



McPhy preselects Belfort for the installation of its electrolyzer Gigafactory

- A major achievement in the industrialization and realization of economies of scale for the constitution of a competitive offer of green hydrogen produced by alkaline electrolysis, whose implementation is notably subject to funding within the framework of the IPCEI process by the end of 2021¹
- A gigawatt-scale electrolyzer production site, in line with market growth in Europe
- Belfort preselected as a strategic site, located in the heart of the European hydrogen ecosystem and of the Energy Valley
- The creation, at full load, of more than 500 McPhy jobs (including around 400 in France and a hundred in Germany and in Italy), and of several hundred indirect jobs in France and Europe
- A market that remains very buoyant, but sales slower to materialize in the 1st half

La Motte-Fanjas, May 20, 2021 – 07:30 am CEST – McPhy (Euronext Paris Compartiment C: MCPHY, FR0011742329), specialized in zero-carbon hydrogen production and distribution equipment (electrolyzers and refueling stations), today announces having preselected the Belfort site to build its electrolyzer Gigafactory and issues an update regarding its 1st half sales.

Pascal Mauberger, Chairman of McPhy, states: *“We are very pleased to announce the preselection of Belfort, a major French and European industrial metropolis, to start building a Gigafactory for alkaline electrolyzers. This future factory will play a major role in the transition to industrial scale electrolysis, an essential condition for green hydrogen to achieve the decarbonation objectives set by the French government and the European authorities. We would like to thank all the stakeholders and partners who support us in this great ambition, as well as the McPhy teams.”*

Laurent Carne, CEO of McPhy, states: *“The building of our Gigafactory is particularly strategic for McPhy's growth. This center of excellence dedicated to industrialization and mass production will give us the means to achieve our technological and industrial ambitions in the electrolyzer segment. The Group will transform*

¹ The confirmation of the preselection and the final investment decision by McPhy should take place by the end of 2021, after the completion of the preliminary studies, the obtaining of administrative authorizations, and are subject in particular to the obtaining of the necessary financing, including those requested within the framework of the IPCEI process. As a reminder, the IPCEI ("Important Projects of Common European Interest") is a financing system which allows to support projects considered essential for the competitiveness of Europe, authorizing the Member States to finance initiatives beyond the limits usually fixed by the European regulation. An IPCEI Hydrogen was launched on 17 December 2020.

the lead it holds in pressurized alkaline electrolysis, a mature and proven technology for large-scale hydrogen projects, into a sustainable competitive and industrial advantage.”

Bruno Le Maire, French Minister of Economy, Finance and Recovery stated: *“I am very pleased with this announcement by McPhy, which is one of the first Gigafactories within the framework of the National Hydrogen Strategy and demonstrates this new technology’s capacity to be a driver of growth and industrial development for our territories. The choice of Belfort reinforces the Energy Valley ecosystem and fully illustrates the attractiveness of Northern Franche-Comté region for project developers. It also demonstrates our commitment, alongside the industry, to diversifying the region's activity and consolidating its position as a European hub for energy transition engineering.”*

Agnès Pannier-Runacher, French Minister Delegate of Industry added: *“The decision of McPhy's Board of Directors is further evidence of the emergence of a true French hydrogen industry that masters all the technological building bricks to produce and use low-carbon hydrogen. This approach, which aims to strengthen our energy and economic resilience, mobilizes all our energy engineering know-how. We are going to continue this effort and ensure that the development of low-carbon hydrogen uses and the industrialization of offers progress together.”*

McPhy Gigafactory: a strategic tool for the industrial deployment of the mass production of new generation electrolyzers

The McPhy Gigafactory is a strategic tool to meet the challenges of competitiveness by further strengthening and perpetuating McPhy's leadership position in the alkaline electrolyzer market and the materialization of economies of scale enabling to drastically reduce the cost of green hydrogen produced by electrolysis compared to carbon-based energy.

This project combines the development of new generation electrolyzers and the industrial deployment of their mass production, and is part of the IPCEI hydrogen. McPhy has submitted an application within the framework of this European funding that aims to support the R&D and industrialization of, in particular, the "electrolysis" technology brick to accelerate the development of the sector and the competitiveness of low-carbon hydrogen.

The Belfort site: an optimal answer to a demanding set of specifications

The preselection of the Belfort site represents a major milestone to meet the anticipated growth of McPhy’s markets. The Belfort site, oriented towards the "high tech" industry, was preselected for its ability to respond to the key issues raised by the industrial scale-up of electrolyzers:

- Prior structuring of an industrial, research and development ecosystem dedicated to innovation and hydrogen, and existence of potential partners within the sector;
- Industrial job pool and attractive environment;
- Geographical location at a European crossroads, facilitating interaction with other McPhy sites, but also facilitating sourcing, supply and delivery activities;
- Support from public stakeholders with economic, technical, functional and administrative measures to facilitate the management and deployment of this project.



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The objective is to start production in the first half of 2024 with a gradual ramp-up to a capacity of 1 GW per year.

The construction of this new industrial infrastructure would represent an investment of €30 to €40 million. It would lead to the creation, at full load, of more than 500 McPhy jobs, including around 400 in France and a hundred in Germany and in Italy. In addition, several hundred indirect jobs would be created in France and in Europe.

Thanks to this major investment in its industrial facilities, McPhy would benefit from a total annual production capacity equivalent to 1.3 GW², in line with the growth perspectives of the green hydrogen markets, particularly in heavy industry.

While waiting for the start-up of its Gigafactory, McPhy will rely on its current industrial facilities, which are sized for current demand and can be further expanded to meet the strong growth in the portfolio of opportunities, notably with the San Miniato and Wildau sites dedicated to electrolyzers.

A market that remains very buoyant, but sales slower to materialize in the 1st half

Despite a market that remains very buoyant, McPhy notes that firm orders and project executions are slow to materialize, particularly given the global public health context and associated restrictions, and the wait-and-see attitude of certain economic players dependent on public financing mechanisms. As a result, McPhy expects limited revenue growth in the first half of the year. In the medium and long term, McPhy intends to take advantage of its technological lead to benefit from the development potential of zero-carbon hydrogen technology.

² The Belfort site's annual production capacity will be 1 GW, in addition to the 300 MW of production capacity at McPhy's San Miniato site in Italy.



Upcoming of financial communication events

- **Annual General Meeting, June 17, 2021**
- **Publication of half-yearly results on July 27, 2021**, after market closing

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).

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