buildings	-	-	-
Industrial plant and equipment	520	-	10,450
Miscellaneous general installations, fixtures and fittings	565	-	-
Transport equipment	78	-	-
Office and IT equipment, furniture	872	-	89
Recoverable and miscellaneous packaging	-	-	-
Construction work in progress	5,927	-	-
Advances and payments on account	-	-	-
TOTAL	**14,881**	**-**	**10,539**
Financial assets			
Investments accounted for under the equity method	-	-	-
Other investments	11,860	-	5,844
Other long-term investments	259	-	1,316
Loans and other financial assets	956	-	1,172
TOTAL	**13,074**	**-**	**8,333**
GRAND TOTAL	**31,469**	**-**	**20,947**

	Reductions		Gross value of fixed assets at end of year
	Transfer	Disposal	
Preliminary and development expenses	-	-	2,806
Other intangible assets	1,130	-	1,654
TOTAL	**1,130**	**-**	**4,460**
Land	-	4,000	2,920
Buildings on own land	-	-	-
Buildings on leasehold land	-	-	-
General installations, fixtures and fittings of buildings	-	-	-
Industrial plant and equipment	-	10,431	539
Miscellaneous general installations, fixtures and fittings	-	-	565
Transport equipment	-	-	78
Office and IT equipment, furniture	-	-	960
Recoverable and miscellaneous packaging	-	-	-
Construction work in progress	4,492	-	1,435
Advances and payments on account	-	-	-
TOTAL	**4,492**	**14,431**	**6,497**
Investments accounted for under the equity method	-	-	-
Other investments	-	-	17,704
Other long-term investments	1,265	-	310
Loans and other financial assets	1,762	-	366
TOTAL	**3,027**	**-**	**18,380**
GRAND TOTAL	**8,649**	**14,431**	**29,337**

Note 10 Statement of depreciation and amortisation

DEPRECIABLE FIXED ASSETS	Amount at start of year	Increase	Decrease	Amount at end of year
Intangible assets	-	-	-	-
Preliminary and development expenses	257	605	-	861
Other intangible assets	64	40	-	104
TOTAL	**321**	**645**	**-**	**965**
Property, plant and equipment	-	-	-	-
Land	-	-	-	-
Buildings on own land	-	-	-	-
Buildings on leasehold land	-	-	-	-
General installations, fixtures and fittings of buildings	-	-	-	-
Industrial plant and equipment	31	77	35	73
Miscellaneous general installations, fixtures and fittings	245	199	-	444
Transport equipment	55	18	-	73
Office and IT equipment, furniture	302	207	-	508
Recoverable and miscellaneous packaging	-	-	-	-
TOTAL	**632**	**501**	**35**	**1,098**
GRAND TOTAL	**953**	**1,146**	**35**	**2,064**

Note 11 Deferred expenses

Changes during the financial year affecting expenses spread over several years	Net amount at start of year	Increase	Depreciation expense	Net amount at end of year
Issuance charges to be amortised	848	81	179	750
Bond redemption premiums	-	-	-	-

Note 12 Statement of receivables

	Gross amount	Asset liquidity	
		Maturing in less than one year	Maturing in more than one year
Fixed asset receivables			
Receivables linked to holdings	14,223	-	14,223
Loans [1] [2]	-	-	-
Other financial assets	366	-	366
Current asset receivables			
Bad and doubtful debt	-	-	-
Other trade receivables	47,224	47,224	-
Receivables representing loaned securities	-	-	-
Amounts due to and from employees	2	-	-
Social security and other benefits	-	-	-
Corporate income tax	158	158	-
Value added tax	909	909	-
Other taxes, duties and similar payments	-	-	-
Miscellaneous	-	-	-
Current accounts due to or from group companies and shareholders [2]	47,291	47,291	-
Sundry debtors (including receivables relating to repurchase agreements)	3,940	2,543	1,397
Prepaid expenses	1,343	1,343	-
TOTAL	**115,456**	**99,470**	**15,986**

(1) Loans granted during the financial year

(1) Repayments received during the financial year

(2) Loans and advances granted to individual shareholders

Note 13 Statement of debt

Debt	Gross amount	Maturity of the liabilities		
		Maturing in less than one year	Maturing in	
			More than 1 year	More than 5 years
Convertible debenture loans [1]	10,325	367	-	9,958
Other debenture loans [1]	-	-	-	-
Loans and borrowings from lending institutions [1]				
○ originally for a maximum of 1 year	3	3	-	-
○ originally for more than 1 year	35,895	3,270	28,675	3,950
Miscellaneous loans and borrowings [1] [2]	93	-	93	-
Trade payables	19,205	19,205	-	-
Amounts due to and from employees	1,948	1,948	-	-
Social security and other benefits	1,414	1,414	-	-
Corporate income tax	-	-	-	-
Value added tax	9,140	9,140	-	-
Guaranteed bonds	-	-	-	-
Other taxes and duties	156	156	-	-
Fixed asset liabilities	-	-	-	-
Current accounts due to or from group companies and shareholders [2]	185	185	-	-
Other liabilities (including liabilities relating to repurchase agreements)	2,484	2,484	-	-
Debt representing borrowed securities	-	-	-	-
Deferred revenue	16,290	16,290	-	-
TOTAL	**97,140**	**54,464**	**28,768**	**13,908**
(1) Loans taken out during the year	*28,054*			
(1) Loans repaid during the year	*351*			
(2) Loans and borrowings from individual shareholders				

Note 14 Changes in shareholders' equity

Item	Amount in thousands of euros
Shareholders' equity for N-1 after appropriation of profit and before OGM	**121,561**
Distributions	-
Shareholders' equity at the start of the financial year	121,561
Changes in the share capital	1
Change in issuance, merger and contribution premiums	26
Change in retained earnings/losses brought forward	-20,880
Change in investment subsidies and regulated provisions	-75
Appropriation of N-1 profit to shareholders' equity (excluding distributions)	20,880
Changes during the financial year	-48
Shareholders' equity at year-end before appropriation of profit	**121,513**
Profit or loss for the financial year	-19,957
Shareholders' equity at year-end after appropriation of profit and before annual General Meeting	**101,556**

Note 15 Accrued expenses and revenue

ACCRUED EXPENSES INCLUDED IN THE FOLLOWING BALANCE SHEET ITEMS	Financial year to 31/12/2024	Financial year to 31/12/2023
Convertible debenture loans	367	606
Other debenture loans	-	-
Loans and borrowings from lending institutions	188	113
Miscellaneous loans and borrowings	-	-
Trade payables	14,054	5,628
Tax and social security liabilities	2,806	2,333
Fixed asset liabilities	-	-
Other debt	359	-
TOTAL	**17,775**	**8,680**

ACCRUED REVENUE INCLUDED IN THE FOLLOWING BALANCE SHEET ITEMS	Financial year to 31/12/2024	Financial year to 31/12/2023
Receivables linked to holdings	-	-
Other long-term investments	-	-
Loans	-	-
Other financial assets	-	-
Trade receivables	12,025	4,861
Non-trade receivables	1,238	2,088
Short-term investments	-	-
Cash	110	165
TOTAL	**13,373**	**7,114**

Note 16 Deferred revenue and prepaid expenses

DEFERRED REVENUE	Financial year to 31/12/2024	Financial year to 31/12/2023
Operating revenue	16,290	9,929
Financial revenue	-	-
Exceptional and extraordinary profits	-	-
TOTAL	**16,290**	**9,929**

PREPAID EXPENSES	Financial year to 31/12/2024	Financial year to 31/12/2023
Operating expenses	1,343	891
Financial expenses	-	-
Exceptional and extraordinary expenses	-	-
TOTAL	**1,343**	**891**

Note 17 Statement of provisions and impairment

NATURE OF THE PROVISION	Amount at the start of the financial year	Increase in provisions during the year	Reductions/ reversals at year-end	Amount at the end of the financial year
Liabilities and expenses				
Provisions for litigation	44	20	44	20
Provisions for guarantees granted to customers	-	-	-	-
Provisions for losses on futures markets	-	-	-	-
Provisions for fines and penalties	-	-	-	-
Provisions for exchange losses	-	-	-	-
Provisions for pensions and obligations	-	91	-	91
Provisions for taxes	-	-	-	-
Provisions for renewal of fixed assets	-	-	-	-
Provisions for major maintenance and overhauls	125	182	-	307
Provisions for social security expenses and tax on leave due	-	-	-	-
Other provisions for liabilities and expenses	3,041	117	528	2,629
TOTAL	**3,211**	**410**	**573**	**3,048**

NATURE OF THE IMPAIRMENT	Amount at the start of the financial year	Increase in provisions during the year	Reductions/ reversals at year-end	Amount at the end of the financial year
Impairment			-	-
Intangible assets	-	-	-	-
Property, plant and equipment	-	-	-	-
Fixed assets - equity method investments	-	-	-	-
Fixed assets - equity interests	-	2,150	-	2,150
Financial assets	-	43	-	43
Of inventory and work in progress	-	-	-	-
Of trade receivables	-	-	-	-
Other provisions for impairment	-	-	-	-
TOTAL	**-**	**2,193**	**-**	**2,193**
GRAND TOTAL	**3,211**	**2,602**	**573**	**5,240**
Including provisions and reversals: - operating		*410*	*73*	
Including provisions and reversals: - financial		*2,193*		
Including provisions and reversals: - exceptional				

Note 18 Breakdown of the extraordinary profit or loss

Breakdown of the extraordinary profit or loss	Expenses	Revenue
Exceptional and extraordinary operating profits	-	1
Operating revenue from previous financial years	-	87
Proceeds from disposals of property, plant and equipment	-	14,392
Investment subsidies Transferred to income	-	492
Profit from repurchase of treasury shares	-	7
Fines and penalties	1	-
Operating expenses from previous financial years	-	-
Book value of property, plant and equipment sold	14,396	-
Deficit from repurchase of treasury shares	120	-
Exceptional depreciation and amortisation	1,035	-
TOTAL	**15,551**	**14,979**

Note 19 Transfer of expenses

Transfer of expenses	Amount
Group reinvoicing	455
Reinvoicing Advanced H2 Valley Project	307
Non-group miscellaneous income	283
Payment of insurance	79
Payment of training courses	4
TOTAL	**1,128**

6.4. Statutory auditors' report on the individual financial statements

Financial year to 31 December 2024

To the LHYFE General Meeting,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of LHYFE for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Inventories and work-in-progress

Risk identified

As stated in Note 3.7 "Inventories and work-in-progress" to the financial statements, expenses relating to the development of future renewable green hydrogen production sites, intended for resale under future contracts, were recorded in inventories and work-in-progress for €17.4 million as of December 31, 2024.

These expenses represent work-in-progress once the corresponding projects are likely to be successful.

The Company mostly considers that this criteria has been met when the project enters into the "Tender Ready" phase. This criteria differs depending on whether the project is:

- in connection with an industrial application: request from a potential client for an "attractive" offer or its delivery is required to obtain subsidies;
- specific to a mobility application: strategic investment decision following analyses of the request for a geographical area, the ability to meet the request and possible subsidies.

We considered the recognition and valuation of work-in-progress to be a key audit matter because of the level of judgment required by Management to assess whether the corresponding costs satisfy the capitalization criteria.

Responses as part of our audit

Our work notably consisted in:

- obtaining an understanding of the internal control procedures set up to identify development costs that satisfy work-in-progress recognition criteria;
- assessing, in light of current accounting standards and the capitalization rules defined by the Group, the methods used to examine the capitalization criteria based on a sample of tested projects;
- testing, on a sampling basis, the consistency of amounts recorded under assets with the project monitoring files drafted by Group management and the consistency of these files with internal and external costs incurred for these projects recognized in the accounts;
- lastly, we verified the appropriateness of the disclosures in the annual financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4, L. 225-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial

Code relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of LHYFE by the General Meeting of December 21, 2021 for Deloitte & Associés and by the Bylaws of April 10, 2019 for Baker Tilly Strego SAS.

As at December 31, 2024, Deloitte & Associés and Baker Tilly Strego SAS were in the 4th year and 6th year of total uninterrupted engagement, which is the 3rd year for both firms since the securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence

obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit.

We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537-2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Nantes, 29 April 2025

The Statutory Auditors

Baker Tilly Strego	**Deloitte & Associés**
François Pignon-Hériard	Guillaume Radigue

6.5. Other information regarding Lhyfe S.A.

6.5.1. Events during financial year 2024

During the financial year 2024, the Company continued to secure its cash position and the financing of its projects via various sources of funding.

Firstly, in 2024, it contracted new funding in the form of leasing agreements and operating leases for its hydrogen transport and storage assets. This funding amounts to a total of €22.8m. The Company refinanced part of its hydrogen transport and storage assets for a total of €10.4m in connection with a sale and leaseback transaction. At the same time, it was able to finance the acquisition of the rest of its container fleet for a total of €12m through an operating lease.

Secondly, following on from the green syndicated bank loan for an amount contracted at the end of 2023, the Company extended this financing by €3m on 27 June 2024, thereby increasing it to €25.2m. This debt has an initial maturity of 5 years with *bullet repayment* at the end of 2028.

The Company also extended its engineering and services business for its subsidiaries. It therefore signed its further contracts for the engineering, supply of equipment and construction of hydrogen production sites with its project company subsidiaries. At the same time, the Company increased the number of services provided to its subsidiaries, mainly under development, maintenance and management services contracts.

In addition, the Company continued to invest heavily in the construction and development of its future onshore hydrogen production sites. This heavy investment resulted in work in progress for a total of €17.4m, mainly for purchases of production equipment.

In order to continue to develop its activities in Europe, the Company created seven subsidiaries during financial year 2024, including two in the United Kingdom, one in Belgium and one in Canada for hydrogen production.

The operating loss improved in 2024, amounting to €17.9m, compared with an operating loss of €23.1m in 2023. This variation was mainly due to the development of the Company's business with its subsidiaries, both as a result of the signing of further contracts for the construction of future hydrogen production sites and the increase in services provided to operating subsidiaries (operation and maintenance contracts, hydrogen transport services, rental of storage assets, etc.).

This improvement was partly offset by the increase in the personnel expenses totalling €1.5m, due to the full-year impact of recruitments made in 2023. Other external purchases and expenses were up by €13.3m, linked to charges recognised in connection with engineering, equipment supply and construction contracts for hydrogen production sites, and leasing agreements contracted in 2024 for hydrogen transport and storage assets.

The depreciation and amortisation expense decreased by €1.1m during the period, due to the substantial impact in 2023 of the impairment of assets linked to the offshore hydrogen production platform in connection with the Sealhyfe project.

The Company's financial income was adversely affected by the impairment of Flexens securities amounting to €2.2m, and the increase in debt servicing totalling €2.1m, linked to the funding contracted at the end of 2023.

6.5.2. Table of results for the last five financial years

In €	31/12/2024	31/12/2023	31/12/2022	31/12/2021	31/12/2020
I. Financial position at year-end					
a) Share capital	479,703	479,081	479,004	1,934	1,934
b) Number of shares making up the share capital	47,970,348	47,908,148	47,900,448	193,369	193,369
c) Number of bonds convertible into shares[1]	9,958,099	11,609,375	12,250,000	13,132,381	93,369
II. Comprehensive income from operations					
a) Pre-tax turnover	45,757,097	17,625,640	807,828	128,181	2,603
b) Profit before tax, depreciation, amortisation and provisions	-15,404,104	-19,559,478	-17,101,243	-5,751,449	-1,534,468
c) Income tax[2]	-157,626	-1,271,130	-636,255	-550,903	-76,092
d) Profit after tax, depreciation, amortisation and provisions	-19,957,101	-20,879,547	-17,393,002	-5,447,065	-1,475,518
e) Distributed profits	0	0	0	0	0
III. Per-share data					
a) Profit after tax, before depreciation, amortisation and provisions	-0.32	-0.38	-0.34	-26.89	-7.54
b) Profit after tax, depreciation, amortisation and provisions	-0.42	-0.44	-0.36	-28.17	-7.63
c) Dividend per share	0.00	0.00	0.00	0.00	1.00
IV. Personnel					
a) Number of employees	152	146	83	35	15
b) Total payroll	12,272,510	11,368,117	7,077,868	2,311,258	880,915
c) Amounts paid in respect of social security benefits	5,218,061	4,640,635	2,801,582	748,424	258,358

(1) Before the 100-for-1 stock split approved by the General Meeting of 3 March 2022.

(2) Only comprising the R&D tax credit.

6.5.3. Non-deductible expenses

The Company did not incur extravagant expenditure within the meaning of Article 39 paragraph 4 of the French General Tax Code during the financial year to 31 December 2024

6.5.4. Overheads added back to taxable income

The Company did not incur excessive overheads or overheads not included on the special statement resulting in amounts being added back specified in Article 39 paragraph 5 of the French General Tax Code during the financial year to 31 December 2024.

6.5.5. Time limits for payment of suppliers and customers

	Article D. 441 I.-1: Invoices received, outstanding on the balance sheet date						Article D. 441 I.-2: Invoices issued, outstanding on the balance sheet date					
	0 days (approximate)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or over)	*0 days (approximate)*	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or over)
(A) Periods of late payment												
Cumulative number of invoices concerned	363					62	24					9
Total amount of invoices concerned excluding tax	€3,408,800	€796,994	€1,777	€0	€1,036	€799,807	€35,065,598	€107,218	€25,436		€1,017	€133,671
Percentage of the total amount of purchases for the financial year excluding tax	9%	2%	0%	0%	0%							
Percentage of the turnover for the financial year excluding tax							77%	0%	0%		0%	0%
(B) Invoices excluded from (A) relating to disputed or unrecognised liabilities and receivables												
Number of invoices excluded	3											
Total amount of invoices excluded	€432,456											
(C) Reference time limits for payment used (contractual or statutory time limit - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Contractual time limits to be specified	30 days											
Statutory time limit to be specified												

6.6. Significant change in the Company's financial position

On 16 April 2025, the French Prime Minister confirmed the award of the €149 million subsidy to Lhyfe's Green Horizon project, as part of the presentation of the National Hydrogen Strategy 2030. This announcement concretises the commitment made by the French government in March 2024. To date, Lhyfe has already submitted the building permit and the application for the environmental authorisation. Connection to the electricity grid and the provision of the needed power capacity have been secured. Lhyfe will receive a first advance of €18 million by June 2025. A second tranche of the advance will be released in the following months and subsequent payments will take the form of reimbursements of costs incurred and duly justified by the successful achievement of predefined annual milestones over a period of 4 years.

On 29 April 2025, Lhyfe announced that it had successfully completed, with three financial partners, the refinancing of the construction of four green hydrogen production sites located in France and Germany, for an amount of € 53 million. Of these four sites, two have already been built (Buléon in France and Schwäbisch Gmünd in Germany) and two are under construction (Le Cheylas and Croixrault in France). The transaction consists of (i) the refinancing of part of the capex already invested by Lhyfe in these sites and (ii) the financing of the remaining investments. It comprises a mix of bonds and unsubordinated senior bonds, with a maturity in 2034, subscribed by Edmond de Rothschild Asset Management, Triodos Bank and Sienna Investment Managers, supplemented by bridge financing (subsidies and VAT) provided by Groupe BPCE, through BPCE Energeco and BPGO, one of the Group historical partners. Lhyfe achieves its first project financing transaction, the first of its kind in Europe for bulk green hydrogen production. This transaction strengthens the Group's balance sheet and cash position. It demonstrates the support and confidence of leading financial partners in Lhyfe's infrastructure model and industrial and commercial scale-up strategy.

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7.1. Share capital, shares and securities issued by Lhyfe SA

7.1.1. Share capital and voting rights

At 31 December 2024, the Company's share capital amounted to €479,703.48, divided into 47,970,348 ordinary shares with a nominal value of €0.01 each, fully paid up and all of the same class.

7.1.2. Changes in share capital over the last three financial years

Changes in the number of shares over the last three financial years were as follows:

Date	Nature of the operation	Capital before operation	Number of shares before operation	Number of shares after operation	Nominal value	Capital after operation
03/03/2022	Increase in nominal value of shares by incorporation of issuance premium	€1,933.69	193,369	193,369	€1.00	€193,369.00
11/03/2022	Share nominal value split	€193,369.00	193,369	19,336,900	€0.01	€193,369.00
24/05/2022	Issuance of shares for cash	€193,369.00	19,336,900	31,908,329	€0.01	€319,083.29
24/05/2022	Issuance of shares for cash (conversion of convertible bonds)	€319,083.29	31,908,329	46,947,730	€0.01	€469,477.30
21/06/2022	Issuance of shares for cash	€469,477.30	46,947,730	47,900,448	€0.01	€479,004.48
17/05/2023	Issuance of shares for cash (exercise of BSPCE)	€479,004.48	47,900,448	47,908,148	€0.01	€479,081.48
10/04/2024	Issuance of shares for cash (exercise of BSPCE)	€479,081.48	47,908,148	47,943,848	€0.01	€479,438.48
03/10/2024	Issuance of shares for cash (exercise of BSPCE)	€479,438.48	47,943,848	47,956,048	€0.01	€479,560.48
20/12/2024	Issuance of shares for cash (exercise of BSPCE)	€479,560.48	47,956,048	47,970,348	€0.01	€479,703.48

7.1.3. Securities giving access to capital

On 31 December 2024, the securities giving access to the Company's capital are shown below.

7.1.3.1. Founder's share warrants (bons de souscription de parts de créateurs d'entreprise or BSPCE)

Details of the BSPCE plans in existence on 31 December 2024 are shown in Table 8 in Section 7.2.4 of the Universal Registration Document.

7.1.3.2. Stock options

Details of the stock option plan existing on 31 December 2024 are set out in Table 8 in Section 7.2.4 of the Universal Registration Document.

7.1.3.3. Share warrants (bons de souscription d'actions or BSA)

A BSA plan was allocated to a consultant.

Characteristics of the BSA	BSA 2021
Date of shareholders' meeting that allocated (or delegated its authority to allocate) the BSA	08/04/2021
Date of the allocation decision	08/04/2021
Maximum number of BSA authorised	1,700
Number of BSA subscribed	1,700
Total number of shares that may be subscribed by exercising the BSA as of the date on which they were allocated	170,000
o/w the number of shares that may be subscribed by corporate officers	*0*
Number of beneficiaries who are not corporate officers (on the allocation date)	1
Starting date for exercising the BSA	08/04/2025
Expiry date of the BSA	08/04/2031
Subscription price of each BSA	€4.28

Characteristics of the BSA	BSA 2021
Exercise price of each BSA[1]	€42.84
Terms of exercise	See (2) below
Number of BSA exercised as of the date of the Universal Registration Document	0
Cumulative number of BSA lapsed or cancelled as of the date of the Universal Registration Document	0
Number of BSA outstanding as of the date of the Universal Registration Document	1,700
Maximum total number of shares that may be subscribed by exercising the BSA outstanding as of the date of the Universal Registration Document[2]	170,000
Number of shares likely to result from the exercise of BSA exercisable as of the date of the Universal Registration Document[2]	170,000

(1) Following the division of the nominal value by 100 and the creation of 100 new shares for one existing share on 11 March 2022, each BSA entitles the beneficiary to subscribe for 100 shares, for a total price of €42.84.

(2) The BSA will only be exercisable from 8 April 2025, on the condition that the sale consultant agreement between the Company and QWAY Energy, which covers the Group's business development in certain geographical areas and which came into force on 16 July 2020, has not been terminated by that date. The individual beneficiary of the BSA is the consultant responsible for business development in Central Europe, who owns the company QWAY Energy.

7.1.3.4. Free share allocations (Attributions gratuites d'actions or AGA)

Details of the AGA plans in existence on 31 December 2024 are shown in Table 10 in Section 7.2.4 of the Universal Registration Document.

7.1.3.5. Convertible bonds

On 31 December 2024, the Company issued two bonds convertible into shares, redeemable on a straight-line basis and not intended to be converted, the features of which are described below.

i. 'OCA LB2' convertible bonds

On 13 July 2021, the Company issued a bond convertible into shares of the Company, the main features of which are as follows:

Nominal amount: €10,250,000, represented by 10,250,000 OCA LB2 with a nominal value of €1 each.

Identity of subscribers:

Subscribers	Number of OCA LB2	Amount of subscriptions	Amount remaining to be repaid at 31 December 2024
Swen Impact Fund for Transition	6,250,000	€6,250,000	€5,080,548
CDC (Banque des Territoires)	4,000,000	€4,000,000	€3,251,551
Total	**10,250,000**	**€10,250,000**	**€8,332,099**

Interest rate: 9% for the first annual period from the issuance of the OCA LB2. After this period, the OCA LB2 bear interest at a variable rate of between 8.8% and 9.2% per annum, depending on whether or not the number of tonnes of CO_2 avoided in respect of the previous financial year is achieved. If the tonnage of CO_2 is between the lower and higher limits defined in the contract for the issuance of the OCA LB2, the interest rate is determined by linear interpolation between the two interest limits. Interest is payable annually on the anniversary date, in cash.

Maturity date: at the end of a period of 8 years from their subscription date, i.e. 13 July 2029.

Redemption:

- *Annual redemption until the maturity date*: the OCA LB2 are subject to annual linear redemption in principal over 78 months, starting from the expiry of an 18-month grace period (i.e. since 13 January 2023).
- *Voluntary early redemption at the Company's discretion*: the Company may redeem the OCA LB2, in whole or in part, at any time. Under certain conditions, any early redemption may be subject to the payment of an 'Early Redemption Penalty' described below.
- *Mandatory early redemption at the discretion of OCA LB2 subscribers*: the OCA LB2 may be redeemed early, in whole or in part, at any time, at the request of a subscriber:
  - in certain cases relating to the control and management of the Company; and
  - in certain standard cases of default, in particular non-payment of any amount due under the OCA LB2, breach of any of the stipulations of the issuance agreement or in the case of insolvency proceedings.
- *Early Redemption Penalty*: Any early redemption of the OCA LB2 carried out at the initiative of the Company or a holder of OCA LB2 within a period of 4 years from the issuance of the loan (i.e. before 13 July 2025) will give rise to the payment of an 'Early Redemption Penalty' equal to the sum of the unpaid interest that would have been due in respect of the OCA LB2 thus redeemed until the end of the 4-year period from the issuance of the OCA LB2.

The terms and conditions of the OCA LB2 contain the covenants described in paragraph 5.3.1.2(ii) of the Universal Registration Document.

Conversion:

- at the request of holders of OCA LB2:
  - in the absence of full redemption of the OCA LB2 in principal and interest on the maturity date, in which case the Company may not oppose such a request;
  - in the event of insolvency proceedings;
- at any time by mutual agreement between the Company and the holders of the OCA LB2.

Each converted OCA LB2 entitles its holder, subject to adjustments relating to the protection of OCA LB2 holders, to a number of new ordinary shares 'N' determined by applying the following formula:

N = VNOC/VR

Where:

- 'VNOC' is the nominal amount in principal (excluding accrued and unpaid interest) of the OCA LB2, in proportion to the outstanding principal amount;
- 'VR' is the unit reference value of an ordinary share making up the Company's share capital, equal to the market value determined by an expert, in the absence of agreement between the Company and the representative of the group of OCA LB2 holders, after deduction of a discount of 15%.

ii. 'OCA LB2 Bis' convertible bonds

On 14 December 2021, the Company issued a bond convertible into shares of the Company, the terms and conditions of which, similar to those of the OCA LB2 loan with the exception of the subscription date and maturity date, are described below:

Nominal amount: €2,000,000, represented by 2,000,000 OCA LB2 Bis with a nominal value of €1 each.

Identity of subscriber:

Subscriber	Number of OCA LB2 Bis	Amount of subscriptions	Amount remaining to be repaid at 31 December 2024
Les Saules	2,000,000	€2,000,000	€1,626,000
Total	**2,000,000**	**€2,000,000**	**€1,626,000**

Interest rate: 9% for the first annual period from the issuance of the OCA LB2 Bis. After this period, the OCA LB2 Bis bear interest at a variable rate of between 8.8% and 9.2% per annum, depending on whether or not the number of tonnes of CO_2 avoided in respect of the previous financial year is achieved. Interest is payable annually on the anniversary date, in cash.

Maturity date: at the end of a period of 8 years from their subscription date, i.e. 14 December 2029.

Redemption:

- *Annual redemption until the maturity date*: the OCA LB2 Bis are subject to annual linear redemption in principal over 78 months, starting from the expiry of an 18-month grace period (i.e. since 14 June 2023).
- *Voluntary early redemption at the Company's discretion*: the Company may redeem the OCA LB2 Bis, in whole or in part, at any time. Under certain conditions, any early redemption may be subject to the payment of an 'Early Redemption Penalty' described below.
- *Mandatory early redemption at the discretion of OCA LB2 Bis subscribers*: the OCA LB2 Bis may be redeemed early, in whole or in part, at any time, at the request of a subscriber:
  - in certain cases relating to the control and management of the Company; and
  - in certain standard cases of default, in particular non-payment of all sums due under the OCA LB2 Bis, breach of any of the stipulations of the issuance agreement, or insolvency proceedings.
- *Penalty for early redemption*: Any early redemption of the OCA LB2 Bis carried out, at the initiative of the Company or a holder of OCA LB2 Bis, within a period of 4 years from the issuance of the loan (i.e. before 14 December 2025) will give rise to the payment of an 'Early Redemption Penalty' equal to the sum of the unpaid interest that would have been due in respect of the OCA LB2 Bis thus redeemed until the end of the period of 4 years from the issuance of the OCA LB2 Bis.

The terms and conditions of the OCA LB2 Bis contain the covenants described in paragraph 5.3.1.2(ii) of the Universal Registration Document.

Conversion:

- at the request of holders of OCA LB2 Bis:
  - in the absence of full redemption of the OCA LB2 Bis in principal and interest on the maturity date, in which case the Company may not oppose such a request;
  - in the event of insolvency proceedings;
- at any time by mutual agreement between the Company and the holders of OCA LB2 Bis.

Each converted OCA LB2 Bis entitles its holder, subject to adjustments relating to the protection of OCA LB2 Bis holders, to a number of new ordinary shares 'N' determined by applying the following formula:

N = VNOC/VR

Where:

- 'VNOC' is the nominal amount in principal (excluding accrued and unpaid interest) of the OCA LB2 Bis, in proportion to the outstanding principal amount;
- 'VR' is the unit reference value of an ordinary share making up the Company's share capital, equal to the market value determined by an expert, in the absence of agreement between the Company and the representative of the group of OCA LB2 Bis holders, after deduction of a discount of 15%.

7.1.3.6. Summary of dilutive instruments

Provided that the conditions for their exercise or definitive vesting are satisfied, the maximum potential dilution likely to result from the full exercise of the BSPCE, Stock Options and BSA and the definitive vesting of the AGA is summarised in the table below, it being specified that the dilutive impact of the OCA LB2 and OCA LB2 Bis cannot be calculated. Details of each plan are given in paragraphs 7.2.4.1 (BPSPCE and Stock options), 7.2.4.2 (AGA) and 7.1.3.3 (BSA).

Dilution summary	Number of shares
Number of shares making up the capital on 31/12/2024	47,970,348
Maximum number of shares to be issued from the exercise of BSPCE	2,839,484
Maximum number of shares to be issued from the exercise of Stock Options	41,200
Maximum number of shares to be issued from the exercise of BSA	170,000
Maximum number of shares to be issued upon the vesting of AGA	1,862,990
Maximum number of shares to be issued on the conversion of OCA LB2 and LB2 bis	See (1)
Number of shares making up the diluted capital (excluding the impact of the conversion of OCA LB2 and OCA LB2 Bis)	52,884,022
% potential dilution[2]	10.24%

(1) The number of new ordinary shares resulting from the full conversion of the OCA LB2 and OCA LB2 Bis is based on the market value of the Company's shares at the time of conversion and cannot therefore be calculated.

(2) The potential dilution shown only results from the exercise of the BSPCE, Stock Options, BSA and AGA, as the number of new ordinary shares resulting from the full conversion of the OCA LB2 and OCA LB2 Bis cannot be calculated.

7.1.4. Securities that do not represent capital

Not applicable.

7.1.5. Share repurchase and liquidity programmes

At the shareholders' General Meeting held on 23 May 2024, the shareholders authorised the Board of Directors to implement, for a period of eighteen (18) months from the date of the meeting, a share repurchase programme in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code and market practices accepted by the Autorité des Marchés Financiers.

The main terms of this authorisation are as follows:

Maximum number of shares that may be purchased: 10% of the total number of shares making up the Company's share capital and, with regard to acquisitions made with a view to their retention and subsequent remittance in payment or exchange in the context of a merger, demerger or contribution, 5% of the total number of shares making up the Company's share capital, it being specified that (i) these limits apply to an amount of the Company's share capital that will, where applicable, be adjusted to take into account transactions affecting the share capital subsequent to the General Meeting and (ii) when shares are repurchased to promote liquidity under the conditions defined by the General Regulation of the Autorité des Marchés Financiers, the number of shares taken into account for the calculation of the aforementioned 10% limit corresponds to the number of shares purchased, less the number of shares resold during the authorisation period.

Objectives of share repurchases:

- to retain Company shares that have been purchased and subsequently tender them for exchange or payment in connection with any acquisitions, mergers, demergers or contributions, in compliance with stock market regulations, in particular;
- to provide shares for the exercise of rights attached to securities giving access to the Company's capital;
- to allocate shares to employees or corporate officers of the Company and its subsidiaries in accordance with the terms and conditions set out by law, in particular in respect of the allocation of free shares, profit-sharing schemes, stock option schemes or through a company savings plan;
- to ensure liquidity and stimulate the secondary market in the Company's shares by an investment services provider acting under a liquidity contract in compliance with the code of ethics recognised by the Autorité des Marchés Financiers;
- to cancel all or part of the shares repurchased; and
- to achieve any other purpose authorised or that may be authorised by law or recognised or that may be recognised as a market practice by the Autorité des Marchés Financiers, it being understood that in such a case, the Company will inform its shareholders by means of a press release.

Maximum purchase price (excluding fees and commission): 300% of the price of the Company's shares listed upon their admission to trading on the Euronext Paris regulated market (€8.75), i.e. €26.25.

Maximum amount of funds that may be used to repurchase shares: €30 million.

Shares repurchased in this way may be cancelled.

Renewal of the share repurchase programme proposed to the 2025 General Meeting: at the General Meeting on 23 May 2025, shareholders will be asked to renew the Company's share repurchase programme described above, on identical terms.

Review of the share repurchase programme

Number of treasury shares	Liquidity contract	Total
Position on 31 December 2023	**52,718**	**52,718**
Purchases	332,831	332,831
Sales	288,661	288,661
Position on 31 December 2024	**96,888**	**96,888**

On 31 December 2024, the Company held 96,888 of its shares under the liquidity contract, representing a nominal value of €968.88 (i.e. 0.20% of the share capital) and a book value of €267,605. These shares have no voting rights.

7.1.6. Table of current delegations and authorisations granted by the General Meeting in respect of share capital increases

The financial delegations approved by the Company's shareholders at the general meetings of 14 April 2022, 23 May 2023 and 23 May 2024, which are still in force, are summarised below:

Authorisations and delegations granted by the General Meeting	Duration of the delegation	Terms of the delegation	Use during financial year 2024
Issuances with shareholders' preferential subscription rights maintained			
Issuance of shares and/or equity securities giving access to other equity securities and/or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, with maintenance of shareholders' preferential subscription rights (*General Meeting of 23 May 2024, 16th resolution*)	26 months (until 23 July 2026)	Maximum amount: Nominal value of €479,081.48(1) Maximum amount (debt securities): €500,000,000	N/A
Issuances with cancellation of shareholders' preferential subscription rights			
Issuance of shares and/or equity securities giving access to other equity securities and/or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, with cancellation of shareholders' preferential subscription rights, in the context of public offers other than those referred to in Article L. 411-2 (1) of the French Monetary and Financial Code. (*General Meeting of 23 May 2024, 17th resolution*)	26 months (until 23 July 2026)	Maximum amount: Nominal value of €239,540.74(1) Maximum amount (debt securities): €500,000,000	N/A
Issuance of shares and/or equity securities giving access to other equity securities and/or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, with cancellation of shareholders' preferential subscription rights, in the context of public offers referred to in Article L. 411-2 (1) of the French Monetary and Financial Code (*General Meeting of 23 May 2024, 18th resolution*)	26 months (until 23 July 2026)	Maximum amount: Nominal value of €191,632.59(1)/20% of the share capital per year Maximum amount (debt securities): €500,000,000	N/A
Determination of the issue price of shares and/or any other securities giving access to the capital, in the event of cancellation of preferential subscription rights and in the context of public offers, up to an annual limit of 10% of the capital (*General Meeting of 23 May 2024, 19th resolution*)	26 months (until 23 July 2026)	Issue price of shares: at least equal to the volume-weighted average of the share price over the last three trading days preceding the setting of the issue price, possibly reduced by a maximum discount of 20% Issue price of securities giving access to the capital: such that the amount received immediately, plus any amount that may be received in the future, is, for each share issued as a result of the issue concerned, at least equal to the amount referred to above	N/A
Issuance of shares and/or equity securities giving access to other equity securities and/or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, with cancellation of shareholders' preferential subscription rights, for the benefit of determined categories of beneficiaries investing in the energy or hydrogen sectors (*General Meeting of 23 May 2024, 20th resolution*)	18 months (until 23 November 2025)	Maximum amount: Nominal value of €191,632.59(1) Maximum amount (debt securities): €500,000,000 Issue price: rules identical to those set out above for the 19th resolution	N/A
Issuance of shares and/or any other securities giving immediate or future access to the Company's capital, with cancellation of shareholders' preferential subscription rights, as consideration for contributions in kind made to the Company in the form of equity securities or securities giving access to the capital of third parties, outside a public exchange offer (*General Meeting of 23 May 2024, 22nd resolution*)	26 months (until 23 July 2026)	Maximum amount: 10% of the share capital per year(1) Maximum amount (debt securities): €500,000,000	N/A

Authorisations and delegations granted by the General Meeting	Duration of the delegation	Terms of the delegation	Use during financial year 2024
Issuance of shares and/or securities giving access to the Company's capital, with cancellation of shareholders' preferential subscription rights, as consideration for securities tendered to a public exchange offer initiated by the Company (*General Meeting of 23 May 2024, 23th resolution*)	26 months (until 23 July 2026)	Maximum amount: Nominal value of €239,540.74[1] Maximum amount (debt securities): €500,000,000	N/A
Issuances with or without cancellation of shareholders' preferential subscription rights			
Authorisation to increase by 15% the number of shares to be issued in the event of a share capital increase, with or without cancellation of shareholders' preferential subscription rights (*General Meeting of 23 May 2024, 21th resolution*)	26 months (until 23 July 2026)	Maximum amount: 15% of the initial issuance[1] Issue price: initial issue price	
Incentive schemes for corporate officers and employees			
Allocation of free shares, either existing or to be issued, to employees and corporate officers of the Company or of the companies or groupings referred to in Article L. 225-197-2 of the French Commercial Code (*General Meeting of 14 April 2022, 4th resolution, as amended by the General Meeting of 23 May 2024, 25th resolution*)	38 months (until 14 June 2025)	Maximum amount: Nominal value of €4,250	Allocation of 300,000 free shares, representing a future share capital increase of €3,000
Allocation of options giving entitlement to subscribe for new shares in the Company or to purchase existing shares to employees and corporate officers of the Company or of the companies or groupings referred to in Article L. 225-180 of the French Commercial Code (*General Meeting of 23 May 2023, 25th resolution*)	38 months (until 23 July 2026)	Maximum amount: Nominal value of €6,600[2] Exercise price: price at least equal to (i) 80% of the average listed prices on the 20 trading days preceding the day on which the options are granted, in the case of stock options, or (ii) 80% of the average purchase price of shares held by the Company as part of a share repurchase programme, in the case of purchase options only	Allocation of 26,200 stock options, representing a future share capital increase of €262
Allocation of free shares, either existing or to be issued, to employees and corporate officers of the Company or of the companies or groupings referred to in Article L. 225-197-2 of the French Commercial Code (*General Meeting of 23 May 2023, 26th resolution*)	38 months (until 23 July 2026)	Maximum amount: Nominal value of €6,000[2]	Allocation of 206,984 shares, representing a future share capital increase of €2,069.84
Issuance of shares and/or securities giving access to the Company's capital, without preferential subscription rights, to members of a company savings scheme (*General Meeting of 23 May 2024, 27th resolution*)	26 months (until 23 July 2026)	Maximum amount: Nominal value of €1,000	N/A

(1) The nominal value of the share capital increases that may be carried out immediately or in the future under these resolutions may not exceed €479,081.48, subject to statutory or contractual adjustment (General Meeting of 23 May 2024, 24th resolution).

(2) The nominal value of the share capital increases that may be carried out immediately or in the future under these resolutions, as well as under the 27th and 28th resolutions of the General Meeting of 23 May 2023, lapsed, may not exceed €12,600, subject to statutory or contractual adjustment (General Meeting of 23 May 2023, 29th resolution).

7.1.7. Rights, privileges and restrictions attached to the Company's shares

Fully paid-up shares may be held in registered or bearer form, at the shareholder's discretion, subject to the laws and regulations in force concerning the form of shares held by certain persons.

Shares are registered in an account in accordance with the terms and conditions set out in the applicable laws and regulations and the Company's Articles of Association.

Shares are freely negotiable, unless provided otherwise by the laws and regulations in force.

They are recorded in an account and transferred from one account to another in accordance with the terms and conditions defined by the laws and regulations in force.

Each share entitles its holder to attend and vote at shareholders' meetings under the conditions set out in the applicable laws and regulations and in the Company's Articles of Association.

All shareholders have the right to be informed about the Company's operations and to obtain certain corporate documents at the times and under the conditions provided for by the laws and regulations in force.

Each share entitles the holder to a share of the profits, ownership of the company's assets and liquidation surplus in proportion to the percentage of the share capital it represents.

Shareholders only bear losses up to the amount of their contributions.

The rights and obligations attached to the share follow the share, regardless of the hands into which it may pass.

The Company is entitled, at any time, to request from the central custodian responsible for keeping its share issue account, under the conditions provided for by the laws and regulations in force and subject to the penalties provided for by the French Commercial Code, information enabling it to identify the holders of shares in the Company conferring immediate or future voting rights at its shareholders' meetings, as well as the number of shares held by each of

them and, where applicable, any restrictions to which the shares may be subject.

In the case of registered shares, an intermediary registered under the conditions provided for by the French Commercial Code is required to disclose the identity of the owners of these shares at the request of the Company or its agent. The Company may make such a request at any time.

Where the person subject to a request referred to above fails to provide the information within the time limits stipulated by the laws and regulations in force, or provides incomplete or erroneous information relating either to their capacity, the owners of the securities or the quantity of securities held by each of them, the shares or securities giving immediate or future access to the share capital and for which this person has been registered in the account shall be deprived of their voting rights for any shareholders' meeting until the date on which the owners are properly identified, and payment of the corresponding dividend shall be deferred until that date.

7.2. Shareholding

7.2.1. Stock market listing and characteristics of Lhyfe SA shares

The Company's shares are listed on Euronext Paris (Compartment B; ISIN: FR0014009YQ1; mnemo: LHYFE). Lhyfe shares are included in the CAC Small, CAC Mid & Small, CAC All Shares, Euronext Tech Leaders, Euronext Tech Croissance and Euronext PEA-PME 150 indices.

Lhyfe share highs and lows and trading volumes during the 2024 financial year and since 1 January 2025

Month	Highest price[1] *(in euros)*	Lowest price[1] *(in euros)*	Trading volumes[2]
January 2024	5.42	4.62	15,997
February 2024	5.27	4.60	20,046
March 2024	4.56	3.82	30,417
April 2024	4.79	4.13	25,629
May 2024	4.44	4.14	9,832
June 2024	4.28	3.60	19,396
July 2024	4.10	3.81	6,582
August 2024	4.00	3.74	4,291
September 2024	3.98	3.61	9,503
October 2024	3.94	3.30	15,160
November 2024	3.64	3.04	9,843
December 2024	2.98	2.28	18,273
January 2025	3.40	2.98	20,127
February 2025	3.56	3.28	15,246
March 2025	3.47	3.22	11,203

(1) Price based on daily closing prices

(2) Daily average (source: Euronext)

Stock market data

Average share price in financial year 2024	**€4.01**
Share performance in financial year 2024	- 42%
Increase of a hydrogen sector stock index[1] over the 2024 financial year	- 55%
Performance of the Euronext PEA-PME 150 index over 2024	- 15%
Average volume in financial year 2024	15,195
Market capitalisation on 31/12/2024	€140m

1 Index consisting of the following securities: McPhy, Hydrogen Refueling Solutions, Hydrogène de France, Haffner, Plug, ITM Power, Green Hydrogen Systems, NEL, thyssenkrupp nucera

7.2.2. Breakdown of share capital and voting rights

On 31 December 2024, the breakdown of the Company's share capital and voting rights (on a non-diluted basis and on the basis of the information available to the Company) is presented in the table below:

Shareholders	Number of shares	% of capital	Number of voting rights	% of voting rights
Fresh Future[1]	8,950,000	18.66%	17,900,000	21.81%
Matthieu Guesné	1,403	0.00%	1,403	0.00%
Total Matthieu Guesné	**8,951,403**	**18.66%**	**17,901,403**	**21.81%**
Noria	7,002,800	14.60%	14,005,600	17.06%
Noria Invest SRL	537,811	1.12%	1,075,622	1.31%
Total Noria	**7,540,611**	**15.72%**	**15,081,222**	**18.37%**
Vendée Hydrogène	4,668,400	9.73%	9,336,800	11.38%
Les Saules	3,793,305	7.91%	7,563,610	9.22%
EDP Renewables Europe, S.L.U.	2,857,142	5.96%	2,857,142	3.48%
Ouest Croissance	2,535,880	5.29%	5,071,760	6.18%
Floating	17,623,607	36.74%	24,267,336	29.57%
of which treasury shares	96,888	0.20%	0[2]	0%[2]
TOTAL	**47,970,348**	**100%**	**82,079,273**	**100%**

(1) The company is 100% owned by Matthieu Guesné.

(2) Shares held in treasury by the Company do not carry voting rights.

Securities giving access to the Company's capital and the potential dilution they entail are described in paragraph 7.1.3 of the Universal Registration Document.

Each share carries one voting right. All fully paid-up shares registered in the name of the same shareholder for at least two years carry double the voting rights conferred on other shares, in proportion to the percentage of capital they represent.

Subject to the existence of double voting rights, the main shareholders do not hold different voting rights to the Company's other shareholders.

7.2.3. Shareholdings of corporate officers

7.2.3.1. Corporate officers' shareholdings and instruments giving access to the Company's capital

The table below shows the interests in the Company's share capital and the instruments giving access to the Company's share capital held by the Chairman and Chief Executive Officer, the other members of the Board of Directors on 31 December 2024.

The specific features of these instruments are described in Section 7.2.4 of the Universal Registration Document.

Person	Shares held directly	Shares held by related parties	Total shares held directly and indirectly	Number of shares to be issued on exercise of BSPCE	Free shares	Percentage of diluted capital[1]
Matthieu Guesné, Chairman and Chief Executive Officer	1,403	8,950,000[2]	**8,951,403**	1,170,000[3]	954,500[4]	**20.94%**
Maria Pardo Saleme, director	650	-	**650**	22,700[5]	259,600[6]	**0.54%**
Alena Fargere, independent director	1,500	-	**1,500**	-	-	**0.00%**
Amaury Bierent, director	-	3,793,305[7]	**3,793,305**	-	-	**7.17%**
Christopher Sorensen, director	-	-	**-**	-	-	**0.00%**
Bruno Le Jossec, independent director	2,050	-	**2,050**	-	-	**0.00%**
Noria, observer	7,002,800	537,811	**7,540,611**	-	-	**14.26%**
Mitsui & Co. Ltd, observer	1,269,842	-	**1,269,842**	-	-	**2.40%**

(1) OCA LB2 and OCA LB2 Bis, which are not intended to be converted, are not included in the dilution calculation.

(2) Via the intermediary of Fresh Future.

(3) Allocated under the BSPCE Premium and BSPCE 2024 D plans.

(4) Allocated under the AGA 2022 MG plan.

(5) Allocated under the BSPCE 2023 and BSPCE 2024 plans.

(6) Allocated under the AGA 2022 Cadres, AGA NE and AGA 2023, AGA 2024 and AGA 2024 PC plans.

(7) Via the intermediary of Les Saules.

7.2.3.2. Transactions carried out by directors and closely related parties

On the basis of the information available to the Company, no transactions involving the Company's shares carried out by the Company's corporate officers or persons related to them were reported during the year ended 31 December 2024.

7.2.4. Employee profit-sharing

On 31 December 2024, the Company had no profit-sharing, incentive or company savings plans.

Some employees hold founder's share warrants (BSPCE) and have been granted Stock Options and free shares (AGA), the characteristics of which are described below.

Unless indicated otherwise, the numbered tables in the following paragraphs have been prepared in accordance with Appendix 2 of AMF Position-Recommendation 2021-02.

7.2.4.1. Founder's share warrants and stock options

Table 8

History of BSPCE and Stock Option allocations	BSPCE Salariés	BSPCE Premium	BSPCE 2023	Stock Options 2023	BSPCE 2024	Stock Options 2024	BSPCE 2024 D
Date of shareholders' meeting that allocated (or delegated its authority to allocate) the BSPCE or Stock Options	16/10/2019	16/10/2019	23/05/2023	23/05/2023	23/05/2023	23/05/2023	23/05/2024
Date of the allocation decision	12/04/2021	12/04/2021	23/05/2023	23/05/2023	23/09/2024	23/09/2024	17/06/2024
Maximum number of BSPCE or Stock Options authorised	17,000	17,000	660,000	660,000	206,984	26,200	1,000,000
Number of BSPCE or Stock Options issued	8,500	6,800	205,000	39,000	206,984	26,200	1,000,000
Total number of shares that may be subscribed by exercising the BSPCE or stock options as of the date on which they were allocated	850,000	680,000	205,000	39,000	206,984	26,200	1,000,000
o/w may be subscribed by corporate officers	-	*170,000*	*22,000*	-	-	-	*1,000,000*
Officers concerned (on the allocation date)							
Matthieu Guesné[1]	-	*170,000*	-	-	-	-	*1,000,000*
Nolwenn Belléguic	-	-	*11,000*	-	-	-	-
Antoine Hamon	-	-	*11,000*	-	-	-	-
Number of beneficiaries who are not corporate officers (on the allocation date)	18	3	42	5	32	7	0
Starting date for exercising BSPCE or Stock Options	01/04/2022	31/12/2024	03/07/2026[2] 03/07/2027[2]	03/07/2026[2] 03/07/2027[2]	23/09/2028	23/09/2028	17/06/2027
Expiry date of BSPCE or Stock Options	12/04/2031	12/04/2031	03/07/2032	03/07/2032	23/09/2034	23/09/2034	17/06/2032
Exercise price of each BSPCE or Stock Option	€42,84[3]	€42,84[3]	€8.75	€8.75	€8.75	€8.75	€2
Terms of exercise	See notes [4] and [6]	See notes [5] and [6]	See notes [7] and [9]	See notes [7] and [9]	See notes [8] and [9]	See notes [8] and [9]	See note [10]
Number of BSPCE or Stock Options exercised on 31/12/2024	699	0	0	0	0	0	0
Cumulative number of BSPCE or Stock Options lapsed or cancelled on 31/12/2024	286	0	4,000	24,000	0	0	0
Number of BSPCE or Stock Options outstanding on 31/12/2024	7,515	6,800	201,000	15,000	206,984	26,200	1,000,000
Maximum total number of shares that may be subscribed by exercising outstanding BSPCE or Stock Options on 31/12/2024	751,500	680,000	201,000	15,000	206,984	26,200	1,000,000
Number of shares likely to result from the exercise of BSPCE or Stock Options exercisable on 31/12/2024	563,600	0	0	0	0	0	0

(1) On the date of the allocation, the Company's only executive was Fresh Future, of which Mr. Matthieu Guesné, the Company's current Chairman and Chief Executive Officer, is the sole shareholder and manager.

(2) 3 July 2026 for the first vesting period and 3 July 2027 for the second vesting period.

(3) Following the division of the nominal value by 100 and the creation of 100 new shares for one existing share on 11 March 2022, each BSPCE entitles the beneficiary to subscribe for 100 shares, for a total price of €42.84.

(4) Terms of exercise of the BSPCE Salariés: each holder has a right to subscribe, on a single occasion, for a number of BSPCE Salariés 'N' from among those allocated to them, calculated according to the following formula:
Where 'T' is <1, then 'N' ' 0;
Where 'T' is > or = 1, then 'N' = 'T' (N/er of BSPCE Salariés allocated 'o the holder / 4);*
Where 'T' is > or = 4, then 'N' = Number of BSPCE Salariés allocated to the holder.
'T' corresponds to the number of full years of service as from 1 April 2021 (start date of a 4-year vesting period) during which the holder is part of the workforce of the Company or its subsidiaries as an employee, manager or member of a statutory or legal body meeting the criteria set out in Article 163bis (II) of the French General Tax Code.

(5) Terms of exercise of the BSPCE Premium: each holder has the right to subscribe, on a single occasion, for a number 'N' of BSPCE Premium from among those allocated to them, calculated on the basis of an installed production capacity target on 31/12/2024.

(6) Each holder will have the option of exercising all or part of their BSPCE (Premium or Salariés) in advance in the event of the effective transfer of at least 95% of the Company's shares (the 'Transfer') before the date(s) agreed in points (4) and (5) above. In the case of BSPCE Premium, the number 'N' of BSPCE Premium that may be exercised will be determined 60 days before the Transfer date instead of 31/12/2024. Any BSPCE not exercised by the Transfer date will automatically lapse.

(7) Terms of exercise of the BSPCE 2023 and Stock Options 2023: each holder has a right to subscribe for a number of BSPCE 2023 or Stock Options 2023 subject to both a presence condition and a performance condition, as follows:
Presence condition: exercise of the BSPCE 2023 or Stock Options 2023 is linked to the status of employee or corporate officer, subject to the Group's employee scheme on 3 July 2026 (first vesting period) or 3 July 2027 (second vesting period);
Performance condition: deployed production capacity targets on 31 December 2024 and 31 December 2026 and sales target on 31 December 2026.

History of BSPCE and Stock Option allocations	BSPCE Salariés	BSPCE Premium	BSPCE 2023	Stock Options 2023	BSPCE 2024	Stock Options 2024	BSPCE 2024 D

For each of these performance conditions:
- no BSPCE 2023 or Stock Options 2023 will be exercisable if less than 75% of the performance condition is achieved;
- 75% of the BSPCE 2023 or Stock Options 2023 will be exercisable if 75% of the performance condition is achieved;
- if more than 75% and up to 100% of the performance condition is achieved, the number of BSPCE 2023 or Stock Options 2023 that may be exercised will be proportional to the extent to which this performance condition is achieved between these two limits, between the minimum of 75% of the BSPCE 2023 or Stock Options 2023 referred to in the point above and the maximum of 100% referred to in the point below;
- 100% of the BSPCE 2023 or Stock Options 2023 will be exercisable if 100% of the performance condition is achieved;
- 115% of the BSPCE 2023 or Stock Options 2023 will be exercisable if at least 115% of the performance condition is achieved; and
- 130% of the BSPCE 2023 or Stock Options 2023 will be exercisable if at least 130% of the performance condition is achieved.
Each exercise of BSPCE 2023 or Stock Options 2023 must involve a minimum of 1,000 BSPCE 2023 or Stock Options 2023 or, if the number of BSPCE 2023 or Stock Options 2023 remaining to be exercised is less than 1,000, the number of BSPCE 2023 or Stock Options 2023 remaining to be exercised.

(8) Terms of exercise of the BSPCE 2024 and Stock Options 2024: each holder has a right to subscribe for a number of BSPCE 2024 or Stock Options 2024 subject to both a presence condition and a performance condition, as follows:
Presence condition: the BSPCE 2024 or Stock Options 2024 may only be exercised if the beneficiary is an employee or a corporate officer, subject to the Group's employee scheme, on 23 September 2028;
Performance condition: consolidated sales target on 31 December 2026 and lost time injury frequency target for financial years 2025, 2026 and 2027.
For each of these performance conditions:
- no BSPCE 2024 or Stock Options 2024 will be exercisable if less than 75% of the performance condition is achieved;
- 75% of the BSPCE 2024 or Stock Options 2024 will be exercisable if 75% of the performance condition is achieved;
-if more than 75% and up to 100% of the performance condition is achieved, the number of BSPCE 2024 or Stock Options 2024 that may be exercised will be proportional to the extent to which this performance condition is achieved between these two limits, between the minimum of 75% of the BSPCE 2024 or Stock Options 2024 referred to in the point above and the maximum of 100% referred to in the point below;
- 100% of the BSPCE 2024 or Stock Options 2024 will be exercisable if 100% of the performance condition is achieved;
- 115% of the BSPCE 2024 or Stock Options 2024 will be exercisable if at least 115% of the performance condition is achieved; and
- 130% of the BSPCE 2024 or Stock Options 2024 will be exercisable if at least 130% of the performance condition is achieved.
Each exercise of BSPCE 2024 or Stock Options 2024 must relate to a minimum number of 1,000 BSPCE 2024 or Stock Options 2024 or, if the number of BSPCE 2024 or Stock Options 2024 remaining to be exercised is less than 1,000, to the number of BSPCE 2024 or Stock Options 2024 remaining to be exercised.

(9) Acceleration clause applicable to the BSPCE 2023, BSPCE 2024, Stock Options 2023 and Stock Options 2024 plans: the BSPCE 2023, BSPCE 2024, Stock Options 2023 and Stock Options 2024 allocated and not yet exercisable will become exercisable in the event of a merger of the Company, a compulsory takeover bid and/or exchange offer for the Company's shares or any other situation resulting from a takeover of the Company within the meaning of Article L. 233-3 of the French Commercial Code by one or more persons acting in concert within the meaning of Article L. 233-10 of the French Commercial Code, without taking into account the conditions of presence and the performance conditions set out above.

(10) Terms of exercise of the BSPCE 2024 D: the holder has a subscription right to the BSPCE 2024 D subject to both a condition of presence and a performance condition. The condition of presence is linked to the status of Chairman of the Board of Directors or Chief Executive Officer of the Company on 17 June 2027. The performance condition is based on an average target share price of €15 over a 6-month period, observed between the allocation of the BSPCE 2024 D and their expiry. Each exercise of BSPCE 2024 D must relate to a minimum number of 100,000 BSPCE 2024 D or, if the number of BSPCE 2024 D remaining to be exercised is less than this threshold, to the number of BSPCE 2024 D remaining to be exercised.

Table 9

Stock options granted to the top ten employees who are not corporate officers and options exercised by them	Total number	Weighted average price
Options granted by the Group during financial year 2024 to the ten employees of the Group, other than corporate officers, who received the largest number of options (total number)	121,884	N/A
Options held over the Group and exercised during financial year 2024 by the ten employees of the Group, other than corporate officers, with the highest number of options purchased or subscribed (total number)	622	€26,646

The table below sets out the information referred to in Article L. 225-184, paragraph 4 of the French Commercial Code and not mentioned elsewhere in the Universal Registration Document:

	Number of options granted	Number of employee beneficiaries	Breakdown of options granted by category of beneficiary	Option prices *(in euros)*
Stock options granted during financial year 2024 by the Company and by companies or groupings affiliated to it under the conditions set out in Article L. 225-180, to all employee beneficiaries, as well as the number of beneficiaries and the allocation of shares granted to each category of beneficiary	233,184	39	Executives (*cadres*): 233,184	139,910

7.2.4.2. Free shares

Table 10

History of free share allocations (AGA)	AGA 2022 MG	AGA 2022 Cadres- DGD	AGA 2022 Cadres	AGA 2022 PC	AGA 2022 NE	AGA 2023	AGA 2024	AGA 2024 PC
Date of shareholders' meeting that allocated (or delegated its authority to allocate) the free shares	14/04/2022	14/04/2022	14/04/2022	14/04/2022	14/04/2022	23/05/2023	23/05/2023	14/04/2022
Date of the allocation decision	20/09/2022(1)	20/09/2022(1)	20/09/2022	20/09/2022	20/09/2022	23/05/2023	23/09/2024	23/09/2024
Maximum number of AGA authorised	954,500	87,500(2)	87,500(2)	33,000	425,000	600,000	247,190	300,000
Total number of free shares allocated	954,500	25,000	62,500	33,000	85,000	209,300	247,190	300,000
o/w granted to corporate officers	*954,500*	*25,000*	-	-	-	*12,200*	-	-
Officers concerned (on the allocation date)								
Matthieu Guesné	*954,500*	-	-	-	-	-	-	-
Nolwenn Belléguic	-	*12,500*	-	-	-	*6,100*	-	-
Antoine Hamon	-	*12,500*	-	-	-	*6,100*	-	-
Vesting date of shares	31/12/2027	31/12/2025	20/09/2025	20/09/2026	20/09/2027	03/07/2026(3) 03/07/2027(3)	23/09/2028	23/09/2029
End of holding period	31/12/2027	31/12/2025	20/09/2025	20/09/2026	20/09/2027	03/07/2026(3) 03/07/2027(3)	23/09/2028	23/09/2029
Number of shares vested on 31/12/2024	0	0	0	0	0	0	0	0
Cumulative number of shares cancelled or lapsed on 31/12/2024	0	0	12,500	12,400	0	27,600	1,000	0
Free shares remaining on 31/12/2024	954,500	25,000	50,000	20,600	85,000	181,700	246,190	300,000

(1) The shares were allocated on 20 September 2022 with an effective date of 1 January 2023.

(2) The AGA Cadres – DGD and AGA Cadres were allocated under the same resolution (6th resolution of the General Meeting of 14 April 2022).

(3) 3 July 2026 for the first vesting period and 3 July 2027 for the second vesting period.

The tables below set out the information referred to in Article L. 225-197-4, paragraphs 3 and 4, of the French Commercial Code and not mentioned elsewhere in the Universal Registration Document:

	Total number	Value of shares *(in euros)*	Date of allocation decision
Free shares allocated during financial year 2024 by the Company and by the companies or groupings affiliated to it under the conditions set out in Article L. 225-197-2 to each of the ten employees of the Company who are not corporate officers to whom the highest number of free shares were allocated	349,720	1,261,992	23/09/2024

	Number of free shares allocated	Number of employee beneficiaries	Breakdown of shares allocated by category of beneficiary	Value of shares *(in euros)*	Date of allocation decision
Free shares allocated during financial year 2024 by the Company and by companies or groupings affiliated to it under the conditions set out in Article L. 225-197-2, to all employee beneficiaries, as well as the number of beneficiaries and the allocation of shares granted to each category of beneficiary	547,190	182	Supervisors (*agents de maitrise*): 1,000 Executives (*cadres*): 546,190	1,972,884	23/09/2024

7.2.5. Crossing of thresholds set out by law and by the Articles of Association

In addition to the declarations of the crossing of thresholds expressly provided for by the laws and regulations in force, any natural person or legal entity that holds, directly or indirectly through companies or any other entities that they control within the meaning of Article L. 233-3 of the French Commercial Code, acting alone or in concert within the meaning of Article L. 233-10 of the French Commercial Code, a fraction of the share capital or voting rights, calculated in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and the provisions of the General Regulation of the Autorité des Marchés Financiers, equal to or greater than 2% of the share capital or voting rights, or any multiple of this percentage, including above the reporting thresholds provided for by law, must inform the Company of the total number of shares and voting rights they hold, as well as the securities giving future access to the Company's share capital that they hold and the voting rights potentially attached thereto, by registered letter with acknowledgement of receipt sent to the registered office, within four trading days of the date on which the threshold in question is exceeded.

The obligation to inform the Company also applies, within the same deadlines and under the same conditions, when the shareholder's holding in terms of share capital or voting rights falls below one of the thresholds mentioned in the paragraph above.

The penalties provided for by law in the event of failure to comply with the obligation to declare the crossing of the statutory thresholds also apply in the event of failure to declare the crossing of the thresholds provided for by the Articles of Association, at the request of one or more shareholders holding at least 5% of the Company's share capital or voting rights, recorded in the minutes of the General Meeting.

The Company reserves the right to inform the public and shareholders either of the information notified to it or of any failure by the person concerned to comply with the aforementioned obligation.

To the best of the Company's knowledge, one legal threshold was crossed during the 2024 financial year:

Date threshold crossed	Shareholder	Legal or statutory threshold	Threshold crossed	Direction crossed	Number of shares	% of capital	Number of gross voting rights	% of gross voting rights
24 May 2024	Matthieu Guesné[1]	Legal	25% of voting rights	Downward	8,951,403	18.67%	17,901,403	22.22%

(1) Direct and indirect crossing via the intermediary of Fresh Future, declaration no. 224C0764 dated 30 May 2024.

7.2.6. Control and shareholder agreements relating to share capital

7.2.6.1. Control of the company

As of the date of the Universal Registration Document, the Company is not controlled within the meaning of Article L. 233-3 of the French Commercial Code.

7.2.6.2. Agreement that may result in a change of control

To the best of the Company's knowledge, there is nothing in the Company's Articles of Incorporation and Articles of Association or in any Company charter or rules that would have the effect of delaying, deferring or preventing a change in its control.

7.2.6.3. Mechanisms for delaying, deferring or preventing a change of control

All fully paid-up shares registered in the name of the same shareholder for at least two years carry double the voting rights conferred on other shares, in proportion to the percentage of capital they represent. The calculation of this period will take into account the time during which the Company's shares were held prior to the date on which the Company's shares were admitted to trading on the Euronext Paris regulated market.

The Company's Articles of Association do not contain any other mechanism for delaying, deferring or preventing a change of control.

7.3. Dividends and financial communication

7.3.1. Dividend policy

7.3.1.1. Dividend distribution policy

Given the Company's stage of development, there are no plans to initiate a dividend payment policy in the short or medium term, in order to mobilise the resources available to finance its development plan.

7.3.1.2. Dividends paid in the last three years

The Company has not paid any dividends in the last three financial years.

7.3.2. Shareholder dialogue and relations with investors and analysts

The Company maintains an ongoing dialogue with its shareholders, first and foremost at the Annual General Meeting but also throughout the year, in particular via a contact email address (investors@lhyfe.com) for exchanging views and answering shareholders' questions. To supplement this shareholder information, the Company publishes a Letter to Shareholders several times a year.

The Company maintains a regular dialogue with institutional investors, meeting them several times a year at roadshows and conferences, whether or not they are already shareholders. Lastly, the Company maintains a dialogue with the financial analysts who cover the Lhyfe share, in particular when the annual and half-yearly results are published and when any significant announcement is made.

7.3.3. Provisional timetable for 2025 financial communications

Shareholders' General Meeting: 23 May 2025

1st half 2025 results: 25 September 2025

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8.1. Legal information

8.1.1. Legal and commercial name

The Company's legal name is: 'Lhyfe'.

The Company's commercial name is: 'Lhyfe'.

8.1.2. Place of registration, registration number and legal entity identifier

The Company is registered with the trade and companies registry of Nantes under number 850 415 290.

The Company's Legal Entity Identifier (LEI) is 969500RTYSRSTZAJCG72.

8.1.3. Date of incorporation and length of life

The Company was incorporated on 10 April 2019 for a term of 99 years from the date of its registration on the Trade and Companies Register, i.e. until 28 April 2118, unless extended or wound up early.

8.1.4. Registered office, legal form, applicable legislation and other information about Lhyfe SA

As of the date of the Universal Registration Document, the Company is incorporated as a public limited company (société anonyme) under French law. The Company was incorporated as a simplified joint stock company (société par actions simplifiée), then transformed into a public limited company (société anonyme) with a Board of Directors by a unanimous decision of the shareholders dated 3 March 2022.

The Company's registered office is at 1 ter mail Pablo Picasso, 44000 Nantes, France.

Its sole branch (secondary establishment) is located at 2 port du Bec, 85230 Bouin, France.

The Company's contact details are as follows:

Telephone: +33 (0)2 21 65 01 11

Email: investors@lhyfe.com

Website: www.lhyfe.com

The information on the Company's website does not form part of the Universal Registration Document.

8.1.5. Corporate purpose

Pursuant to Article 2 of its Articles of Association, the Company's purpose in France and abroad is as follows:

- all activities relating to energy, the environment and sustainable development, notably the electricity, gas and water sectors; in particular the production, purchase, sale, marketing, transport, distribution and storage of energy (notably electricity and hydrogen);
- all services, consultancy and management in all areas of activity, including the engineering, development, construction, operation and maintenance of energy technologies, in particular energy production and storage facilities;
- all arbitrage, development and marketing services for derivatives and for the hedging, aggregation and balance management of such products; all management and consultancy services relating to the energy sector;
- active participation in the determination, direction, management and control of general policy and, more generally, in the effective management of any companies or legal entities, with or without legal personality, in which it may acquire a holding in the future, and of any companies controlled directly or indirectly by such companies or legal entities, provided that the Company controls them within the meaning of Article L. 233-3 of the French Commercial Code;
- participation by the Company, by any means, directly or indirectly, in any transactions related to its purpose, in particular by creating new companies, acquiring interests in, contributing to, subscribing for or purchasing shares or corporate rights in, merging with or otherwise acquiring shares in any existing or future companies, or entering into any type of commercial contracts;
- the acquisition, exploitation or transfer of all processes, trademarks and patents relating to these activities;
- and, in general, any industrial, commercial, economic, financial, civil or real or personal property transactions directly or indirectly related to the corporate purpose or to any similar, related or complementary purpose.

8.1.6. Material contracts

The Group has not entered into any material contracts other than those entered into in the normal course of its business.

8.1.7. Legal and arbitration proceedings

In the normal course of its business, the Group may become involved in legal, arbitration, administrative or regulatory proceedings, which may include disputes with customers, suppliers, competitors and employees, as well as with the tax or other authorities. As of the date of the Universal Registration Document, there are no administrative, legal or arbitration proceedings (including any pending or threatened proceedings of which the Company and/or the Group are aware) likely to have, or having had in the past 12 months, a material impact on the financial position or profitability of the Company and/or the Group.

8.2. Organisational structure

8.2.1. Functional organisation chart

The Group's teams, led by Matthieu Guesné, Chairman and Chief Executive Officer of the Company, are divided into various divisions:

- **Central functions**: this team comprised 45 people in 2024 (average workforce), split between the Corporate Finance & Legal team led by Maria Pardo Saleme, the Internal Finance team led by Maylis Brault-Lasnel and the Human Resources & Communications team led by Nolwenn Belléguic. The central functions are responsible for ensuring the smooth running of the Group and providing day-to-day support to the teams in the other three divisions on administrative, financial, legal, human resources, marketing and communications issues.
- **Business development and sales**: this team, led by Taia Kronborg, comprised 48 people in 2024 (average workforce) in 10 countries (France, Germany, Belgium, the Netherlands, Denmark, Sweden, Finland, Spain, United Kindgom and Canada). It is responsible for developing the Group's business by deploying the production sites commercially in the regions defined as priorities in France and abroad. The team participates in calls for tenders and calls for projects, and is responsible for seeking subsidies. It is also responsible for negotiating hydrogen sales contracts and electricity purchase agreements.
- **Industry**: this team, led by Emmanuel Chemineau, comprised 64 people in 2024 (average workforce). It is responsible for the EPC stage of project development (permits and authorisations, technological design, engineering and construction). The Industry team is described in more detail in paragraphs 1.5.2 and 1.7.1 of the Universal Registration Document.
- **Innovation and R&D**: this team, led by Thomas Creach, comprised 14 people in 2024 (average workforce). It is responsible for innovation within the Group and for optimising its activities, from development to site operation, in particular through the use of new technologies.
- **Operations and maintenance**: this team, led by Antoine Hamon, comprised 28 people in 2024 (average workforce). It is responsible for operating the Group's production sites in France and abroad, maintaining the Group's assets and supplying customers. It is also responsible for monitoring regulatory changes, analysing risks and ensuring the safety of the Group's installations and employees.

The Group's legal organisation chart is presented in Section 8.2.3 of the Universal Registration Document.

8.2.2. Presentation of the Company's management

The biographies of the members of the Executive Board in charge of the Group's various divisions are as follows:

Matthieu Guesné – Founder, Chairman and Chief Executive Officer

Matthieu Guesné is an electronics and IT engineer. A father of two, he has acquired a strong international, business and scientific culture over the course of his career.

He was Director of the *Commissariat à l'énergie atomique et aux énergies alternatives* (CEA) Tech Pays de la Loire and Bretagne, dedicated to marine renewable energies and their storage. This research centre specialises in energy storage using batteries and hydrogen, robotics and materials. The CEA is a French public research body responsible for 40% of French patents on hydrogen technology. Matthieu Guesné was in charge of an investment plan worth tens of millions of euros. He also managed the creation of the team, as well as the contractualisation of R&D partnerships with industrialists and the execution of research work within a public/private framework.

Before joining this public research organisation, Matthieu Guesné was responsible for business and commercial functions. He has signed contracts worth several tens of millions of euros all over the world with major manufacturers in the space, aeronautics, defence, automotive and telecommunications industries.

Matthieu Guesné was the International Sales Director of an SME specialising in hyperfrequency electronics and managed partners in over 30 countries, enabling him to travel the world and acquire a strong international culture. Finally, he worked as Key Account Manager at Hewlett-Packard in the test and measurement division (Keysight today).

Philippe Desorme – Vice Chief Executive Officer

Philippe Desorme holds a degree in cryogenics and thermodynamics from Toulouse III University, as well as an Executive Master's in sales & marketing from ESADE.

With more than 20 years' experience at Linde, Philippe Desorme held successive positions as Sales and Marketing Director in Algeria, Tunisia and Libya, Market Segments and Applications Director, first for Spain and Portugal, then for the Southern Europe region, and Sales Director in France.

After spending three years at Air Flow as Managing Director, Philippe joined Lhyfe in October 2022, initially as Vice President for Sales & Business Development, before being appointed Vice Chief Executive Officer.

Nolwenn Belléguic - Human Resources & Communication

Nolwenn Belléguic holds a Master's degree in innovation and European project management. She began her career in Germany and worked in Paris as a marketing strategy consultant before specialising in supporting companies and their teams in their innovation processes. She also has RNCP (National Directory of Professional Certifications) certification as a professional coach. Nolwenn Belléguic has over 20 years of experience in defining companies' (including start-ups) strategic and organisational model through the deployment of effective solutions dedicated to innovation, collective intelligence and performance optimisation.

Maylis Brault-Lasnel – Head of Internal Finance

After graduating from business school, Maylis began her career in auditing, first with an independent firm and then with Deloitte, where she spent 13 years. Deloitte is an international, integrated and independent firm specialising in audit, accounting, consulting, tax and legal services. She rose through the ranks to become a senior manager. During her years as an auditor, she assisted major international groups, companies and SMEs in a wide variety of sectors, including biotechnology, the construction industry, mass retailing and health clinics. As a result, she had the opportunity to carry out a wide range of assignments, from audits to assistance with IPOs.

Emmanuel Chemineau – Chief Industry Officer

Emmanuel Chemineau is an electrical and telecoms engineer. He spent 3 years studying in Scotland and also holds a postgraduate degree (DESS) in international management.

Over the last 25 years, Emmanuel has held management and executive positions in France and abroad with major international groups in the energy sector. His expertise covers a wide range of complementary fields, including project and operations management, international supply management and key account management.

Before joining Lhyfe in 2023, he co-managed the 480 MW Saint-Nazaire offshore wind project in France for GE Renewable Energy until its transfer to EDF operations and maintenance. He joined Lhyfe in February 2023, initially as Director of EPC, before being appointed Chief Industry Officer (CIO), responsible for the engineering and deployment of the Group's Projects.

Thomas Creach – Head of Innovation and R&D

Thomas Creach is a mechatronics engineer with extensive experience in the rapid development of innovative technologies and R&D activities.

He began his career at Renault-Nissan. He oversaw the development of batteries, directing all technical activities (from specifications to design) and managing the suppliers (mainly Korean). He was also responsible for developing the first battery plant in France. He helped accelerate the development of electric vehicles.

Thomas Creach worked at the CEA between 2014 and 2019. He was responsible for developing the energy activities (mainly marine energies and hydrogen) of the centre in Nantes, including the development of the R&D platform (€20 million in investment in 3 years), commercial development, project development and team growth.

Nathalie Guillot – Director of Human Resources

Nathalie Guillot holds a master's degree in law, specialising in employment law, from the University of Rennes I and a master's degree in human resources management and corporate strategy from the Institut d'administration des entreprises (IAE) in Tours. She began her career in 2006 as a general HR manager in the retail sector, working for La Halle and Weldom. In 2014, Nathalie joined the Antargaz Energies Group, where she held the position of HR Director for several subsidiaries, before taking up the position of HR Director France/Deputy HR Director Western Europe.

At the same time, between 2018 and 2022, Nathalie was a member and then Chair of the Joint National Commission for Employment (CNEP) for the fuels and coals industry. She finally joined Lhyfe in January 2023 as Group HR Director.

Antoine Hamon – Chief Operating Officer

Antoine Hamon is an electronics engineer with a degree in operations management and is CPIM (Certified in Production and Inventory Management) certified in supply chain management. He worked for 13 years in the oil and gas equipment industry in various management positions.

He began his career as a production project engineer, then managed production activities for a plant in China. After this experience, Antoine moved to Houston, in the United States, where he managed logistics operations and special investment projects for his company. Prior to joining the Group, he worked as a global supply chain manager, overseeing supply chain operations for seven sites worldwide.

Taia Kronborg – Chief Business Officer

Taia Kronborg holds a PhD in physics from the University of Paris 6 and the University of Copenhagen. She has worked in the field of hydrogen and energy storage for the past 10 years, establishing strategic R&D partnerships between industry and research bodies at French and European level.

She began her career as Chief Networking Officer for a regional organisation. She then spent five years as Business Development Manager at the CEA, where she was responsible for securing R&D contracts. She has secured €37 million in European and national financing, as well as industrial R&D contracts, and has developed a major European network in the field of hydrogen technologies.

She has solid international experience in developing and managing European projects, particularly within the Fuel Cells and Hydrogen Joint Undertaking (FCH-JU), whose mission is to support research, technological development and demonstration activities in the field of fuel cell and hydrogen energy technologies in Europe. She has also worked as an independent expert for the European Commission on several occasions.

Maria Pardo Saleme – Chief Financial Officer

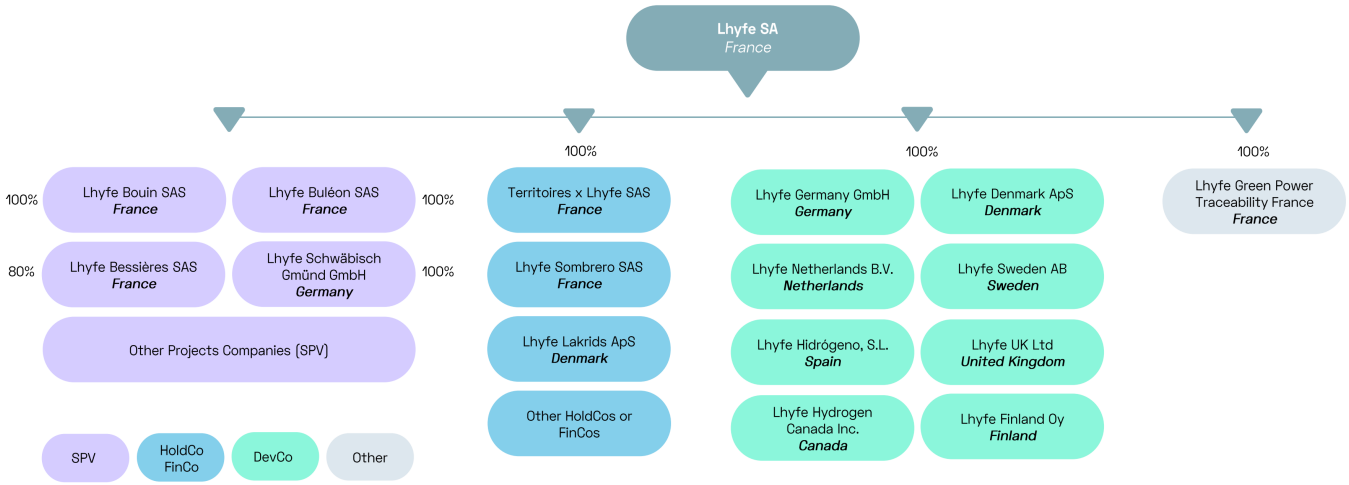
Maria Pardo Saleme has almost 20 years' experience in investment banking, where she carried out a number of assignments in risk and derivatives modelling, later specialising in providing corporate finance advice to public and private companies at BNP Paribas. From 2015, she headed the equity capital markets teams for the Iberian region, with whom she led a number of strategic projects (IPOs, share capital increases, equity financing and share sales). From 2020, she contributed to the creation and launch of BNP Paribas' EMEA private fundraising advisory business dedicated to innovative companies.

Maria is fluent in five languages, has a degree in engineering from ENSTA Paris and is a member of the Institut Polytechnique de Paris. She also holds a Master's degree in Modelling and Mathematical Methods in Economics from Université Paris 1 Panthéon-Sorbonne.

8.2.3. Legal organisation chart

Born out of a project initiated in 2017 and which took shape with the creation of the Company in April 2019, the Group has put in place an adapted organisational model based on:

- the Company, which, as the Group's holding company, is responsible for all business activities, project development and engineering, operations (operational management of sites), the financing of related costs in whatever form (convertible bonds, subsidies, bank loans, etc.), and more generally, all support functions for all Group entities (communications, information technology, legal affairs, etc.). Once the sites are operational, it makes its resources available to the production subsidiaries through long-term contracts with each of them;
- holding companies (HoldCo) or financial holding companies (FinCo) with stakes in the project companies, which may receive bank financing, mezzanine financing such as convertible bonds or other debt taken out with partners to finance or refinance part of the needs of the project companies (see below) in addition to the funds provided by the Company. Depending on the project, the Group plans to hold a majority or minority stake in the capital of the project companies;
- development companies (DevCo) to provide development services for projects in a specific geographical area; and
- project companies (SPVs) in various countries (France, Germany, Denmark, Sweden, the Netherlands, etc.) housing a single production site.



The percentages shown in the chart above represent the percentage of capital and voting rights held on 31 December 2024.

8.2.4. Subsidiaries

The Company's subsidiaries are listed in Note 8 'List of Subsidiaries and Affiliates' to the Financial Statements included in Section 6.3 of the Universal Registration Document.

8.2.5. Significant equity investments

No equity interests were acquired during the year ended 31 December 2024.

8.3. Persons responsible

8.3.1. Person responsible for the Universal Registration Document and declaration

8.3.1.1. Person responsible

Matthieu Guesné, Chairman and Chief Executive Officer of the Company.

8.3.1.2. Declaration by the person responsible

"*I certify that, to the best of my knowledge, the information contained in this Universal Registration Document is in accordance with the facts and makes no omission likely to affect its import.*

I certify that, to the best of my knowledge, the annual and consolidated financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the Management Report contained in this document, as specified in the cross-reference table in paragraph 8.6.3 between the Universal Registration Document and the Management Report, presents a true and fair view of the development and performance of the business and of the financial position of the Company and of all the undertakings included in the consolidation, together with a description of the principal risks and uncertainties that they face."

Signed in Nantes, on 29 April 2025

Mr Matthieu Guesné Chairman and Chief Executive Officer of the Company

8.3.2. Auditors

Baker Tilly Strego

Represented by François Pignon-Hériard

4 rue Papiau de la Verrie, 49000 Angers, France

Member of the *Compagnie Régionale des Commissaires aux Comptes de Ouest-Atlantique*

Appointed in the Company's Articles of Association dated 10 April 2019 for a term of six financial years, i.e. until the General Meeting called to approve the financial statements for the year ending 31 December 2024.

Deloitte & Associés

Represented by Guillaume Radigue

6 place de la Pyramide, 92908 Paris La Défense Cedex, France

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre*

Appointed by the General Meeting of 21 December 2021 for a term of six financial years, until the General Meeting called to approve the financial statements for the year ending 31 December 2026.

At the General Meeting on 23 May 2025, shareholders will be asked to approve the appointment of Accior - A.R.C., represented by Sébastien Caillaud, whose registered office is located 53 rue Benjamin Franklin, 85000 La Roche-sur-Yon, France, member of the *Compagnie Régionale des Commissaires aux Comptes de Ouest-Atlantique* as the new statutory auditor of the Company to replace Baker Tilly Strego, for a term of six financial years, until the General Meeting called to approve the financial statements for the year ending 31 December 2030.

8.4. Historical financial information incorporated by reference

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the following information is incorporated by reference into the Universal Registration Document:

- the information relating to the year ended 31 December 2023 included in Chapter 5 and Section 6.5 of the Universal Registration Document approved by the AMF on 25 April 2024 under number R.24-005, as well as the consolidated financial statements for the year ended 31 December 2023 prepared in accordance with IFRS as adopted by the European Union and the related Statutory Auditors' report, presented in Sections 6.1 and 6.2 respectively;
- the information relating to the year ended 31 December 2022 included in Chapters 7 and 8 and Sections 5.10 and 17.1 of the Universal Registration Document approved by the AMF on 25 April 2023 under number R.23-017, as well as the consolidated financial statements for the year ended 31 December 2022 prepared in accordance with IFRS as adopted by the European Union and the related Statutory Auditors' report, presented in Appendix 1 and paragraph 18.3.1 respectively

Parts not included in these documents are either irrelevant to the investor or covered elsewhere in the document.

8.5. Documents available to the public

Copies of the Universal Registration Document are available free of charge at the Company's registered office at 1 ter mail Pablo Picasso, 44000 Nantes, France, as well as in electronic form on the Company's website (fr.lhyfe.com) and on the AMF website (www.amf-france.org).

The Company's Articles of Association, minutes of general meetings and other corporate documents, as well as historical financial information and any valuation or statement drawn up by an expert at the Company's request and that must be made available to shareholders in accordance with applicable legislation, may be consulted, free of charge, at the Company's registered office.

Regulated information within the meaning of the General Regulation of the AMF is available on the Company's website (fr.lhyfe.com).

8.6. Concordance tables

8.6.1. Appendices 1 and 2 of Delegated Regulation (EU) 2019/980

The concordance table below shows the sections of the Universal Registration Document corresponding to Appendix 1 (pursuant to Appendix 2) of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.

Required documents		Universal Registration Document
1.	**Persons responsible, third-party information, experts' report and approval by the competent authority**	**-**
1.1	Name and function of the person responsible	8.3.1.1
1.2	Declaration by the person responsible	8.3.1.2
1.3	Experts' statements or reports and declaration of interests	N/A
1.4	Information from third parties	N/A
1.5	Approval by the competent authority	Cover page
2.	**Statutory auditors**	**-**
2.1	Statutory auditors	8.3.2
2.2	Statutory auditors who have resigned, been removed or have not been re-appointed	8.3.2
3.	**Risk factors**	**Chapter 4**
4.	**Information about the Company**	**-**
4.1	Legal and commercial name	8.1.1
4.2	Place of registration, registration number and legal entity identifier (LEI)	8.1.2
4.3	Date of incorporation and length of life	8.1.3
4.4	Registered office, legal form, applicable legislation and website	8.1.4
5	**Business overview**	**-**
5.1	Principal activities	1.1, 1.2, 1.5 to 1.7
5.2	Principal markets	1.2
5.3	Important events	1.9
5.4	Strategy and objectives	1.3
5.5	Dependence of the Company on patents, licences, contracts and manufacturing processes	1.11
5.6	Competitive position of the Company	1.6
5.7	Investments	5.4
5.7.1	Material investments made	5.4.1
5.7.2	Material investments for which firm commitments have been made	5.4.2
5.7.3	Investments in companies in which the Company has a stake	N/A
5.7.4	Environmental issues that may affect the Company's use of its tangible fixed assets	2.2
6.	**Organisational structure**	**-**
6.1	Brief description of the Group	8.2.3
6.2	List of significant subsidiaries	8.2.4 and 6.3, note 8
7.	**Operating and financial review**	**-**
7.1	Financial condition	5.1
7.1.1	Evolution of the Company's results	5.2
7.1.2	Company's likely future development and activities in the field of R&D	5.1.4
7.2	Operating results	5.2
7.2.1	Unusual or infrequent events or new developments with a significant impact on operating income	5.2
7.2.2	Reasons for material changes in net turnover or revenue	5.2

Required documents		Universal Registration Document
8.	**Capital resources**	**-**
8.1	Information concerning the Company's capital	5.3.1
8.2	Company's cash flow	5.3.2
8.3	Company's financing requirements and financing structure	5.3.3
8.4	Company's restriction on the use of capital	5.3.4
8.5	Sources of financing for expected cash flows	5.3.5
9.	**Regulatory environment**	**1.10**
10.	**Trend information**	**-**
10.1	Main trends and any significant changes in financial performance	1.8.3
10.2	Any trend, uncertainty, constraint, commitment or event likely to have a material effect on the Company's prospects	1.8.1, 1.8.3 and Chapter 4
11.	**Profit forecasts or estimates**	**N/A**
12.	**Administrative, management and supervisory bodies and general management**	**-**
12.1	Composition of administrative, management, supervisory and general management bodies.	3.2 and 3.3
12.2	Conflicts of interest in administrative, management, supervisory and general management bodies	3.2.1.4
13.	**Remuneration and benefits**	**-**
13.1	Remuneration and benefits in kind paid to corporate officers	3.4
13.2	Total amounts set aside for pensions, retirement or other benefits	3.4.4
14.	**Board practices**	**-**
14.1	Expiry date of terms of office	3.2.1.2 and 3.3.1.1
14.2	Service contract between the Company's administrative, management or supervisory bodies	3.2.1.4
14.3	Committees	3.2.2.2
14.4	Declaration on corporate governance	3.1.1 and 3.5
14.5	Impact of future changes in the composition of governing bodies	3.7.3
15.	**Employees**	**-**
15.1	Number and breakdown of employees	2.3.1
15.2	Shareholdings and stock options	7.2.4
15.3	Agreement providing for employee share ownership	7.2.4
16.	**Major shareholders**	**-**
16.1	Shareholders holding more than 5% of the share capital or voting rights	7.2.2
16.2	Existence of different voting rights	7.2.2
16.3	Control of the Company by the main shareholders	7.2.6.1
16.4	Agreement whose implementation could lead to a change of control	7.2.6.2
17.	**Related-party transactions**	**6.1, note 4.2**
18.	**Financial information concerning the Company's assets and liabilities, financial position and profits and losses**	**-**
18.1	Historical financial information	-
18.1.1	Historical financial information for the last three years	Chapter 6
18.1.2	Change of accounting reference date	N/A
18.1.3	Accounting standards	6.1, note 1.5.1 6.3, note 3
18.1.4	Change in accounting standards	N/A
18.1.5	Financial information prepared in accordance with national accounting standards	6.3
18.1.6	Consolidated financial statements	6.1
18.1.7	Date of latest financial information	6.1
18.2	Interim and other financial information	N/A

Required documents		Universal Registration Document
18.3	Audit of historical annual financial information	-
18.3.1	Audit reports	6.2 and 6.4
18.3.2	Other information audited by the statutory auditors	N/A
18.3.3	Information not extracted from the issuer's audited financial statements	N/A
18.4	Pro forma financial information	N/A
18.5	Dividend policy	7.3.1
18.5.1	Dividend policy and applicable restrictions	7.3.1.1
18.5.2	Dividends paid in the last three years	7.3.1.2
18.6	Legal and arbitration proceedings	8.1.7
18.7	Significant change in the Company's financial position	6.6
19.	**Additional information**	**-**
19.1	Share capital	7.1
19.1.1	Amount of issued capital	7.1.1
19.1.2	Shares that do not represent capital	7.1.4
19.1.3	Shares held by the Company or its subsidiaries	7.1.5
19.1.4	Convertible or exchangeable securities or securities with warrants	7.1.3
19.1.5	Vesting right and/or obligation attached to authorised but unissued capital or to any undertaking to increase the capital	7.1.6
19.1.6	Information relating to capital under option or under a conditional or unconditional agreement to place it under option	N/A
19.1.7	History of the share capital	7.1.2
19.2	Memorandum and Articles of Association	-
19.2.1	Corporate purpose	8.1.5
19.2.2	Rights, privileges and restrictions attaching to each class of shares	7.1.7
19.2.3	Provisions of the Articles of Association that would have the effect of delaying, deferring or preventing a change of control	7.2.6.3
20.	**Material contracts**	**8.1.6**
21.	**Documents available**	**8.5**

8.6.2. Annual financial report

The Universal Registration Document includes all the information contained in the annual financial report.

To facilitate the readability of the Universal Registration Document, the concordance table below indicates the documents required under Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulation of the Autorité des Marchés Financiers (AMF) which constitute the annual financial report.

Required documents	Universal Registration Document
Group consolidated financial statements (IFRS)	6.1
Company financial statements (French standards)	6.3
Management report	See dedicated table in 8.6.3
Corporate governance report	See dedicated table in 8.6.4
Declaration by the person responsible	8.3.1.2
Statutory auditors' report on the consolidated financial statements	6.2
Statutory auditors' report on the financial statements of the Company	6.4
Statutory auditors' fees	6.1, Note 4.3
Sustainability report	N/A

8.6.3. Management report

The Universal Registration Document includes all the information contained in the management report referred to in Article L. 232-1 of the French Commercial Code.

To facilitate the readability of the Universal Registration Document, the concordance table below indicates the main information in the management report required by current laws and regulations.

Required documents	Universal Registration Document
Position and business activity	
The position of the Company during the past financial year and an objective and exhaustive analysis of the development of the Group's business, results and financial position, in particular its debt situation in relation to the volume and complexity of its business	Chapter 5 and 6.5
Business activity and results of the Company, its subsidiaries and controlled companies by business segment	Chapter 5, 6.1, 6.3 and 6.5
Key financial and, where applicable, non-financial performance indicators relating to the Group's specific business, including information on environmental and personnel issues	2.1, 2.2, 2.3 and 5.1.3
Main risks and uncertainties facing the Group	Chapter 4
Impact of the company's activities on combating tax evasion	2.4.2 and 2.4.3
Information on actions to promote the link between the Nation and its armed forces	N/A
Information on intangible resources essential to the Company	1.5.4 and 1.7
Hedging objectives and policy and the Group's exposure to price, credit, liquidity and cash flow risks (including the Group's use of financial instruments)	4.1.5.1, 4.1.5.3 and 4.1.5.7
Reintegration of overheads and expenditure on luxury items (Articles 39.4 and 223 quater, Articles 39.5 and 223 quinquies of the French General Tax Code)	6.5.3 and 6.5.4
Research and development activities	5.1.4 and 5.4
Significant events since the end of the financial year	6.1, Note 1.4
Foreseeable developments in the position of the Company and the Group and outlook	1.8
Significant shareholdings or controlling interests in companies based in France	8.2.5
Activities of the Company's subsidiaries	6.1 and 8.2.3
Summary of the Company's results over the past five financial years	6.5.2
Information on the payment terms of the Company's suppliers and customers	6.5.5
Information and amounts relating to inter-company loans and Statutory Auditors' declaration	N/A
Legal and shareholder information	
Employee share ownership on the last day of the financial year	7.2.4
Identity of shareholders holding more than 5% of the share capital or voting rights and details of changes during the financial year	7.2.2
Names of companies directly or indirectly controlled by the Company and the percentage of the Company's capital they hold (treasury shares)	N/A
Disposal of cross-shareholdings	N/A
Information on share repurchases	7.1.5
Amount of dividends distributed in respect of the last three financial years and amount of income distributed in respect of the same financial years	7.3.1.2
Summary of transactions involving the Company's shares by directors and related parties	7.2.3.2
Existing branches	8.1.4
Mention of possible adjustments to securities giving access to the capital in the event of share repurchases or financial transactions	N/A

8.6.4. Corporate governance report

The Universal Registration Document includes all the information contained in the corporate governance report referred to in Article L. 225-37, paragraph 6, of the French Commercial Code.

To facilitate the readability of the Universal Registration Document, the concordance table below indicates the main information in the corporate governance report required by current laws and regulations.

Required documents	Universal Registration Document
Tasks, composition, preparation and organisation of the Board of Directors	3.2.1.4 and 3.2.2
List of all offices and positions held in any company by each officer during the financial year	3.2.1.2 and 3.3
General Management procedures	3.3
Limitations placed by the Board of Directors on the powers of the Chairman and Chief Executive Officer	3.3.1.2
Reference to the Middlenext Code and application of the *comply or explain* principle	3.1.1 and 3.5
Description and implementation of the procedure for assessing ordinary course agreements	3.6.2
Review of members' independence and potential conflicts of interest	3.2.1.4
Agreements between a director or a significant shareholder of the Company and a subsidiary	3.6.3
Remuneration policy for corporate officers	3.4.1
Remuneration and benefits of all kinds paid to corporate officers	3.4.2
Relative proportion of fixed and variable remuneration	3.4.1 and 3.4.2
Use of the possibility of requesting the return of variable remuneration	N/A
Remuneration paid or allocated by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code	N/A
Ratios between the level of remuneration of each executive corporate officer and the average and median remuneration of the Company's employees	3.4.2.1
Annual changes in remuneration, company performance, average remuneration of Company employees and the aforementioned ratios over the past five financial years	3.4.2.1
Explanation of how total remuneration complies with the remuneration policy adopted, including how it contributes to the long-term performance of the Company and how the performance criteria have been applied	3.4.1 and 3.4.2
How the vote at the last ordinary General Meeting was taken into account	3.4.2.2
Deviation from the procedure for implementing the remuneration policy and any derogations	3.4.2.3
Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (suspension of payment of directors' remuneration in the event of non-compliance with the Board's gender equality policy)	N/A
Allocation and retention of stock options by corporate officers	7.2.3.1 and 7.2.4
Allocation and retention of free shares by executive corporate officers	7.2.3.1 and 7.2.4
Special arrangements for shareholder participation in General Meetings	3.7.1
Factors likely to have an impact in the event of a takeover bid or public exchange offer as referred to in Article L. 22-10-11 of the French Commercial Code	3.7.2
Summary of current delegations of authority and powers granted by the shareholders' General Meeting to the Board of Directors to increase the share capital, and the use made of these delegations during the past financial year	7.1.6
Internal control and risk management procedures implemented by the Company at Group level relating to the preparation and processing of financial information	4.2.2

Glossary

"Annual Financial Statements" refers to the annual financial statements produced by the Company for the fiscal year ending 31 December 2024, produced in accordance with French accounting standards

"Assets under management" refers to green hydrogen production sites managed by the Group under an asset management agreement

"Backbone" refers to the European hydrogen transport pipeline network

"Backbone project" refers to a project for a production site where the green hydrogen produced is primarily intended to be injected and transported to end customers via the proposed European gas pipeline network or a secondary gas pipeline network

"Blue hydrogen" refers to hydrogen produced from fossil fuels, by steam reforming of natural gas, but where the CO_2 emitted during its production is captured, then reused or stored

"Bulk project" refers to a green hydrogen production site project where the green hydrogen produced is primarily intended to be delivered to a diverse customer base via containers (previously referred to as Mobility projects)

"Company" refers to the company Lhyfe, a limited company (*société anonyme*) with registered office at 1 ter mail Pablo Picasso, 44000 Nantes, France, registered with the trade and companies registry of Nantes under number 850 415 290

"Compressor" refers to a device which increases the pressure of hydrogen by reducing its volume, as required for the delivery of green hydrogen in containers

"Electrolyser" refers to a system comprising a water (H_2O) recipient containing electrolyte and two electrodes, in which a chemical reaction occurs on both sides of the electrolyte by applying an electrical current to the two electrodes, which enables the separation of hydrogen (H_2) from the oxygen (O) molecules

"Green hydrogen" refers to hydrogen produced by water electrolysis using renewable or low-carbon electricity

"Grey hydrogen" refers to hydrogen produced from fossil fuels, by steam reforming of natural gas, coal gasification or co-produced from hydrocarbons

"Group adjusted EBITDA refers to the consolidated current operating result before amortisation and provisions, before charges linked to equity-based compensation and before fair value adjustment on derivative financial adjustments

"Group adjusted EBITDA margin" refers to the ratio of "Adjusted EBITDA / Revenue"

"IFRS Financial Statements" refers to the annual consolidated financial statements produced by the Company for the fiscal year ending 31 December 2024, produced in accordance with IFRS standards as adopted by the European Union

"Lhyfe" or **"the Group"** refers to the group comprising the Company and its consolidated subsidiaries

"Low-carbon hydrogen" generally refers to hydrogen produced by a process which generates lower CO_2 emissions than grey hydrogen, but which does not satisfy the criteria to qualify as renewable hydrogen

"Net share of assets held by Lhyfe" refers to the ratio between the installed capacity of the assets under management and the percentage of the capital of the project companies held (directly or indirectly) by Lhyfe

"Offshore project" refers to a project for a green hydrogen production site installed at sea

"Onshore project" refers to a project for a green hydrogen production site installed on land

"On-site project" refers to a green hydrogen production site project where the green hydrogen produced is primarily intended to be delivered to a main customer via a direct link (previously referred to as Industry projects)

"*Power purchase agreement*" or **"PPA"** refers to an agreement by which an electricity producer sells all or part of its production to a buyer at a determined price

"Project company" or **"SPV"** refers to a company operating a green hydrogen production site project or a production site in operation

"Renewable hydrogen" refers to hydrogen satisfying the criteria set out in the delegated act to Directive (EU) 2018/2021 of the European Parliament and of the Council on Renewable Energies, defining renewable liquid and gaseous fuels of non-biological origin (including Renewable Fuels of Non Biological Origin - **"RFNBO")** certified according to the voluntary certification schemes approved by the European Commission (3 schemes approved to date: CertifHy, RedCert and ISCC)

"Total installed capacity" refers to the cumulative maximum capacity of Group production units in the Operations stage

"Universal Registration Document" refers to this universal registration document filed with the *Autorité des marchés financiers*

The Universal Registration Document is drawn up in accordance with Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.

Forward-looking information

The Universal Registration Document contains information on the Company's outlook and development strategy. These indications are sometimes identified by the use of the future tense, the conditional tense or expressions of a forwardlooking nature such as "consider", "envisage", "think", "aim for", "expect", "intend", "should", "aspire", "estimate", "believe", "wish", "may" or, where applicable, the negative form of these same words, or any other similar variant or expression. This information is not historical data and should not be interpreted as a guarantee that the stated facts and data will occur. This information is based on data, assumptions and estimates considered reasonable by the Company. It may changed or be modified due to uncertainties associated with the technological, economic, financial, competitive and regulatory environment. This information is referred to in various Sections and paragraphs of the Universal Registration Document and contains data relating to the Company's intentions, estimates, and objectives concerning the Company's markets, products, strategy, commercial deployment, growth, results, financial position and cash flow. Unless otherwise stated, the forward-looking information contained in the Universal Registration Document is valid only as at the date of filing of the Universal Registration Document. Except as required by applicable laws or regulations (including Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse), the Company does not assume any obligation to publish updates to the forward-looking information contained in the Universal Registration Document to reflect any change impacting on its objectives or the events, conditions or circumstances on which the forward-looking information contained in the Universal Registration Document is based. The Company operates in a highly competitive and constantly changing environment. As a result, it may not be able to anticipate all the risks, uncertainties or other factors that could affect its business, their potential impact on its business or the extent to which the materialisation of a risk or combination of risks could lead to results that differ materially from those indicated in any forward-looking information, it being recalled that none of this forward-looking information constitutes a guarantee of actual results.

Market information and competition

Chapter 1 of the Universal Registration Document contains information about the Company's business activity and its competitive positioning. Certain information contained in the Universal Registration Document is publicly available information which the Company considers reliable but which has not been verified by an independent expert. The Company cannot guarantee that a third party using different methods to gather, analyse or calculate data on the business segments would obtain the same results. Given the particularly active technological and competitive environment, it is possible that this information may prove to be incorrect or no longer up to date. As a result, the Company's business may develop differently from the outcome described in the Universal Registration Document. The Company makes no commitment to publish updates of this information, except in the context of any legislative or regulatory obligation that may be applicable, and in particular Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

Risk factors

Investors should carefully read the risk factors described in Chapter 4 of the Universal Registration Document before making any investment decision. The realisation of some or all of these risks could have an adverse effect on the Company's business, results, financial situation or prospects. Furthermore, other risks not yet identified or considered immaterial by the Company at the date of the Universal Registration Document could also have an adverse effect.

Rounding up/down

Certain figures (including data expressed in thousands or millions) and percentages presented in the Universal Registration Document have been rounded up or down. Where applicable, the totals presented in the Universal Registration Document may differ slightly from those obtained by adding together the exact (unrounded) values of these figures.


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PRODUCER AND SUPPLIER OF

GREEN & RENEWABLE HYDROGEN

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