

## McPhy Reports Annual Revenue Growth of +17% Overall and +25% for its Electrolyzer Business

- Annual revenue of €18.8 million, up +17%
- Higher growth of +25% for the electrolyzer business, representing a revenue of €13.7 million or 73% of the total
- Order intake negatively impacted by projects' postponements, despite a stronger tendering activity than last year
- Opening of the Gigafactory planned for the 2<sup>nd</sup> quarter of 2024, on schedule
- Expected cash position of €62 million as of December 31<sup>st</sup>, 2023

**Grenoble, February 5, 2024 - 6:00 pm CET - McPhy Energy**, specialized in low-carbon hydrogen production and distribution equipment (electrolyzers and refueling stations), today announces its revenue for the 2023 financial year, ending December 31.

### 2023 Full-Year Revenue<sup>1</sup>

In € million	2023	2022	Change
Total Revenue	18.8	16.1 <sup>2</sup>	+17%
Stations (in the process of sale)	5.1	5.1	-
Electrolyzers	13.7	11.0	+25%

**Jean-Baptiste Lucas, Chief Executive Officer of McPhy, comments:** “2023 has been a contrasted year for McPhy. Although the Group's commercial achievement has been slowed by a market that is still structuring, it has signed its first significant contracts in industry, one of the most promising fields of application for green hydrogen, as evidenced by the large-scale innovative projects that McPhy has won. The fall in order intake is offset by a wider portfolio of opportunities, both of which can be largely explained by the coming of larger projects, implying longer lead times. Meeting this demand calls for major efforts: in innovation, to increase the power of equipment; in industrialization, to move to mass production and gain in competitiveness; as well as financial efforts, to support investment and expansion in programs that require substantial amount of capital. That is why we launched the construction of our Gigafactory, soon completed, and are now proceeding with the

<sup>1</sup> Figures under audit at the date of this document.

<sup>2</sup> 2022 revenue impacted by the takeover of two older generation stations for commercial reason. Restated, the 2022 revenue would amount to €18.2 million.

sale of our station business to a reference partner capable of realizing the full potential of this appealing industrial asset we have built up.”

## Revenue within expected range

**Revenue for the 2023 financial year** amounts to **€18.8 million, up +17%** versus 2022, in line with the double-digit growth range given at the half-year results publication. Sales accelerated in the 2<sup>nd</sup> half, compared with the 1<sup>st</sup> half, driven mainly by the consumption of the backlog. The **annual 2023 revenue** for the continued **electrolyzer** business reaches **€13.7 million, up +25%**. Electrolyzer sales are divided between the supply of either large capacity McLyzer (74%) or from the Piel range (26%).

Growth was fueled by major projects currently under execution, and the initial benefits of contracts signed in the industrial sector, such as the "green metal" project with the Plansee Group<sup>3</sup> and the low-carbon steel production project with ArcelorMittal and VEO<sup>4</sup>. In addition, as part of its partnership with L&T, McPhy recorded the first revenues related to the initial acquisition price of its pressurized alkaline electrolysis technology. Regarding the station business in the process of sale, McPhy recorded stable revenue, linked to a slowdown in subsidized programs in the mobility sector.

## Update on current business and projects

In € million	2023	2022	Change
Firm Oder Intake	13.0	29,4	-56%
Total Backlog <sup>5</sup>	23.8	30.6	-22%
Backlog – Electrolyzers	20.1	22.2	-9%

McPhy records a **-56% drop in firm order intake**, which amounts to **€13.0 million**. This noticeable decline, beyond the induced backlog consumption, is mainly due to the postponement of the major 20 MW Djewels project, for which the contract has been signed with HyCC during the second half of 2023, but the final investment decision has not yet been taken. As a result, and in line with its strict definition, McPhy was unable to book this contract as part of its firm order intake as initially anticipated, and the **total backlog** therefore stood at **€23.8 million** at December 31, 2023, compared with €30.6 million at December 31, 2022.

However, McPhy has noted a significant increase in tenders for the supply of large-scale electrolyzers over the course of 2023. While this increase in project size has slowed implementation and final investment decisions in 2023, it gives McPhy a tender **portfolio of 2.2 GW by 2030**, a two-fold increase on last year.

As an example, McPhy recently signed a major contract with the Oil & Gas division of the Berlin-based HMS GmbH Group, for the supply and commissioning between 2025 and 2027 of four McLyzer 3200-30, with a total capacity of 64 MW. With this contract, McPhy plans to start manufacturing the McLyzer 3200-30 at its newly constructed Gigafactory in Belfort with the design and engineering of very-high-capacity electrolysis systems. This contract has not been included in the firm order intake either, pending the final investment decision.

The **electrolyzer backlog**, on which the Company will now focus its efforts, stands at **€20.1 million**, representing **84% of the total backlog**.

<sup>3</sup> “McPhy Awarded a Landmark Contract in the Industrial Field for Green Metal Project for Plansee Group in Austria”, on May 9, 2023

<sup>4</sup> “ArcelorMittal, VEO and McPhy to Build Pilot Electrolysis Plant in Eisenhüttenstadt”, on April 5, 2023

<sup>5</sup> Orders not yet recognized as revenue.



## Termination of framework partnership with Technip Energies and continued collaboration on the Djewels project

Following a review of their respective business models, McPhy and Technip Energies have decided to cease their partnership by amicably terminating the Memorandum of Understanding signed when Technip Energies acquired a stake in the Company in 2020. The termination of this partnership will not affect the continued collaboration between McPhy and Technip Energies on the Djewels project.

## Continuing industrial scale-up

Work on commissioning the future **Gigafactory** at the **Belfort** site is progressing according to plan, with the **opening** scheduled for the **2<sup>nd</sup> quarter of 2024**, within budget. The opening of this site will enable McPhy to ramp up over time its **production capacity to 1 GW per year**.

At the same time, McPhy has increased its **production capacity to 300 MW** (in two shifts) at its **San Miniato** site, enabling the production of stacks for the Djewels and HMS projects.

During the 2023 financial year, McPhy continued to accelerate investments linked to the development of its business and to expand its teams up to 265 employees, with 72 new employees hired.

## Outlook and financial situation

**The Group's cash position** should be around **€62 million** at December 31, 2023.

McPhy has undertaken to strengthen its financial liquidity, with the implementation of the first steps in its financing plan. In addition to the potential proceeds from the sale of its station business and the establishment of an equity financing line with Vester Finance<sup>6</sup>, the Group is in the process of finalizing **a lease financing for its Belfort Gigafactory** with a banking pool, representing a financing of around **€16 million**.

This will give McPhy the financial resources it needs to deliver another year of growth in 2024 on its future perimeter and establish itself as a key European manufacturer of electrolyzers for low-carbon hydrogen production.

## Next financial event:

- Publication of **2023 full-year results: March 7, 2024**, 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 C, ISIN code: FR0011742329, MCPHY).*

<sup>6</sup> "McPhy renews an equity financing line with Vester Finance", on December 19, 2023



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