

## Press release

### First half of 2017, McPhy confirms its ramp-up

- Revenues multiplied by 2.5 for the first half of the year
- Continued improvement in current operating income

*With hydrogen's deployment as a key driver for the global energy transition, McPhy is moving forward with its strong and sustainable growth.*

*La Motte-Fanjas, 27 July 2017* - McPhy, the designer, manufacturer and integrator of hydrogen equipment for the energy, transport and industrial sectors, achieved strong growth in its sales for the first half of 2017, as announced<sup>(1)</sup>, while continuing to improve its current operating income.

McPhy is now capitalizing on the relevant positioning of its equipment, designed to effectively meet the challenges involved with the energy transition:

- The McFilling hydrogen refueling solutions for rapidly deploying the first infrastructures to support zero emission mobility,
- The high-capacity McLyzer modules, which offer the flexibility needed for electricity networks to cope with the intermittence of renewable energies.

Among other developments, McPhy equipped the Rouen and Sarreguemines hydrogen refueling stations during the first half of this year. Eight stations are now using McFilling equipment in France. They include the Sarreguemines station, the first station combined with a hydrogen generator to produce clean hydrogen on-site and on-demand for refueling vehicles.

Alongside this, as planned, the Group has delivered the 4 MW hydrogen generators and the solid storage unit for a Power-to-Gas application in China's Hebei province. The delivery of these facilities, which will be installed before the end of 2017, takes the total capacity for the high-capacity Power-to-Gas systems already delivered by McPhy worldwide up to 11 MW.

For the first half of 2017, revenues are multiplied by 2.5 up to €5.5 million. Over the period, other operating income (revenue from subsidized projects and the research tax credit) came to €0.6 million.

Thanks to the effective management of fixed costs, the operational loss (€3.2 million) for the first half of 2017 shows a year-on-year improvement of over €2.0 million.

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(1) See the 2016 full-year earnings press release from 14 March 2017.

The change in available cash flow represents €3.2 million<sup>(2)</sup> for the first half of this year. At 30 June 2017, McPhy had €4.9 million of available cash flow<sup>(2)</sup>, with a total balance sheet of €19.1 million.

To further strengthen its financial flexibility, McPhy also has an equity financing line with a potential drawdown representing €5.2 million based on the share price from 30 June 2017.

## Other key developments

- **Zero emission mobility**

McPhy has just won a first contract in the UK on this market segment. It has been chosen by the zero emission mobility services company Riversimple to supply it with a first refueling station. Perfectly aligned with the “Rasa” vehicle’s technical features, the McFilling® 20-350 will enable its users to fill up with hydrogen in less than five minutes to travel 500 km without any health or environmental impacts. With this first contract, McPhy is entering the UK clean mobility market, which is developing strongly thanks in particular to an ambitious government support program to promote the widespread adoption of hydrogen-powered electric vehicles.

- **Green hydrogen for industry**

Alongside ThyssenKrupp Uhde Chlorine Engineer (TKUCE), McPhy will be taking part in a project to renovate a thermal power plant in Lebanon, which it will be equipping with an on-site hydrogen generator for a Power Plant Cooling application. With this second contract, McPhy is confirming the efficiency of its solutions to deliver reliable, affordably-priced hydrogen supplies. This market is growing strongly, particularly in emerging regions where hydrogen logistics infrastructures are relatively underdeveloped, which can make their supply costs high.

## Outlook

The group is moving forward with several strategic options to further strengthen its shareholding structure, enabling it to ramp up support for its commercial development in a period when market growth is accelerating, while consolidating its financial structure.

Driven on by its order book, McPhy is reconfirming its forecast for a high level of business over the second half of the year and strong growth for the full year.

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(2) Available cash flow includes a €1.5 million financial investment at 30 June 2017 (€1.0 million at 31 December 2016) that does not strictly comply with the definition for “cash equivalents” under IFRS and has been recognized in “financial assets”. This amount is included in the closing amount of management cash (€4.9 million at 30 June 2017).



## Condensed income statement

The audited accounts were approved by the Board of Directors on July 27, 2017.

IFRS (€M)	H1 2017	H1 2016	FY 2016
Revenues	5.5	2.2	7.5
Other operating income	0.6	0.5	2.3
<b>Revenue from ordinary activities</b>	<b>6.1</b>	<b>2.7</b>	<b>9.8</b>
Purchases consumed	(3.0)	(0.9)	(5.4)
Change in inventories of work-in-progress and finished products	(0.5)	(0.2)	0.4
Staff costs	(3.1)	(3.3)	(6.4)
External expenses	(1.9)	(2.4)	(5.9)
Tax	(0.1)	(0.0)	(0.1)
Allowances for depreciation, amortization and reserves	(0.3)	(1.0)	(1.5)
<b>Current operating income (EBIT)</b>	<b>(3.0)</b>	<b>(5.1)</b>	<b>(9.0)</b>
Non-current income and expenses	-	ns	0.9
Financial income and expenses	(0.1)	ns	ns
Income tax expense	(0.1)	(0.1)	(0.1)
<b>Net profit</b>	<b>(3.2)</b>	<b>(5.2)</b>	<b>(8.2)</b>



**Balance sheet**

<b>Assets (€M)</b>	<b>30 Jun 2017</b>	<b>31 Dec 2016</b>
<b>Non-current assets</b>		
Goodwill	2.5	2.5
Property, plant and equipment & intangible assets	3.2	3.6
Other non-current assets	0.3	0.3
<b>Total</b>	<b>6.0</b>	<b>6.4</b>
<b>Current assets</b>		
Inventories	2.0	2.7
Trade and other receivables	5.8	7.6
Current tax assets	0.2	0.9
Financial assets <sup>(1)</sup>	1.5	1.0
Cash and cash equivalents <sup>(1)</sup>	3.5	7.1
<b>Total</b>	<b>13.0</b>	<b>19.4</b>
<b>Total assets</b>	<b>19.1</b>	<b>25.7</b>
<p>(1) A €1.5 million financial investment at 30 June 2017 (€1.0 million at 31 December 2016) that does not strictly comply with the definition for "cash equivalents" under IFRS has been recognized in "financial assets". This amount is included in the closing amount of management cash (€4.9 million at 30 June 2017).</p>		
<b>Liabilities (€M)</b>	<b>30 Jun 2017</b>	<b>31 Dec 2016</b>
<b>Shareholders' equity</b>		
Share capital	1.2	1.1
Additional paid-in capital	18.3	28.2
Treasury stock	(0.1)	(0.1)
Retained earnings	(13.8)	(21.7)
<b>Total</b>	<b>5.6</b>	<b>7.6</b>
<b>Non-current liabilities</b>		
Provisions – over 1 year	0.4	0.4
Financial debt and borrowings – over 1 year	4.8	5.7
Other creditors	-	-
Deferred tax liabilities	0.4	0.4
<b>Total</b>	<b>5.6</b>	<b>6.5</b>
<b>Current liabilities</b>		
Provisions – under 1 year	0.4	0.5
Financial debt and borrowings – under 1 year	2.5	2.6
Trade and other payables	2.6	4.2
Other current liabilities	2.4	4.3
Current tax	-	-
<b>Total</b>	<b>7.9</b>	<b>11.6</b>
<b>Total shareholders' equity and liabilities</b>	<b>19.1</b>	<b>25.7</b>



## About McPhy

In the framework of the energy transition, and as a leading supplier of hydrogen production, storage and distribution equipment, McPhy contributes to the deployment of clean hydrogen throughout the world.

Thanks to its wide range of products and services dedicated to the hydrogen energy, zero emission mobility and industrial hydrogen markets, McPhy provides turnkey solutions to its clients. These solutions are tailored to our client applications: renewable energy surplus storage and valorization, fuel cell car refueling, raw material for industrial sites.

As a designer, manufacturer and integrator of hydrogen equipment since 2008, McPhy has three development, engineering and production units based in Europe (France, Italy, Germany).

The company's international subsidiaries ensure a global sales coverage of McPhy's innovative hydrogen solutions.

McPhy is listed on NYSE Euronext Paris (Segment C, ISIN code: FR0011742329; ticker: MCPHY).

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