



## **Acceleration Of Order Intake to Support Strong Expected Growth in Revenue by March 31, 2024**

- **Signing of two major contracts with Carbonloop<sup>1</sup>**
- **17,5 million euros firm order book as of March 31, 2023 and future acceleration of order intake**
- **Signing of a strategic partnership contract with an industrial player that will result in an order intake for a Hynoca<sup>®</sup> installation**
- **Very strong increase in revenue expected as of March 31, 2024 compared to the estimated 0.3 million euros as of March 31, 2023**
- **Operational execution of these contracts ensured by a strengthened team and secured supplies**

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**Vitry-le-François, France, April 4, 2023, 8.00 am CEST**

**Haffner Energy (ISIN code: FR0014007ND6 - Ticker: ALHAF)**, today announces the signing of two major contracts with Carbonloop for the production of renewable hydrogen and provides an estimate of expected revenue for the year ending March 31, 2023.

### **Enrichment of the firm order book with the signature of two contracts with Carbonloop<sup>1</sup> and a strategic partnership contract with an industrial player**

On March 31, 2023, Haffner Energy and Carbonloop signed two significant contracts for the production of a total of 450 tons of hydrogen per year for heavy mobility.

These two contracts strengthen the firm order book (IFRS), which stands at 17.5 million euros as of March 31, 2023, and which is expected to continue growing with the signing of new orders in the near term.

In addition, on March 31, 2023, Haffner Energy signed a long-term strategic partnership agreement with a major French industrial player for the deployment of hydrogen production facilities, which shall be extended to the production of sustainable aviation fuel (SAF). Under the terms of this agreement, Haffner Energy will receive a firm order by June 30, 2023 for a first HYNOCA<sup>®</sup> installation to produce up to 240 tons per year of green hydrogen from residual biomass. The commercial operation of this installation is planned in the course of 2025. The identity of this industrial player will be disclosed by the end of April 2023.

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<sup>1</sup> The signing of the two contracts with Carbonloop is the subject of a specific joint press release between Haffner Energy and Carbonloop, issued simultaneously with this press release.

## **Forthcoming ramp up in order intake in a clearer regulatory context, enabling a very strong increase in expected revenue as of March 31, 2024**

Haffner Energy is accelerating the conversion of its 54 million euros backlog into firm orders and is expanding its commercial prospects with a sales team that now consists of an eleven people staff, compared to two a year ago.

The Company should also benefit from a clarification of the French and European regulatory framework, with the imminent opening of the Ecosys H2 project calls in France and the revision of the Renewable Energy Directive (RED 3) in Europe. The delay in the implementation of these support measures for hydrogen projects has strongly affected the commercial development during the 2022/2023 fiscal year.

Haffner Energy has also taken decisive action for its active development in the United States, where the Inflation Reduction Act represents a major opportunity. The endorsement of hydrogen production is linked to the carbon footprint in life cycle analysis, which strongly favors carbon-negative solutions like those of Haffner Energy. In addition, Haffner Energy's Synoca<sup>®</sup> technology is particularly well suited and positioned, both technologically and economically, for the production of e-fuels and sustainable aviation fuel (SAF), the production of which is strongly encouraged by the U.S. The Synoca<sup>®</sup> technology allows the production of SAF from biomass by the thermochemical process (synthesis of SAF from syngas via the conventional Fischer Tropsch process). The U.S. Department of Energy (DOE) has identified an annual deposit of one billion tons of dry biomass in the United States to ensure the production of more than 200 million tons of SAF and e-fuels per year.

In this context, the increase in the order intake initiated as at March 31, 2023 will result in a very strong increase in the Company's revenue, starting on March 31, 2024, compared to the 0.3 million euros that the Company expects to generate on March 31, 2023. This revenue is accounted on a percentage-of-completion basis, using more conservative recognition methods than those initially contemplated. Therefore, as opposed to the original forecasts, the large strategic inventories built up will not significantly be allocated to firm order booked as of March 31, 2023, and thus converted into revenue, given the stricter accounting allocation procedures.

## **A strengthened team and anticipated procurement to ensure proper execution of contracts**

The successful execution of the contracts will benefit from the operational progress made during the 2022/2023 fiscal year by structuring the teams and securing supplies.

Over the period, Haffner Energy has hired a large number of people, mainly in Business Development and Operations, and now accounts 72 employees, compared to 25 a year earlier. The Company's skills have been strengthened in project management, industrialization and detailed engineering, as well as in Hypergas<sup>®</sup> generation and hydrogen production processes.

In a context of tensions in the supply chain, Haffner Energy has also deployed a purchasing strategy to secure the main strategic equipment of its Hynoca<sup>®</sup> modules, such as compressors, ovens and pressure-swing absorption systems (PSA). This proactive purchasing allows the Company to implement signed contracts as soon as possible.

Regarding the PSA supplier Xebec Adsorption, placed under the Canadian Creditor Protection Regime (CCAA) since September 29, 2022, its PSA production assets were taken over on February 24, 2023 by the American Company Ivys, a specialist in hydrogen and electricity distribution stations. Advanced discussions for the delivery of the 8 PSA systems covered by the initial contract with Xebec are continuing and Haffner Energy is confident that a short-term agreement will be reached, taking into account most of the 2.4 million euros down payment already made. Haffner Energy has also diversified its sources of supply for PSA by placing additional orders with two other suppliers.

**The annual results for the year ending March 31, 2023 will be published on June 28, 2023.**

## About Haffner Energy

A listed family company co-founded and co-directed by Marc and Philippe Haffner, and a player in the energy transition for 30 years, Haffner Energy designs and supplies innovative decarbonation solutions for the mobility, industry and local authority sectors. Its HYNOCA® and SYNOCA® technologies, based on the thermolysis of biomass and protected by 15 patent families, enable its customers to produce locally renewable hydrogen and gas as well as other green energies such as "Sustainable Aviation Fuel" or methanol, while capturing carbon from the atmosphere through the co-production of biochar. Thanks to this "carbon-negative" technology, decoupled from the cost of fossil fuels and electricity, Haffner Energy is providing an immediate, agile and competitive response to the strategic challenges of energy independence and decarbonization in Europe.

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