

2015 results

- Sales growth of 23%
- Reduction in operating expenses
- €14 million⁽¹⁾ in cash at 31/12/2015
- Strong growth in business expected in 2016

La Motte-Fanjas (France), 15 March 2016 - McPhy Energy, a company specialising in hydrogen production, storage and distribution equipment for industry and energy markets, demonstrated the relevance of its reinforced offering with several commercial successes in France and international markets in 2015.

These successes contributed in part to the 23% growth in sales in 2015 to €3.9 million with their full impact to start in 2016.

This accelerating business momentum is starting to make up for the decrease, as announced, in the number of large demonstration projects in the energy market. After demonstrating the relevance of its solutions on an industrial scale, the Group has thus decided to not participate in new subsidized projects. Reflecting this shift, other ordinary income came to €2.3 million, compared to €5.2 million one year earlier. This contributed to lower variable expenses, with approximately half the costs of these subsidized projects incurred by McPhy Energy. Combined with tight controls over committed fixed costs and the redeployment of part of its staff, the Group was able to significantly lower operating expenses with a reinforced commercial team (five senior sales managers were hired in H2 2014).

Despite this €2.9 million decline in other ordinary income, the operating loss was narrowed from €10.7 million in 2014 to €9.5 million in 2015.

For this period, McPhy Energy significantly reduced cash burn to €5.5 million, (compared to €13.1 million in 2014). At 31 December 2015, the Group had cash of €14.0 million⁽¹⁾, for equity of €15.7 million and total assets of €27.2 million.

Operating highlights

- **Power-to-Gas contracts**

In June 2015, McPhy Energy signed a €6.4 million contract to supply a Power to Gas system for the monetization of surplus electricity generated by a wind farm site under construction in the Hebei province of China. The effective date of the contract with the state-owned Hebei Construction and Investment Group was delayed for administrative reasons not yet resolved according to the term initially expected. Their resolution is mainly linked to a call for tenders which will be by the end of the first half.

McPhy Energy, selected by GRTgaz as a supplier and partner for the Power-to-Gas "Jupiter 1000" project, will provide 1 MW hydrogen production equipment essential for this installation. The "Jupiter 1000" project provides for the storage of surplus renewable electricity by injecting hydrogen and methane synthesis into the gas network. This project to be commissioned in 2018 in Fos-sur-Mer (Bouches-du-Rhône) sets the stage for developing the French Power-to-Gas sector.

- **First contracts for the McFilling® solution**

The turnkey and scalable hydrogen refueling station, McFilling®, was introduced in the 2015 second half to support the deployment of hydrogen infrastructures destined to promote zero emission mobility. Accordingly, in France, the national "Industrie du futur" plan providing for the deployment of 100 refueling stations by 2018 and in Germany, 400 additional stations are programmed by H2 Mobility Deutschland between now and 2023.

During the last few months of 2015, McPhy Energy was awarded four calls for tender in France: i.e for refuelling stations for GNVert (Engie) in Lyon, the Sarreguemines Confluences intercommunity authority, the Valence Romans Sud Rhône-Alpes intercommunity authority and the City of Paris. Inaugurated last year in conjunction with COP21 on 9 December, this is the only station that contributed to revenue for fiscal 2015. These stations of Lyon, Valence and Sarreguemines will contribute to revenue in 2016.

The consortium of which McPhy is a member was selected as the sole finalist of the H-Prize competition organised by the US Department of Energy (DOE) to design and produce affordable and small-scale hydrogen refueling system. This competition is destined to promote the development of a hydrogen refueling offering for US consumers opting in favour of hydrogen vehicles. Branded SimpleFuel™ Home Vehicle Refueling Appliance, the consortium spearheaded by McPhy Energy will open up new markets covering both the general public and businesses.

Outlook

By reinforcing its commercial teams and expanding its offering, McPhy Energy's order book was largely up at the end of 2015 in relation to last year's same period.

The Group will in particular benefit from energy transition measures initiated at the worldwide level as well as the adoption of zero mobility emission and solutions for the storage of surplus renewable electricity.

On that basis, McPhy Energy anticipates business growth in 2016.

Upcoming events:

2016 H1 results - Tuesday, 26 July 2016 after the close of trading

Income statement highlights

Audited accounts approved by the Board of Directors on 14 March 2016

IFRS (€ millions)	2015	2014
Revenue	3.9	3.2
Other ordinary income	2.3	5.2
Income from ordinary operations	6.2	8.4
Staff costs	(6.6)	(6.7)
Other operating expenses	(7.3)	(10.6)
Allowances for depreciation, amortization and reserves	(1.8)	(1.8)
Current operating income (EBIT)	(9.5)	(10.7)
Other operating income and expenses	(0.1)	0.1
Net interest expense	0.2	(0.3)
Income tax expense	(0.1)	0.3
Net profit	(9.5)	(10.6)

Balance sheet highlights

Assets (€m)	2015	2014
Goodwill	2.5	2.5
Other assets	4.0	4.6
Other non-current assets	0.3	0.2
Total non-current assets	6.8	7.3
Inventories	1.6	1.4
Trade and other receivables	3.7	4.4
Current tax assets	1.0	1.7
Financial assets ⁽¹⁾	5.1	3.0
Cash and cash equivalents ⁽¹⁾	8.9	16.8
Total current assets	20.3	27.2
Total assets	27.2	34.5

(1) A financial investment of €5.1 million not strictly meeting the IFRS definition of "cash equivalent" has been recognized under "Other investments". This item was recognised under current financial assets at the end of the reporting period (€3 million at 31 December 2014).

Equity and liabilities (€m)	2015	2014
Share capital	1.1	0.4
Additional paid-in capital	34.3	54.0
Treasury stock	(0.1)	(0.1)
Retained earnings	(19.7)	(31.0)
Total shareholders' equity	15.7	23.4
Provisions - over 1 year	0.5	0.2
Financial debt and borrowings - over 1 year	4.2	4.2
Other non-current liabilities	0.4	0.7
Total non-current liabilities	5.1	5.1
Financial debt and borrowings - under 1 year	0.5	0.7
Trade and other payables	3.3	3.4
Other current liabilities	2.6	1.9
Total current liabilities	6.4	6.1
Total equity and liabilities	27.2	34.5

About McPhy Energy

McPhy Energy is a leading developer of hydrogen-based solutions for industry and energy markets. 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 production, storage and distribution equipment.

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

The Group has three production sites in France, Germany and Italy, a R&D laboratory in France and three sales subsidiaries in North America, the Asia-Pacific and the Russia-Eastern Europe-Central Asia regions.

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

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