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The Convertible Bonds may not be offered or sold or otherwise offered to retail investors. No key information document has been or will be prepared under the PRIIPS Regulation or the UK PRIIPS Regulation.



 Press release

McPhy completes a €30 million issue of bonds convertible into new ordinary shares and/or exchangeable for existing ordinary shares (OCEANEs) to EDF Pulse Holding and EPIC Bpifrance¹

Grenoble, June 12, 2024 – 6:45 pm CEST – McPhy Energy, a specialist in low-carbon hydrogen production and distribution equipment (electrolyzers and refueling stations) (the “**Company**”), today announces the completion of its offering of bonds convertible into new ordinary shares and/or exchangeable for existing ordinary shares (OCEANEs) (the “**Convertible Bonds**”) for a nominal amount of €30 million (the “**Issue**”) comprising:

- an issue of Convertible Bonds to the benefit of EDF Pulse Holding (“**EDF Pulse**”) for a nominal amount of €15 million, and
- an issue of Convertible Bonds to the benefit of EPIC Bpifrance, acting on behalf of the French State under the French Tech Souveraineté Agreement (*Convention French Tech Souveraineté*) dated December 11, 2020 (“**French Tech Souveraineté**”) for a nominal amount of €15 million, which will be assimilable as from settlement to the issue to the Benefit of EDF Pulse.

The settlement of the Issue is expected on June 14, 2024 (the “**Issue Date**”).

The net proceeds from the Issue will be primarily used to finance the Company's working capital requirements and its general liquidity requirements as well as its research and development activities, and then to the financing of its commercial activities and its production tools.

¹ EPIC Bpifrance acting on behalf of the French State under the French Tech Souveraineté agreement (*Convention French Tech Souveraineté*) dated December 11, 2020.



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Jean-Baptiste Lucas, Chief Executive Officer of McPhy, comments: *“As announced at the beginning of the year, we are securing new financing resources for the finalization of our industrial scale-up. We will be inaugurating tomorrow Thursday June 13 our Gigafactory in Belfort on time, and we will now leverage this success to support the development of the low carbon hydrogen industry in Europe and pursue our growth plan. We are delighted of the support of our historical shareholders, EDF Pulse and Bpifrance, in this fundraising.”*

Main terms of the Convertible Bonds

- **Par value:** €100,000 per Convertible Bond
- **Issue price:** 100% of par value
- **Maturity:** 5 years (i.e. June 14, 2029, the **“Maturity Date”**)
- **Interest:** 8%, payable annually in cash on July 15, starting July 15, 2025 (long coupon), excepted for the last coupon (short coupon), which will be paid on the Maturity Date
- **Conversion and/or exchange price:** €3.5431, equal to the volume-weighted average price of the Company's share over the last fifteen (15) consecutive trading days preceding June 11, 2024, plus a 20% premium
- **Initial conversion and/or exchange ratio²:** 28,223.8718 shares per Convertible Bond

Conversion and/or Exchange Right

The bondholders will benefit from a right to the allocation of new and/or existing shares of the Company (the **“Conversion and/or Exchange Right”**) which they may exercise at any time from the Issue Date until the 7th business day (inclusive) preceding the Maturity Date or the relevant early redemption date, as the case may be.

In the event of exercise of the Conversion and/or Exchange Right, the Company will have the option, at its discretion, of redeeming the bondholders in cash, in new and/or existing shares of the Company or with a combination of both.

The conversion and/or exchange ratio corresponds to the par value of a Convertible Bond divided by the conversion and/or exchange price (subject to usual adjustments). The cash amount would be determined on the basis of the number of shares to which the Convertible Bonds subject to the exercise of the Conversion and/or Exchange Right would give right and the volume-weighted average daily share price over the 15 consecutive trading days following the exercise of the Conversion and/or Exchange Right.

Redemption and early redemption at the option of the Company or the bondholders

Unless converted, exchanged, redeemed or repurchased and cancelled, the principal amount of the Convertible Bonds will be redeemed at par on the Maturity Date (i.e. June 14, 2029).

The Convertible Bonds may be redeemed prior to the Maturity Date at the option of the Company and the bondholders, subject to certain conditions. In particular, the Convertible Bonds may be early redeemed at the Company's option in full at par plus accrued interest not yet paid:

² Subject to usual adjustment clauses in case of dilution (notably in case of stock combination, stock split, capital distribution, capital increase with preferential subscription right, granting of free shares, merger or spin-off) or payment of dividend.



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- at any time from the second anniversary of the Issue, if the arithmetic mean, calculated over a period of 20 consecutive trading days among 40 consecutive trading days and immediately preceding the day of publication of the Convertible Bonds early redemption notice, of the daily product of (i) the volume-weighted average price of the shares on the regulated market of Euronext, or as the case may be, on the Euronext Growth market in Paris, of each relevant trading day and (ii) the prevailing conversion and/or exchange ratio in effect on each of these trading days, exceeds 130% of the par value of a Convertible Bond; or
- at any time, if 15% or less of the Convertible Bonds initially and, if applicable, subsequently issued, remain outstanding.

The bondholders may request early redemption of their Convertible Bonds prior to the Maturity Date at par plus accrued interest not yet paid, in the event of a change of control of the Company, a delisting of the Company's shares or an issue by the Issuer of equity securities or securities giving access to the Issuer's share capital, listed or capable of being listed, by the Issuer for an amount of at least €60 million and to which the bondholders may subscribe by way of set-off. The bondholders will also benefit from a redemption right, during a period of 30 calendar days from the third anniversary of the Issue, if the Company has sufficient cash available to redeem the Convertible Bonds at their par value plus accrued interest not yet paid.

Going concern statement

Before settlement of the Issue, the Company does not have sufficient working capital to satisfy its obligations for the next 12 months. As of April 30, 2024, the Company's cash position was €30 million. Before completion of the Issue, the Company estimates that it will have sufficient working capital to satisfy its obligations until September 2024 and that its net cash requirements for the next 12 months amount to approximately €42 million, without taking into account the financing measures listed below.

Following settlement of the Issue, the Company will not have sufficient working capital to satisfy its obligations for the next 12 months but only until February 2025. Following completion of the Issue and in order to finance its activities, its net cash requirements are estimated at €13 million for the next 12 months. This estimate does not take into account the financing measures amounting to a total of approximately €30 million, for which the Company benefits from the following binding commitments and which are as follows:

- the sale of the station business that should occur during the 2nd quarter 2024 for a net cash inflow of approximately €11 million by end 2025 (subject to completion of financing by Ataway);
- the implementation by end July 2024 of a lease financing for the Belfort Gigafactory (being precised that a binding agreement notice has been signed on February 29, 2024 with a banking pool for an amount of approximately €16 million); and
- the potential use of the equity line implemented with Vester Finance on December 19, 2023 (depending on market conditions and on the respect of exercise conditions).

If one of the financing measures abovementioned were to fail, the Company could be required to seek other sources of financing, in debt or in equity, in order to complete its working capital and to finance its operating expenses beyond February 2025.

Based on the financing measures abovementioned and the net proceeds of the issue of approximately €29.5 million, the Company considers that it will have the required financial resources to finance its growth and working capital requirements until the beginning of 2026 on its scope refocused on the electrolyzer business.



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Legal framework of the Issue

The Company's board of directors held on May 30, 2024 has authorized the principle of the Convertible Bonds issue and delegated its powers to the chief executive officer to decide the Issue and set the definitive terms and conditions of the Convertible Bonds, in accordance with the delegations granted by the 30th and 31st resolutions of the combined general meeting held on May 30, 2024 (the "EGM") related to the issuances of securities reserved for designated persons, in accordance with article L.225-138 of the French Commercial Code. It is specified that Bpifrance Investissement SAS, represented by Ms Laure Michel and EDF Pulse Holding SAS, represented by Ms Christelle Rouillé, have not participated to the vote of this decision at the board of directors. The chief executive officer has decided the Issue and set the final terms of the Convertible Bonds by a decision dated June 11, 2024.

Financial intermediary

Bryan, Garnier & Co. acted as financial advisor in connection with the Issue.

Risk factors

The risks specific to the Issue are as follows:

- *the Company's shareholders will suffer dilution as a result of the issue of the new shares:* existing shareholders (other than those participating in the Issue) will suffer significant dilution of their interest in the Company's share capital as a result of the Issue of the new shares that may be issued following conversion of the Convertible Bonds, insofar as the Issue will be carried out without preferential subscription rights for the benefit of certain designated investors;
- *sales of the Company's shares could occur on the market and have an unfavorable impact on the Company's share price:* given the very large number of new shares likely to be issued, sales of the Company's shares could occur rapidly from the date of completion of the issues, or such sales could be anticipated by the market, which could have an unfavorable impact on the trading price of the share. The Company cannot predict the possible effects on the trading price of the shares sold by its shareholders;
- *the volatility and liquidity of the Company's shares could fluctuate significantly:* stock markets have experienced significant fluctuations in recent years, often unrelated to the results of the companies whose shares are traded. Market fluctuations and economic conditions could increase the volatility of the Company's shares. The market price of the Company's shares could fluctuate significantly in response to various factors and events, including the risk factors described in the Company's 2023 Universal Registration Document (as modified by an amendment filed with the AMF on June 12, 2024) and the liquidity of the market for the Company's shares; and
- *the Company may not be able to pay interest and/or to redeem the Convertible Bonds:* it cannot be guaranteed that the Company will have sufficient cash to enable payment of the nominal value and/or interest related to the Convertible Bonds on the dates they become due. In addition, the terms and conditions of the Convertible Bonds include usual early redemption clauses for this type of bonds. It cannot be guaranteed that the Company will have sufficient resources to face an early redemption of the Convertible Bonds. It is also reminded that pursuant to the terms and conditions of the Convertible Bonds, the Company has committed to not grant any pledge, liens or security under any existing or future indebtedness unless the Convertible Bonds benefit from the same treatment *pari-passu*, subject to usual exemptions.



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The main risks specific to the Company are described in section 2.1 of the universal registration document for 2023 filed with the AMF under number D.24-0348, as updated by the amendment that filed with the AMF on June 12, 2024 under number D24-0348-A01 (together the "**2023 Universal Registration Document**"), and include in particular:

- risks related to its strategy, and in particular to the low-carbon hydrogen market and the development of existing solutions or the emergence of new competing technologies;
- risks related to its business, particularly product development; and
- risks relating to the Group's financial situation, and in particular to its medium- and long-term profitability and to its liquidity and uncertain additional financings.

Dilution

A shareholder holding 1% of the share capital prior to the Issue would hold 0.78% of share capital (on a non-diluted basis) if the Company decided to issue only new shares in case of exercise of the Conversion and/or Exchange Right of all the Convertible Bonds issued.

Lock-up commitment

In connection with the Issue, the Company has made a commitment to refrain from issuing or transferring shares or instruments giving access to the Company's share capital for a period commencing on the Issue Date and ending 90 calendar days after the Issue Date, subject to the issue of new shares on exercise of the share warrants under the financing facility entered into with Vester Finance³ and certain customary exceptions.

Governance

In connection with EDF Pulse's subscription to the Issue, the EGM has decided to appoint Mr. Régis Combaluzier, an individual proposed by EDF Pulse Holding, as an independent director holding a voting right on the Company's Board of directors, subject to the condition precedent and with effect from the settlement of the Issue and for a term of two years.

Admission to trading

The Convertible Bonds will not be subject to an application for admission to trading on any market (regulated or otherwise).

The new shares that may be issued following conversion of the Convertible Bonds will be (i) ordinary shares of the same class as the Company's existing shares, (ii) immediately assimilated to the Company's existing shares, already traded on Euronext Paris and tradable, as from this date, on the same listing line as these shares under the same ISIN code FR0011742329 and will carry current dividend rights as from their delivery date.

³ See the Company's Press Release of December 19, 2023 "McPhy renews an equity financing line with Vester Finance"



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Available information

In connection with the Issue, a prospectus for the admission to trading of the new shares to be issued following conversion of the Convertible Bonds will be subject to the approval of the French *Autorité des Marchés Financiers* (the “**AMF**”) before settlement of the Convertible Bonds (the “**Prospectus**”). The Prospectus will be composed of (i) the Company’s universal registration document filed with the AMF on April 29, 2024 under number D.24-0348, with its amendment filed with the AMF on June 12, 2024 under number D.24-0348-A01, and (ii) a securities note including the Prospectus summary. This Prospectus will be available on the AMF’s website and the Company’s website and will be available free of charge at the Company’s headquarters.

Important information

This press release does not constitute an offer to subscribe or a solicitation to buy, subscribe or sell any securities to any person in the United States of America, Australia or Canada or in any other jurisdiction in which such an issue would be unlawful, and the Issue does not constitute an offer to the public in any jurisdiction, including France, to persons other than qualified investors.

ABOUT MCPHY

Specialized in hydrogen production and distribution equipment, McPhy is contributing to the global deployment of low 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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This announcement is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”) and Regulation (EU) 2027/1129 as integrated into national law in the United European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK prospectus Regulation**”).

European Economic Area

With respect to Member States of the European Economic Area, no action has been taken or will be taken to permit a public offering of the securities referred to in this press release requiring the publication of a prospectus in any Member State. Therefore, such securities may not be and shall not be offered in any Member State other than in accordance with the exemptions of Article 1(4) of Prospectus Regulation or, otherwise, in cases not requiring the publication of a prospectus under Article 3 of the Prospectus Regulation and/or the applicable regulations in such Member State.

France

The Convertible Bonds have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France to persons other than qualified investors. Any offer or transfer of Convertible Bonds or distribution of offering documents in connection with the Convertible Bonds has been and will be made in France only to qualified investors as defined in Article 2(e) of the Prospectus Regulation and in accordance with Article L. 411-2 1° of the French Monetary and Financial Code.

United Kingdom

This press release has not been issued, and has not been approved by an “authorized persons” within the meaning of section 21(1) of the Financial Services and Markets Act 2000. Consequently, this press is only being distributed to and are only intended in United Kingdom for persons who are (i) “investment professionals” falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “**Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order or (iii) are persons to whom an invitation or inducement to participate in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000) may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**Relevant Persons**”). Any invitation, offer or agreement to subscribe, purchase or otherwise acquire securities to which this press release relates will only be engaged with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this press release or any of its contents.

This press release does not constitute a prospectus approved by the Financial Conduct Authority or any other UK regulatory authority for the purpose of Section 85 of the Financial Services and Markets Act 2000.



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United States of America, Canada, Australia, South Africa and Japan

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The distribution of this press release in certain countries may constitute a violation of applicable laws.

A listing prospectus of the newly issued shares resulting from the conversion of Convertible Bonds will be submitted to the *Autorité des Marchés Financiers* (“**AMF**”) prior the settlement-delivery of the Convertible Bonds (the “**Prospectus**”). The Prospectus will be comprised of (i) the Company’s Universal Registration Document filed with the AMF on April 29, 2024 under number D.24-0348, with its amendment filed with the AMF on June 12, 2024 under number D.24-0348-A01, and (ii) a securities note including a summary of the Prospectus. The prospectus is available on the Company’s website (www.mcphy-finance.com) and on the AMF’s website (www.amf-france.org).

Prohibition of any offer to retail investors in the European Economic Area

The Convertible Bonds are not intended to be offered, sold or otherwise made available to, and shall not be offered, sold or otherwise made available to, and no action has been or will be taken to offer, sell or otherwise make available the Convertible Bonds to any retail investor in the European Economic Area (“**EEA**”). For the purposes of this press release, “retail investors” means a person falling into one (or more) of the following categories: (i) a retail client as defined in paragraph (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”) ; (ii) a client within the meaning of Directive (EU) 2016/97, as amended (the “**Insurance Distribution Directive**”), provided that such client does not fall within the category of professional client as defined in paragraph (10) of Article 4(1) of MiFID II or (iii) a person other than a “qualified investor” as defined in the Prospectus Regulation, and (B) the term “offer” includes the communication, in any form and by any means, of sufficient information about the terms of the offer and the Convertible Bonds to be offered to enable an investor to decide to purchase or subscribe for the Convertible Bonds. Consequently, no key information document required by Regulation (EU) 1286/2014, as amended (the “**PRIIPs Regulation**”) for the offer or sale of Convertible Bonds or for making them available to retail investors in the EEA has been or will be prepared and, thus, the offer or sale of Convertible Bonds or making them available to retail investors in the EEA could constitute a violation of the PRIIPs Regulation.

Prohibition of any offer to retail investors in the United Kingdom

The Convertible Bonds are not intended to be offered, sold or otherwise made available to, and shall not be offered, sold or otherwise made available to, and no action has been or will be taken to offer, sell or otherwise make available the Convertible Bonds to any retail investor in the United Kingdom (“**UK**”). For the purposes of this press release, “retail investors” means a person falling into one (or more) of the following categories: (i) a retail customer as defined in Article 2(8) of Regulation (EU) 2017/565, as it forms part of national law under EUWA; or (ii) a client within the meaning of the provisions of the Financial Services and Market Act 2000, as amended (“**FSMA**”) and any rules or regulations made under FSMA to implement the Insurance Distribution Directive, where such client would not qualify as a professional client as defined in Article 2, paragraph 1, 8° of Regulation (EU) n°600/2014 to the extent that it forms part of national law by virtue of the EUWA, and (B) the term “offer” includes the communication, in any form and by any means, of sufficient information about the terms of the offer and the Convertible Bonds to be offered to enable an investor to decide to purchase or subscribe for the Convertible Bonds. Consequently, no key information document required by Regulation (EU) n°1286/2014 as it forms part of domestic law under the EUWA (the “**UK PRIIPs Regulation**”) for the offer or sale of Convertible Bonds or for making them available to retail investors in the United Kingdom has been or will be prepared and, thus, the offer or sale of Convertible Bonds or making them available to retail investors in the United Kingdom could constitute a violation of the UK PRIIPs Regulation.

