

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

Q4 and Year End 2021 presentation

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15th of February 2022

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Agenda

I. 2021 highlights and achievements

II. Market outlook

III. Our offerings

IV. Business update

V. Finance

VI. 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
- Owns fabrication facilities in Denmark and China
- Partnerships with Mitsubishi Power and ABB

Q4 and Year End 2021 highlights

BUSINESS UPDATE

- Owner of world-leading electrode technology reducing production cost of green hydrogen significantly
- Owner of IP and core technology for production of electrolyser systems

SALES

- Prospect pipeline from 4.9GW Q1 to 12GW Year End
- Contracts
 - Purchase orders for detail engineering and delivery of world's largest single stack high-pressure alkaline electrolyser system
 - Engineering studies for 2 major energy companies
 - DG Fuels project progressing

ORGANIZATIONAL DEVELOPMENTS

- New senior management
- Strengthen Board members
- More than doubled organisation at HQ
- 30+ new employees in China
- ISO certifications

FINANCE Q4

REVENUES

NOK 11.1m

ADJ. EBITDA

NOK -13.1m

INVESTMENTS

NOK 51.8m

CASH POSITION

NOK 382.3m

HydrogenPro signed large scale H2 plant contract

- 2nd of February 2022, HydrogenPro signed a contract >USD 50M for delivery of 40 electrolyzers with Mitsubishi Power Americas, Inc.
- One of largest electrolyser system contracts ever placed
- The electrolyser system will use wind and solar energy sources
- The green hydrogen will be used for power generation, transportation and industrial applications
- The purchase order is dependent on a final investment decision
- A non-refundable commitment has been made by Mitsubishi Power, enabling HydrogenPro to prepare for production

Contract for initial delivery of 40 electrolyzers with a value in excess of USD 50 million

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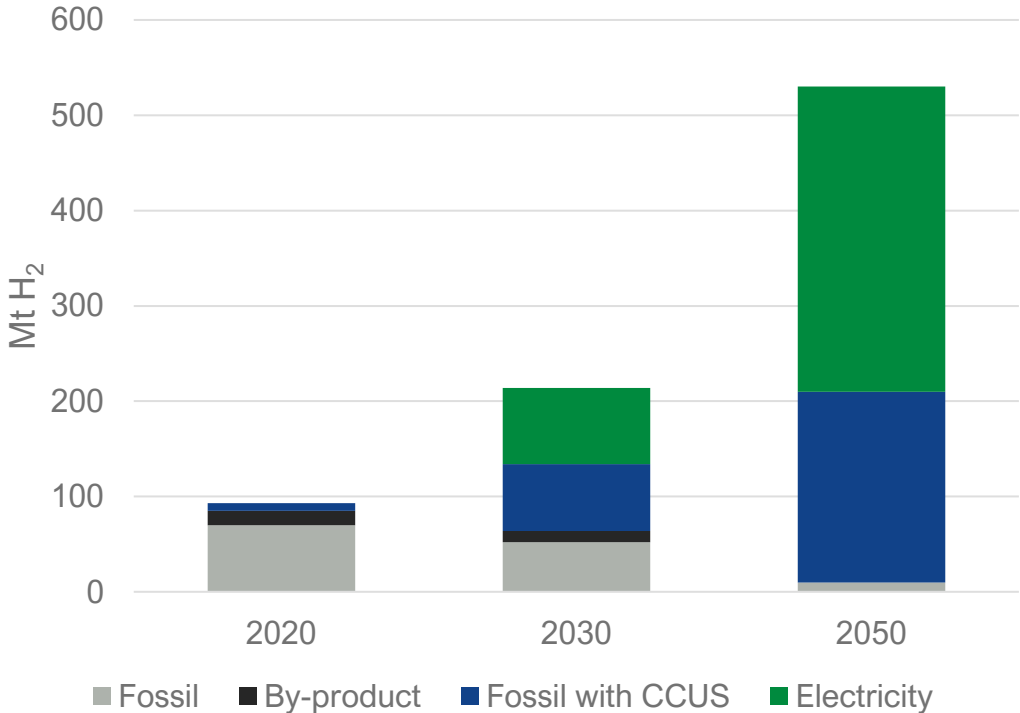
IV. Business update

V. Finance

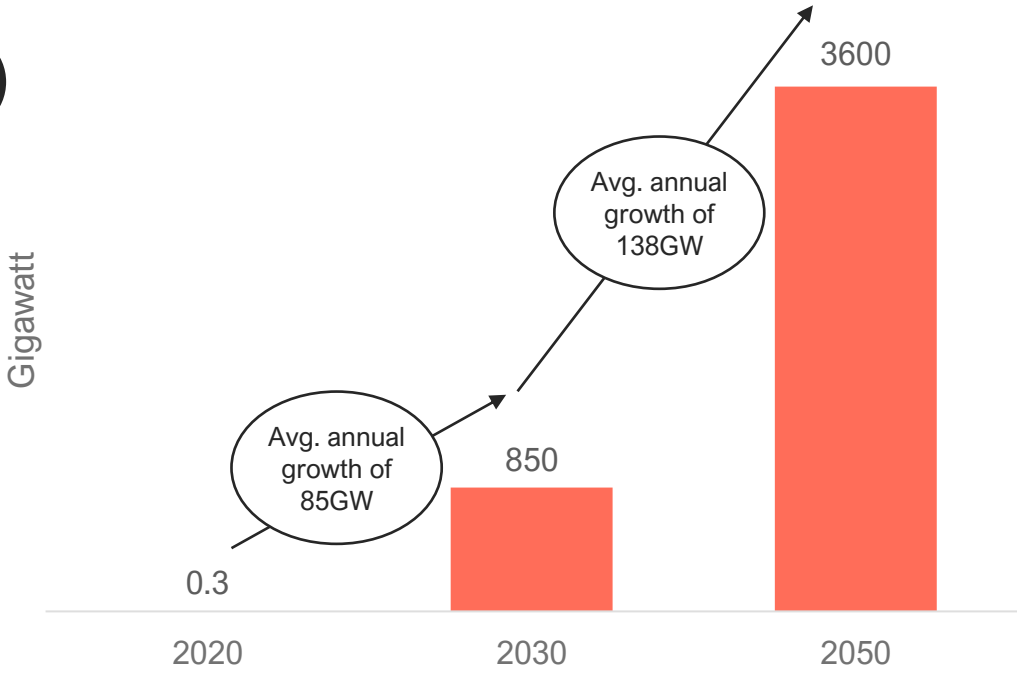
VI. Summary

Significant growth required to meet green H₂ demand in IEA 2050 Net Zero Emission Scenario

Source of global hydrogen production¹



Required electrolyser capacity¹

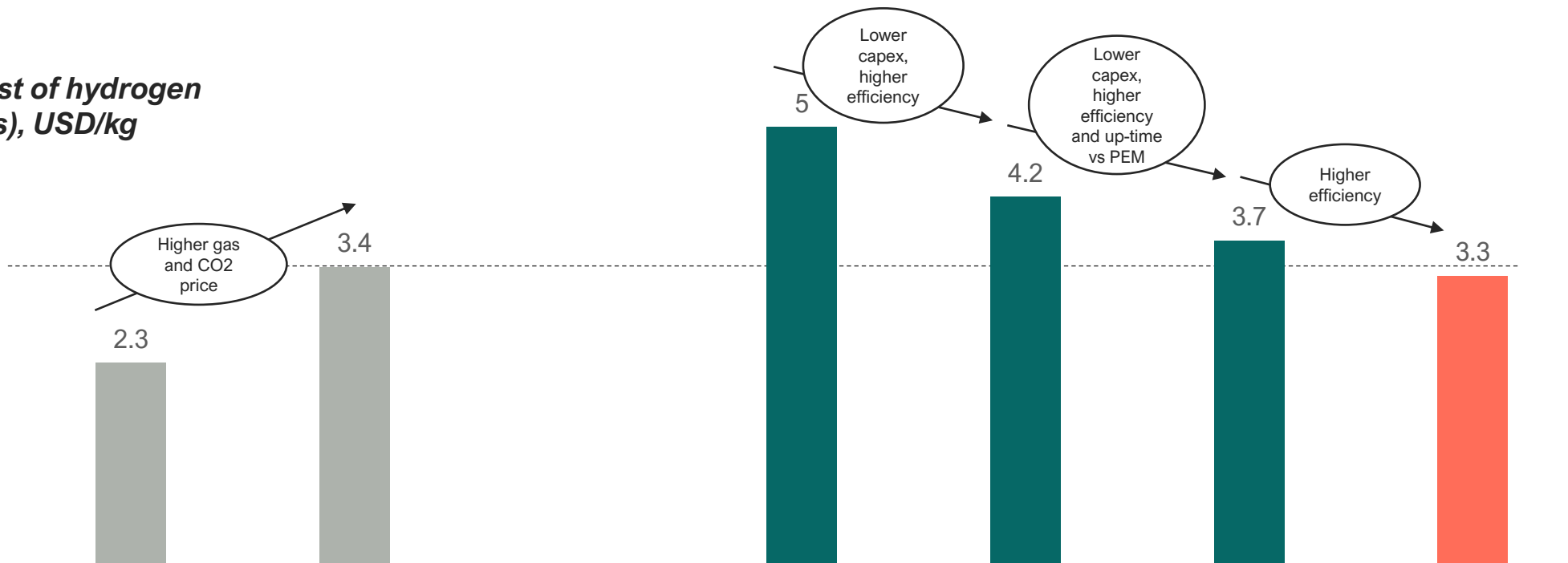


Global roll-out and scaling plans for manufacturing capacity crucial in short-to-medium term

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

Green hydrogen is competitive with grey hydrogen in Europe

**Levelized cost of hydrogen
(excl. returns), USD/kg**



	Grey hydrogen 2020	Grey hydrogen 2021	PEM 2020	PEM 2021	Alkaline 2021	Hydrogen pro
Key assumptions:						
Gas price (\$/mmbtu):	6	10*				
CO2 price (USD/t):	60	70				
Electricity price (\$/MWh):			50	50	50	50
Capex (\$/KW):			1200	750	500	500
LHV Efficiency			60%	65%	68%	79%

*) 2023 TTF fwd price

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)

Public commitments for hydrogen in the energy transition

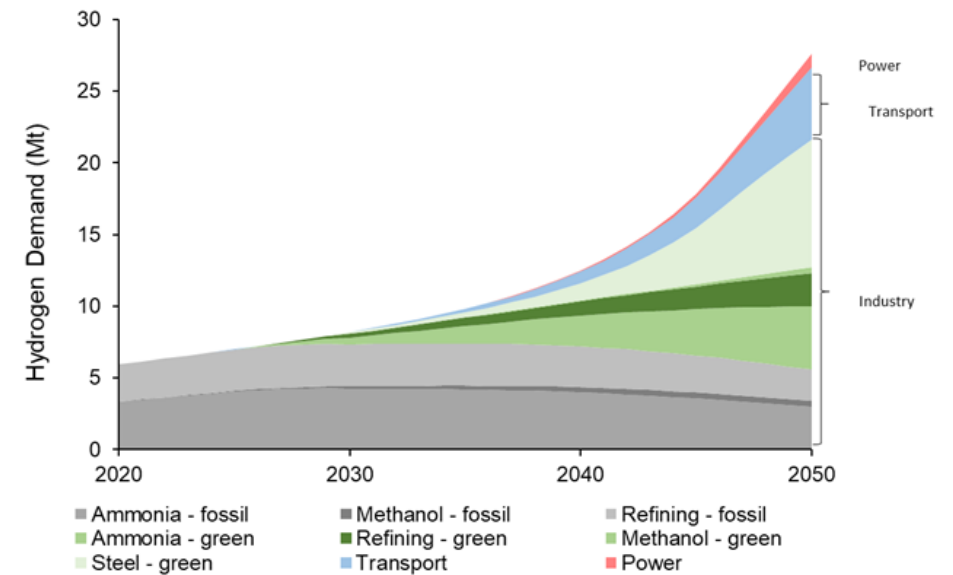
2019

- Only Japan and Korea had released national hydrogen strategies to define the role of hydrogen in their energy systems, France had announced a hydrogen deployment plan

TODAY

- 13 new countries have published national hydrogen strategies on all continents
- The EU deploys 'fit for 55', IPCEI and Green Deal, strategic initiatives
- Italy and Poland released strategies for public consultation
- More than 20 countries are actively developing strategies
- The U.S. committed USD 1.2 trillion infrastructure budget, and USD 8 billion to create four "clean hydrogen hubs"
- Japan committed through "green growth strategy"
- India: *National Hydrogen Mission* launched. Target of making India self-reliant by 2047

Hydrogen demand 2020 – 2050, India



Source: TERI analysis

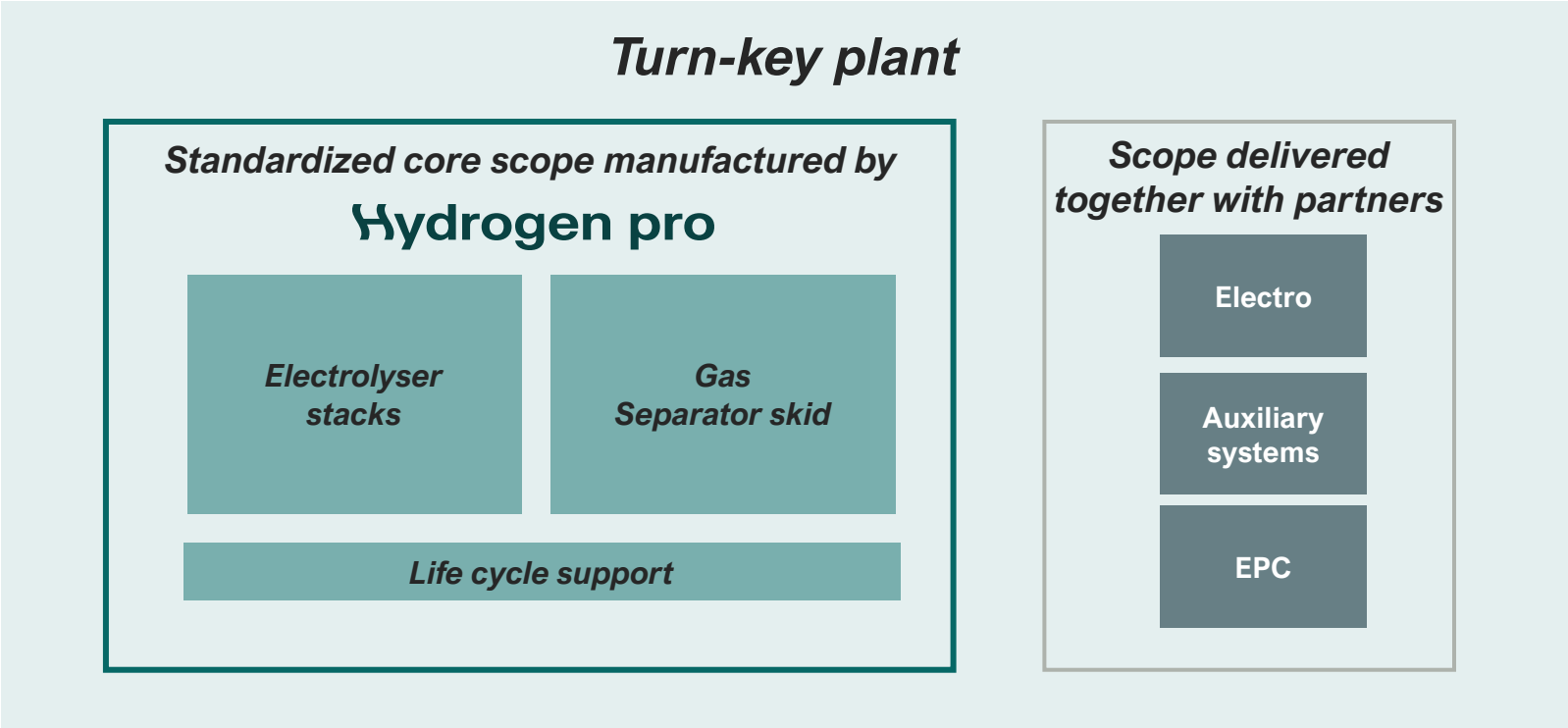
Hydrogen strategies developed in all continents - preparing for rapid hydrogen demand growth

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

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A focused product offering for fast global fabrication scale up

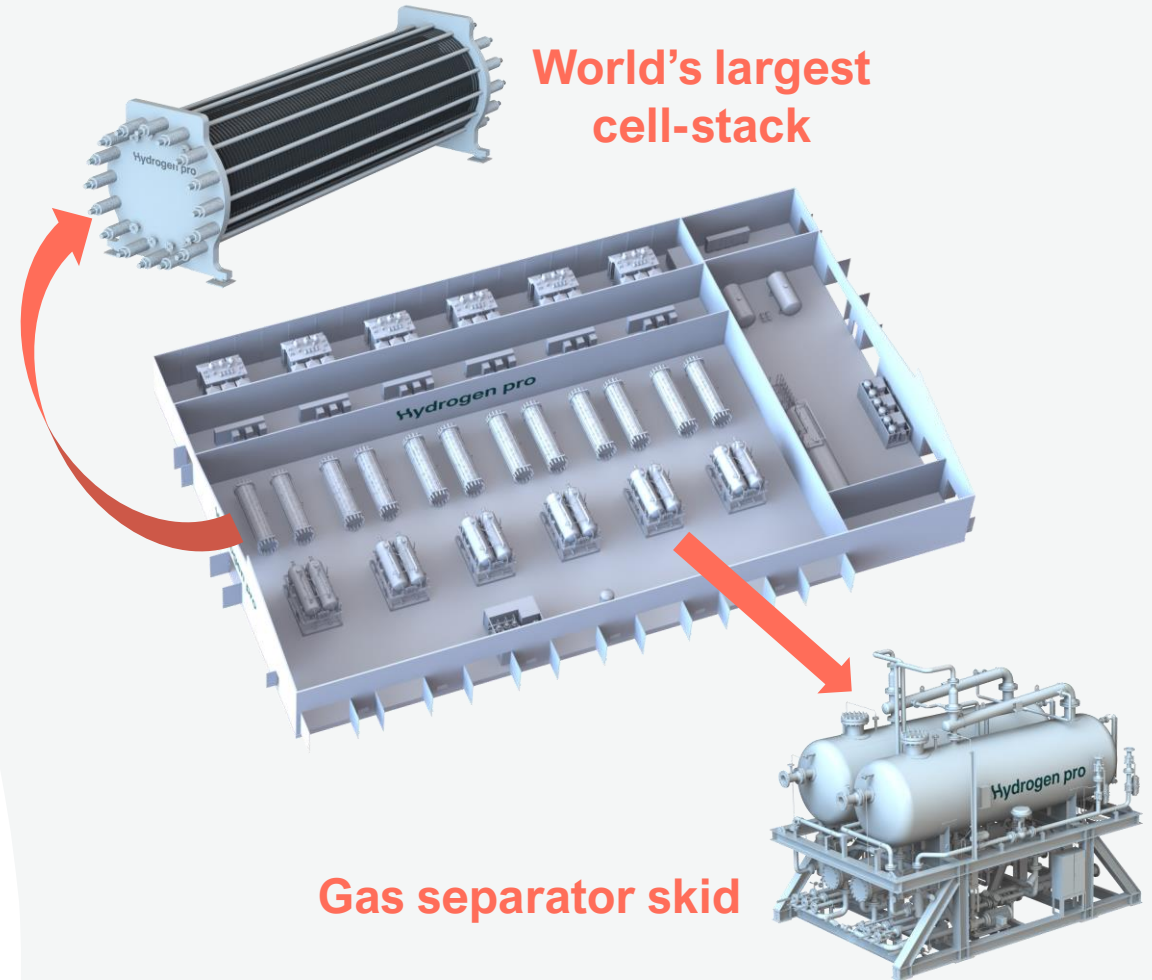


A scalable business model combined with a scalable and modular product offering

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)

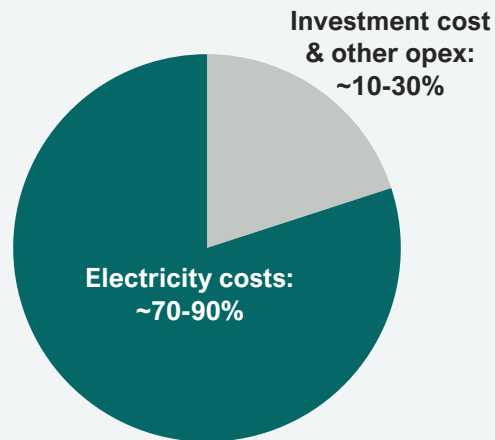
Large-scale modular hydrogen plant and core components in the electrolyser production train



HydrogenPro's technology reduces cost of hydrogen significantly

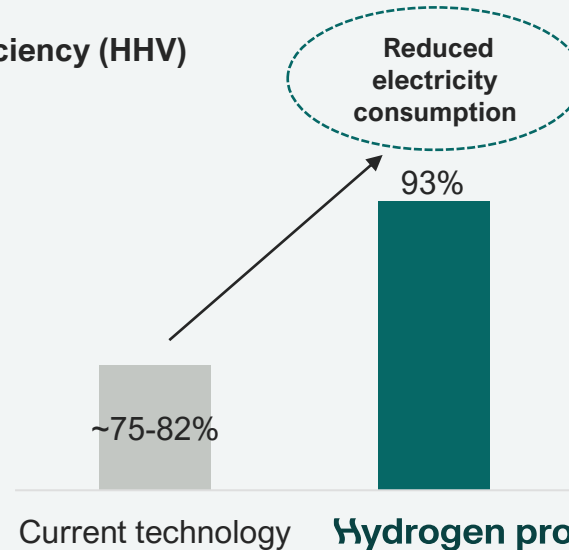
Electricity is by far the largest cost

Levelized cost of hydrogen ("LCOH")¹



Higher efficiency
→ lower electricity consumption

Efficiency (HHV)



Hydrogen at \$1.2/kg²

- 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

Next generation electrodes - ready for market

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2021 achievements – turns 2022 into business growth

2021 – technology achievements

- Completed strategic moves to manufacture and deliver complete electrolyser systems
 - ✓ *Owner of world-leading electrode technology, reducing production cost of green hydrogen significantly*
 - January 2021: acquired Advanced Surface Plating electrode technology in Denmark
 - Completed full-scale fabrication facility year end 2021
 - ✓ *Owner of IP and core technology for production of electrolyser systems*
 - November 2021: acquired technology and fabrication facility in China, to be scaled up to 300MW of annual production capacity

2021 – other key achievements

- Purchase orders
 - Purchase order for the world's largest single stack high-pressure alkaline electrolyser system
 - Engineering study for design verification of larger scale H2 production plant for Mitsubishi
 - Engineering studies for 2 major energy companies
 - DG Fuels: project upscaled to ~800MW, FEL 2 study on-going
- Sales pipeline: from 4.9GW Q1 to 12GW at end of 2021
- Organisation
 - New CEO started 1st of November
 - Strengthened board with three new members
 - CFO, COO and CCO onboarded
 - Several other key resources employed
 - Approx. 30 new employees through acquisition in China (after transaction is closed)
- ISO 9001 (QMS), 14001 (EMS) and 45001 (HSE) Certified

From core technology and fabrication insourcing in 2021 – to sales, contracts and production upscaling in 2022

2021 achievements – turns 2022 into business growth

2022 – sales growth

- First of all: Contract with Mitsubishi Power America, Inc. >USD50million
- Completing the delivery of world's largest electrolyser stack – shipped to Norway in March
- Continue strengthening the organisation
 - Sales resources
 - Project execution resources
 - Other supporting functions
- Contract negotiations on new projects ongoing
- DG Fuels: FEL2 study ongoing. FID Q4
- H2V Dunkirk waiting for FID 2H 2022

2022 – business growth

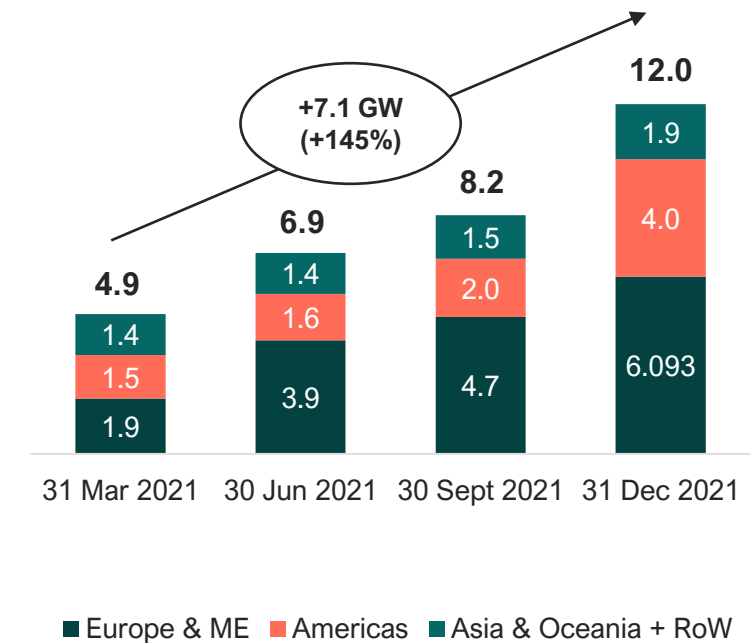
- Global fabrication footprint and local presence
- Scaling-up of China manufacturing capacity to 300 MW p.a.
- Joint Venture set-up for market cooperation and manufacturing preparation.
 - India cooperation with Larsen & Toubro
- Next steps global fabrication roll-out
 - North America: Cooperation and manufacturing set-up – negotiation ongoing
 - Europe: Cooperation and manufacturing set-up – negotiations with large partners ongoing

From core technology and fabrication insourcing in 2021 – to sales, contracts and production upscaling in 2022

Active sales pipeline of 12 GW – up 46% last quarter

- 84 active projects in pipeline¹ vs. 66 as of end Q3
- Up 3.8GW last quarter
- Size of projects continue to increase with avg. size of 143 MW (vs. 124 MW as of Q3 '21)
 - New projects in Q4: Average size 211MW
- 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
- First contract for large hydrogen production plant signed

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

Tianjin factory – Milestone in global manufacturing strategy

- ✓ New head of the factory Jan Henrik Kuhlefeldt
- ✓ 75% owned by HydrogenPro (HydrogenPro China company)
- ✓ Full control over IP and core technology
- ✓ Initial investment of approx. NOK48m
- ✓ Further up-grading of the fabrication facility with new machinery planned in Q2/22. Additional investments of approx. NOK25m
- ✓ 300MW production capacity by Q2/22
- ✓ 34 employees
- ✓ Located in Tianjin, China



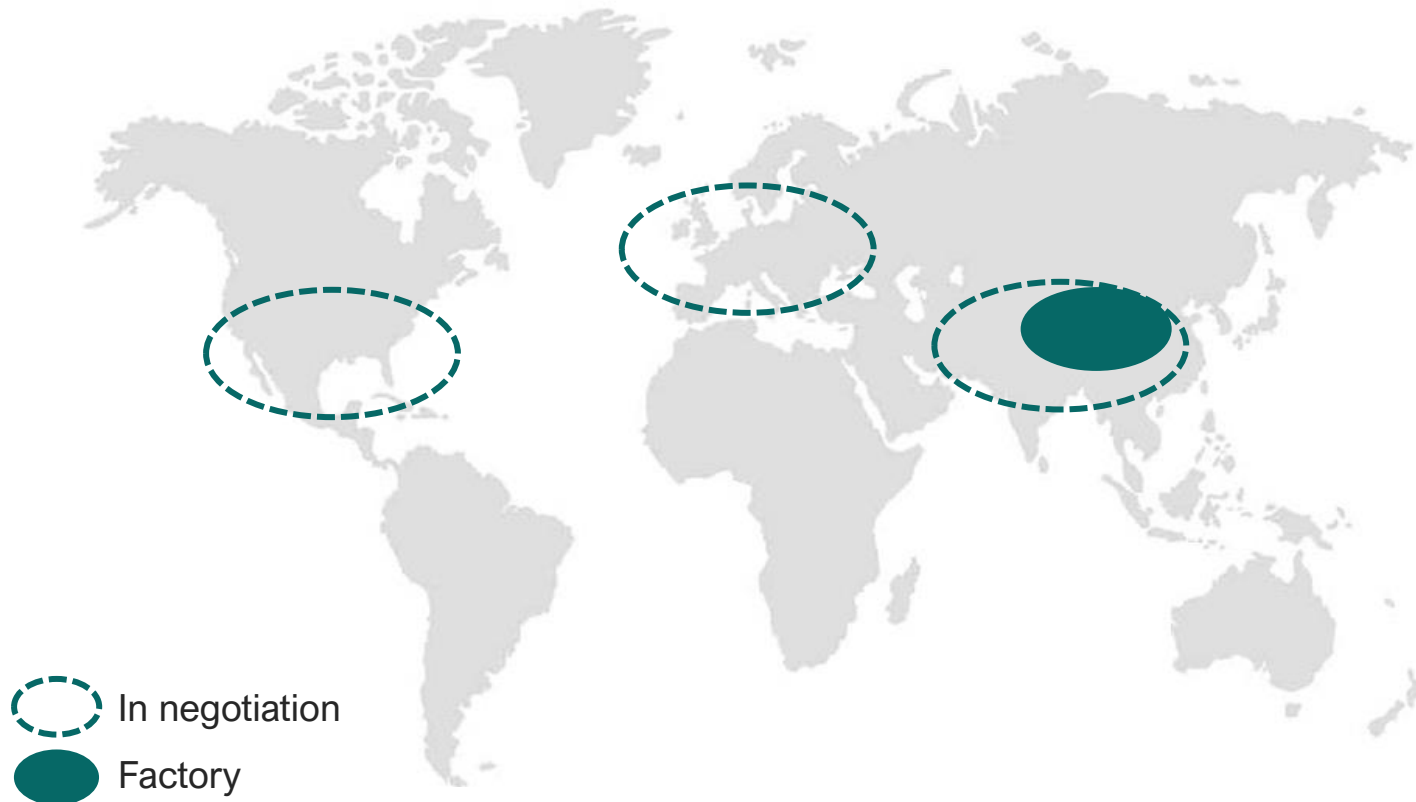
Electrode production facility located in Aarhus, Denmark

- Fabrication facility completed
- Production of electrodes ready for large orders
- Updated test results confirm same level of efficiency advantage, + 14%
- Full-scale test on H₂ plant to be conducted at Herøya, Norway in April



The factory finalized Year End 2021, ready for large orders

Global fabrication set-up ongoing



- Preparing for three main production hubs located in Europe, US and APAC
 - China production ready 2nd quarter 2022
 - MOU India – preparation of setup ongoing
 - North. America – preparation 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

First milestone >1GW global production capacity next year - and preparing for further steps

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Q4 2021 financials

(NOKm)

INCOME STATEMENT	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2021
Revenue, incl. other operating income	11.1	8.2	0.1	0.6	20.0
Raw materials and consumables used	4.3	6.5	0.1	0.7	11.6
Payroll expenses	9.2	3.1	2.0	1.7	16.0
Other operating expenses	10.7	3.6	3.3	3.6	21.1
Adj. EBITDA (excl. non-cash operating expenses)	-13.1	-4.9	-5.3	-5.4	-28.7
Non-cash payroll expenses	3.4	3.5	5.3	2.7	15.0
Non-cash other operating expenses	0.0	2.2	1.4	-	3.6
EBITDA	-16.5	-10.6	-12.0	-8.1	-47.2
Depreciation and amortisation expenses	2.2	1.3	1.3	1.3	6.2
EBIT	-18.7	-12.0	-13.3	-9.5	-53.5
Net financial items	1.4	0.4	0.0	-0.1	1.7
Result before tax	-17.3	-11.6	-13.3	-9.6	-51.8
Tax expense	-0.6	-0.2	-0.2	-0.3	-1.2
Net profit	-16.8	-11.4	-13.1	-9.3	-50.5
CHANGE IN CASH BALANCE	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2021
Cash balance start of period	443.4	471.2	489.5	506.1	506.1
Adj. EBITDA (excl. non-cash operating expenses)	-13.1	-4.9	-5.3	-5.4	-28.7
Investments	-51.8	-8.1	-20.3	-2.7	-82.9
Changes in NWC/tax/other	3.8	-14.8	7.3	-8.5	-12.3
Total changes in cash	-61.1	-27.8	-18.3	-16.6	-123.9
Cash balance end of period	382.3	443.4	471.2	489.5	382.3

- Revenues of NOK 11.1m (recognized in accordance with “percent of completion” principle)
- Adjusted EBITDA¹ of NOK -13.1m, reported EBITDA of NOK -16.5m and a net loss of NOK 16.8m in Q4 2021
- Investments of NOK 51.8m during the quarter, incl:
 - Convertible note to DG Fuels (NOK 25.1m)
 - Technology and production capacity in China (NOK 12.7m)
 - Next generation electrodes (NOK 8.3m) incl. NOK 4.8m mill earn-out related to the acquisition of ASP
 - Other (NOK 5.7m)

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

Robust financial position with clearly defined growth path

(NOKm)

BALANCE SHEET	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2021
ASSETS					
Total intangible assets	65.8	61.3	59.5	56.7	55.3
Plant, machinery and equipment	22.8	16.6	11.6	2.6	2.8
Financial fixed assets	48.0	7.3	7.3	0.1	0.1
Total fixed assets	136.6	85.2	78.4	59.4	58.1
Current operating assets	20.9	14.9	3.9	5.7	5.7
Cash and cash equivalents	382.3	443.4	471.2	489.5	506.1
Total current assets	403.2	458.2	475.1	495.2	511.8
Total assets	539.8	543.4	553.5	554.7	570.0
EQUITY AND LIABILITIES					
Total equity	517.3	528.0	533.6	540.6	515.7
Provisions	10.4	9.7	9.8	10.1	10.3
Total short term liabilities	12.0	5.7	10.0	4.0	44.0
Total liabilities	22.5	15.4	19.8	14.1	54.3
Total equity and liabilities	539.8	543.4	553.5	554.7	570.0

- Cash balance of NOK 382.3m as of 31st December 2021
- Book equity ratio of 95.8% as of 31st December 2021
- No interest-bearing debt
- IFRS reporting implemented from 1st January 2022
- Sustainability report as part of Integrated 2021 report - to be published on 8th April 2022

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



...combined with a **focused capital deployment plan:**

Supply chain / fabrication

Technology and innovation: technology front-runner

Scale-up of the organization

Working capital on large-scale projects

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HydrogenPro is attractively positioned in fast-growing market



HydrogenPro won large scale H2 plant project >USD50million. Growing momentum in projects and sales pipeline



Technology leadership: Owner of the electrolyser technology and next-generation advanced electrodes



Partnership strategy to fast-track global upscaling



Global fabrication strategy



Ongoing build-up of international organization



Strong public support commitments globally

Q&A

An aerial photograph of a ship's wake in the ocean, showing white foam and churning water. The image is partially obscured by a dark teal circular shape on the right side.

Hydrogen pro

www.hydrogen-pro.com