

HydrogenPro

Q2 2021 presentation

Mårten Lunde, CEO

Martin Thanem Holtet, CFO

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Agenda

I. Highlights

II. Finance

III. Business update

Momentum building up in key markets and factory for next generation electrode technology completed

Highlights from report

- Fabrication plant for HydrogenPro's own proprietary next-generation electrode technology in Denmark completed – starting full-scale test production
- Test and R&D center in operation at Herøya (Porsgrunn, Norway)
- Securing production capacity and continuing to plan international fabrication and supply chains
- Company's key contract opportunities further maturing
- Further expanding co-operation potential in France with H2V and Mitsubishi Power
- Increasing prospect pipeline to even higher levels and projects being further matured
- Accelerated focus on energy transition: “Fit for 55”, IPCC report, IPCEI funding, Biden initiatives etc.
- Scaling up organization, incl. appointment of Chief Commercial Officer (starting 1 Sep 2021)
- ISO certification process ongoing with expected completion Q4 2021
- Robust balance sheet with cash position of NOK 471.2m as of 30th of June 2021

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Q2 2021 - investing in maintaining technology leadership

(NOKm)

INCOME STATEMENT	Q2 2021	Q1 2021	H1 2021
Revenue, incl. other operating income	0.1	0.6	0.7
Raw materials and consumables used	0.1	0.7	0.8
Payroll expenses	2.0	1.7	3.7
Other operating expenses	3.3	3.6	6.9
Adj. EBITDA (excl. non-cash operating expenses)	-5.3	-5.4	-10.7
Non-cash payroll expenses	5.3	2.7	8.0
Non-cash other operating expenses	1.4	-	1.4
EBITDA	-12.0	-8.1	-20.1
Depreciation and amortisation expenses	1.3	1.3	2.7
EBIT	-13.3	-9.5	-22.8
Net financial items	0.0	-0.1	-0.1
Result before tax	-13.3	-9.6	-22.9
Tax expense	-0.2	-0.3	-0.5
Net profit	-13.1	-9.3	-22.4
CHANGE IN CASH BALANCE	Q2 2021	Q1 2021	H1 2021
Cash balance start of period	489.5	506.1	506.1
Adj. EBITDA (excl. non-cash operating expenses)	-5.3	-5.4	-10.7
Investments	-20.3	-2.7	-23.0
Changes in NWC/tax/other	7.3	-8.5	-1.2
Total changes in cash	-18.3	-16.6	-34.9
Cash balance end of period	471.2	489.5	471.2

- Reported EBITDA of NOK -12.0m in Q2 2021 and a net loss of NOK13.1m
- P&L negatively impacted by non-cash effect of option program cost (NOK6.7m)
- Investments of NOK20.3m during the quarter, incl:
 - Next generation electrodes (NOK8.9m)¹
 - Production capacity (NOK8.9m)
 - R&D center at Herøya (NOK 1.3m)
 - H2V projects (NOK 1.2m)
- Scale up of organization continues, incl. recent appointment of Chief Commercial Officer
- >2600 shareholders compared to ~225 at time of IPO in October 2020

1) Next-generation electrodes: in the Q1 2021 report approx. NOK 2.3million was accounted for as a working capital item. This amount is restated as an investment in Q2 2021 report with a corresponding positive working capital impact in the Q2 2021 report

Robust financial position with a clearly defined growth plan

(NOKm)

BALANCE SHEET	Q2 2021	Q1 2021	FY 2020
ASSETS			
Total intangible assets	59.5	56.7	55.3
Total tangible fixed assets	11.6	2.6	2.8
Total financial fixed assets	7.3	0.1	0.1
Total fixed assets	78.4	59.4	58.1
Current operating assets	3.9	5.7	5.7
Cash and cash equivalents	471.2	489.5	506.1
Total current assets	475.1	495.2	511.8
Total assets	553.5	554.7	570.0
EQUITY AND LIABILITIES			
Total equity	533.6	540.6	515.7
Provisions	9.8	10.1	10.3
Total short term liabilities	10.0	4.0	44.0
Total liabilities	19.8	14.1	54.3
Total equity and liabilities	553.5	554.7	570.0

- Cash balance of NOK471.2m as of 30th of June 2021
- Book equity ratio of 96.4%, no interest-bearing debt

Partnership strategy to fast-track build-up of global presence and market awareness ...



... combined with a focused capital deployment plan:

- Supply chain / fabrication
- R&D and innovation: technology front-runner
- Scale-up of the organisation
- Working capital on large-scale projects

Agenda

I. Highlights

II. Finance

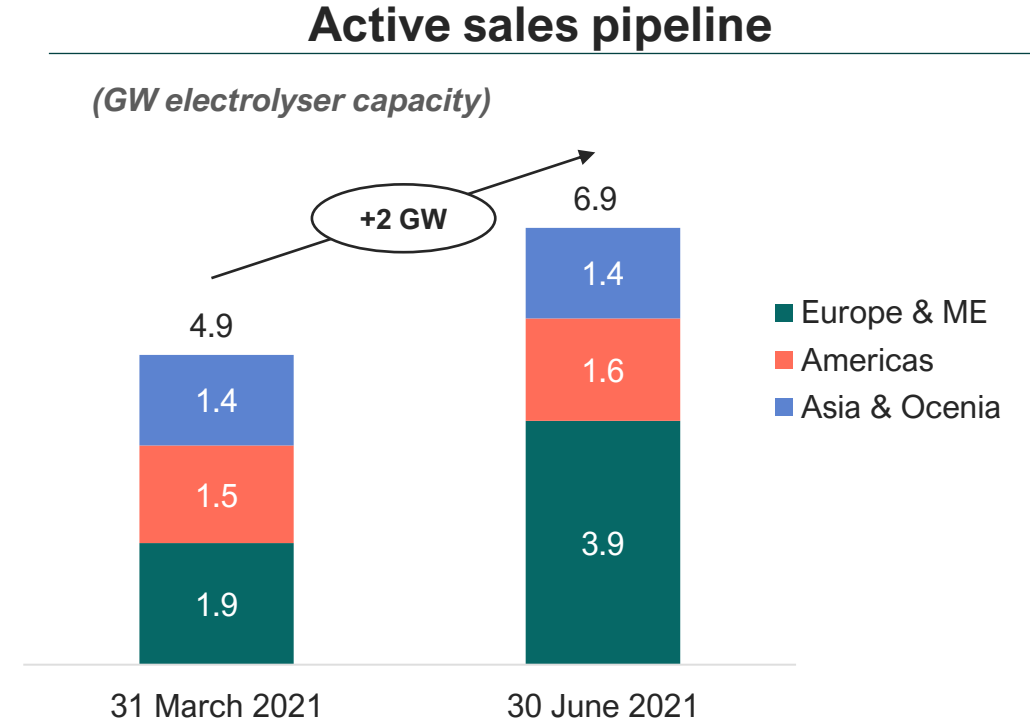
III. Business update



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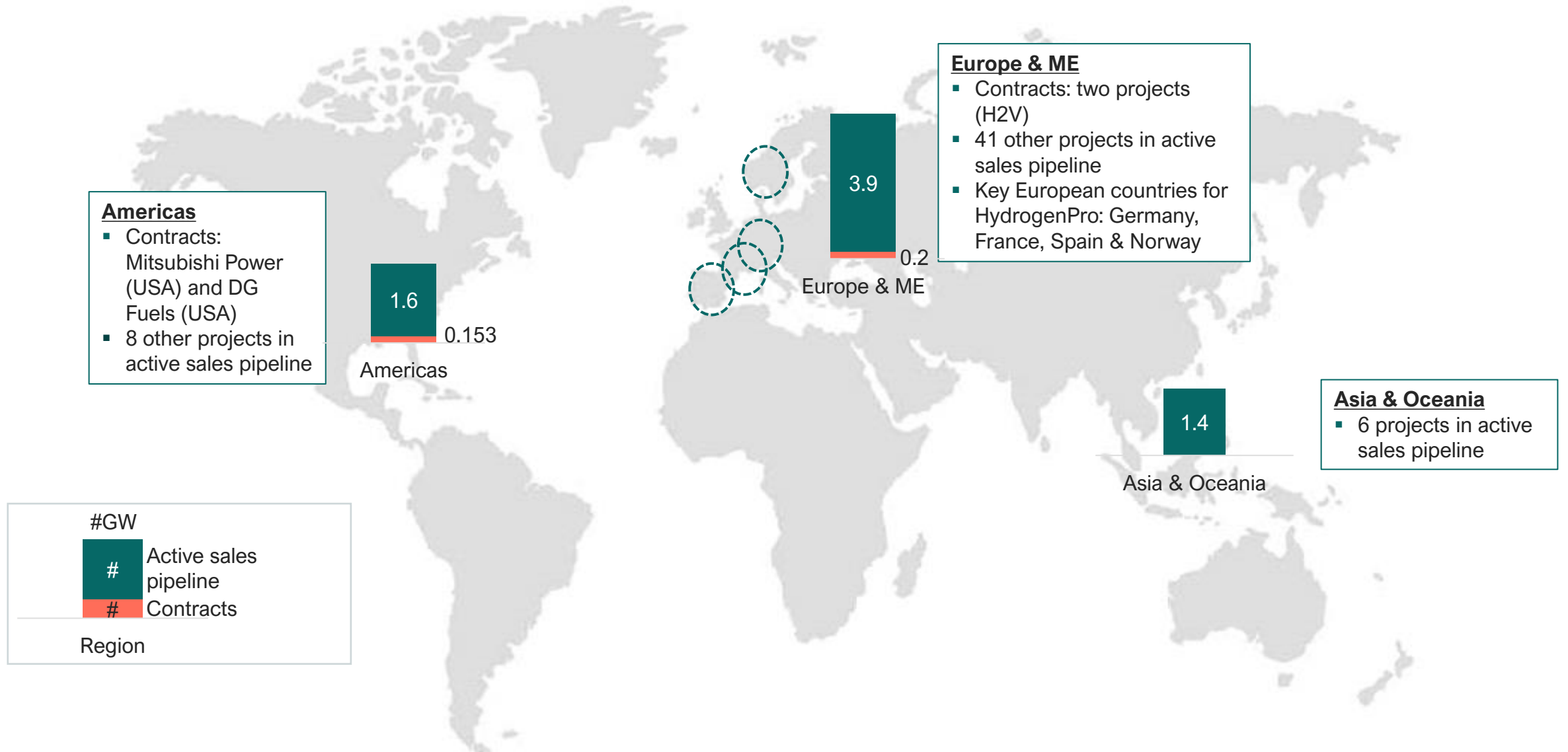
Significant increase in active sales pipeline with several investment decisions expected late 2021/ 2022

- 55 active projects in pipeline¹ vs. 42 active projects as of end Q1 2021
- Increasing project size: avg. size per projects 125MW vs. 117 MW as of end Q1 2021
- Main-end users: ammonia, metal, refineries, power to gas and several other industrial applications
- In addition to the active sales pipeline there are several projects leads and interest from many large industrial players
- High market activity continues into Q3 2021
- Final investment decision on larger projects expected late 2021 and in 2022

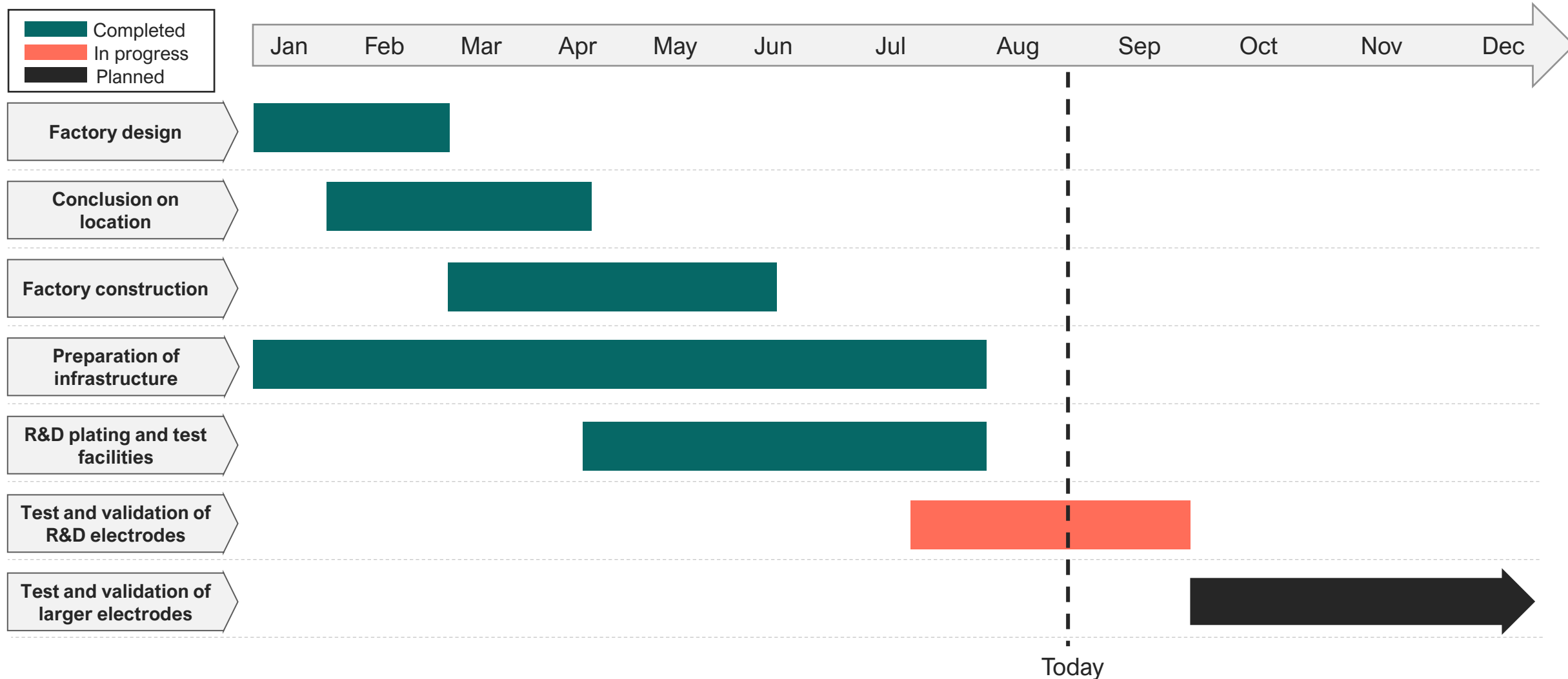


1) H2V projects in Dunkirk and Normandy, DG Fuels and Mitsubishi in US are not included in the sales pipeline

Europe and Americas are our main focus regions



Factory for production of the next-generation electrode in DK is completed - on time and on budget



From an empty building to a fully operational production line in less than 2 months





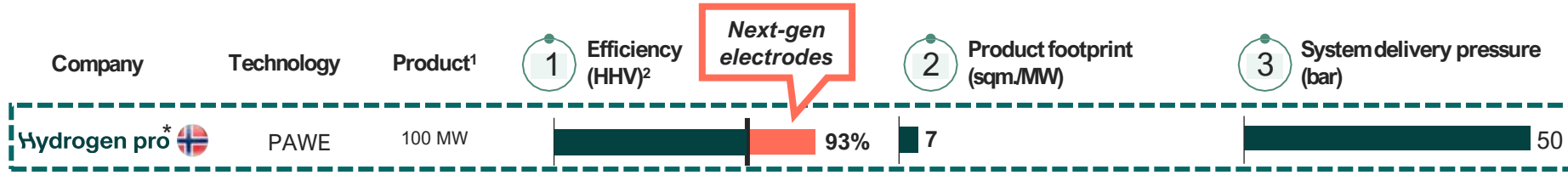
R&D and test facility – Herøya, Norway

- FULL SCALE TEST AND R&D FACILITY IN COMMISSIONING PHASE
- GAS PRODUCED TO BE DELIVERED TO HYNION
- INNOVATION AND TEST FACILITY FOR NEW TECHNOLOGY AND CONFIGURATIONS

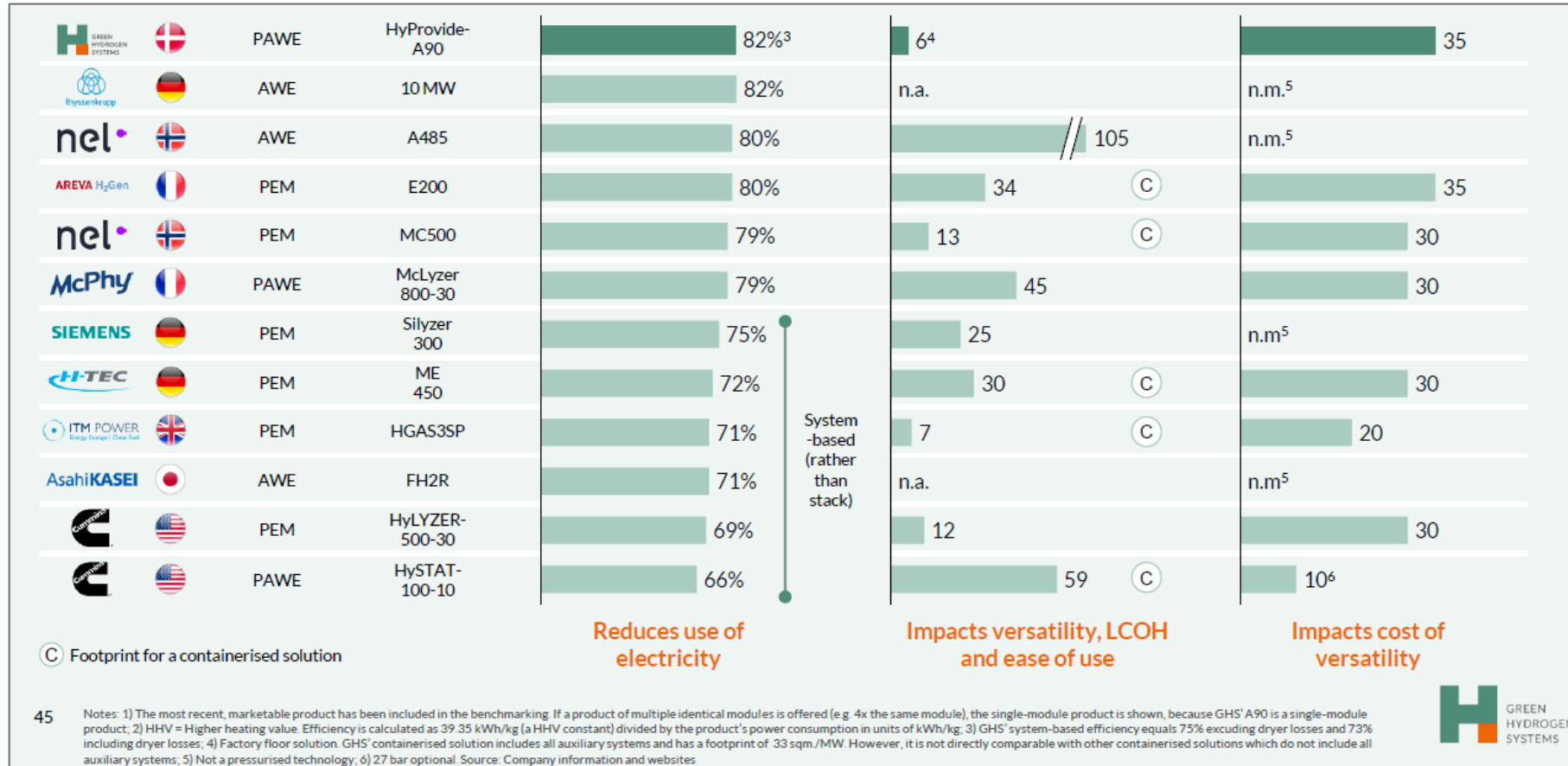


Comparison with competing technologies

Source of competitor data: Green Hydrogen Systems investor presentation (June 2021)



*Source of HydrogenPro technical data: HydrogenPro



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

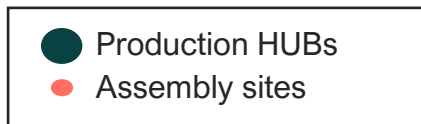
Making green hydrogen competitive to grey hydrogen

- Applying current high pressure alkaline solution
- Combining with the new proprietary electrode technology owned by HydrogenPro
- Increasing the efficiency of the electrolyser to 93% of the theoretical maximum
- Electricity costs amounts to 70-90% of LCOH – efficiency is by far the single most important factor to reduce overall costs
- Scaling up and automatisation will gradually drive down capex and further reduce production costs
- *Without use of noble metals (unlike current PEM technology)*

HydrogenPro takes an industry-leading role in making green hydrogen competitive with fossil-based alternatives

▪ *) Assumes electricity price of USD20/MWh

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*
- *Global supply chain resources to be appointed in key regions in line with global expansion plans - currently located in Norway, Portugal and China*
- *Location of HUBs will be influenced by mega-scale projects*
- *Short - medium term target of >1GW annual production*

Strong public commitment



IPCC report

- UN Secretary-General António Guterres: “**Code red** for human driven global heating”
- Co-Chair of IPCC working group Panmao Zhai: “Stabilizing the climate will require strong, rapid, and sustained reductions in greenhouse gas emissions, and reaching net zero CO2 emissions”



EUs “Fit for 55” will have a significant impact for green hydrogen

- Overall renewables target increased from 32% to 40%
- Daryl Wilson, executive director of the Hydrogen Council: “Low-carbon hydrogen production capacity will exceed 10 million tons p.a. by 2030, an increase of over 60% on February reported project level. The majority of the production capacity is expected to come from renewable energy sources”



IPCEI and Green Deal

- IPCEI: accelerate the hydrogen technology & markets in Europe, state aid funding of up to 100 % of the eligible cost possible
- Green Deal: One third of the 1.8 trillion Euro investments from the NextGenerationEU Recovery Plan, and the EU’s seven-year budget will finance the European Green Deal



Biden’s initiatives

- A comprehensive climate action plan in place, incl. a new task force of 21 agencies and departments to “enable a whole-of-government” approach to climate
- A large infrastructure bill pending in the U.S. Congress

HydrogenPro is attractively positioned in a fast-growing market

- ✓ Technology leadership: owner of next-generation electrode technology ready for market in 2022
- ✓ Partnership strategy to fast-track global upscaling
- ✓ Global fabrication set-up
- ✓ Growing momentum in projects and sales pipeline
- ✓ On-going build-up of an international organization
- ✓ Strong public support commitments globally



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