

Information regarding a contemplated issue of convertibles bonds into new ordinary shares and/or exchangeable for existing ordinary shares (OCEANEs) to EDF Pulse Holding and EPIC Bpifrance¹ and, as the case may be, other investors

The following additional information is made available to shareholders in connection with a contemplated issue of bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) (the "**Convertible Bonds**") to EDF Pulse Holding ("**EDF Pulse**") and EPIC Bpifrance, acting on behalf of the French State under the French Tech Souveraineté agreement (*Convention French Tech Souveraineté*) dated December 11th, 2020 ("**French Tech Souveraineté**"), for a nominal amount of €30 million (the "**Issue**") corresponding to €15 million for EDF Pulse and €15 million for French Tech Souveraineté. The Company will consider the possibility of issuing an additional amount to other investors depending on market conditions.

Legal framework of the Issue and terms and conditions of placement

On March 7th, 2024, the Company received subscription commitments for a total nominal amount of €30 million from EDF Pulse, an existing shareholder, and from French Tech Souveraineté for an individual nominal amount of €15 million each, it being specified that each of EDF Pulse and French Tech Souveraineté have informed the Company of their intention not to cross, alone or together, the threshold of 30% of the Company's share capital and/or voting rights. The contemplated Issue would therefore take the form of two Convertible Bonds issues reserved for designated persons, for the benefit of EDF Pulse and French Tech Souveraineté respectively, in accordance with Article L. 225-138 of the French Commercial Code. The terms and conditions of these two issues would be identical.

In this context, the Company has submitted two specific resolutions (30th and 31st resolutions) to the vote of its shareholders at the Combined General Meeting to be held on May 30th, 2024 (the "**EGM**"). The number of new shares that may be issued under each of the 30th and 31st resolutions in the event of conversion of the Convertible Bonds is capped at €1.2 million (or approximately 30% of the Company's share capital at the date of the EGM). These resolutions are interdependent and each of these ceilings is autonomous in relation to the overall ceiling of €3.5 million set out in the 38th resolution, from which the conventional financial delegations would be deducted. It is specified that EDF Pulse and FCPI Fonds Ecotechnologies represented by Bpifrance Investissement SAS, as existing shareholders of the Company, will not respectively take part, in the vote on the resolution regarding EDF Pulse and French Tech Souveraineté. The representatives of these shareholders sitting on the Board of Directors will also not take part in the vote at the Board meeting on the resolutions relating to the Issue.

In addition, the Company will consider the possibility of issuing additional Convertible Bonds to other investors, depending on market conditions, under the same terms and conditions as those reserved for EDF Pulse and French Tech Souveraineté. These investors will be, as the case may be, qualified investors only, in accordance with Article L. 225-138 of the French Commercial Code and the 29th resolution of the EGM put to the vote of shareholders. To this day, the principle and amount of this additional issue have not yet been definitively determined, and will depend in particular on market conditions at the time of its implementation. The nominal amount of equity securities likely to be issued on the basis of the 29th resolution would be limited to €700,000 (or approximately 20% of the share capital at the date of the EGM).

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

In the event of implementation of the Issue, the Company's existing shareholders will not benefit from any preferential subscription rights, nor from any priority subscription period for the Convertible Bonds or the underlying new shares of the Company issued in the event of conversion, as the Issue will be carried out in the form of an offer reserved for designated persons and/or for the benefit of categories of persons.

Terms and Conditions of the Convertible Bonds

In the event of implementation of the Issue, the Convertible Bonds will constitute securities giving access to the share capital and will be issued in accordance with Articles L. 228-91 and seq. of the French Commercial Code.

The Convertible Bonds will have a nominal value of one hundred thousand euros (€100,000) each and will be issued at par and redeemed at par. They will bear interest at an annual rate of 8% payable annually and will have a maturity of 5 years from the issue date (the "**Maturity Date**").

The issue price of the shares that may be issued in case of conversion of the Convertible Bonds will be equal to the volume-weighted average price of the Company's share over the last fifteen (15) consecutive trading days preceding the pricing date (excluded) (the "**Reference Price**"), plus a premium of 20%. For illustrative purposes, on the basis of the last fifteen (15) trading days prior to May 17th, 2024 (excluded), the Reference Price would be 2.7678 euros and the issue price of the shares would be 3.3214 euros (including a 20% premium) (the "**Conversion and/or Exchange Price**").

The Convertible Bonds will constitute direct, unconditional, unsubordinated and (subject to the negative pledge undertaking) unsecured obligations of the Issuer, and will at all times rank *pari passu*, without any preference among themselves and, subject to mandatory exceptions under French law, with all other present and future unsecured and unsubordinated obligations of the Issuer.

The final terms and conditions of the Convertible Bonds will be announced by press release following the completion of the Issue (the "**Issue Date**").

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 number of new and/or existing shares to which the Convertible Bonds subject to the exercise of the Conversion and/or Exchange Right would give right would correspond to the nominal value per Convertible Bond divided by the Conversion and/or Exchange Price (subject to the usual adjustments) (for further information, please refer to the Appendix to the EGM resolutions, as referred to below).

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.

Convertible Bonds Redemption

Unless converted, exchanged, redeemed or repurchased and cancelled, the principal amount of the Convertible Bonds will be redeemed at par on the Maturity Date.

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 redeemed early in full at par plus accrued interest not yet paid at the Company's option at any time from the second anniversary of the Issue Date, subject to at least 30 (but not more than 60) calendar days' prior notice, if the arithmetic mean, calculated over a period of 20 trading days chosen by the Company from the period of 40 consecutive trading days ending on (and including) the day of publication of the early redemption notice, of the product of (a) the volume-weighted average price of the shares on each relevant trading day and (b) the prevailing conversion and/or exchange ratio in effect on each relevant trading day, exceeds 130% of the nominal value of each Convertible Bond.

The Convertible Bonds may be redeemed early in full at par plus accrued interest not yet paid at the Company's initiative at any time, if less than 15% of the Convertible Bonds initially and, if applicable, subsequently issued, remain outstanding.

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 may request early redemption of their Convertible Bonds prior to the Maturity Date at par plus accrued interest not yet paid.

Admission to trading

The Convertible Bonds will not be subject to an application for admission to trading on any market (regulated or otherwise), unless such admission is required in connection with the participation of additional investors, in which case the Convertible Bonds will be subject to an application for admission to trading on Euronext Access™.

The new shares likely to 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.

Global Coordinator and Bookrunner

The Issue will be led by Bryan, Garnier & Co, acting as global coordinator and sole bookrunner.

Lock-up commitments

In connection with the Issue, the Company will make 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 customary exceptions.

Risk Factors

The risks specific to the Issue would be 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 or investors belonging to a specific category of persons;
- *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 and the liquidity of the market for the Company's shares; and
- *the issue of the Convertible Bonds remains subject to the approval by the Company's shareholders of resolutions n°29 to 31 of the EGM:* The subscription of EDF Pulse and French Tech Souveraineté as well as additional investors belonging to the categories of persons referred to in the 31st resolution of the EGM remains subject to the favorable vote of the resolutions of the Extraordinary General Meeting of the Company's shareholders convened for May 30, 2024.

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 (the "**2023 Universal Registration Document**"), available on the websites of the AMF (www.amf-france.org) and the Company (www.mcphy-finance.com), 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 its medium- and long-term profitability.

Timeline

Subject to the approval of the aforementioned resolutions by the EGM and the approval by *the Autorité des marchés financiers* of the prospectus relating to the application for admission to trading of the new shares to be issued upon conversion of the Convertible Bonds on the regulated market of Euronext in Paris, the Issue would be implemented as soon as possible following the EGM and no later than June 30th, 2024.

Use of proceeds

The net proceeds from the issue of the Convertible Bonds will be used to finance the Company's working capital requirements and general corporate purposes, in particular the development of its commercial activities, production tools and research and development activities.

Company's liquidity

At December 31st, 2023, the Company's cash and cash equivalents amounted to almost €63 million, and financial debt (excluding leases and long-term contracts) was less than €1 million.

In order to face its financing needs over the next 12 months, the Group has initiated financing measures for a total amount of around €60 million (including the Convertible Bonds Issue, the completion of which is subject to the vote of the resolutions at the next EGM and to the AMF's approval of the abovementioned prospectus), which are described in section 2.1.4.2 of the 2023 Universal Registration Document, and are currently being implemented.

On the basis of the business plan and this financing plan of around €60 million currently being implemented, the Company considers that it will have the necessary financial resources to finance its growth and working capital requirements until the beginning of 2026 on its perimeter refocused around the electrolyzer business.

Dilution

For illustrative purposes, on the basis of a €30 million issue and a Conversion/Exchange Price of €3.3214 (corresponding to a Reference Price of €2.7678 as calculated on May 17th, 2024, plus a 20% premium), a shareholder holding 1% of the share capital at April 30th, 2024 would hold 0.76% if the Company decided to deliver only new shares upon exercise of the Conversion and/or Exchange Right.

The table below illustrates various dilution scenarios for a shareholder holding 1% of the current share capital based on :

- a Reference Price of 2.7678 euros (corresponding to the Company's share price over the last fifteen (15) trading days prior to May 17, 2024 (excluded)) and including a variation in this price of plus or minus 15%;
- a total issue amount of €30 million (corresponding to the subscription commitments of EDF Pulse and French Tech Souveraineté) and including a range of €0 million to €5 million for any additional subscriptions.

Holding of a shareholder in case of delivery of new shares only			Additional subscription amount by investors other than EDF Pulse and French Tech Souveraineté					
			0 M€	1 M€	2 M€	3 M€	4 M€	5 M€
	€ 2.3526	-15%	0.73%	0.73%	0.72%	0.71%	0.71%	0.70%
	€ 2.4910	-10%	0.74%	0.74%	0.73%	0.72%	0.72%	0.71%
Reference	€ 2.6294	-5%	0.75%	0.75%	0.74%	0.74%	0.73%	0.72%
Price	€ 2.7678	0%	0.76%	0.76%	0.75%	0.75%	0.74%	0.73%
variation	€ 2.9062	5%	0.77%	0.77%	0.76%	0.75%	0.75%	0.74%
	€ 3.0446	10%	0.78%	0.77%	0.77%	0.76%	0.76%	0.75%
	€ 3.1830	15%	0.79%	0.78%	0.78%	0.77%	0.77%	0.76%

Shareholding before the Issue

The following table shows the current distribution of share capital and voting rights, as at April 30th, 2024 (and on a non-diluted basis), to the best of the Company's knowledge. For further information on the Company's shareholding structure and the related assumptions, please refer to section 7.2 of the 2023 Universal Registration Document.

	# shares	% capital	# net voting rights	% net voting rights
EDF Pulse Holding SAS	3,933,708	13.55%	3,933,708	13.22%
Fonds Ecotechnologies ²	1,669,120	5.75%	1,669,120	5.61%
Blackrock, Inc.	1,398,588	4.82%	1,398,588	4.70%
Chart International Holdings, Inc.	1,276,595	4.40%	1,463,726 ³	4.92%
CDC Croissance	1,127,266	3.88%	1,127,266	3.79%
Technip Energies N.V	638,297	2.20%	1,276,594	4.29%
Treasury shares	137,060	0.47%	0	0.00%
Flottant	18,851,154	64.93%	18,883,694	63.47%
TOTAL	29,031,788	100.00%	29,752,696	100.00%

Shareholding after the Issue and conversion of all the Convertible Bonds into new shares⁴

For illustrative purposes, on the basis of a Conversion/Exchange Price of 3.3214 euros (corresponding to a Reference Price of 2.7678 euros as calculated on May 17th, 2024, increased by a premium of 20%), if the Company decided to deliver only new shares in the event of exercise of the Conversion and/or Exchange Right, the breakdown of the Company's capital and voting rights would be as follows :

In the event of a €30 million issue subscribed solely by EDF Pulse and French Tech Souveraineté

	# shares	% capital	# net voting rights	% net voting rights
EDF Pulse Holding SAS	8,449,875	22.20%	8,449,875	21.19%
Fonds Ecotechnologies ²	1,669,120	4.39%	1,669,120	4.19%
French Tech Souveraineté	4,516,167	11.86%	4,516,167	11.33%
Blackrock, Inc.	1,398,588	3.67%	1,398,588	3.51%
Chart International Holdings, Inc.	1,276,595	3.35%	2,553,190	6.40%
CDC Croissance	1,127,266	2.96%	1,127,266	2.83%
Technip Energies N.V	638,297	1.68%	1,276,594	3.20%
Treasury shares	137,060	0.36%	0	0.00%
Floating	18,851,154	49.52%	18,883,694	47.36%
TOTAL	38,064,122	100.00%	39,874,494	100.00%

In the event of a €35 million issue subscribed by EDF Pulse, French Tech Souveraineté and additional investors

	# shares	% capital	# net voting rights	% net voting rights
EDF Pulse Holding SAS	8,449,875	21.35%	8,449,875	20.42%
Fonds Ecotechnologies ²	1,669,120	4.22%	1,669,120	4.03%
French Tech Souveraineté	4,516,167	11.41%	4,516,167	10.91%
Blackrock, Inc.	1,398,588	3.53%	1,398,588	3.38%
Chart International Holdings, Inc.	1,276,595	3.23%	2,553,190	6.17%
CDC Croissance	1,127,266	2.85%	1,127,266	2.72%
Technip Energies N.V	638,297	1.61%	1,276,594	3.09%
Treasury shares	137,060	0.35%	0	0.00%
Floating	20,356,543	51.45%	20,389,083	49.27%
TOTAL	39,569,511	100.00%	41,379,883	100.00%

² known as FCPI Fonds Ecotechnologies represented by Bpifrance Investissement SAS

³ the voting rights of Chart International Holdings, Inc. are currently subject to a temporary suspension for late declaration of threshold crossing, which took place in November 2022

⁴ it being specified that these figures are stated on a non-diluted basis, i.e. excluding any additional new shares to be issued upon exercise of instruments giving access to the Company's share capital outstanding as of today.

Governance

In addition to the approval by the EGM of the necessary resolutions, the Convertible Bonds issue will be subject to the renewal for EDF Pulse of its second member on the Company's Board of Directors. The 21st resolution of the EGM provides for the appointment of Mr. Régis Combaluzier as director with effect from, and subject to the condition precedent of, the effective completion of the Convertible Bonds issue and for a term of two (2) years.

Available information

The application for admission to trading of the new shares to be issued upon conversion of the Convertible Bonds in connection with the Issue on Euronext will be made by means of a prospectus submitted for approval to the *Autorité des marchés financiers* prior to settlement-delivery of the Issue and comprising the 2023 Universal Registration Document (as amended, if applicable) and a Securities Note, including a summary of the prospectus.