

2016 revenue

- Sales up 91%
- Excellent prospects

Building on its leading positions in the burgeoning zero-emission mobility and renewable energy storage markets, McPhy Energy has moved into a phase of strong growth.

(€ millions)	2016	2015	Change
First half	2.2	1.8	+ 24%
Second half	5.3	2.1	x 2.5
12 months	7.5	3.9	+ 91%

La Motte-Fanjas (France), 17 January 2017 – McPhy Energy, the designer, manufacturer and integrator of hydrogen equipment for the energy and industrial sectors, achieved very strong growth in sales and orders in 2016. The company is moving into a phase of sustainable accelerated growth.

While the global energy system's transition has become an irreversible reality since the Paris Climate Agreement⁽¹⁾, the deployment of renewable electricity production is exceeding all forecasts. Investment in renewable energies is reaching record levels⁽²⁾ and the development of zero-emission mobility, launched by major car manufacturers, is now ramping up.

In line with this acceleration, McPhy Energy is seeing the first benefits of its investments from the last few years to position itself as a key player for new hydrogen applications. Its solutions to capitalize on surplus electricity linked to the

(1) Source: WWF publication "15 Signals: Evidence The Energy Transition is Underway", September 2016 (2015 figures).

(2) Renewable electricity supplied 90% of global new electricity production in 2015, compared with 50% in 2014. Over the first nine months of 2016, it contributed 22.7% of electricity production for OECD countries, compared with 21.6% in 2015 (source: International Energy Agency). In 2015, global investment in renewable electricity reached a record level of \$270 bn, compared with \$130 bn allocated for new coal and natural gas electricity production capacity (source: REN21).

intermittent nature of renewable energies and refuel hydrogen vehicles are confirming their effective fit to meet these new challenges.

The very strong increase in sales and orders over 2016 confirms the commercial potential of the Group's solutions in these burgeoning markets, as well as the market for industrial applications.

Operating highlights

- **Three major contracts confirming the relevance of McPhy Energy's electrolysis solutions to monetize surplus renewable electricity**

Thanks in particular to the three major calls for tenders won during the year, McPhy Energy has gained international recognition for its solutions to capitalize on surplus renewable electricity for conversion into hydrogen and injection into gas networks (Power-to-Gas).

- The contract for a 4 MW electrolysis and solid-state storage solution signed with the state-owned Hebei Construction and Investment Group is its first reference in China, the world's leading market for renewable electricity⁽³⁾.
- The contract signed with GRTgaz as part of the "Jupiter 1000" project has positioned McPhy Energy at the heart of France's first Power-to-Gas project, preparing for this sector's deployment in the country.
- The call for tenders won with the German green energy specialist Energiedienst, which McPhy Energy will be supporting with the deployment of a 1 MW hydrogen generation unit, in addition to research on monetization and long-term maintenance for the facilities.

Only the first two contracts started up during the second six months and contributed to revenues for the year. The Energiedienst contract will be recorded in 2017.

- **McFilling® market leadership further strengthened in France**

During the year, McPhy Energy actively contributed to the deployment of hydrogen refueling stations throughout France, equipping GNVert in Lyon, the Valence-Romans metropolitan area and the Sarreguemines Confluences metropolitan area (CASC) with its McFilling® solution, in addition to winning the call for tenders issued by Métropole Rouen Normandie. The McFilling® turnkey solution has now been rolled out at 7 of the 14 hydrogen stations in France.

In the US, the consortium which McPhy Energy is part of has completed its development of SimpleFuel™, an affordable small-scale hydrogen refueling solution designed for general public and businesses markets, which is opening up major prospects.

(3) Installed capacity in 2015 (source: REN21).

- **Promising new developments for industrial solutions**

While industrial groups are starting to make commitments to reducing their emissions in order to tackle climate change⁽⁴⁾, McPhy Energy is currently equipping a first industrial platform in France with a solution combining zero-emission onsite hydrogen generator and a solid-state storage unit.

Alongside this, the Group has opened up a new sector and will be delivering an onsite hydrogen production solution for the Chinese thermal power generation plant CPI Zaoquan to equip its alternator's cooling system.

- **Organization further strengthened**

To fully benefit from its transition into this strong growth phase, the Group has further strengthened its organization with the arrival of two experts with extensive track records and complementary expertise in cleantech technologies and operational structuring.

Pascal Mauberger has brought on board **Jean de Vauxclairs** (50, Ecole Polytechnique) as **Senior Advisor**. Jean de Vauxclairs brings expertise in infrastructures and related technological solutions for the environment and energy sectors.

Jean de Vauxclairs held various executive management positions with the energy services specialist Dalkia, before becoming Chairman of its subsidiary Crystal, a French market leader for climate control engineering. He then joined Veolia Water Technologies, the world leader for technological solutions for water treatment facilities, as Deputy CEO, before being appointed Chief Executive Officer.

In addition, **Gilles Cachot** (60, INSA Lyon, INSEAD) has been appointed as **Chief Operating Officer**. With his expertise in managing major projects, operational structuring and change management, in France and internationally, he is responsible for supervising McPhy Energy's operations.

Gilles Cachot began his career with Alstom, where he spent 20 years. He became a specialist in turnkey projects and maintenance as CEO of Alstom Maintenance et Services. He then joined SPIE as Chief Executive Officer of Spie Est, before being appointed Chairman of the industrial equipment firm Axorys. Recently, he has headed up the French subsidiaries of a German renewable energies group.

- **Outlook**

Thanks to these first references and strong growth in its order book, McPhy Energy, with €8.1 million⁽⁵⁾ in cash at 31 December 2016, is confident that it will continue moving forward with this accelerated growth.

(4) By 31 December 2016, 205 global groups had adopted the Science Based Targets initiative launched by Carbon Disclosure Project, United Nations Global Compact, World Resources Institute and WWF to reduce their greenhouse gas emissions based on recommendations by scientists from the IPCC to limit the increase in the average global temperature to less than 2°C.

(5) A €1.0 M financial investment that does not strictly comply with the definition for "cash equivalents" under IFRS has been recognized in "Other investments". This financial asset is included in the closing amount of management cash.

The company is looking to explore various strategic options in 2017 to accelerate its development in this burgeoning market. These options, which may include bringing industrial partners on board if applicable, will be communicated on subsequently, once potential partners have been identified and the conditions for potential operation have been defined.

Upcoming events:

2016 results - Tuesday 14 March 2017 after close of trading

About... McPhy Energy

In the framework of the energy transition, and as a leading supplier of hydrogen production, storage and distribution equipment, McPhy Energy 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 Energy provides turnkey solutions to its clients. These solutions are tailored to our client applications: renewable energy surplus storage and monetization, fuel cell car refueling, raw material for industrial sites.

As a designer, manufacturer and integrator of hydrogen equipment since 2008, McPhy Energy 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 Energy is listed on NYSE Euronext Paris (Segment C, ISIN code: FR0011742329; ticker: MCPHY).

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