

2014 full-year earnings

- 22% growth in business
- Industrial and commercial structuring

Following a year focused on establishing its strategy, McPhy Energy is moving into a commercial development phase, in an increasingly buoyant market for new hydrogen uses.

La Motte-Fanjas, March 10th, 2015 – McPhy Energy, specialising in hydrogen-based solutions for industrial and energy storage, recorded 22% growth in business over 2014, up to €8.4 million.

This progress has been driven by strong growth in the Energy business, climbing 37% to €5.2 million, generated by the major demonstration projects.

During the year, McPhy Energy completed the production of its first renewable energy-based solid hydrogen storage equipment (INGRID project), which will be set up in southern Italy in summer 2015.

The company has also delivered an integrated generation-storage solution for the Berlin-Schönefeld refuelling station (H2BER project), inaugurated in May 2014. The commissioning of this first service station highlights the operational relevance of McPhy Energy's solutions for carbon-free mobility applications.

The increase in operating expenditure factors in:

- The ramping up of non-recurring pilot projects, required for the industrial-scale demonstration of ground-breaking technologies for the energy market, with around half of the costs to be covered by the company,
- The development of its technologies, particularly to optimise its solid-state storage and electrolysis performance levels,
- The strengthening of its sales teams.

After listing on Euronext (Compartment C) in March last year, McPhy Energy has significantly increased its equity, up to €23.4 million at December 31st, 2014, with a balance sheet total of €34.5 million.

The company has €19.8 million in cash, with €4.9 million of financial debt, giving €14.9 million in net cash. For reference, the figure for financial debt includes €3.6 million of advances, repayable under conditions based on the company's success, with maturities of over five years.

Highlights

Over the past year, McPhy Energy has laid the foundations for its deployment strategy in an increasingly positive environment for new hydrogen uses.

- **Increasingly competitive product range**
 - H2 generation equipment. After further strengthening its range of electrolysers and their technical and economic performance features, McPhy Energy has the most extensive range on the market in terms of capacity and pressure. The development partnership agreement signed in February 2015 with De Nora, the world number one for advanced electrodes, should enable it to take a further step forward.
 - Solid-state hydrogen storage equipment. To accelerate the distribution of its equipment, McPhy Energy has entered into a strategic development partnership with GKN, the global leader for metal powder.

- **Stronger technical and industrial infrastructures**

McPhy Energy has further strengthened its industrial infrastructures, with its production relocated to a new 5,000 sq.m plant in San Miniato, Italy. This site also has a dedicated engineering centre for Industry projects.

The engineering centre for major Energy projects is based in Wildau, Germany. The La Motte-Fanjas site is continuing to specialise in systems engineering for the French market, as well as solid storage trials, prototyping and assembly.

- **Global reach**

Historically focused on Europe, McPhy Energy now has a global commercial presence. Four regional directors, with proven expertise in the hydrogen and energy sectors, have been recruited for its priority regions: North America, Asia-Pacific, Russia / Eastern Europe and Central Asia, as well as the Middle East / India and Africa. Three commercial subsidiaries have also been set up in Boston, Moscow and Singapore.

Outlook

Driven by its industrial and commercial structuring work, and having demonstrated the relevance of its products, McPhy Energy has the financial resources required to capitalise on the strong growth expected in the market for new hydrogen uses.

- **Deliveries scheduled for 2015**
 - Industry. The company has won its first contract in the thermal power plant cooling sector. With its turnkey offer, it will be delivering a hydrogen production solution for the alternator in a power plant built by Daewoo in Algeria.
 - Hydrogen mobility. McPhy Energy has won a call for tenders in California to supply the hydrogen generator for a new plant that will be brought online this summer.

The company is also positioning itself on other invitations to tender, particularly in France, where it is actively involved in the HyWay project, which aims to set

up two hydrogen distribution stations in Lyon and Grenoble, as well as the French national hydrogen mobility plan (Plan Mobilité Hydrogène France), which includes plans to build three stations in 2015.

- Hydrogen energy. McPhy Energy is currently delivering an integrated production-storage solution for Petawatt® Energy - Electrygen Pty Ltd, an independent developer and operator of sun, water and wind hydrogen energy production sites.
- Power-to-gas. McPhy Energy is involved in the demonstration project launched by GDF-Suez in Dunkirk (GRHYD project), as well as another project with GRT Gaz in France.

Income statement

– IFRS (€ millions)	2014	2013
Revenues	3.2	3.1
Other operating income	5.2	3.8
Income from ordinary operations	8.4	6.9
Staff costs	(6.7)	(5.7)
Other operating expenses	(10.6)	(8.3)
Allowances for depreciation, amortization and reserves	(1.8)	(0.8)
Current operating income (EBIT)	(10.7)	(7.9)
Other operating income and expenses	0.1	(0.3)
Net interest expense	(0.3)	(0.1)
Income tax expense	0.3	(0.1)
Net profit	(10.6)	(8.5)

Audited accounts approved by the Management Board on March 9th, 2015.

Balance sheet

– Assets (€ millions)	2014	2013
Goodwill	2.5	2.5
Intangible assets	0.2	0.1
Property, plant and equipment	4.4	4.8
Other assets	0.1	0.0
Deferred tax assets	0.1	0.2
Total non-current assets	7.3	7.7
Inventories	1.4	2.0
Trade and other receivables	4.4	2.7
Current tax assets	1.7	1.3
Financial assets	3.0	-
Cash and cash equivalents	16.8	3.2
Total current assets	27.2	9.2
Total assets	34.5	16.9
– Liabilities (€ millions)	2014	2013
Share capital	0.4	0.3
Additional paid-in capital	54.0	23.7
Treasury stock	(0.1)	-
Retained earnings	(31.0)	(20.1)
Shareholders' equity	23.4	3.9
Provisions – over 1 year	0.2	0.1
Financial debt and borrowings – over 1 year	4.2	3.9
Other creditors	0.5	0.1
Deferred tax liabilities	0.2	0.4
Total non-current liabilities	5.1	4.6
Provisions – under 1 year	0.0	0.0
Financial debt and borrowings – under 1 year	0.7	0.8
Trade and other payables	3.4	5.0
Other current liabilities	1.9	2.5
Total current liabilities	6.1	8.4
Total shareholders' equity and liabilities	34.5	16.9

Financial reporting schedule

With the European “Transparency” Directive transposed into French law, listed companies can now publish financial disclosures every half year.

McPhy Energy believes that this frequency is better suited to its development stage and its long-term outlook. Nevertheless, the company will continue to regularly communicate on any significant contracts that it wins.

Annual general meeting	April 16th, 2015
2015 first-half earnings	July 28th, 2015
2015 full-year revenues	January 19th, 2016
2015 full-year earnings	March 15th, 2016

About McPhy Energy

McPhy Energy, a leading developer of hydrogen-based solutions, was founded in La Motte Fanjas (Drôme), France, in 2008. The company draws on its exclusive technique for storing hydrogen in solid form and its years of experience in producing hydrogen through water electrolysis to design and manufacture flexible storage and production equipment.

McPhy Energy markets easy-to-use, environmentally-friendly solutions combining unique safety features and energy independence in the renewable energy, mobility and industry sectors.

The Group has three design-production sites in France, Germany and Italy, an R&D laboratory in France, and three commercial subsidiaries in North America, Asia-Pacific and Russia-Eastern Europe-Central Asia.

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



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