

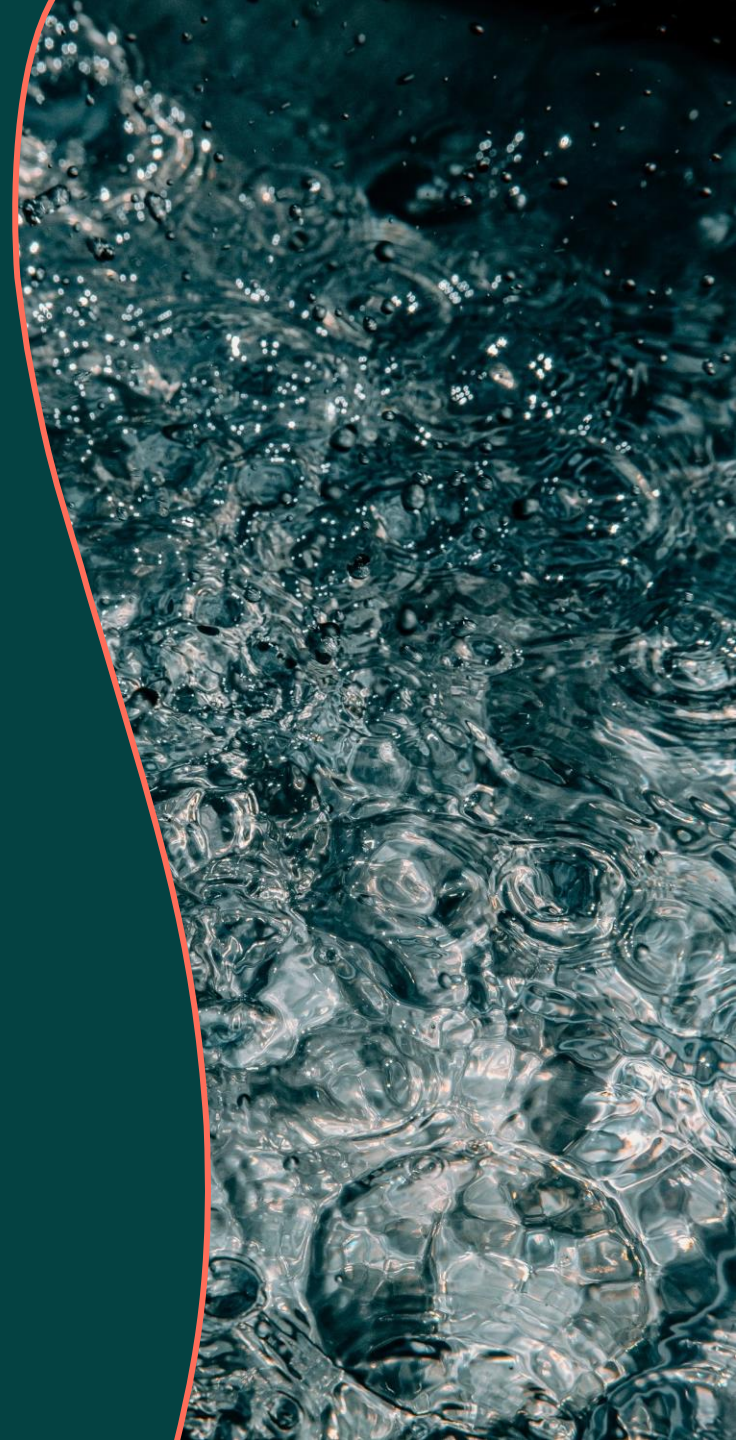
Pure Performance | Pure Efficiency | Pure **Power**

# Hydrogen pro

Q3 2023 presentation

7 November 2023

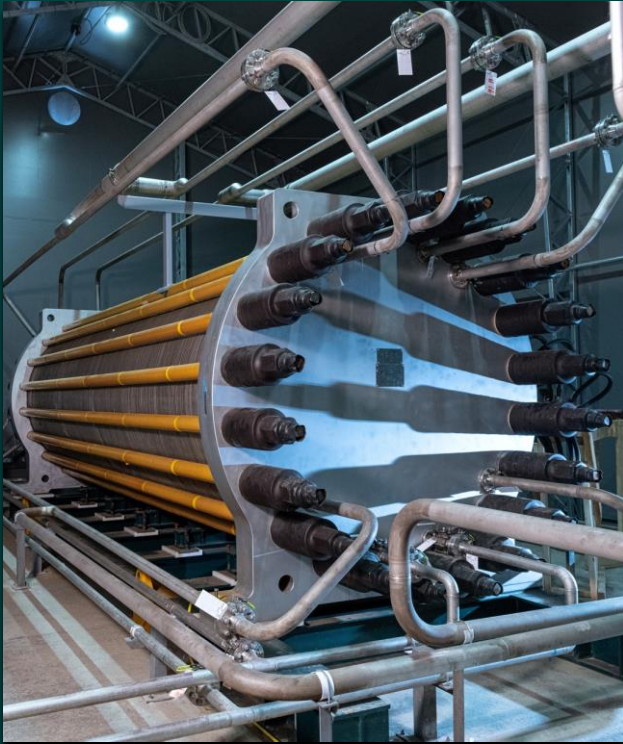
CEO Jarle Dragvik



# Disclaimer

This presentation contains forward-looking statements and information, including assumptions, opinions and views of the Company or third-party sources, and are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual results and events to be materially different from those expected or implied by the forward-looking statements or information. The Company does not provide any assurance that the assumptions underlying such statements or information are free from errors nor accept any responsibility for the future accuracy of opinions expressed herein or as part of the Information, or the actual occurrence of forecasted developments.

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



1

## ***The world's largest electrolyser***

- *5.5 MW single stack suitable for renewable energy input*
- *A modular system that can be scaled to any size for large-scale industrial applications*
- *Pressurised hydrogen ready for industrial use*

2

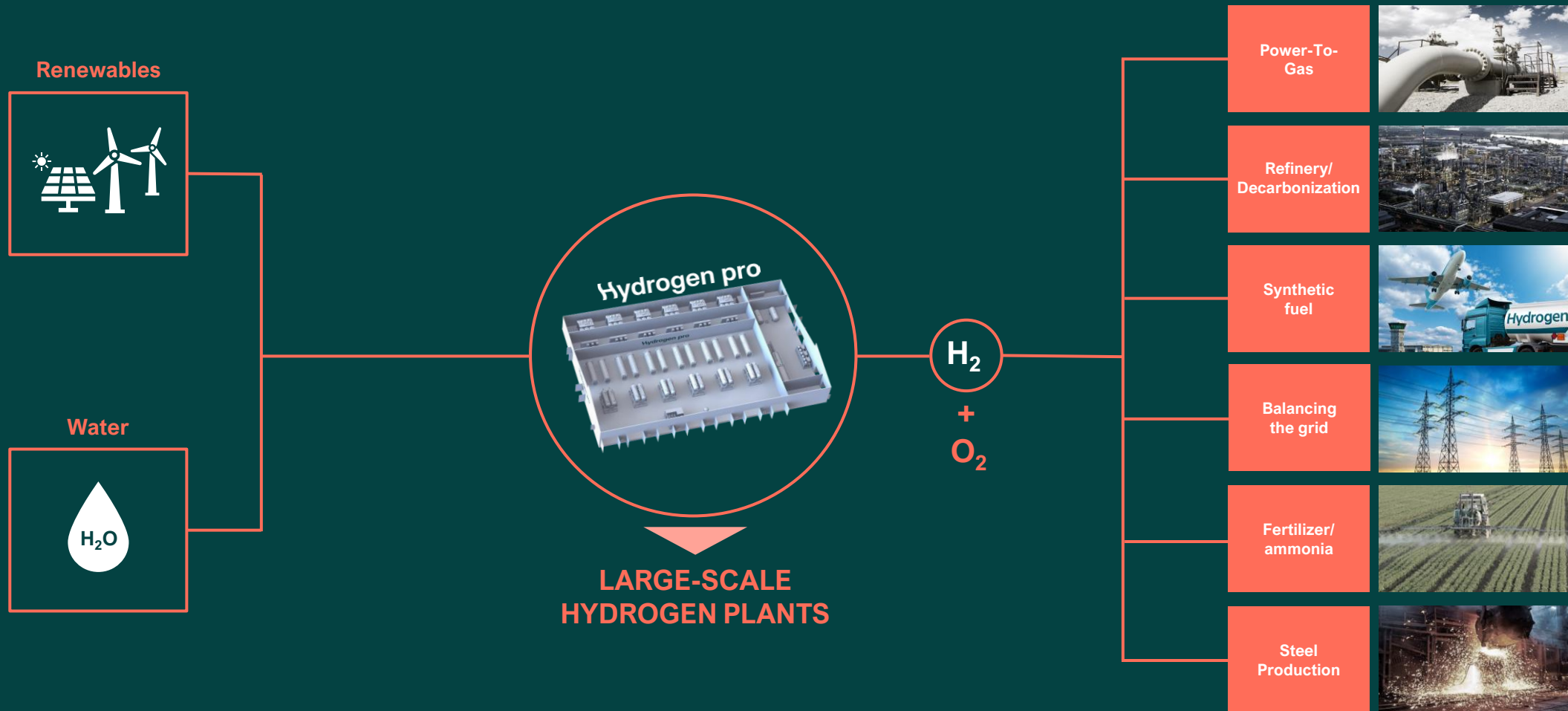
## ***Game-changing electrode technology***

- *14% lower electricity need for same H2 output*
- *Reduced cooling water need*
- *Reduced OPEX from H2 production*



***Market-leading  
levelised cost of  
hydrogen***

# HydrogenPro targets industrial applications and hard-to-abate sectors – enables the energy transition through hydrogen



# Achievements and major developments

1

Received **100 MW Purchase Order** from ANDRITZ for 18 cell stacks

2

Revenues of **NOK 220 million**, up > 14x from Q3 2022

3

ACES<sup>1)</sup> delivery progressing, **installation** onsite initiated

4

HydrogenPro partner **DG Fuels** enters strategic partnership with **Airbus**

5

**5,5 MW electrolyser** validated, installed, and operated by **Mitsubishi Power**

6

Terje Mikalsen appointed **chair of the board** from 4 October



# Financial development Q3 2023

**Revenues NOK 220 million** (Q2'23: 137 MNOK)  
Up >14x from Q3 2022, driven by deliveries to ACES project

**Gross margin 10.2%** (Q2'23: 21.6%)  
Driven by increased COGS

**Adj. EBITDA NOK -19 million** (Q2'23: NOK -4 million)  
Other OPEX increased due to provisions for warranty accruals

**Cash position NOK 133 million** (30 June 23: NOK 182.7 million)  
Cash position 31 Oct 2023: 235 MNOK. Expect positive cash flow in 2H 2023

**Order backlog NOK 322 million** (30 June 23: NOK 548 million)  
Not including 100 MW order from ANDRITZ

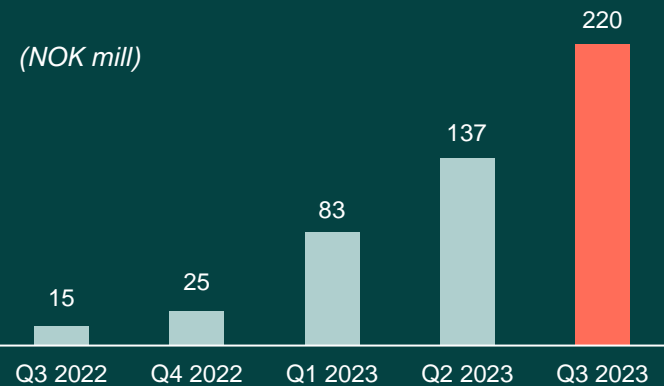


# Revenues, gross profit, and Adj. EBITDA

UNAUDITED FIGURES

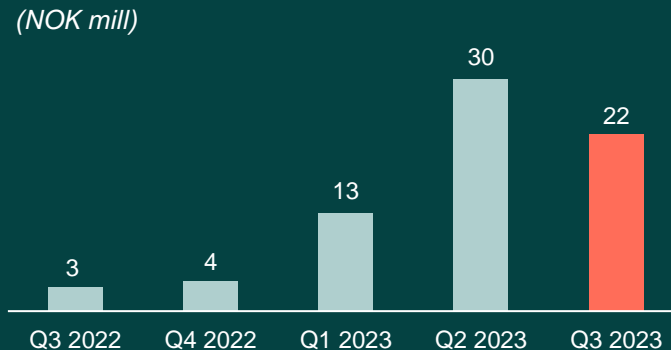
## Revenues

- Revenues are up 61% from last quarter and >14x same quarter last year
- Outlook: HydrogenPro to recognise ~90% of the ACES contract revenues (>\$50M) by the end of 2023 - with a positive project margin



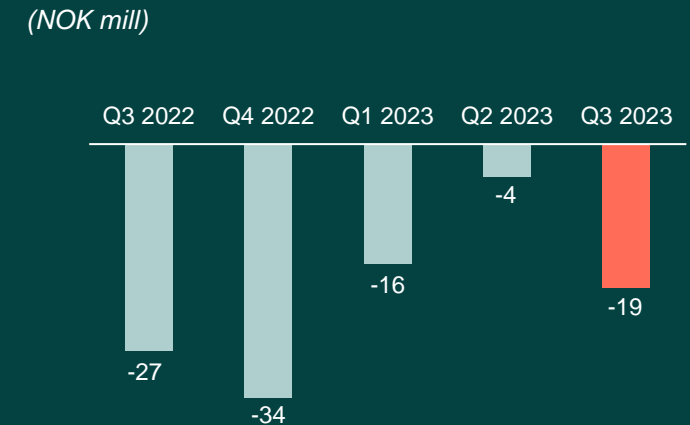
## Gross profit

- COGS increased in the quarter following variation orders and write-downs of obsolete goods due to temporarily challenges in manufacturing process
- Gross margin of 10.2% percent in Q3, 14.6% year to date



## Adj. EBITDA

- Personnel expenses increased due to an increase in number of employees and increased social security and pension costs
- Other OPEX impacted by:
  - Recognition of R&D grants
  - Warranty provisions of NOK 11.5 million



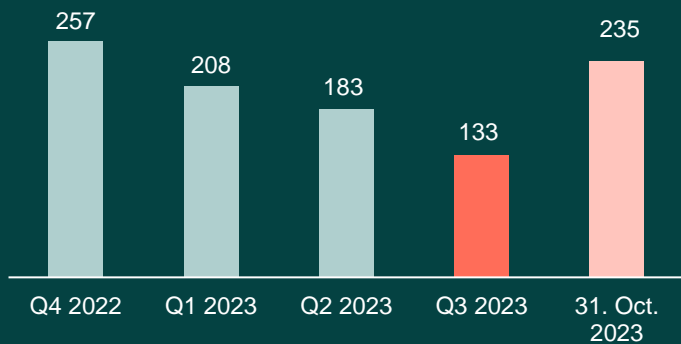
# Cash position and investments

UNAUDITED FIGURES

- Positive net cash flow in October of NOK 102 million, cash position of NOK 235 million 31 October 2023
- Reiterate outlook: ACES project expected to be net cash flow positive in 2H
- HydrogenPro is not actively commencing preparations for listing at the Nasdaq stock exchange but is continuously considering this as a possibility

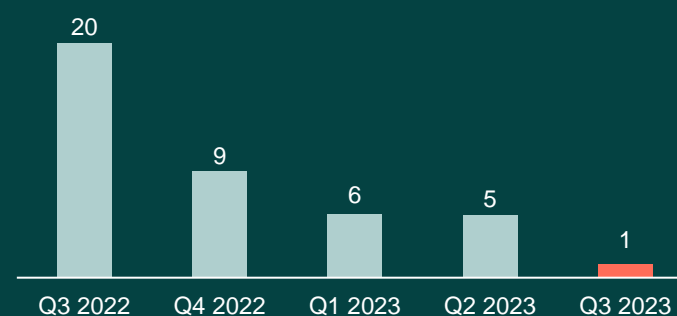
## Cash balance

(NOK mill)



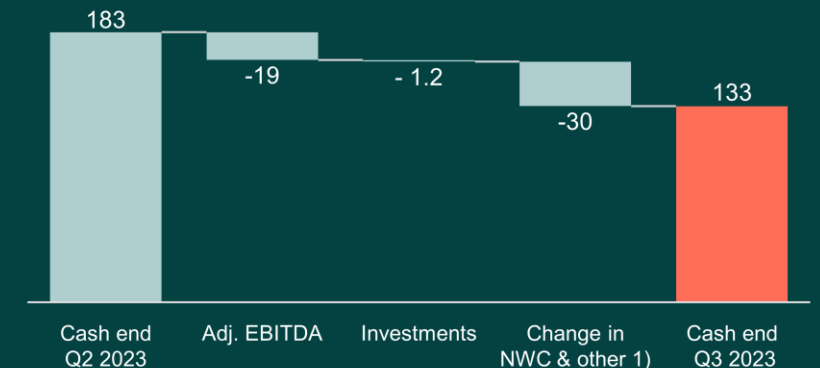
## Net investments

(NOK mill)



## Change in cash balance

(NOK mill)





# ANDRITZ confirms Purchase Order for 18 electrolysers from HydrogenPro

- Contract value estimated to approx. EUR 18 million
- The confirmed Purchase Order equals 18 of HydrogenPro's 5.5 MW cell stacks (100 MW)
- ANDRITZ will build a 100 MW electrolysis plant at the Salzgitter Flachstahl GmbH site on an EPC basis, incorporating pressurized alkaline electrolyzer technology from HydrogenPro
- First stage of project expected to be operational by 2026. Manufacturing to begin end Q1 2024



The screenshot shows the ANDRITZ Newsroom website. The header includes the ANDRITZ logo and navigation links for ANDRITZ GROUP, NEWSROOM, HOME, NEWS, INSIDER INFORMATION, EVENTS, SUCCESS STORIES, MAGAZINES, and IN THE SPOTLIGHT. The main content area features a news article with the following details:

## Salzgitter orders one of Europe's largest green hydrogen plants from ANDRITZ

2023/09/20

- Salzgitter AG has ordered a 100 MW green hydrogen plant for low-CO<sub>2</sub> steel production from ANDRITZ GROUP.
- Hydrogen will be used instead of coal on an industrial scale.
- This contract completes the orders for all plants and systems for the first stage of Salzgitter's SALCOS® sustainable transformation program.

The Salzgitter Group has selected technology group ANDRITZ to supply one of Europe's largest green hydrogen plants for the SALCOS® program, which aims to achieve virtually CO<sub>2</sub>-free (green) steel production.

# Mitsubishi Power confirms successful validation, installation, and operation of electrolysers

**Takasago Hydrogen Park**

■ Integrated validation of hydrogen production, storage, and utilization began at Takasago Machinery Works in 2023

**Hydrogen Utilization (Power Generation)**

H-25 M501JAC

**Hydrogen Production**

water electrolysis SOEC

CH<sub>4</sub> Heat Hydrogen Carbon Turquoise H<sub>2</sub>

**As of May 2023**

mid-size GT large frame GTCC (T-Point 2) water electrolysis building H<sub>2</sub> supply pipes H<sub>2</sub> storage tanks

**TAKASAGO HYDROGEN PARK**

Hydrogen Production Hydrogen Storage

Image figure (Partly different from the actual layout and configuration)

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**MITSUBISHI POWER**

Mitsubishi Power Americas PRODUCTS

HOME - NEWS - MITSUBISHI POWER MARKS SUCCESSFUL VALIDATION, INSTALLATION, AND OPERATION OF LARGE-SCALE ELECTROLYZERS

**NEWS**

**Mitsubishi Power Marks Successful Validation, Installation, and Operation of Large-Scale Electrolysers**

2023-09-28

# Exclusive supplier to ACES<sup>1</sup> project: the world's largest green hydrogen energy hub

ACES hub provides a complete end-to-end solution to produce, store, and convert renewable hydrogen to support carbon-free year-round power for Western US.

## HydrogenPro delivering 220 MW

- **>50\$M** contract value for 220MW electrolysis plant
- In addition: a **10-year service** and support agreement
- High-pressure alkaline electrolyzers, suitable for **renewable energy** input

## Progressing on delivery



## Chevron acquired majority stake in ACES

### Chevron buys world's biggest hydrogen storage plant in Utah

By Sabrina Valle

September 12, 2023 10:58 PM GMT+2 · Updated 3 days ago



1) Advanced Clean Energy Storage

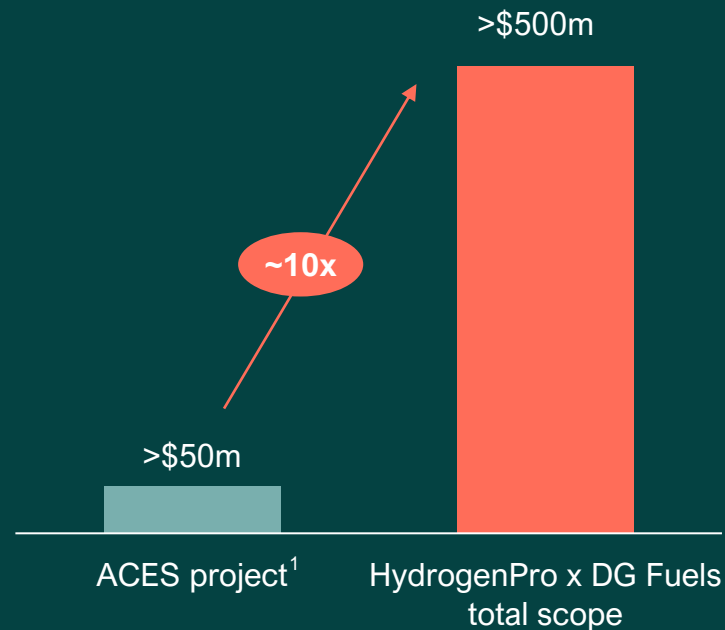
# DG Fuels' FEL 3 study on track

Exclusive supplier of >800MW electrolyzers for DG Fuels' Sustainable Aviation Fuel plant in Louisiana, US

DG Fuels has sold out 100% of the expected initial production at the Louisiana plant in the US

Contract value >USD 500 million, excluding life cycle services

FID expected in first half 2024



- ✓ FEL 1
- ✓ FEL 2
- ✓ 100% offtake
- ✓ FEL 3
- FID

1) Advanced Clean Energy Storage



# DG Fuels and Airbus enter strategic partnership

**AIRBUS**

12 September 2023

Sustainability

## Airbus partners with DG Fuels to foster sustainable aviation fuel production in the United States

This partnership will support the scaling of a promising technology to produce sustainable aviation fuels from cellulosic waste and residues.



Guillaume Faury, CEO Airbus, 12 September 2023:

- *“SAF is absolutely critical to the success of decarbonization...*
- *We are working around the world with partners, and DG Fuels is one of them, very promising technology, we really believe in the company. That is why we have decided to work with them, and spend some money with them, to enable the production of SAF...*
- *We strongly believe in hydrogen...we strongly believe that we will be ready by 2035 with hydrogen planes.”*



# Hydrogen momentum in the US continues

## Biden administration lunched funding for hydrogen hubs to develop a sustainable value chain in the US

- Seven regional clean hydrogen hubs to receive USD 7 bn in government funding
- Five hubs will include green hydrogen based on water electrolysis
- Expected to catalyse more than USD 40 bn in private investments



## HydrogenPro Inc. hires CEO Jeff Spethmann to lead the US expansion

- To begin in January 2024
- Strong acumen as an entrepreneurial executive and business development

### Background

- SVP at Donaldson Company Inc. for \$1BN Industrial Products division
- CEO Waltek Inc. manufacturing
- MBA Carlson School of Management
- BS ME Univ. MN Institute of Technology



# US expansion plans being re-evaluated following of the revised priorities presented by board of directors

## Previously announced plan to build a manufacturing facility in Texas is being re-evaluated

- Lessons learnt from project deliveries with regards to logistics and transportation:
  - Sea and train transport adds additional complexity
  - Life cycle partner strategy requires assembly facilities in close proximity to customers
- Need for additional visibility on US legislative framework and funding schemes:
  - Hydrogen hubs expected to impact demand
  - Decision on requirement of local US content imminent

## HydrogenPro's priorities for a US expansion

- A flexible setup closer to customer localization – maintaining OEM position
- Simplified transportation, electrolysers preferably to be shipped containerized
- Possible sourcing from HydrogenPro China, as well as local partners for local content
- Low initial investments and shorter payback time
- After use for maintenance and service
- Partnerships with EPC and Engineering

**HydrogenPro aims to establish delivering capacity in the US in 2024 and will present an updated strategy for the US expansion plan in an extended Q4 presentation beginning of next year**

# #1

provider of large-scale green hydrogen  
technology & systems