

An aerial photograph of a river with white water rapids, showing turbulent, frothy water cascading over rocks. The water is a mix of white and deep teal colors.

# Hydrogen pro

**Pareto Securities' Power & Renewable Energy Conference  
3<sup>rd</sup> of February 2022**

**Martin Thanem Holtet, CFO**



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# Agenda

- I. Introduction
- II. Market update
- III. Our offering
- IV. Business update
- V. Summary

# Hydrogen pro

- in brief

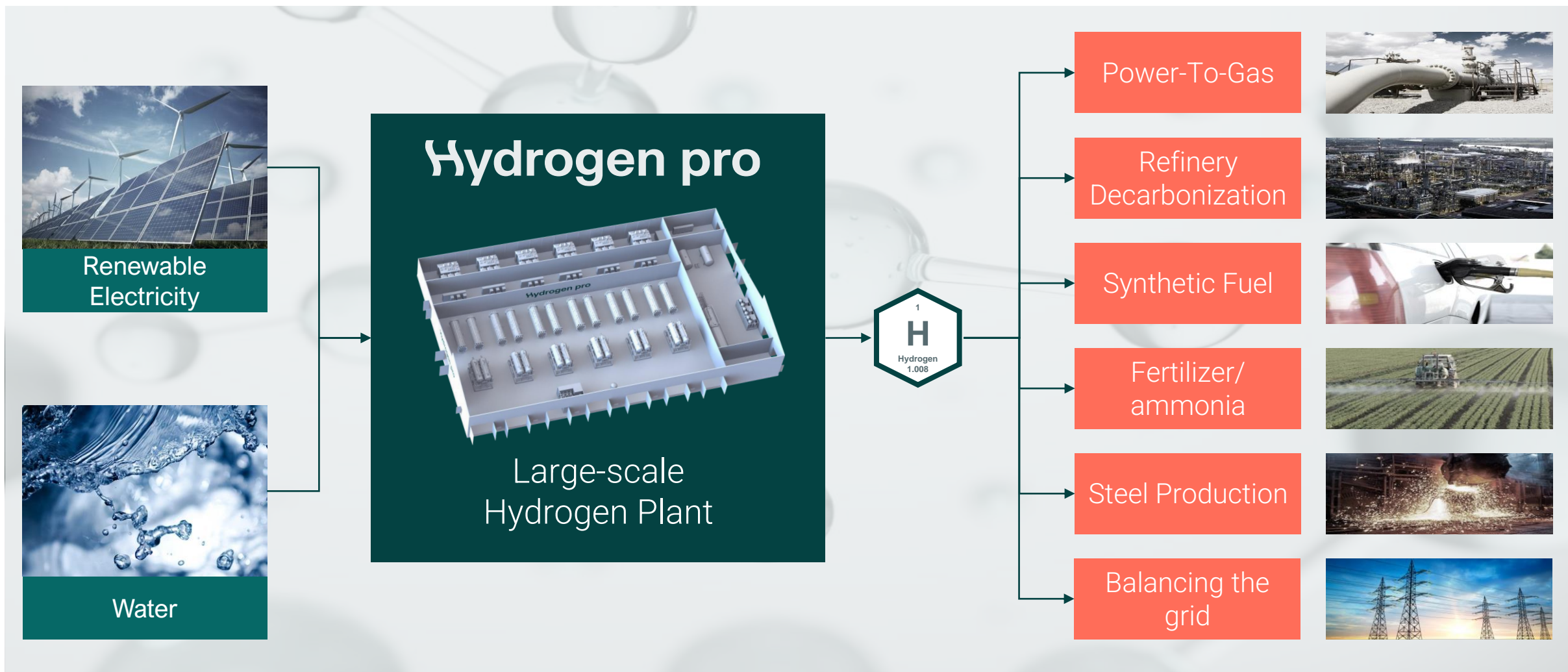
- ✓ Founded 2013 by core team with several years of experience from electrolyser industry from Norsk Hydro
- ✓ Headquartered in Porsgrunn, Norway
- ✓ Core technology developed through a combination of Norwegian and Chinese electrolyser competence and experience
- ✓ 300MW annual production capacity - Q2 2022
- ✓ Ownership of next-generation electrode technology reducing hydrogen production cost significantly
- ✓ Partnerships with Mitsubishi Power and ABB

# HydrogenPro signed >USD 50 million contract

- On February 2nd, HydrogenPro signed a contract for an initial delivery of 40 electrolyzers to Mitsubishi Power Americas, Inc.
- One of the largest electrolyser system contracts ever placed
- Initial value of the contract exceeds USD 50 million for HydrogenPro's scope of delivery
- The EPC and other system deliverables for a turn-key electrolyser green hydrogen production plant will be supplied by other companies
- The green hydrogen will be consumed for power generation in the U.S.
- The purchase order is dependent on a final investment decision, which is expected in the first half of 2022. A nonrefundable commitment has been made by Mitsubishi Power, enabling HydrogenPro to prepare for production



# HydrogenPro delivers large-scale hydrogen plants





# HydrogenPro to become #1 large-scale provider of green hydrogen production plants

## TECHNOLOGY LEADER

- ✓ Global IP rights for core technologies
- ✓ Owner of next-generation advanced electrode technology, ready for market in 2022
- ✓ HydrogenPro's efficiency advantage is a game changer, reducing levelized cost of hydrogen significantly

## STRATEGIC PARTNERSHIPS

- ✓ Strategic partnership to scale up fast and take a leading position in high-growth markets are ongoing in India, America and Europe
- ✓ Combine key competencies of each party

## GLOBAL FABRICATION STRATEGY

- ✓ China manufacturing 300MW production capacity planned ready 2<sup>nd</sup> quarter 2022
- ✓ Production hubs in Asia, America and Europe to maintain cost leadership and ensure high local activity in end-markets

## HIGHLY SCALABLE PRODUCT OFFERING

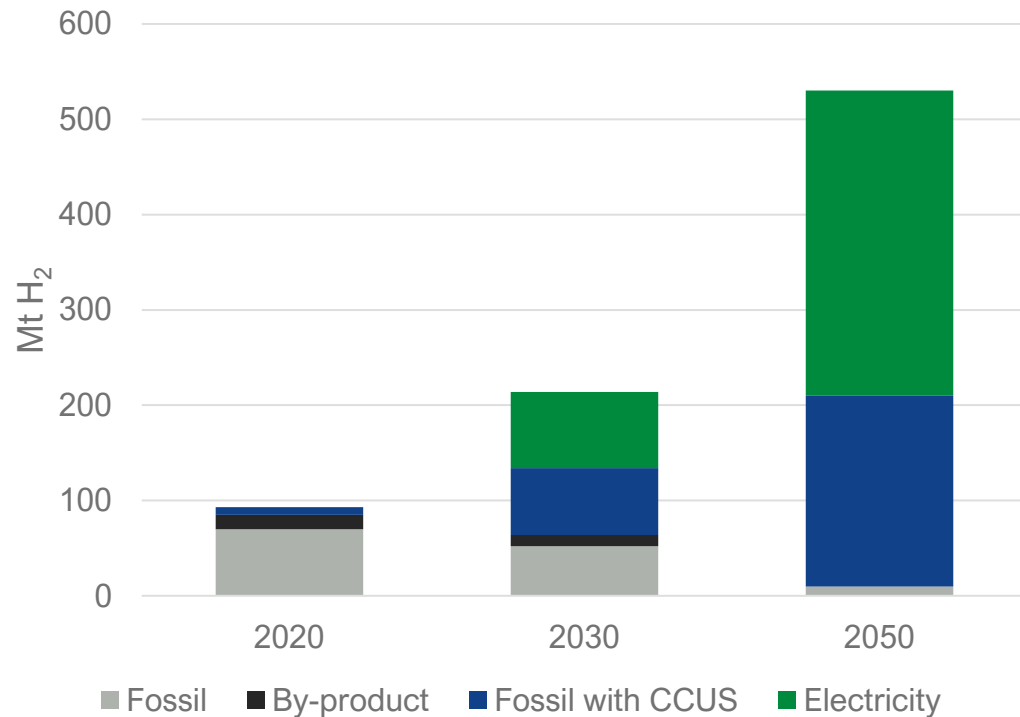
- ✓ Large-scale solutions for a wide range of end-users in all segments and continents
- ✓ Easily scalable to meet end-user criteria
- ✓ Productivity improvements, cost reductions in design & standardization

## LIFE CYCLE PARTNER

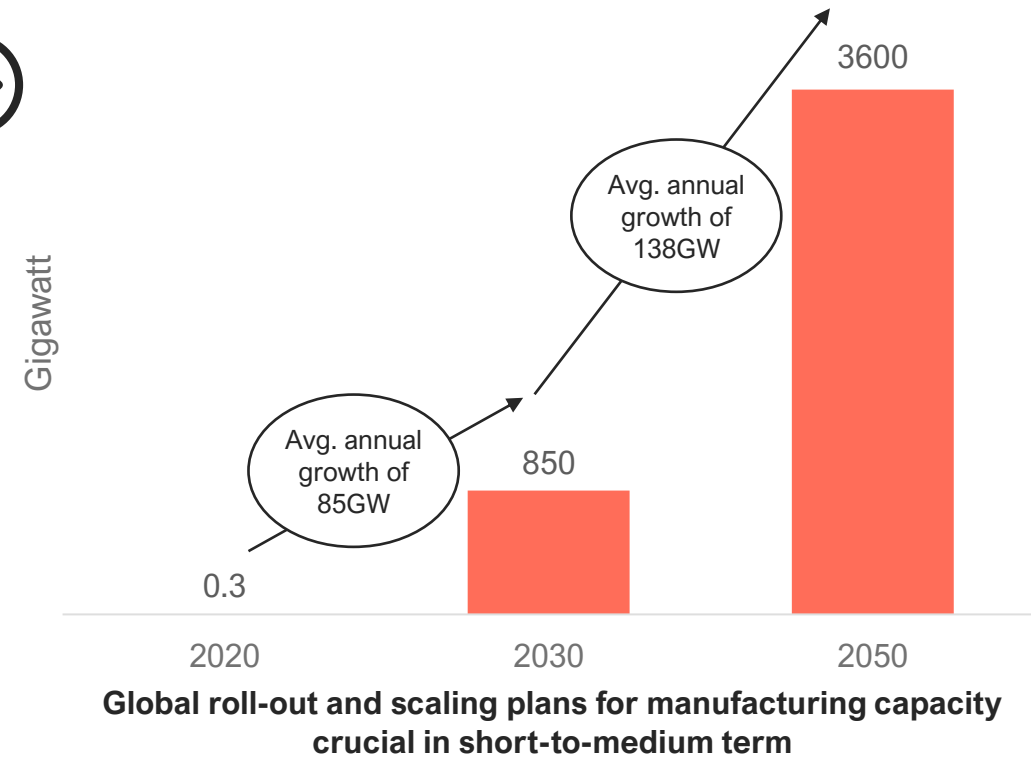
- ✓ Technology and innovation - Design and engineering – Manufacturing - System integration - Commissioning - Maintenance and operation support

# Significant growth required to meet green H<sub>2</sub> demand in IEA 2050 Net Zero Emission Scenario

Source of global hydrogen production<sup>1</sup>



Required electrolyser capacity<sup>1</sup>

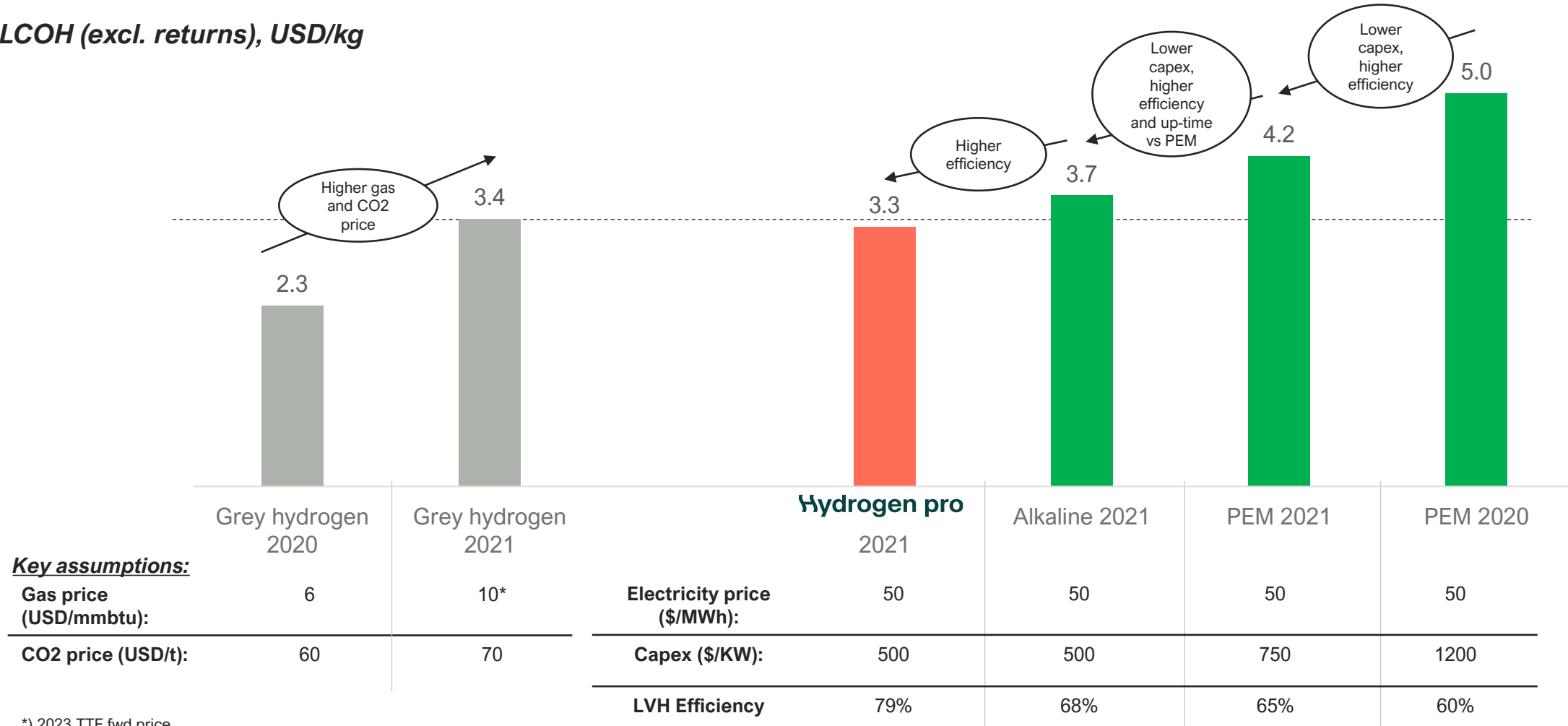


1) Source: IEA report "Global Hydrogen Review 2021"



# Green hydrogen is competitive with grey hydrogen in Europe

LCOH (excl. returns), USD/kg

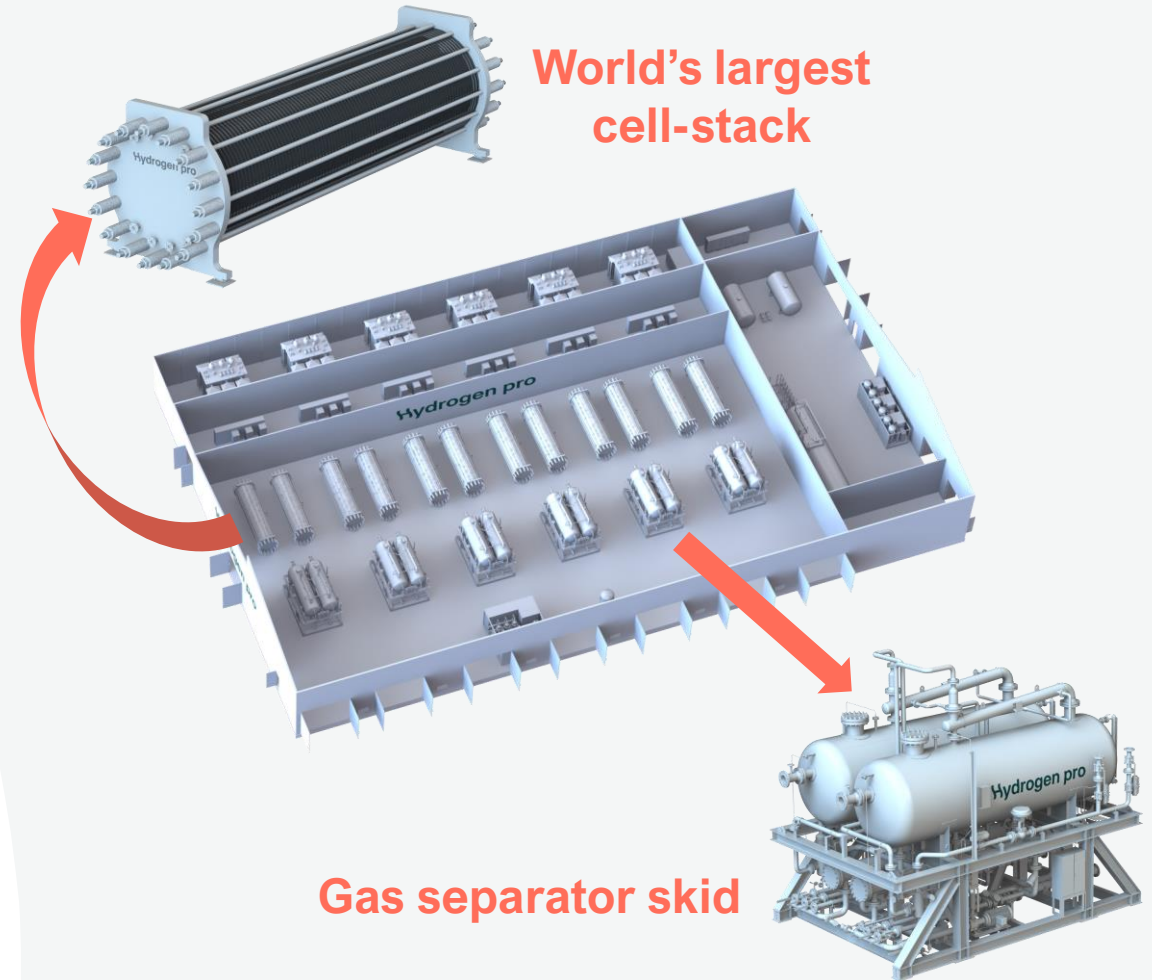


- 1) Source: LCOH calculations on Grey hydrogen, PEM and Alkaline are retrieved from Credit Suisse Sustainable Energy, "Initiating coverage of European Hydrogen & Renewable pure-plays". 16 December 2021. HydrogenPro LCOH based on alkaline LCOH adjusted for efficiency difference with next-generation electrodes (source: HydrogenPro)

# Technology advantages

- High pressure alkaline technology
- Standardized technology for electrolyser production trains
- Plant efficiency
  - Compact size due to pressure and cell-stack size
- Capex efficiency
  - Large scale
  - Design limits of components
  - Modular and standardized
  - Easily scalable with customer requirements
- Opex efficiency
  - Advanced electrode technology
  - Reduced need of cooling water
- Operation window well suited for renewable energy production
- No use of noble metals or polyfluorinated alkyl substances (PFAS)

## Large-scale modular hydrogen plant and core components in the electrolyser production train

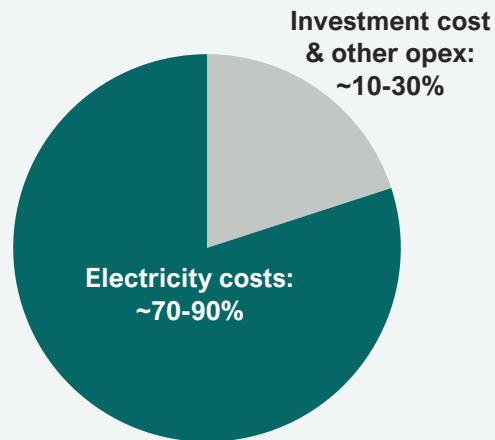




# HydrogenPro's technology reduces cost of hydrogen significantly

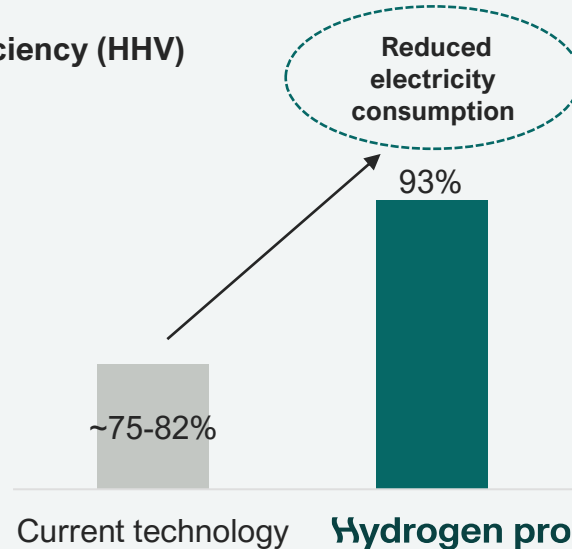
## Electricity is by far the largest cost

### Levelized cost of hydrogen ("LCOH")<sup>1</sup>



## Higher efficiency → lower electricity consumption

### Efficiency (HHV)



## Hydrogen at \$1.2/kg<sup>2</sup>

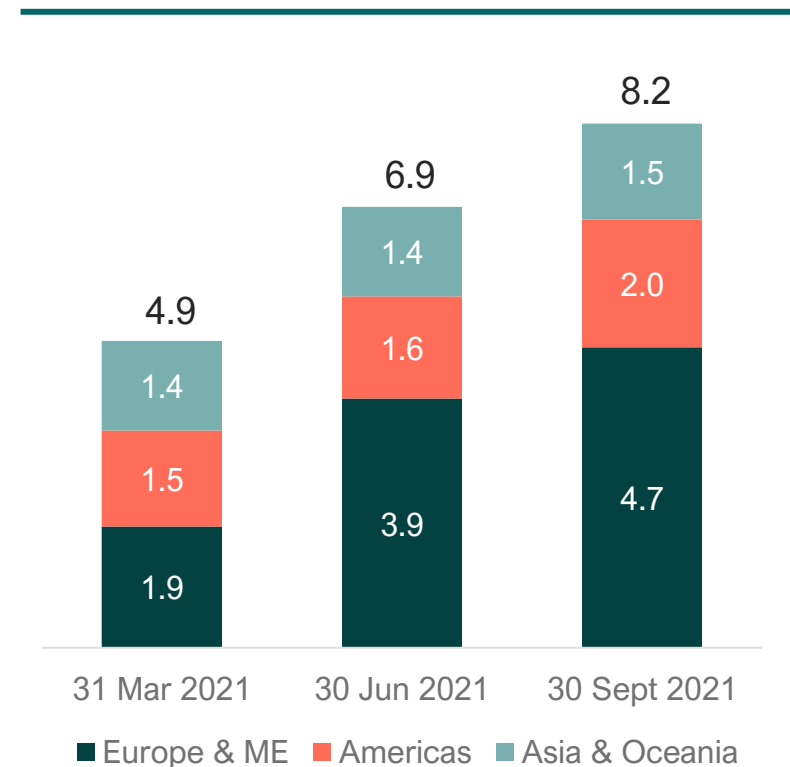
- 75% less cooling water needed
- Scale and automation will gradually drive down capex and further reduce production costs
- Designed for renewable energy sources in production
- No use of noble metals

Ready for market

# Significant increase in active sales pipeline

- 66 active projects in pipeline<sup>1</sup> vs. 55 as of end Q2
- Average size per project: 124MW
- Main end users: ammonia, metal, refineries, power to gas and several other industrial applications
- Several project leads and interest from large industrial players in addition to active sales pipeline
- High market activity continues in Q4
- On 2<sup>nd</sup> of February 2022, HydrogenPro signed a contract with Mitsubishi Power Americas, Inc. The initial contract value exceeds USD 50 million

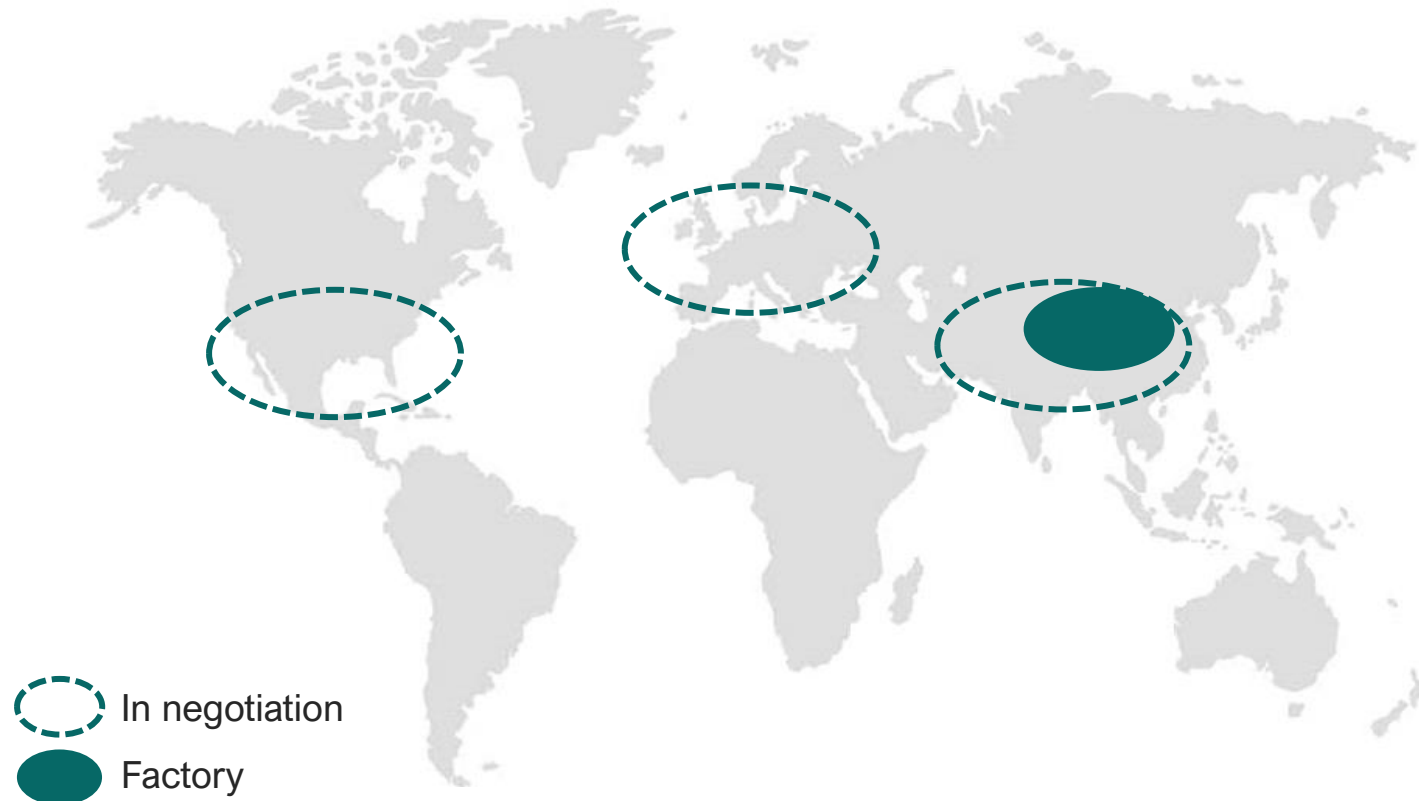
**Active sales pipeline**  
GW electrolyser capacity



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



# Global fabrication set-up to maintain cost leadership and ensure local presence



**First milestone: >1GW global production capacity**

- Preparing for three main production hubs located in Europe, US and APAC
  - China production ready 2<sup>nd</sup> quarter 2022
  - MOU India – preparation of setup ongoing
  - US – negotiations ongoing
  - Europe – negotiations ongoing
- Dynamic, flexible and asset light supply chain
  - Reduces upfront cost related to establishing own fabrication sites
- Partner with world-class fabrication & construction companies
  - Jointly develop supply chain aligned with market demand

# Q3 2021 financials - robust financial position with clearly defined growth path

(NOKm)

INCOME STATEMENT	Q3 2021	Q2 2021	YTD 2021
Revenue, incl. other operating income	8.2	0.1	9.0
Raw materials and consumables used	6.5	0.1	7.3
Payroll expenses	3.1	2.0	6.8
Other operating expenses	3.6	3.3	10.5
<b>Adj. EBITDA (excl. non-cash operating expenses)</b>	<b>-4.9</b>	<b>-5.3</b>	<b>-15.6</b>
Non-cash payroll expenses	3.5	5.3	11.5
Non-cash other operating expenses	2.2	1.4	3.6
<b>EBITDA</b>	<b>-10.6</b>	<b>-12.0</b>	<b>-30.7</b>

## Q3 2021

- Revenues of NOK 8.2 million
- Adj. EBITDA<sup>1</sup> of NOK -4.9m
- Investments of NOK 8.1m
- Cash balance of NOK 443.4m as of 30th September 2021
- No interest-bearing debt, book equity ratio of 97.2%

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 organization

Working capital on large-scale projects

1) Adjusted EBITDA excludes special items, e.g. non-cash impact of incentive program



# HydrogenPro is attractively positioned in fast-growing market

- ✓ **Technology leadership: Owner of the electrolyser technology and next-generation advanced electrodes**
- ✓ **Partnership strategy to fast-track global upscaling**
- ✓ **Global fabrication strategy**
- ✓ **Awarded >USD 50m large-scale H2 plant project. Growing momentum in projects and sales pipeline**
- ✓ **Ongoing build-up of international organization**
- ✓ **Strong public support commitments globally**





# Hydrogen pro

[www.hydrogen-pro.com](http://www.hydrogen-pro.com)