

Launch of a private placement of approximately €8 million and warrant allocation

La Motte Fanjas (France), November 5, 2019 – 6:45 pm CET – McPhy (Euronext Paris Compartment C: MCPHY, FR0011742329), a specialist in hydrogen production and distribution equipment, today announces the launch of a capital increase via the issuance of new ordinary shares without preferential subscription rights for certain categories of investors, of approximately €8 million, as well as a warrant allocation project for all shareholders to enable them to subsequently participate in the capital increase operation. A request to list the new shares will be made to Euronext.

Context of the Issuance

The funds will be raised from French and international qualified investors, with the notable exception of those in the United States, Canada, Australia and Japan, in accordance with articles L.225-136 of the French Commercial Code and L.411-2 II of the French Monetary and Financial Code (the “**Issuance**”).

The funds raised will enable McPhy to strengthen its shareholders’ equity and finance its working capital requirements, in a context of revenue growth:

- One-third of the funds will allow the Company to participate in covering its working capital requirements for the next 18 months;
- One-third of the funds will be dedicated to address the acceleration of the activity, the market and ongoing projects, in particular with regard to large hydrogen platforms; and
- One-third of the funds will be dedicated to financing R&D and product development so that the Company can begin the industrialization phase of its products.

As part of the Issuance, the Ecotechnologies fund managed by Bpifrance Investissement as part of the Future Investment Program (“*Programme d’Investissements d’Avenir*”) and EDF Pulse Croissance, key shareholders of the Company holding respectively 7.7% and 21.2% of the capital, have pledged to subscribe to the Issuance based on their percentage holdings, i.e. a total of 28.9% of the Issuance.

McPhy is already anticipating revenue growth of around 40% in 2019 compared with 2018, i.e. 2019 revenue of at least €11 million. Moreover, as indicated in its Universal Registration Document, McPhy has received a conditional order intent and has entered into exclusive negotiations for the construction and commissioning of a 20 MW Electrolyser platform to be installed in Europe; the first phase being the engineering contract.

Terms of the Issuance

By virtue of the fifteenth resolution of the Combined Shareholders’ Meeting of May 23, 2019, the Issuance will be undertaken without preferential subscription rights. Pursuant to article L. 225-138 of the French Commercial Code, it will be reserved for one or several categories of investors as defined in the fifteenth resolution approved by the Shareholders’ Meeting of May 23, 2019, i.e.: French or foreign investment companies and investment funds (including, but not limited to, all FCPI, FCPR and FIP funds) that invest in the biotechnology and clean-technology sectors; French or foreign investment companies and investment funds (including, but not limited to, all FCPI, FCPR and FIP funds) that commonly invest in small or mid caps; French or foreign groups or companies with which the Company intends to sign

or has already signed partnerships with the aim of (i) developing hydrogen production, storage and distribution solutions and (ii) industrializing such solutions; industrial companies whose activity is similar or complementary to the Company's activity; physical persons who wish to invest in a company in order to benefit from a reduction in income tax; and companies that commonly invest in small or mid caps in order to allow their shareholders or associates to benefit from a reduction in income tax.

In accordance with the fifteenth resolution of the Combined Shareholders' Meeting of May 23, 2019, the number of new shares to be issued as part of the Issuance may not exceed 22.7% of the current capital. The issuance price of the new shares will be at least equal to the Company's average weighted share price on the Euronext regulated market in Paris during the three trading sessions prior to the setting of the issuance price, possibly reduced by a maximum discount of 20%.

The Issuance will be conducted via an accelerated book building process following which the number and price of the newly-issued shares will be determined. The accelerated book building will start immediately and is expected to end before the markets open tomorrow, subject to any early closing or extension. The Company will announce the result of the Issuance in a subsequent press release as soon as possible after the end of the book building process. The settlement-delivery of the new shares issued as part of the Issuance and their admission to trading on the Euronext regulated market in Paris are scheduled for no later than November 12, 2019. The new shares will have full dividend rights and be traded on the Euronext Paris under ISIN code FR0011742329.

Should the Issuance represent more than 20% of the current share capital, the offering for Company shares as part of the Issuance would give rise to a Prospectus requiring a visa from the AMF¹.

The definitive terms of the Issuance will be announced by McPhy as soon as possible.

Placement agreement

The transaction will be the subject of a placement agreement to be concluded between the Lead Manager and bookrunner and the Company, covering all the shares offered. This contract will not constitute a performance guarantee within the meaning of Article L. 225-145 of the French Commercial Code. In the event of non-conclusion or termination of the placement agreement, subscription orders and the offer would be retroactively cancelled. The private placement is led by Gilbert Dupont, sole Lead Manager and bookrunner.

Lock-up commitments

As part of the Issuance, Bpifrance Investissement and EDF Pulse Croissance have signed a lock-up commitment covering all the Company shares they hold for a duration of 90 days from the settlement-delivery date, while the Company has signed an abstention commitment for a duration of 180 days from the settlement-delivery date.

Free warrant allocation

In order to allow all shareholders to participate in the planned issuance and benefit from the same subscription conditions, the Company wants to propose the free allocation of stock warrants ("BSA") to all existing shareholders prior to the Issuance; in this respect, a right to BSA will be granted by Euronext to all shareholders of the Company on November 6, 2019. These warrants would allow their holders to subscribe to new shares at the Issuance price. One BSA would be allocated for each existing share held, and 10 BSA would allow their holder to subscribe to one new ordinary share.

Within this framework, Bpifrance Investissement and EDF Pulse Croissance have pledged to vote in favor of the Shareholders' Meeting resolution regarding the issuance of these BSA, which will be voted on at an Extraordinary Shareholders' Meeting which will be held on January 16, 2020. In the event of a favorable vote, a Board of Directors of the Company will meet on the same day at the end of the Extraordinary General Meeting in order to allocate the warrants to the Company's shareholders who have benefited from this right. Bpifrance Investissement and EDF Pulse

¹ French stock market authority.



Croissance have also agreed not to exercise any BSA they may be allocated.

Should the BSA be fully exercised, the resulting issuance of new shares would represent 7.1% of the Company's current share capital.

The BSA would not be admitted to the negotiations.

Universal Registration Document and forward-looking statements

Detailed information on the Company, in particular with regard to its business, results, outlook and corresponding risk factors, can be found in the Company's Universal Registration Document filed with the Autorité des Marchés Financiers (the "AMF") on November 4, 2019 under number D.19-0926 which may be consulted, as well as other regulated information relating to the Company (including its 2018 audited financial statements and its half-yearly financial statements as at 30 June 2019), all of the Company's press releases and the investor presentation, on the Company's website (www.mcphy.com).

This press release contains forward-looking statements. These statements are not guarantees of McPhy's future performance. This forward-looking information relates to McPhy's future prospects, evolution and business strategy and is based on the analysis of future earnings forecasts and market data estimates. By its nature, forward-looking information involves risks and uncertainties because it relates to events and depends on circumstances that may or may not occur in the future. McPhy draws investors' attention to the fact that forward-looking statements are not guarantees of its future performance and that its actual financial position, results and cash flows and developments in the industry in which McPhy operates may differ materially from those proposed or suggested by the forward-looking statements contained in this document. In addition, even if McPhy's financial position, results, cash flows and developments in the industry in which McPhy operates were consistent with the forward-looking information contained in this document, such results or developments may not be a reliable indication of McPhy's future results or developments. The disclosure of forward-looking statements in this press release does not relieve the Company of its obligations under Regulation (EU) No. 596/2014 of 16 April 2014 on Market Abuse ("MAR Regulation").

Risk factors

The Company draws investors' attention to the risk factors presented in Chapter 4 of the Universal Registration Document; the occurrence of all or some of these risks is likely to have an adverse effect on the Company's business, financial position, results or ability to achieve its objectives.

The Company also draws investors' attention to the main specific risks related to the securities to be issued:

- (i) Dilution: Shareholders who do not subscribe to this capital increase will have their shareholding in the Company's share capital diluted. In the event of a new market call, this would result in additional dilution for shareholders;
- (ii) Liquidity: The market price and liquidity of the Company's shares could fluctuate significantly;
- (iii) Risks related to the transaction: The Company may require additional financing. It is specified that the Group's consolidated net working capital is sufficient to meet its current obligations over the next 12 months.

The information contained in the Universal Registration Document and this press release makes it possible to maintain, in all material respects and as necessary, equal access to information relating to the Company for the various shareholders and investors.



Projected timeline

<i>November 5, 2019</i>	Press release from the Company announcing the availability of the Universal Registration Document
	Press release from the Company announcing the principle of the Reserved Capital Increase
<i>No later than November 7, 2019 before market opening</i>	Conclusion of the placement agreement
	Press release from the Company announcing the completion of the Reserved Capital Increase
	Allocation of the right to the allocation of warrants
<i>No later than November 8, 2019</i>	Approval of the Prospectus by the AMF and press release by the Company on the terms and conditions for making it available
<i>No later than November 12, 2019</i>	Reception of the subscription price - Issuance of the New Shares and settlement-delivery of the New Shares
	Board of Directors of the Company acknowledging the completion of the Reserved Capital Increase
	Euronext notice relating to the admission of the New Shares to trading on Euronext Paris
<i>No later than December 12, 2019</i>	Convocation of the Extraordinary General Meeting
<i>January 16, 2020</i>	Extraordinary General Meeting concerning in particular the allocation of warrants
	Meeting of the Board of Directors

Trading suspension

The Company informs that it has requested Euronext Paris to suspend the trading of its shares as from Tuesday, November 5 before market opening.

About McPhy

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

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

DISCLAIMER

This announcement and the information contained herein do not constitute either an offer to sell or purchase, or the solicitation of an offer to sell or purchase, securities of McPhy in France, in the United States or in any other jurisdiction for the purpose of a public offering transaction.



The distribution of this document may be restricted by law in certain jurisdictions. Persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions.

This announcement is an advertisement and not a prospectus within the meaning of the Directive 2003/71/CE of the European Parliament and of the Council of 4 November 2003, as amended by (the “Prospectus Regulation”).

With respect to the Member States of the European Economic Area (including France) (“Member States”), no action has been or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any Member State. As a result, the securities of the Company may not and will not be offered in any Member State except in accordance with the exemptions set forth in Article 3(2) of the Prospectus Regulation, or under any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation and/or to applicable regulations of that relevant Member State.

For the purposes of the provision above, the expression “offer to the public” in relation to any shares of the Company in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State.

This document does not constitute an offer to the public in France and the securities referred to in this document can only be offered or sold in France pursuant to Article L. 411-2-II of the French Code monétaire et financier to (i) providers of third party portfolio management investment services, (ii) qualified investors (investisseurs qualifiés) acting for their own account and/or (iii) a limited group of investors (cercle restreint d’investisseurs) acting for their own account, all as defined in and in accordance with Articles L. 411-1, L. 411-2 and D. 411-1 to D. 411-4 and D. 754-1 and D. 764-1 of the French Code monétaire et financier. In addition, in accordance with the authorization granted by the general meeting of the Company’s shareholders dated January 18, 2019, only the persons pertaining to the categories specified in the 5th resolution of such general meeting may subscribe to the offering.

The distribution of this press release is only being distributed to, and is only directed at persons in the United Kingdom, subject to applicable laws, (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the “Order”); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) (a) to (d) of the Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Article 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “Relevant Persons”). The Reserved Offering mentioned herein is only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on, this press release or any information contained herein.

This press release has been prepared on the understanding that the offer of securities referred to herein in any Member State of the European Union or the members of the European Economic Area Agreement who have transposed the Prospectus Directive, as defined below, (each, a “Concerned Member State”) will not require the publication of a prospectus in any Concerned Member State, and no action has been nor will be undertaken to allow the public offering of securities requiring the publication of a prospectus in any Concerned Member State. As a result, any person offering or intending to offer, in any Concerned Member State, the securities that are the subject of the Reserved Offering described herein may not do so except in a manner that will not create any obligation on the part of McPhy or the Managers mentioned herein to publish a prospectus with respect to such offer under Article 3 of the Prospectus Directive, as modified by Prospectus Directive Amendment 2010/73/UE. Neither McPhy nor any of the Managers has authorized, nor will authorize, any offer of the securities mentioned referred to herein in circumstances that would result in the obligation on the part of McPhy or any of the Managers to publish a prospectus in connection with such offer.

This press release does not constitute a prospectus within the meaning of the Prospectus Directive.

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The Managers are acting as financial advisers to the Company and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of the Managers or for providing advice in relation to this communication or any other matter contemplated herein.

