

 Press Release

Activity for the first half of 2020: a strong commercial dynamic despite the Covid-19 crisis, combined with a net increase in cash flow

- Signature of contracts representing the **change in scale of McPhy's commercial and industrial activity**, such as Djewels and Zero Emission Valley projects
- Despite the crisis linked to the Covid-19 pandemic, revenue increased by **24%** compared to the first half of 2019, rising to €5.4 million in the first half of 2020, without jeopardizing the medium-term growth outlook
- Significant increase in cash, from €13 million to €24 million between 31 December 2019 and 30 June (+85%), mainly related to the strengthening of capital.

La Motte-Fanjas, July 28, 2020 – 5.45 pm CEST - McPhy (Euronext Paris Compartiment C: MCPHY, FR0011742329), specialized in hydrogen production and distribution equipment, today announced its results for the first half of 2020.

Laurent Carme, Chief Executive Officer of McPhy, stated: *“The beginning of 2020 was marked by a succession of commercial successes, demonstrating the industrialization of the hydrogen sector, both in France and abroad. McPhy, which was selected to equip projects such as Zero Emission Valley in the sector of mobility in France or Djewels in the sector of industry in the Netherlands, has consolidated its position as a major technological and industrial partner in the hydrogen market. Whatever the sector of activity, the McPhy teams have been able to support our clients in their transition to zero-carbon hydrogen, despite the impact of the Covid-19 pandemic.”*

Simplified income statement

(€ millions)	S1 2020	S1 2019	2019
Revenues	5,4	4,3	11,4
Other operating income	0,3	0,4	4,1
Income from ordinary activities	5,7	4,7	15,5
Purchases consumed	(2,9)	(1,8)	(6,1)
Personnel costs	(4,1)	(3,5)	(7,1)
Other operating expenses	(2,2)	(3,0)	(6,1)
Depreciation, amortization and provisions	(0,6)	(0,4)	(2,6)
Recurring operating result	(4,1)	(4,1)	(6,5)
Other operating income and expenses	0,0	(0,0)	(0,0)

Operating result	(4,1)	(4,1)	(6,5)
Financial result	(0,1)	(0,1)	0,4
Income tax	(0,0)	(0,0)	(0,0)
Net income	(4,3)	(4,2)	(6,3)

Limited review of half-year consolidated accounts approved by the Board on July 28, 2020

Results for the first half of 2020

Despite the health crisis linked to the Covid-19, McPhy's sales rose 24% to €5.4 million compared to €4.3 million in the first half of 2019. The gross margin on material consumption remained stable at 46% compared to 2019.

In order to successfully complete its industrialization phase, the Group has strengthened its teams since June 30, 2019. The net recruitment of 9 people over one year thus brings the workforce at 30 June 2020 to 101 employees and personnel expenses amounted to €4.1 million over the first half year, an increase of €0.6 million compared to the first half year 2019.

To maintain McPhy's technological leadership in its markets, the R&D effort has been reinforced and amounted to nearly €2.0 million over the period (€1.5 million in the first half of 2019). Net of the effect of the tax credit and subsidies, these expenses are up by €0.5 million compared to the same period last year.

The Group has put in place all the necessary measures to deal with the Covid-19 crisis, minimize the impact on its cash flow and preserve its continuity of operation. McPhy has thus contracted additional credit lines guaranteed by the French State for an amount of €4 million and has reinforced its financial flexibility by renewing an equity line with Kepler Cheuvreux on April 10, 2020.

As of June 30, 2020, McPhy had €24 million in cash and cash equivalents, a significant increase compared to the first half of 2019, resulting from the drawdowns performed on these lines of credit and equity financing for €9.1 million.

2020 highlights

- **A strong commercial dynamic for McPhy with orders booked in France and abroad**

Orders booked and announced in the first half of the year:

- Order for a 20 MW electrolysis platform equipped with technology "Augmented McLyzer" to supply the largest zero-carbon hydrogen production unit in Europe, deployed by Nouryon and Gasunie ("Djewels" project).
- Order for a Starter Kit to equip the "mobility" segment of a zero-emission hydrogen ecosystem in the Centre-Val de Loire region¹.
- Order and remote installation of Piel by McPhy hydrogen and oxygen generators for the preparation of metal components for the DiAx industrial group.
- Order for three McFilling stations, as definitive part, and two other stations and several electrolyzers, as conditional part, by the project company Hympulsion to equip the Zero

¹ To date, name of the client and the project are confidential.



Emission Valley project, the largest deployment of zero-emission hydrogen mobility in France (Auvergne Rhône Alpes region).

Orders booked in July 2020:

- Order for a complete zero-carbon hydrogen production and distribution chain composed of a modularized and scalable station distributing 200 kg of hydrogen per day and of a McLyzer electrolyzer, with a capacity to produce more than 400 kg of zero-carbon hydrogen per day.

- **Operational teams fully engaged in the commissioning of several projects in mobility and industry sectors**

In Chambéry – Inauguration of a hydrogen station equipped with a McPhy electrolyzer, for the Zero Emission Valley project

- Equipped with a McPhy’s McLyzer technology electrolyzer supplied to Ataway, this station producing green hydrogen on site was inaugurated in mid-February 2020.

Inauguration of Apex Energy’s 2 MW zero-carbon hydrogen production platform equipped by McPhy

- On June 12, 2020, Apex Energy completed the construction of a hydrogen production platform in Rostock-Laage, Germany. This hydrogen production unit will supply electricity and heating to the headquarter of the Group and a commercial area, thanks to a fuel cell.
- McPhy delivered and installed a 2 MW electrolysis platform (McLyzer 400-30), producing over 300 tons of zero-carbon hydrogen from renewable energy per year.

Inauguration of a McFilling 20-350 (or “Starter Kit”) station in Le Mans

- This first project with Total, the hydrogen station in Le Mans, installed and commissioned by McPhy in March 2020, was inaugurated alongside the project partners on July 8, 2020.
- The McFilling 20-350 station enables a recharging solution to vehicles with a pressure of 350 bar, as well as a partial recharging solution for vehicles requiring a pressure of 700 bar.
- This station will fuel, among other things, the first hydrogen bus tested by the Le Mans metropolitan area and a racing vehicle.

Next financial communication

2020 annual revenues release, on **January 26, 2021**, after close of trading.

About McPhy

Specialized in hydrogen production and distribution equipment, McPhy is contributing to the global deployment of zero-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 C, ISIN code: FR0011742329, MCPHY).



CONTACTS

NewCap

Investor Relations

Nicolas Fossiez | Emmanuel Huynh

T. +33 (0)1 44 71 20 42

mcphy@newcap.eu

Media Relations

Nicolas Merigeau

T. +33 (0)1 44 71 94 98

mcphy@newcap.eu

Follow us on



[@McPhyEnergy](https://twitter.com/McPhyEnergy)

