



HydrogenPro

Q1 2021 presentation

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Agenda

I. Summary

II. Finance

III. Business update

A very active quarter – maturing new technology, alliances and projects and increasing the project pipeline

Highlights from report

- Building of pilot plant for new electrode technology in Denmark on plan
- Additional production capacity in Asia secured
- Our work with the projects in France (Dunkirk and Normandy) and the two projects in the US continues
- Very active market through the quarter with several new inquiries and tenders
- Progressing cooperation agreements and partnerships – e.g. Kvina Energy, Hynion
- Several significant leads and opportunities in the US – e.g. HyDeal North America
- Executive team onboarded and project execution capacity being scaled up
- Expanding our network to Finland through agreement with ex CEO of the Woikoski electrolyser plant
- ISO certification process – completion 2021
- Robust balance sheet with cash position of NOK 489.5m as of 31st of March 2021

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Financial development during Q1 2021

(NOKm)

INCOME STATEMENT	Q1 2021	Q4 2020
Revenue, incl. other operating income	0.6	15.6
Raw materials and consumables used	0.7	4.2
Payroll expenses	4.4	2.9
Other operating expenses	3.6	10.4
EBITDA	-8.1	-1.9
Depreciation and amortisation expenses	1.3	0.3
EBIT	-9.5	-2.2
Net financial items	-0.1	0.3
Result before tax	-9.6	-1.9
Tax expense	-0.3	-
Net profit	-9.3	-1.9
NET CHANGE IN CASH BALANCE	Q1 2021	Q4 2020
Cash balance start of period	506.1	0.7
EBITDA	-8.1	-1.9
Investments ¹	-5.0	-4.4
Net proceeds from issue of share capital	0.3	532.4
Change in NWC, option program, transaction fees, tax, other	-3.7	4.9
Total changes in cash	-16.6	505.4
Cash balance end of period	489.5	506.1

- ASP (Advanced Surface Plating ApS) was acquired in Dec 2020 with settlement completed in January 2021, and is fully consolidated in the financial figures
- Design and engineering project for Mitsubishi in the US completed in Q4 2020, revenues in Q1 2021 relates to completion of design and engineering phase of H2V projects in France
- EBITDA negatively impacted by non-cash effect of option program cost (NOK2.2m)
- Investments of NOK5m during the quarter, incl. next generation electrodes, additional production capacity in Asia, R&D center at Herøya and H2V projects
- 2 558 shareholders as of 21st of May 2021 compared to ~225 at time of IPO in October 2020

1) Incl. net cash flow from investments and prepayments related to development of plating line in Aarhus, Denmark. Note that the acquisition of Advanced Surface Plating is not included in the cash flow statement. The transaction was completed through a share capital increase by conversion of debt. This is in accordance with NRS (F).

Robust financial position

(NOKm)

BALANCE SHEET	Q1 2021	FY 2020
<u>ASSETS</u>		
Total intangible assets	56.7	55.3
Plant, machinery and equipment	2.6	2.8
Investments in subsidiaries, shares, other securities	0.1	0.1
Total fixed assets	59.4	58.1
Current operating assets	5.7	5.7
Cash and cash equivalents	489.5	506.1
Total current assets	495.2	511.8
Total assets	554.7	570.0
<u>EQUITY AND LIABILITIES</u>		
Total equity	540.6	515.7
Provisions	10.1	10.3
Total short term liabilities	4.0	44.0
Total liabilities	14.1	54.3
Total equity and liabilities	554.7	570.0
Equity ratio	97.5 %	90.5 %

- Cash balance of NOK489.5m as of 31st March 2021
- Equity ratio of 97.5%, no interest-bearing debt
- Acquisition of ASP:
 - 600,000 new shares were issued on 8th of January 2021
 - No up-front cash payment, additional cash consideration of up to NOK 6 million if certain targets are met
- Limited committed investments
 - Development of plating line for next generation electrodes: ~NOK20m (~DKK 15m) during 2021
- Cost-focused scale-up of the organisation through developing systems/procedures and hiring of resources with extensive experience to execute large projects world-wide
- Partnership strategy to build global presence and market awareness

Agenda

I. Summary

II. Recent events

III. Business update

Highlights from recent news releases

- **Agreement with Kvina Energy Park**
 - Joint development of a significant hydrogen hub in the Kvinesdal municipality in Norway. The plot is close to the main grid for electricity with possible access to electric power of 500-800 MW
- **Agreement with Hynion to supply hydrogen gas at filling station at Herøya and for future large scale co-operation**
 - HydrogenPro will supply green hydrogen to Hynion´s fueling station from test/demo electrolyser containers at Herøya
 - A general collaboration with Hynion regarding large-scale hydrogen production plants which will serve as centralised hubs for distribution to Hynion´s network of hydrogen stations
- **Launch of HyDeal North America with HydrogenPro as a partner**
 - HydrogenPro joins a range of well reputed industrial companies, advisers, regulators and governmental agencies in HyDeal North America, a new commercialisation platform founded by the Green Hydrogen Coalition to launch green hydrogen ecosystems around North America. HyDeal LA the first major announcement
- **Full scale verification of electrode technology**
 - The acquisition of ASP was completed with the Extraordinary General Meeting on 8th January which approved the share capital increase of 600 000 new shares. Management embarked on the building of a pilot plating facility for full scale verification of the new electrode technology in Denmark

HydrogenPro is one of the partners of HyDeal North America

- HyDeal North America is a commercialisation platform to launch green hydrogen ecosystems across North America
- HyDeal Los Angeles, the first regional initiative in HyDeal North America platform, is intended to be a model of rapid acceleration for additional green hydrogen ecosystems throughout the U.S.
- HyDeal Los Angeles will create the first competitive, high-volume supply chain for green hydrogen in North America, delivering green hydrogen at \$1.50/kg by 2030
- The City of Los Angeles has accelerated its commitment to an ambitious target of 100% renewable energy: from 2045 to 2035
- Los Angeles Department of Water and Power (LADWP), the nation's largest publicly owned utility, will convert the Intermountain Power Project (IPP) – this is North America's largest green hydrogen project under development today. IPP is the world's first combined cycle gas turbine intentionally designed and built to operate on 100% carbon-free green hydrogen

HydrogenPro joins a range of well reputed industrial companies, advisers, regulators and governmental agencies

HyDeal Los Angeles Funders

Steering Committee



Core Participants



HydrogenPro will be able to deliver hydrogen at a cost of USD1.2/kg* with integration of next generation technology

Driving down cost of hydrogen

- 
- EU describes a target whereby green hydrogen is competitive with grey hydrogen in **2030**
 - **Cost calculation based on HydrogenPro's new high-pressure alkaline technology shows a cost of USD 1.2/kg***
 - **Ready for the market in 2022**

Making green hydrogen competitive to grey hydrogen

- Applying current high pressure alkaline solution
- Combining with the new proprietary ASP technology
- Increasing the efficiency of the electrolyser to 93% of the theoretical maximum
- Scaling up and automatisation will gradually drive down capex and further reduce production costs

Without use
of noble
metals

Accelerating the global energy transition

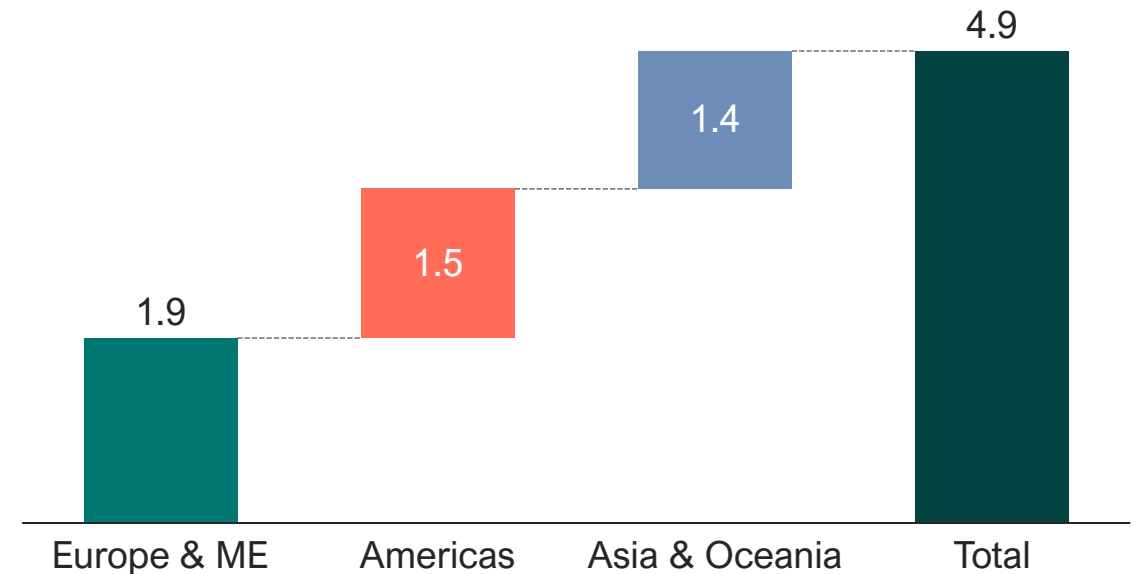
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High market activity – increasing number of leads, tenders and project opportunities





- 42 active projects in pipeline
- Avg. size per project: 117 MW
- H2V projects in Dunkirk and Normandy, DG Fuels and Mitsubishi in US are not included in the sales pipeline
- ***During Q2 2021 we continue to see high market activity***

Active sales pipeline as of 31st of March 2021

(GW electrolyser capacity)



Progress update on key projects

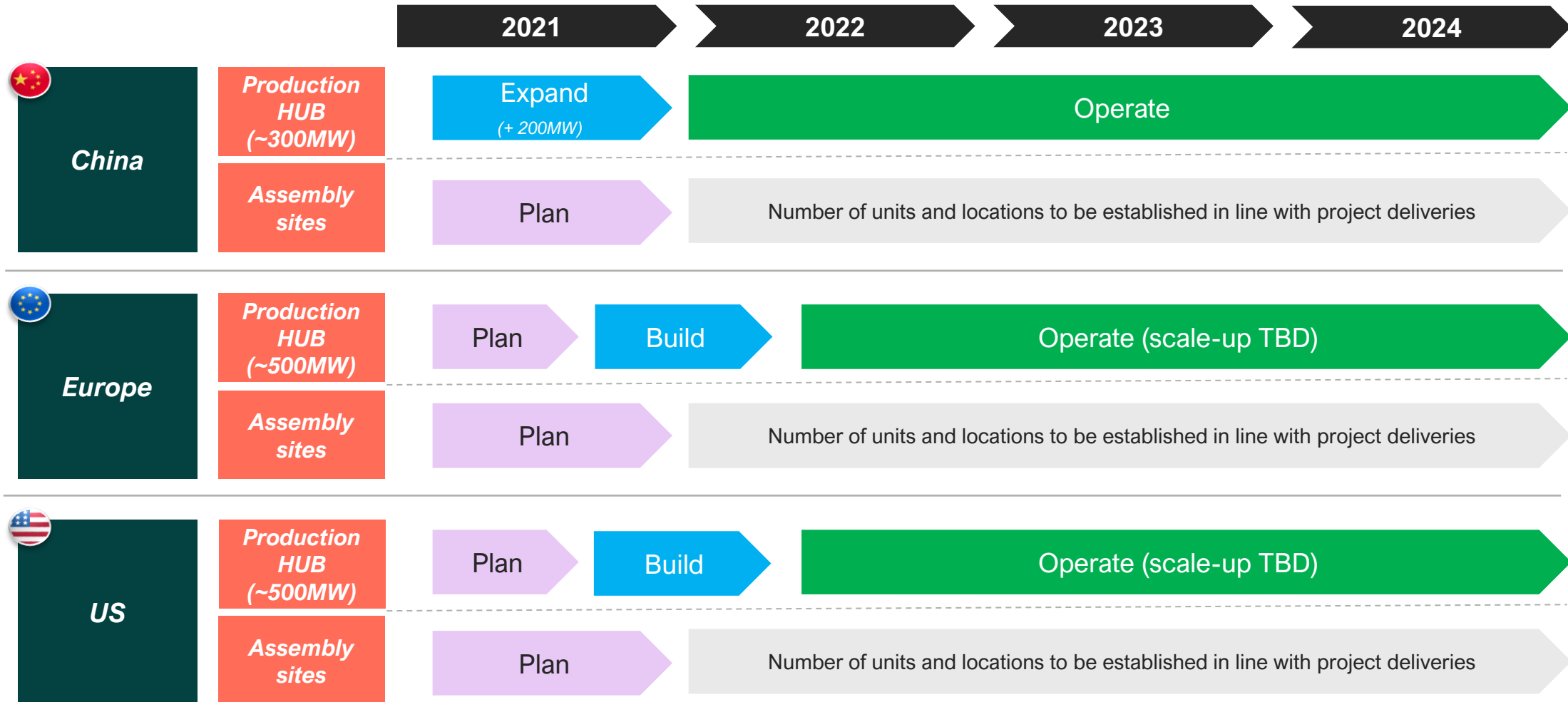
Project	Status
 <u>H2V Normandy and Dunkirk</u> Phase I: 100 MW each	<ul style="list-style-type: none">▪ Approval process of both projects with applications being based on HydrogenPro technical solution, ongoing with French authorities▪ H2V continues to work with subsidised financing arrangements, both EU and French▪ Normandy: Air Liquide announced 40% ownership of the Normandy project on 8 February 2021▪ HydrogenPro ready to launch comprehensive ITB process for sub-suppliers for both the Dunkirk and the Normandy project, pending co-ordination of timing with client H2V
 <u>DG Fuels</u> Phase I: 120 MW	<ul style="list-style-type: none">▪ Long-term offtake agreements for parts of the planned production have been entered into▪ Long-term pricing of environmental credits related to synthetic fuel in progress▪ DG Fuels have mandated a leading investment bank to raise equity and project financing▪ Contract for detailed engineering work with a large engineering company to be finalised
 <u>Mitsubishi Power</u> Phase I: 33 MW	<ul style="list-style-type: none">▪ The US accelerates its zero carbon targets and green hydrogen will play a key role in the energy transition▪ Mitsubishi key sponsor and participant in HYDEAL North America▪ Continuous and frequent dialogue about Phase I development
 <u>Repsol MOU</u> Phase I: 100 MW	<ul style="list-style-type: none">▪ It was announced in May that Repsol was not awarded Green Deal funding for the 100MW Petronor project▪ Dialogue and further exploration of opportunities with Repsol continue

Global fabrication set-up to maintain cost leadership and ensure high local activity in end-markets



- *Three main production HUBs, located in Europe, US and APAC*
- *5-7 assembly sites in each HUB region, close to end-markets*
- *Location of HUBs will be influenced by mega-scale projects*
- *Short - medium term target of >1GW annual production*

Global roll-out plan



Current organisational capabilities and on-going build-up activity

Board of Directors

- Experienced and internationally oriented board of directors with significant experience from industry development, QHSE, EPC & project execution, partnerships and consortium co-operation, financing etc. to support and guide management in company scale up

Management & organisation

- Base organisation including design and engineering, sourcing & supply chain and & project execution in place. On-going additional recruiting from Norwegian & international EPC and supplier industry.
- Established network of subcontractors within project, engineering, construction and commissioning for scale-up and project staffing
- Currently on-boarding competent and experienced staff from commissioning and operations of electrolyzers. Presently personnel based in Norway and China to provide world-wide support
- Currently developing selective R&D and innovation projects with world class competence based in Norway, Denmark and China
- In the process of completing QHSE organisation build-up and implement ISO standards (to be completed 3Q 2021)

Partnerships

- Actively participate in partnerships to fast-track global upscaling of the company
- Open attitude to partnerships within fabrication, technology, EPC & system integration, power producers, owners, developers, industrial users etc
- Seek strong Norwegian partnerships and identifying opportunities to broaden the relationship to create a leading Norwegian hydrogen hub

***Our ambition:
#1 large-scale
hydrogen
production
systems player***



Hydrogen pro

www.hydrogen-pro.com