Driving clean energy forward

Press release

McPhy 2024 Annual Results and Update on Financial Situation

- 2024 revenue of €13.2 million, impacted by termination compensation related to some refueling station projects. Restated for this impact, revenue amounts to €17.1 million
- Electrolyzer revenue grew by +15% to €15.8 million, representing 92% of total restated revenue
- Order intake doubled to €28.1 million as of December 31, 2024
- EBITDA stable at €(43.5) million, reflecting adjustment of expenses to low level of activity
- Net income of €(74.1) million, significantly impacted by the disposal of the refueling station business, provisions for contractual risks and the change in fair value of bonds held and issued by the Company
- Cash position of €39.6 million as of December 31, 2024, and significant uncertainty about going concern: the Group is expected to have sufficient financial flexibility to continue its business until the end of the first half of 2025, and is actively exploring solutions

Foussemagne (France), March 31, 2025 – 6:00 pm CEST – McPhy Energy, a leading European player in alkaline electrolyzer technology and manufacturing, today announces its consolidated results for the financial year 2024, ended December 31, approved today by the Company's Board of Directors.

Simplified Income Statement

(€ million)	**12/31/2024**	**12/31/2023**	**Change**
Revenue	**13.2**	**18.8**	-30%
Other operating income	**1.5**	**1.1**	30%
Income from Operating Activities	**14.7**	**19.9**	-26%
Purchases consumed	**(10.9)**	**(16.0)**	-32%
Personal costs	**(20.8)**	**(24.1)**	-14%
External costs	**(26.5)**	**(24.4)**	9%
EBITDA	**(43.5)**	**(44.6)**	-3%
Depreciation, amortization and net provisions	**(14.8)**	**(5.6)**	x3
Operating Income (EBIT)	**(58.3)**	**(50.2)**	16%
Other income and expenses	**(7.1)**	**-**	
Financial Result	**(8.6)**	**2.8**	x4
Income Tax	**(0.1)**	**(0.0)**	n.s.
Net Result	**(74.1)**	**(47.4)**	56%

2024 Revenue

Revenue for 2024 totaled **€13.2 million**, representing a **30% decline** compared to 2023. This slowdown was primarily due to:

- The absence of revenue contribution for the Djewels project in 2024, as discussions between the parties are ongoing; and
- The deduction of revenue related to indemnities from the partial termination of a historical refueling station supply contract as part of a mobility project. As a reminder, contracts for ongoing projects as of July 16, 2024 - the date of the refueling station business disposal[1] - remain under McPhy's responsibility. Restated for this impact, revenue amounts to €17.1 million.

The **electrolyzer** business generated **€15.8 million in revenue in 2024** and breaks down between the supply of McLyzer large capacity electrolyzers (85%) and the Piel range (15%).

Over the year, the Group benefited from large-scale projects' contribution, including:

- A **4 MW electrolyzer** for the **"green metal" project** with the **Plansee Group**, installed in 2024 at the Reutte site in Austria, currently in the commissioning phase;
- A **4 MW electrolyzer** for the Swedish company **AAK**, a major global player in the edible oil processing industry, to produce low-carbon hydrogen as a process gas;
- **Two 1 MW McLyzer electrolyzers** and a **Dual Pressure station** for the **low-carbon steel project with ArcelorMittal and VEO**. McPhy will also provide a five-year service contract. This project involves the construction of a pilot electrolysis plant in Eisenhüttenstadt, Germany, in collaboration with Brandenburg Technical University;
- **Two electrolyzers** (2 MW & 4 MW) and **two** Dual Pressure **stations** with **Hype**; and
- A **high-power 16 MW electrolyzer**, with equipment delivered in early 2025, as part of the **CEOG project.** This project aims to produce hydrogen using a photovoltaic solar farm, coupled with a hydrogen storage unit and high-powered fuel cells to reduce the carbon footprint associated with electricity supply to 10,000 households in French Guiana.

Revenue of **small and medium-capacity Piel electrolyzers**, primarily dedicated to jewelry applications and occasionally for industrial use, amounted to **€2.4 million**.

Commercial Activity Update

In € million	2024	2023	Change
Firm Order Intake	28.1	13.0	+115% / x2.1
Total Backlog[2]	29.8	23.8	+25%
Backlog – Electrolyzers	23.7	20.1	+18%

McPhy secured **firm order intake** totaling **€28.1 million in 2024**, including **€23.4 million** for the **electrolyzer** business alone, driven by:

[1] Press release dated July 17, 2024: "McPhy completes the disposal of its refueling stations business to Atawey"
[2] Firm orders not yet accounted for in revenue.

- McPhy's involvement in a large-scale project, the "Rouen Vallée Hydrogène" (RVH_2) project, supporting the energy transition in the Normandy region. Selected by the **VALOREM Group**, McPhy will supply a **1 MW electrolyzer** and a **McFilling 350 station** (subcontracted to Atawey as part of the refueling station business disposal);
- The signing of a firm contract for the supply of a **McLyzer 800-30 electrolyzer** and related spare parts with the **Swedish company AAK** (as detailed in the revenue section above);
- The signing of an agreement with the Indian conglomerate **Larsen & Toubro (L&T)**[3] to extend the technology transfer and exclusive licensing for the McPhy XL (4 MW) product. This marks a significant milestone in the partnership between L&T and McPhy, reinforcing their joint commitment to providing advanced electrolyzer solutions for the green hydrogen sector; and
- The signing of three maintenance contracts, which will generate recurring revenue.

Overall, the **backlog stood** at **€29.8 million** as of December 31, 2024, up **+25%** compared to December 31, 2023, primarily driven by the **electrolyzer business**, now the Group's core activity, contributing **€23.7 million.**

Results Impacted by the Exit Cost of the Station Business

In 2024, the Group continued investing in the development of its electrolyzer business, now the Group's sole business unit, particularly in its Belfort Gigafactory. Operating expenses remained stable and were kept under control, with a refocus on improving the 1MW stack and developing the XL electrolyzer.

The downward trend in headcount stems from the station business sale to Atawey, which involved the transfer of 43 employees and the retention of staff at sites dedicated to electrolyzers. As a result, **personnel expenses** fell **by €(3.3) million in 2024**, reaching **€20.8 million**, with a total headcount at **220** as of December 31, 2024, compared to 265 as of December 31, 2023.

EBITDA remained stable at **€(43.5) million in 2024**, compared with €(44.6) million in 2023. It includes €13.4 million from the Group's share of the IPCEI[4] grant, corresponding to eligible expenses over the period.

The **Operating Income** came to **€(58.3) million**, reflecting a rise in **depreciation costs** from €2.8 million to **€3.7 million** due to the commissioning of industrial equipment, and a high level of **provisions**, up €2.8 million to **€11.2 million**. In addition to provisions for completion losses on historical contracts, the Group also recognized provisions for contractual risks related to potential performance shortfalls, which may require the replacement of defective components.

Other income and expenses amounted **to €(7.1) million**, and included non-recurring **fees** relating to the implementation of the 2024 financing plan of **€(2.3) million, capital loss from the sale** of the station business of **€(4.0) million**, and **€(0.8) million in goodwill** impairment. The fair value of assets held for sale (i.e. those included in the sale of the station business), net of disposal costs, was determined by taking into account solely the fixed portion of the sale price (i.e. €12 million).

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[3] As a reminder, in 2023, L&T and McPhy entered into a technology transfer and exclusive licensing agreement (Technology Licensing and Assistance Agreement) covering the Company's electrolyzer technology and the following territories: India, the countries of the South Asian Association for Regional Cooperation (Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives), and the Gulf Cooperation Council countries (Saudi Arabia, United Arab Emirates, Oman, Qatar, Kuwait, Bahrain).

[4] Subject of a public aid contract by the French State within the framework of the PIIEC ("Projet Important d'Intérêt Européen Commun") or IPCEI ("Important Project of Common European Interest") scheme known as "Hy2Tech" approved by the European Commission, concluded with Bpifrance on October 28, 2022.

Despite active cash management, which generated **financial income of €2.5 million**, the **financial result came to €(8.6) million**, penalized on the one hand by adjustments in the fair value of bonds held by McPhy in Hype and Atawey for €(15.3) million, offset by a loss in value of the bond debt held by EDF Pulse and EPIC Bpifrance[5] representing a positive impact of €7.0 million, and by interest expenses of €(2.8) million.

Taking these factors into account, **Net Income for 2024** was **€(74.1) million**, compared with €(47.4) million in 2023.

Cash Position of €39.6 million as of December 31, 2024

Net cash burn amounted **to €(23.4) million** in 2024, including:

- **Cash flow from operating activities** of **€(64) million** (excluding IPCEI operating grant subsidy)**,** due to negative cash flow of €(49.1) million and an increase in working capital requirement of €(14.9) million;
- The second instalment, under **the IPCEI** public aid, amounting to **€8.6 million**, following **the successful completion** of the program's **1st milestone**;
- **Investments** required for stacks testing equipment in Italy and start-up of the Gigafactory in Belfort, totaling **€(15.7) million**;
- **Cash flows from financing activities of €47.7 million** following the completion of a **lease financing** for the Belfort **Gigafactory** for **€16 million** and **the issuance of convertible bonds** into new shares and/or exchangeable for existing shares (OCEANEs) to EDF Pulse Holding and EPIC Bpifrance **for a nominal amount of €30 million**.

Cash Runway

Based on the cash flow forecasts established by the Board of Directors on March 31, 2025, the Group is expected to have the necessary financial latitude to continue its operations **until the end of H1 2025**, taking into account the following structuring assumptions:

- The latest estimates of project execution timelines and costs as of February 28, 2025, excluding the Djewels project, for which current discussions do not allow for a start-up in the first half of 2025;
- The absence of a cash payment for a portion of the remaining fixed price following the sale of the station business to Atawey by the end of June 2025. As a reminder, the outstanding cash payment (€11 million) is subject to Atawey securing external financing, with the amount payment being proportional to the financing obtained. Any balance unpaid in cash by December 31, 2025 will be settled through the transfer of Atawey shares; and
- The non-use of the equity financing line with Vester Finance on December 19, 2023 (considering market and exercise conditions).

In addition, should the Group also benefit from:

- A cash payment, which, according to information provided by Atawey on the progress of their financing efforts, could amount to approximately €4 million in the first half of the year, supplemented, if necessary,

[5] EPIC Bpifrance acting on behalf of the French State under the French Tech Souveraineté Agreement dated December 11, 2020.

in the second half of the year, in application of the disposal agreement, assuming the above actions are carried out; and

- The receipt of the third instalment of the IPCEI[6] public funding, amounting to €13 million, subject to the meeting of the required criteria within the contractual timeframe;

based on the cash flow forecasts, the Group could have the necessary financial latitude to continue its operations **until the end of the 3rd quarter 2025.**

The Group is actively exploring solutions that would enable all or part of its activities to operate after this date.

This situation creates material uncertainty as to going concern. If the sought-after solutions **are not implemented within the expected timeframe or do not meet the required financial objectives**, the Group **might not be able to realize its assets and settle its liabilities in the normal course of business.** In such a case, the application of IFRS accounting rules and principles in the normal context of continuing operations, particularly as regards the valuation of assets and liabilities, could become inappropriate.

Next Financial Event:

- **Combined General Meeting** on **June 17, 2025**

The 2024 annual financial report will be made available no later than April 30, 2025, on the Company's website (www.mcphy-finance.com), in the "Investors" > "Financial Publications" > "Financial Reports" section, in accordance with legal requirements.

[6] PIIEC ("*Projet Important d'Intérêt Européen Commun*") or IPCEI ("*Important Project of Common European Interest*") is a funding system that supports projects deemed essential to Europe's competitiveness, authorizing member states to finance initiatives beyond the limits usually set by European regulations. Within this framework, the McPhy electrolyser Gigafactory project will benefit from public aid from the French government, up to a maximum of 114 million euros, as part of the "Hy2Tech" PIIEC.

ABOUT MCPHY

Specialized in hydrogen production 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 Energy is listed on Euronext Growth Paris (ISIN code: FR0011742329, ticker: ALMCP).

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APPENDICES

Cash-Flow Statement

(€ million)	12/31/2024	12/31/2023
Net result	**(74.1)**	**(47.4)**
Cash-flow from operations	**(49.9)**	**(41.0)**
Working capital requirement	**(6.3)**	**(5.9)**
Operating subsidies	**—**	**(4.5)**
Net cash-flow from operating activities	**(56.2)**	**(51.4)**
Net cash-flow from investing activities	**(15.0)**	**(20.8)**
Net cash-flow from financing activities	**47.7**	**(0.3)**
Change in cash and cash equivalents	**(23.4)**	**(72.4)**
Closing cash position	**39.6**	**63.0**

Balance Sheet

ASSETS (€ million)	12/31/2024	12/31/2023
Goodwill	1.7	3.7
Intangible assets	5.2	0.0
Tangible assets	38.5	1.8
Other non-current assets	10.5	0.0
NON-CURRENT ASSETS	**55.9**	**52.4**
Inventories	12.3	7.6
Trade and other receivables	23.9	16.6
Current tax assets	0.0	2.0
Cash and cash equivalents	39.6	0.0
CURRENT ASSETS	**75.8**	**92.8**
ASSETS HELD FOR SALE	**0.0**	**19.2**
TOTAL ASSETS	**131.7**	**164.4**

LIABILITIES (€ million)	12/31/2024	12/31/2023
Share capital	3.5	3.4
Premium issued	130.8	171.5
Treasury shares	(0.2)	(0.6)
Retained earnings	(114.1)	(86.0)
SHAREHOLDERS' EQUITY	**19.9**	**88.2**
Investment grants	3.2	6.8
Provisions - over 1 year	15.6	3.7
Financial debit & borrowings - over 1 year	38.5	4.3
Deferred tax liabilities	1.2	1.8
NON-CURRENT LIABILITIES	**58.6**	**16.6**
Provisions - under 1 year	4.2	7.4
Financial debit & borrowings - under 1 year	2.3	0.6
Trade and other payables	15.5	13.4
Other current liabilities	31.2	36.5
CURRENT LIABILITIES	**53.2**	**57.9**
LIABILITIES HELD FOR SALE	**0.0**	**1.7**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**131.7**	**164.4**