

Strong growth in McPhy's 2022 Annual Revenue and Firm Order Intake

- Annual revenue of €16.0 million, driven by +37% growth in the second half of the year
- +56% increase in the *backlog*¹, generated by firm order intake of €29.4 million for the year 2022
- Industry landmark contract signed end of the year for a low-carbon steel project in Germany with one of the world's leading steel groups
- Launch of the Gigafactory project in Belfort after obtaining IPCEI funding²
- Expected net cash position of around €135 million at December 31, 2022

Grenoble, January 24, 2023 - 5:45 pm CET - McPhy Energy, specialized in low-carbon hydrogen production and distribution equipment (electrolyzers and refueling stations), today announces its revenue for the 2022 financial year, ending December 31.

2022 Full-Year Revenue³

<i>In € million</i>	2022	2021	% change
First semester	5.2	5.2	-
Restated first semester ⁴	7.4	5.2	+42%
Second semester	10.8	7.9	+37%
Total revenue	16.0	13.1	+22%
Restated revenue	18.2	13.1	+39%
Firm order intake	29.4	19.2	+53%
Backlog	31.3	20.1	+56%

¹ Orders not yet recognized as revenue

² PIIEC ("Important Project of Common European Interest") or IPCEI ("Important Project of Common European Interest") is a funding scheme that supports projects deemed essential for Europe's competitiveness, allowing Member States to fund initiatives beyond the limits usually set by European regulations. The PIIEC or IPCEI Hydrogen ("Hy2Tech") was authorised by the European Commission on 15 July 2022.

³ Figures under audit as of the date of this document

⁴ Revenue excluding the amount of the takeover of two old technology stations for commercial reasons

Jean-Baptiste Lucas, Chief Executive Officer of McPhy, comments: *"The year 2022 marks McPhy's return to a momentum more consistent with both its potential and those of low-carbon hydrogen, with an increase of nearly 40% in our revenue and more than 50% in order intake. These are the first indications of upcoming deployments in low-carbon hydrogen as the market is getting more structured. The first grants under the Hydrogen PIIEC will foster the development of production capacities and will shortly be followed by a second wave of funding, which will fuel demand and the transition to larger-scale projects. Therefore, the launch of our Gigafactory project on the Belfort site in the second half of the year is a major strategic step forward. Indeed, it will allow us to lower the cost of our electrolyzers and increase their capacity in order to provide competitive low-carbon hydrogen very quickly. We are thus approaching 2023 with confidence in our ability to generate sustained growth and enthusiastic about the idea of building a first-rate industrial tool, which is an essential condition to remain at the forefront of the low-carbon hydrogen revolution".*

Return to sustained growth in sales in 2022

Revenue for the **2022** financial year is **up 22% compared to 2021, to €16.0 million**. Restated for the **takeover of two old generation stations sold** during previous financial years (the amount of which was **deducted from** the revenue for the first half of the year), **revenue would amount to €18.2 million** compared with €13.1 million in 2021, **representing a growth of +39%**. This return to growth primarily results from the materialization of the first orders under the major contracts signed over the past years. The revenue breakdown between the supply of electrolyzers of large capacity McLyzer and of Piel range (68%) and the supply of stations (32%).

Commercial momentum strengthened by the signing of a landmark industrial contract

In the course of the first semester, McPhy signed a contract with a subsidiary of Eiffage to equip a site in Belfort⁵ with a 1 MW electrolyzer and a recharging station capable of distributing up to 800 kg/day to fuel a fleet of hydrogen buses. The Group also received two first orders in the framework of its strategic partnership with Hype⁶ to supply: (i) two alkaline electrolyzers with a capacity of 2 MW for the first and upgraded to 4 MW for the second, as well as (ii) two Dual Pressure stations with a capacity of 800 kg per day each to be installed in the Paris region. During the second half of the year, McPhy also finalized an 8-year maintenance contract with Siemens Energy. McPhy teams will manage the maintenance of the hydrogen production equipment on the CEOG project site.

At the end of the year, the Group recorded **a landmark order in the industrial sector** with a joint venture controlled by one of the world's leading steel groups. The agreement includes the equipment of an innovative low-carbon steel production project at a plant in Germany, close to McPhy's design and engineering site in Wildau. The agreement, favoured by the geographical proximity, illustrates the relevance of the Group's European operating set-up. The agreement covers the supply of two McLyzer electrolyzers with a capacity of 1 MW each, as well as a Dual Pressure 350/700 bar station dedicated to the supply of forklift trucks and trailer trucks. It has also been agreed of a 5-year long-term services contract. The first deliveries of low-carbon steel should take place in the first half of 2024.

Strong increase in order intake and backlog

All of these elements allow McPhy to record a **+53% growth in firm order intake**, which amounts to **€29.4 million**, bringing the order backlog to **€31.3 million** at December 31, 2022, up **+56% compared to December 31, 2021**.

As of 31 December 2022, McPhy had a portfolio of projects signed, commissioned and/or under execution representing a total of 45 MW and 40 stations. The Group had furthermore been identified as a preferred partner and/or selected supplier for 148 MW and 56 stations, bringing its references to 193 MW and 96 stations.

⁵ <https://mcphy.com/en/press-releases/hydrogen-mobility-contract-with-eiffage-energie-systemes-clemessy/>

⁶ <https://mcphy.com/en/press-releases/mcphy-signs-a-first-order-with-hype/>



Acceleration of industrial scale-up with the launch of the Gigafactory project

The eligibility of McPhy's **electrolyzer Gigafactory project** to the IPCEI scheme was approved by the European Commission in July, allowing the signing of a public aid contract with the French State represented by Bpifrance, for a **maximum amount of €114 million**. On that basis, McPhy has officially made a final investment decision and received a first payment of €28.5 million from Bpifrance. Work has already begun on the commissioning of the future plant on the Belfort site, with a launch scheduled for the first half of 2024, followed by a gradual ramp-up to reach **an annual production capacity of 1 GW**.

Concurrently, McPhy continued its efforts to scale up **the electrolyzer part of the business** by increasing its **production capacity to 300 MW on its San Miniato site**, in order to meet market demand while awaiting for the commissioning of the Gigafactory.

For the **Stations** part, McPhy has finalized the regrouping of all the activities of this business line on its new site in the heart of Grenoble in an existing industrial building of more than 4,000 sqm. This new site will have a **production capacity** of 150 units per year.

Continuation of an active recruitment policy

McPhy has recruited **85 new employees (of which 66 on permanent contracts)** in fiscal year 2022, demonstrating its ability to attract talent in a competitive market and in an industry where skills are crucial. The Group now accounts 205 employees and will keep up its active recruitment policy though at a slower pace.

Outlook

Given the acceleration of development investments and the rise in the number of employees in the second half of the year, the Group estimates that its EBITDA will amount to €-34 to €-37 million for the fiscal year 2022. The Group's net cash position should therefore be around €135 million, including the initial payment of €28.5 million from Bpifrance as part of the launch of the Gigafactory.

The level of its backlog and the continued ramp-up of the hydrogen market, allow McPhy to anticipate another year of **sustained growth in 2023**.

Next financial communication:

- Publication of **2022 Results: March 7 2023**, after market close



ABOUT MCPHY

Specialized in hydrogen production and distribution equipment, McPhy is contributing to the global deployment of low-carbon hydrogen as a solution for energy transition. With its complete range of products dedicated to the industrial, mobility and energy sectors, McPhy offers its customers turnkey solutions adapted to their applications in industrial raw material supply, recharging of fuel cell electric vehicles or storage and recovery of electricity surplus based on renewable sources. As designer, manufacturer and integrator of hydrogen equipment since 2008, McPhy has three development, engineering and production centers in Europe (France, Italy, Germany). Its international subsidiaries provide broad commercial coverage for its innovative hydrogen solutions. McPhy is listed on Euronext Paris (compartment B, ISIN code: FR0011742329, MCPHY).

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