



Haffner Energy publishes annual results for fiscal year 2023-2024

A year of transition towards expanding addressable market and project portfolio

Vitry-le-François, June 20, 2024, 6:00 pm (CEST), France

- **A pipeline* multiplied by more than 4 (€1.4B) year-over-year, boosted by market opportunities for the production of syngas and Sustainable Aviation Fuel (SAF), including in the United States**
- **An order book at 03/31/2024 that reflects delays in the hydrogen market and a blank year in terms of sales**
- **EBITDA** contained at -€13,041k versus -€12,480k last year**
- **Net income for the year of -€9,935k versus -€16,461k at 03/31/2023**
- **Net available cash of €11,042k at 03/31/2024, with fundraising expected in Q3 2024 to finance the company's accelerated development**
- **Amplified potential and adjusted figures: Sales for the current fiscal year reflecting the first expected contracts; positive EBITDA by 03/31/2026; a sales target of €165M by 03/31/2027, ahead of a sharp acceleration driven by SAF projects with a sales target of €330M at 03/31/2028**
- **The targets for 03/31/2027 and 03/31/2028 represent installed capacity that translates to approximately 1.2M and 2.9M tonnes respectively of CO₂ avoided per year**

HAFFNER ENERGY (ISIN code: FR0014007ND6 - Mnemonic: ALHAF) published its annual financial results to 03/31/2024, approved by the Board of Directors on 06/19/2024. This is an opportunity also for the Company to provide an update on its business development and outlook.

Philippe HAFFNER, Co-founder and Chairman and CEO of HAFFNER ENERGY said:

"For Haffner Energy, 2023-2024 will remain a year of expanding our addressable markets. Faced with delays in the onset of the renewable hydrogen market, we are prioritizing market segments where we find the highest demand (SAF and syngas), for which our offering is differentiating and value-creating both for our customers and ourselves. To this end, we have adapted our technology, notably with the commissioning of our Marolles industrial site.

"This past financial year was both insignificant in terms of financial results, yet highly value-creating in terms of project portfolios in mature markets hungry for competitive decarbonization solutions. Our addressable market and sales prospects are now much higher than they have ever been. In fact, compared with the hydrogen market alone, Haffner Energy's overall target market has increased by a factor of more than 4. Furthermore, these complementary markets offer the advantage of making biomass an essential component in the composition of biofuels (syngas, SAF, methanol) and e-fuels. Furthermore, we are progressing our business model from technology supplier to project developer. The Paris-Vatry SAF project is a case in point. It is equivalent to the decarbonization of 3.6 billion passenger-km per year by Airbus A320neo planes.

These new opportunities translate into exponential growth in our pipeline, far beyond anything we've seen to date; a potential which isn't reflected yet in the Company's market capitalization.

On the strength of these new commercial prospects, new high-quality strategic partnerships, and a more ambitious business plan, we are well positioned to launch a new round of financing to support projects that will create significant value. Based on our 30-year experience, our ability to provide immediate decarbonization solutions at scale through producing competitive biofuels, makes us confident that we can become a global leader in the energy transition. Our 10-year target is to help avoid over 90 million tonnes of CO₂."

I. BUSINESS ACTIVITY: ORDER BOOK, NEW OFFERS, PIPELINE, AND GROWTH MARKETS

2023-2024, a year of expansion into new markets in the context of the renewable hydrogen market's slow onset

The 2023-2024 financial year has been devoted to expanding Haffner Energy's technical and commercial offering to diversify and increase its addressable market. This, **in the context of the slow onset of the renewable hydrogen ecosystem, particularly in Europe**, with insufficient outlets and a lack of "offtake-or-pay" contracts making the financing of most projects difficult.

This situation, which has led to a **delay in the signing of new contracts**, has also weighed on the execution of the order book we had built. The 2023-2024 financial year thus saw the **termination or cancellation of our first contracts relating to renewable hydrogen production**, such as the R-Hynoca contract, the termination of which was recorded on 12/13/2023 ([see 12/14/2023 press release](#)).

As regards the future of the three (3) contracts signed with Carbonloop (one contract for the supply of renewable gas production equipment with a capacity of 500 kW and two contracts for the supply of renewable hydrogen), it is now acknowledged that they will not be executed. The contracts had been suspended on 09/30/2023 ([see 12/14/2023 press release](#)) and the risk of cancellation from the order book had been announced.

The recent receivership of Carbonloop SAS, the engineering company behind the projects, corroborates the fact that these contracts will not be pursued. This situation justifies the Company's decision, on 03/31/2024, to cancel the projects (€14.9M) from the order book, which stood at €1,230k at that date (invoices only, never recognized as deferred revenue).

Haffner Energy and Carbonloop have a dispute concerning the execution of these contracts and a summary procedure before the Paris Commercial Court is underway. Haffner Energy is confident of a successful outcome.

A change in pipeline size: €1.4B for projects in Europe and overseas

Since its SAFNOCA® and SYNOCA® offerings launched last year in [July](#) and [October](#) respectively to address aviation and industry decarbonization, Haffner Energy has recorded **an acceleration of its pipeline**, from €300M at 03/31/2023 to €1.4B at 03/31/2024.

In terms of opportunities by sector, **industry became Haffner Energy's top short-term market during the 2023-2024 financial year**, validating the commercial targeting announced in the second half of 2023.

Geographically, we note **the rise of North America**, with several projects currently being explored in the United States, especially regarding SAF. **Haffner Energy has thus succeeded in establishing itself and gaining traction in the U.S.**, where its ambition recently shifted into higher gear with the creation of the US subsidiary Haffner Energy, Inc. ([see 05/29/2024 press release](#)).

II. KEY FIGURES AT 03/31/2024 (IFRS): REVENUE, EBITDA, OPERATING PROFIT & NET INCOME, BALANCE SHEET INCLUDING CASH, FUNDRAISING PROJECT

For Haffner Energy, 2023-2024 is **not a significant year in financial terms**.

Revenue close to zero, reflecting the refocusing undertaken during the year and lower losses year-over-year

In thousands of euros	03.31.24 (12 months)	03.31.23 (12 months)
Net sales	-157	303
Other income	69	26
EBITDA	-13,041	-12,480
Operating result	-10,263	-16,484
Net income	-9,935	-16,461
Shareholders' equity	26,768	36,887
Cash available	11,042	35,476

Operating result, negative at -€10,263k, at 03/31/2024, **is a significant improvement** this year compared to the previous year at -€16,484k.

EBITDA was -€13,041k at 03/31/2024 compared to -€12,480k at 03/31/2023.

Total net income amounts to -€9,935k, compared to a net loss of -€16,461k at 03/31/2023.

At 03/31/2024, the Company's net cash position stood at €11,042k.

A fundraising round to create value through the potential of Haffner Energy's technology

As was initially mentioned at the half-year results presentation, **Haffner Energy has taken steps to seek additional financing to support the funding of its growth and to expand its business model**. From being a supplier of technology for renewable hydrogen production, the Company is now positioning itself both as a supplier of biofuel production technology and as a producer of biofuels, as well as a project developer. **A mandate has been given to Avolta**, a European specialist in M&A and fundraising for innovative companies, to seek investors (debt and/or equity) to support the Company's development and

its projects. The creation of combined value for the Company and its shareholders is a key objective of the planned transaction.

III. PROJECTS AND PROSPECTS: FIRST FACTORY, MAROLLES TESTING AND TRAINING CENTRE, FIRST "PARIS-VATRY" SAF PROJECT

Significant advances for Haffner Energy's industrial system and showcase of know-how

The 2023-2024 fiscal year allowed Haffner Energy to advance its **FactorHy project at Première Usine**. Based in Saint-Dizier, France, this large-capacity plant will assemble renewable gas and hydrogen production modules. The objectives prevailing in the construction of this plant are:

- the control of quality, costs and time for assembly
- potential for factory testing of strategic equipment
- the protection of intellectual property

Selected as part of France 2030 call-for-proposals program operated by Bpifrance and supported by local elected officials and institutional partners, the project has benefited throughout this fiscal year from the granting of **major subsidies**, including €5.9M from the State through France 2030 (including an advance of €1.47M received during the financial year, 60% of which are subsidies and 40% are repayable advances).

In addition to these €5.9M, other public funding of €5.7M and an additional agreement in principle of €1.3M have been secured. The realization of this project will require limited additional financing, mainly through bank loans.

In addition, at the end of 2023, Haffner Energy launched **the creation of a testing and training center in the Vitry-Marolles business park (Marne)** near its headquarters. This center, which is designed to operate for 8,000 continuous hour per year, will perform tests on different types of biomass supplied by its customers—among other things. After several months of site preparation and equipment installation, the plant, equipped with new-generation standardized industrial production equipment, **went into syngas production on 06/18/2024**. Having received the green light from the authorities, Haffner Energy **will add renewable hydrogen production (nominal capacity of 15 kg/hour) before the end of 2024**. All in all, the plant will display the full range of possibilities offered by Haffner Energy's technology: from the production of renewable gas to the production of renewable hydrogen or even the co-production of electricity, from the production of biochar to its gasification...

SAF: a first project undertaken with LanzaJet (Paris-Vatry SAF) and a confirmed potential

As announced a year ago, Haffner Energy has adapted its disruptive technology to address the Sustainable Aviation Fuel (SAF) market. The past year has confirmed the significance of the actual development potential for the Company, as it was approached by some of the biggest players in the sector.

Haffner Energy just launched its **first project for a Sustainable Aviation Fuel (SAF) production plant at Paris-Vatry airport** (Marne, Grand-Est Region, France), **developed in collaboration with several public and private partners**, first and foremost US company **LanzaJet** (see [06/06/2024 press release](#)). This global leader in Alcohol-To-Jet (ATJ) technology is one of the most advanced players in the industry with more than 90 SAF projects in its portfolio. It was recently named on the prestigious **"TIME 100 Most Influential Companies"** list for 2024. This project will be submitted by 28/06 to France 2030 CARB AERO, a €200M call-for-proposals program operated by the French Environment and Energy Management Agency ADEME. Being selected for a grant award would ensure the financing of part of the project's development (pre-project engineering studies).

The financial statements, which are currently being audited, were approved by the Board of Directors at its 06/19/2024 meeting.

Upcoming events

Annual General Meeting September 12, 2024

2024-2025 Half-Year Results December 17, 2024

More detailed information on the financial statements as at 03/31/2024 can be found on www.haffner-energy.com.

About Haffner Energy

The company is specialized in clean fuels production. Developed over 30 years of experience, its expertise lies in the decarbonization of mobility and industry through the production of competitive renewable biofuels. Its innovative and patented biomass thermolysis technology makes it possible to produce Sustainable Aviation Fuel (SAF), as well as renewable gas, hydrogen, and methanol. The company also contributes to the regeneration of the planet through the co-production of biogenic CO₂ and biochar. Haffner Energy is listed on Euronext Growth (ISIN code: FR0014007ND6 – Ticker: ALHAF).

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Lexicon:

* **Pipeline** refers to a business opportunity when at least one of the following occurs:

- a preliminary feasibility study for the installation of equipment is or has been carried out; or
- a budget offer or a preliminary business plan for the project or a complete commercial offer including specifications has been sent to the customer and Haffner Energy is awaiting its response; or
- a letter of intent is sent to Haffner Energy by the customer; or
- Haffner Energy has received an invitation to participate and is part of a bidding process.

** **EBITDA** corresponds to operating income before depreciation and amortization, net impairment of fixed and current assets, and before operating provisions net of reversals.