

Pure Performance | Pure Efficiency | Pure **Power**

Hydrogen pro

Q2 2023 presentation:

Delivering strong results in technology development, revenue, and manufacturing, creating a solid foundation for further global expansion

15 August 2023

CEO Jarle Dragvik
Head of Technology Richard Espeseth



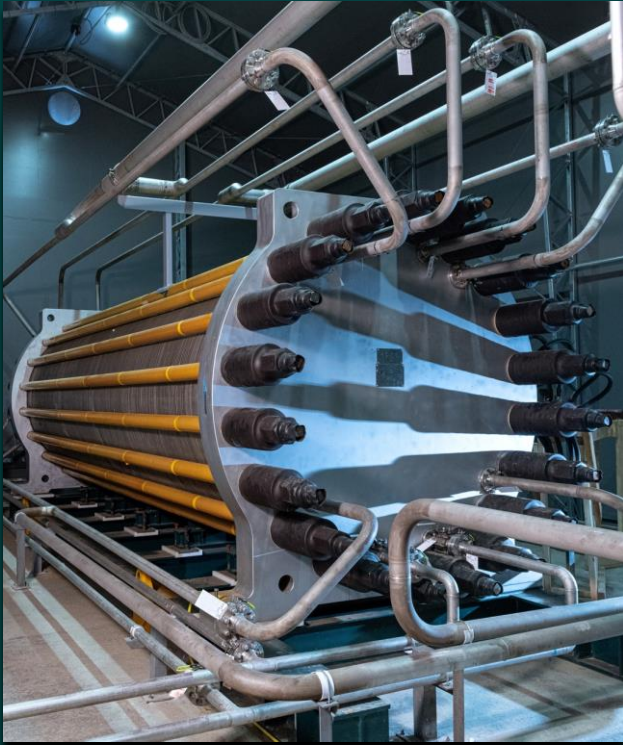
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Agenda

- I. Highlights and financial update
- II. Revised priorities
- III. Technology update

HydrogenPro is a global provider of market-leading, large-scale green hydrogen technology & systems



1

The world's largest electrolyser

2

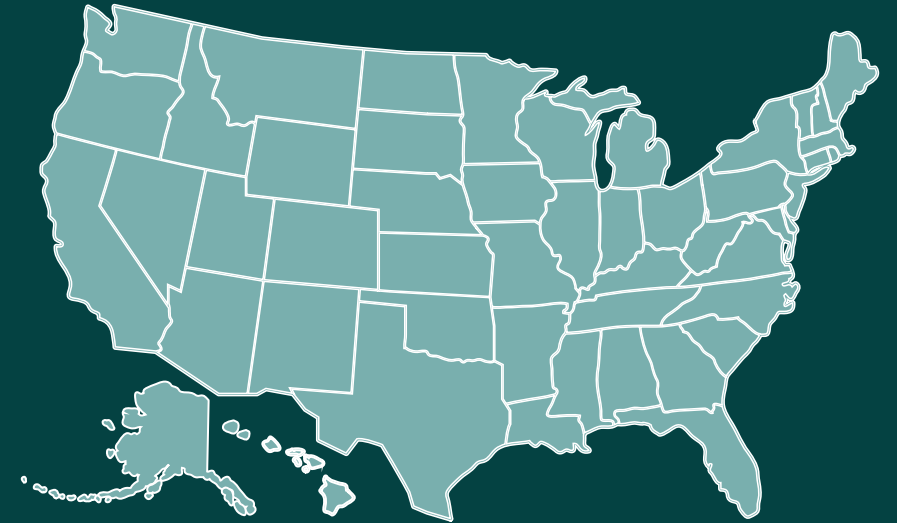
Game-changing electrode technology



Market-leading levelised cost of hydrogen

Revised priorities to accelerate expansion and grow shareholder value

1. Seek alternative funding sources and partnerships to reduce need of issuing new shares in current market
2. Utilize current investor interest in green hydrogen in the US
3. Demonstrate HydrogenPro's market leading efficiency
4. Accelerate the build-up of a global leading position
5. Maintain position as technology leader by enforcing R&D efforts
6. Adapt and develop the organization





I. Highlights and financials

Hydrogen pro

Achievements and major developments

1

Revenues of NOK 137 million **up 64 %** from Q1 2023

2

Gross margin of **21.6%**, stable development from Q1 2023¹

3

Completed private placement of **NOK 120 million** for initial phase of US expansion

4

Test of 3rd gen technology shows **results in line** with expectations

5

HydrogenPro and ANDRITZ enters **strategic partnership**

Subsequent achievements and major developments

6

Manufacturing capacity increased from **300 MW to 500 MW**

7

FEED-study contract with **ANDRITZ** on **200 MW factory**, expected FID Q1 2024

8

DG Fuels FEL 3 study for **839 MW** Louisiana plant fully financed and initiated

9

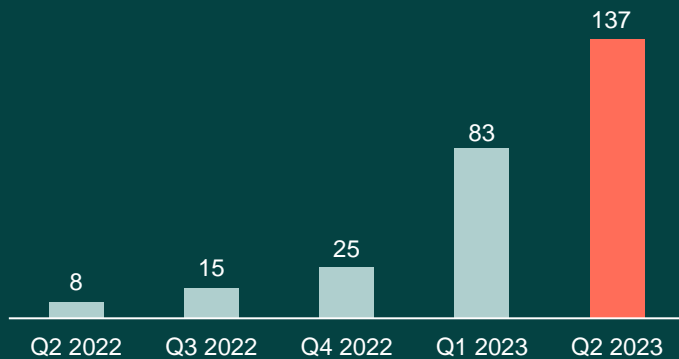
Strategic change of CEO to **fully throttle US expansion**

Q2 2023 financials

UNAUDITED FIGURES

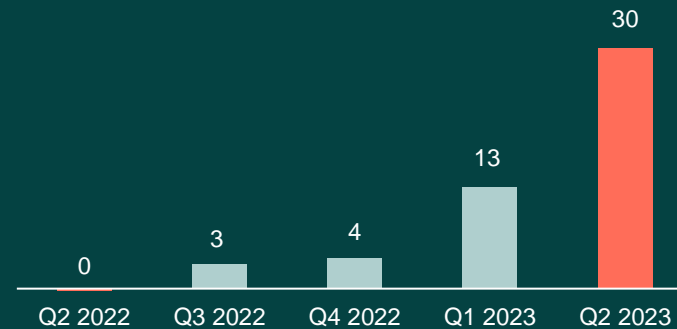
Revenues

(NOK mill)



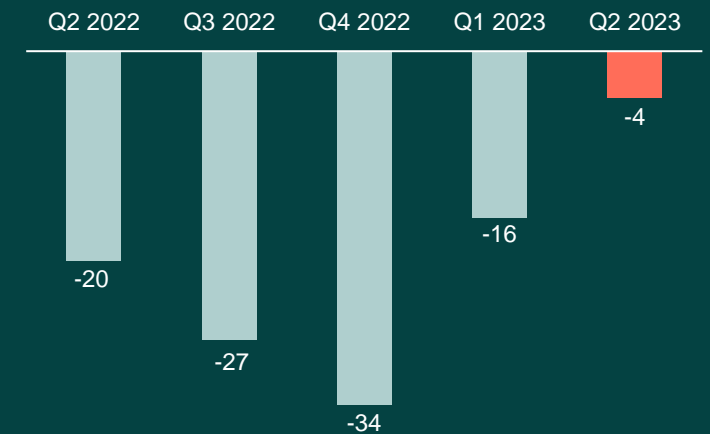
Gross profit

(NOK mill)



Adj. EBITDA¹

(NOK mill)



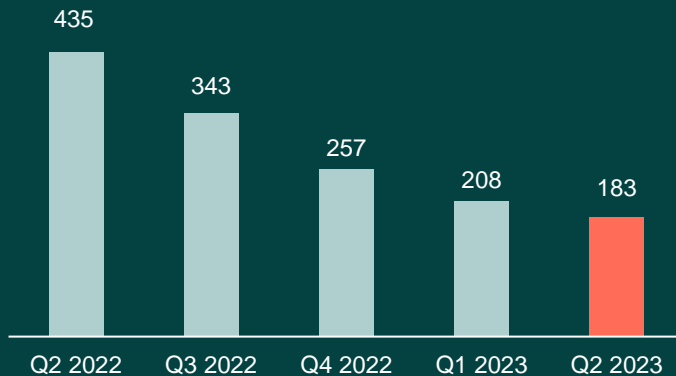
- Net profit of NOK 6.5 million due to financial income of NOK 21 million (fair value measurement of convertible receivable)
- Backlog of NOK 548 million as of 30 June 2023. Engaged in FEED studies totalling >1250 MW
- Reiterating outlook: HydrogenPro to recognise ~90% of the ACES contract revenues (>\$50M) by the end of 2023 - with a healthy project margin

Q2 2023 financials

UNAUDITED FIGURES

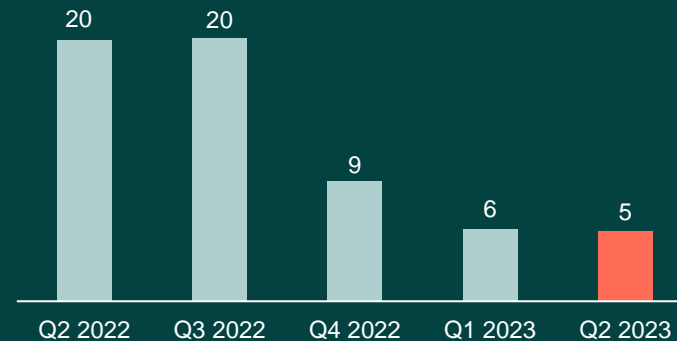
Cash balance

(NOK mill)



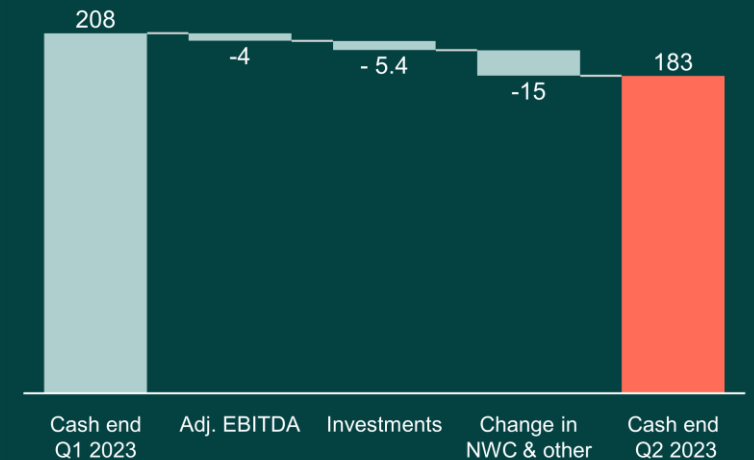
Net investments

(NOK mill)



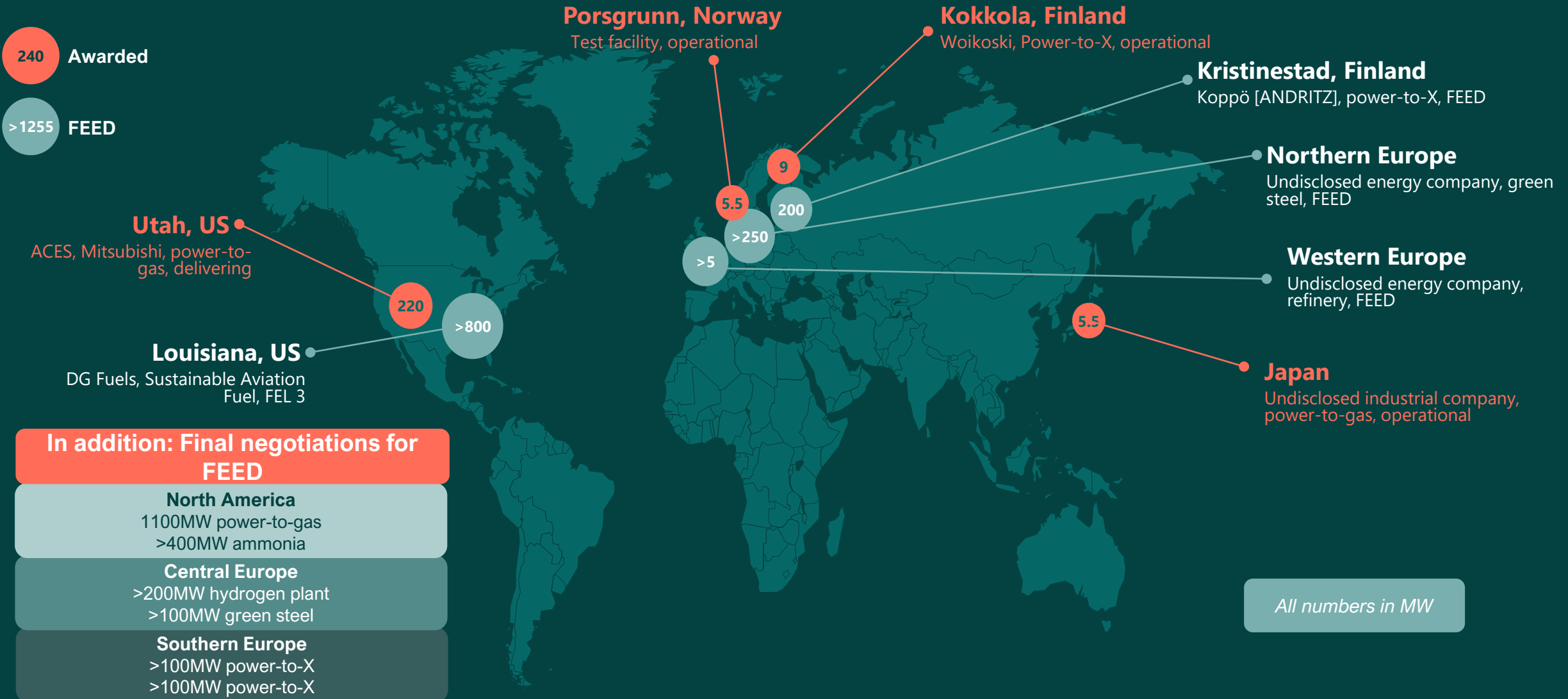
Change in cash balance

(NOK mill)



- Completed private placement of NOK 120 million (net proceeds NOK 115 million) for initial phase of US expansion
- Change in NWC & other includes private placement (NOK 115 million) and negative change in working capital of NOK 130 million
- Cash position: ACES project invoiced in line with payment milestones. Expect cash inflow in accordance with contractual terms. ACES project expected to be net cash flow positive in 2H

Delivering to projects across geographies and industries





II. Revised priorities

Hydrogen pro

1. Seek alternative funding sources

Why?

Fund expansion with a reduced need for raising equity capital through the issuance of new shares in the current market, thus achieving growth with limited dilution to shareholders.

How?

1

Initiate new, long-term partnerships and joint ventures, as well as maintaining and further develop existing partnerships

2

US listing and enhanced presence in the US enables alternative methods of financing, amplified by strong track record and network

2. Utilize current US investor interest in green hydrogen

Why?

The US has taken a leading role in developing green hydrogen with its federal stimulation package (IRA) combined with numerous state-based initiatives, resulting in a flow of investor interest for green hydrogen production in the US.

How?

1

Seek a possible listing for the Company's shares at the **Nasdaq** stock exchange in New York

2

Build a **US management team** to become a driving force in the Company's US strategy based on local know-how and networks

3. Demonstrate HydrogenPro's market leading efficiency

To be considered a viable option in the future, the cost of green hydrogen must be competitive with conventional options. HydrogenPro's electrolyzers are already market leading, and is developing the third generation of electrolyzers, with preliminary results showing 14% increased efficiency

	PEM <i>High pressure</i>	Alkaline <i>Atmospheric pressure</i>	Alkaline <i>High pressure</i>	Hydrogen pro <i>Alkaline high pressure</i>
Plant efficiency	Low	Medium	Medium	High
Suitable for renewable energy input	Yes	No	Yes	Yes
Cooling need	High	Medium	Medium	Low
Overhaul Opex	High	High	Medium	Low
Use of noble materials	Yes	No	No	No
High pressure on O ₂	Medium	No	Yes	Yes

4. Accelerate the build-up of a global leading position

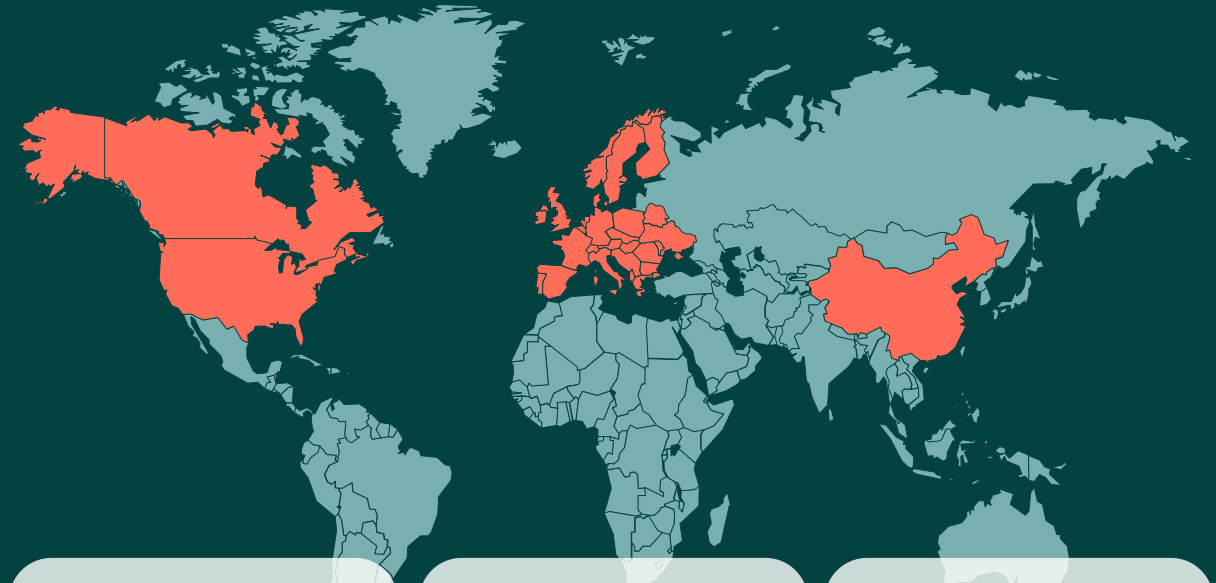
Why?

The green hydrogen market moves fast with 232 GW of electrolysis capacity announced to be operational by 2030 – representing a 300-fold growth in the next seven years¹. HydrogenPro must be positioned for take-off.

How?

1 Ownership to all IP rights for 3rd Gen electrolysers, enables rapid global scaling opportunities

2 Establish firm standing in US, and seek new partnerships and joint ventures in emerging green hydrogen markets, specifically in Asia, Middle East and Europe



North America
500 MW
Planned
manufacturing
facility in the US

Europe
Strategic partnership
with ANDRITZ for
assembly and
manufacturing

Asia
500 MW
Established
manufacturing
facility in Tianjin

5. Maintain position as technology leader

Why?

HydrogenPro's 3rd gen electrolyser puts us one step ahead. The electrolysis industry is a cost-game and HydrogenPro must sustain its edge as technology leader – to stay ahead and drive innovation.

How?

1 Continuous investments in 3rd gen electrolyser while preparing for manufacturing and setting a new industry standard

2 Keep driving product development and R&D to pioneer new solutions

3rd Gen show significant efficiency improvements:

14 %

lower electricity consumption

75 %

reduction in water cooling need

1000 hours tests in containerized electrolyser

- 850 hours completed
- **Results in line with expectations**

Ready to begin manufacturing

- 100 MW/year manufacturing line in Denmark
- **Can scale to 400 MW/year**

Same size and shape as current electrodes

- Can be installed in 2nd generation electrolysers without retrofitting

6. Adapt and develop the organization

Why?

The market is fast-moving and political stimulation packages change the premises rapidly. Proven successful partnerships utilize HydrogenPro's scalable model globally. Further on, the organization must be agile and adapt to the constantly changing landscape in order to utilize opportunities that rise.

How?

1

Jarle Dragvik new CEO

2

Build a high-performing organisation: It's all about people

3

Local presence in relevant markets

Why change priorities? **Sustain and develop shareholder value**

Sustaining and developing value for our shareholders is of essence

The company has seen the need for revising its strategic priorities and has chosen to increase presence and focus heavily on the rapidly growing green hydrogen market in the US even more consequently.

Seek alternative funding measures

Do not wish to dilute current owners and go down the same path similar companies have

Build a competent global organization

Stay a technology leader and further develop the company's global footprint, enhanced by our already proven capital light and scalable business model and existing partnerships.

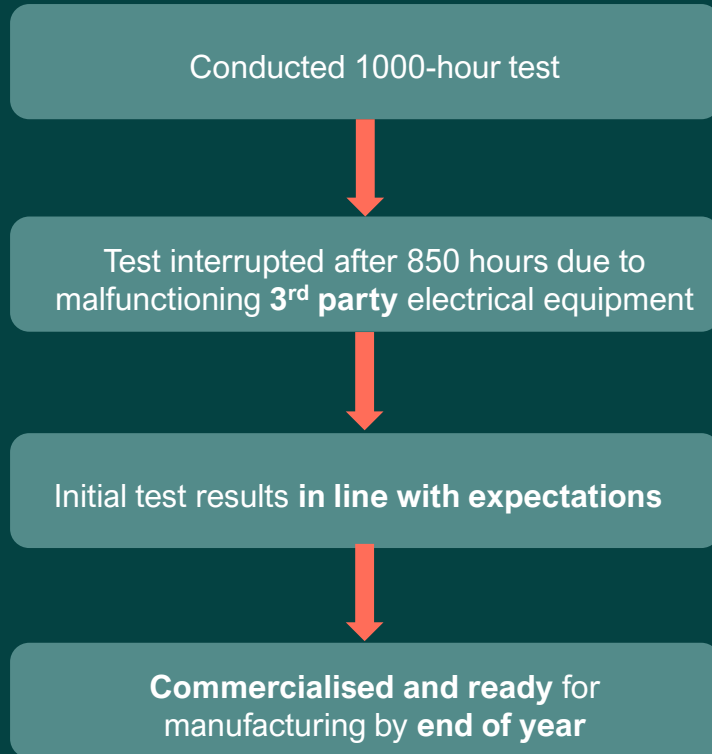
- 1 Seek a possible listing at the Nasdaq stock exchange
- 2 Capital light partnership model, build a US management team and increase work towards progressive hydrogen states
- 3 Seek alternative funding sources and new partnerships
- 4 Successfully develop the Andritz collaboration and explore similar opportunities
- 5 Streamline the current production facility in China
- 6 Develop the Middle East markets with local partners



III. Technology update

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Continuous progress on 3rd generation electrolyser



Indicative results in line with expectations:

14 %

lower electricity consumption

75 %

reduction in water cooling need

Large increase in production capacity at Tianjin plant

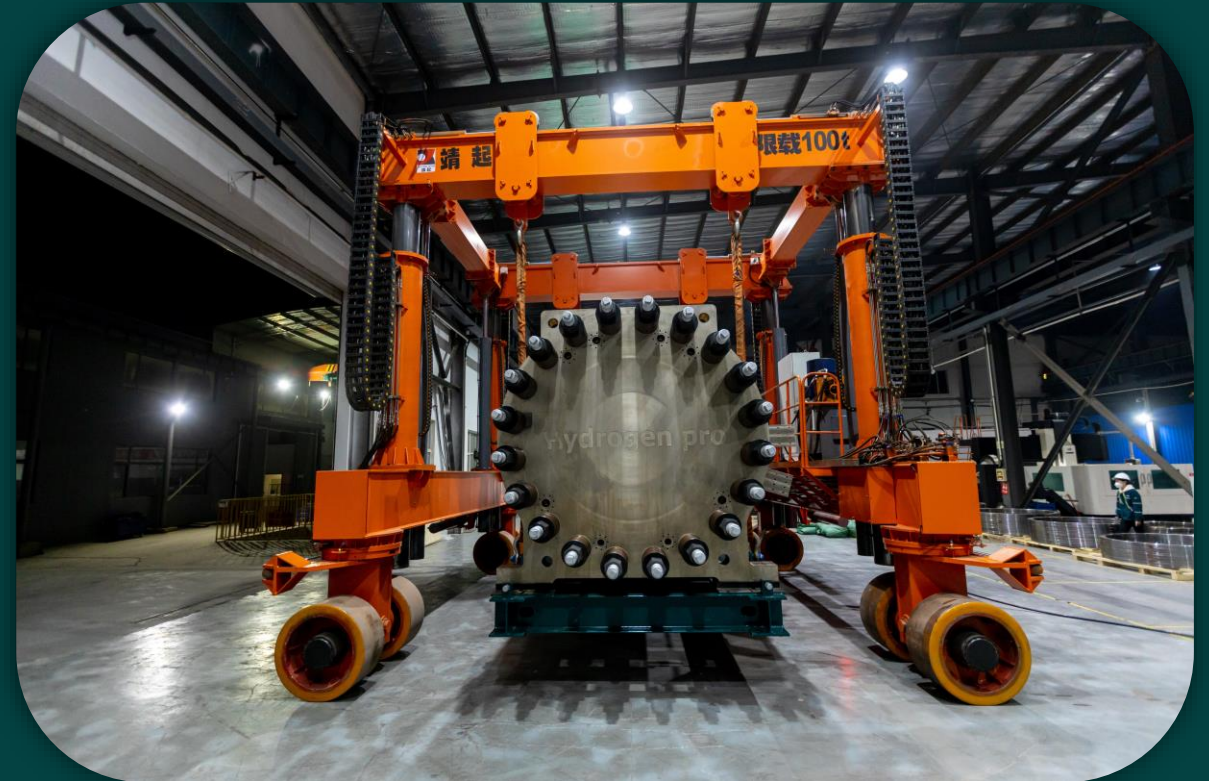
Meeting global demand with enhanced manufacturing capacity

- Positions HydrogenPro to meet escalating international demand
- De-bottlenecking and line optimization
- 40 advanced electrolysers to Mitsubishi in delivery
 - Product delivery to be completed in Q4
- Flexibility to adapt manufacturing in line with demand

300 MW

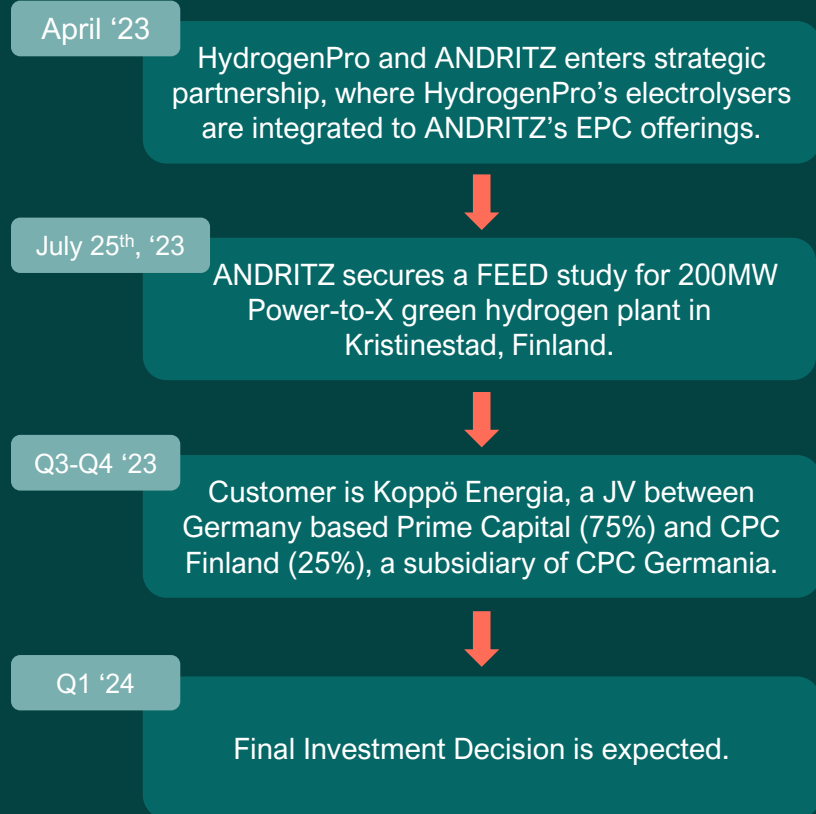


500 MW

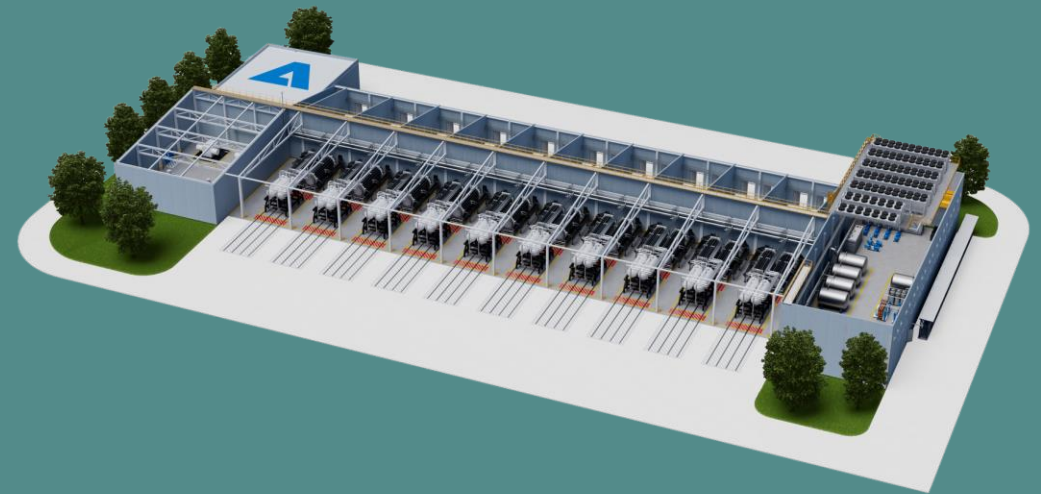


Tianjin plant sees 67 percent production capacity rise

HydrogenPro/ANDRITZ partnership yields first FEED contract



Model of an ANDRITZ hydrogen plant with HydrogenPro electrolyzers



Courtesy of ANDRITZ

#1

provider of large-scale green hydrogen
technology & systems