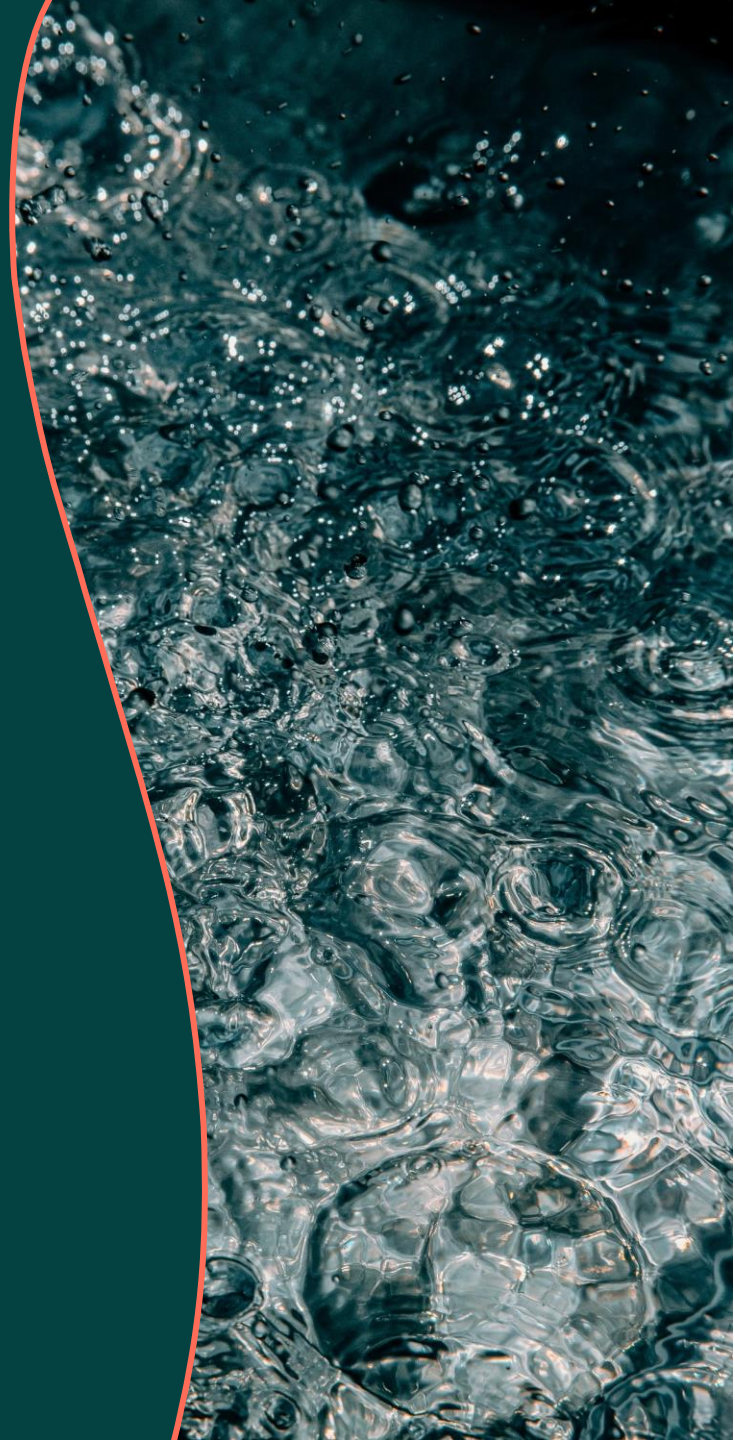
Hydrogen pro

Pure Performance | Pure Efficiency | Pure Power

Company presentation

20 March 2023



Disclaimer

The following applies to this document, the oral presentation of the information in this document, and any question-and-answer session that follows the oral presentation (collectively, the "Information"). By receiving and/or attending a meeting where this presentation is made and in accessing the Information, you agree to be bound by the terms and conditions and limitations set out herein. This presentation (the "Company Presentation") has been prepared by HydrogenPro ASA (the "Company").

The Company Presentation is strictly confidential and may not be reproduced, redistributed, published or passed on to any other person, directly or indirectly, in whole or in part. If this document has been received in error, it must be returned immediately to the Company.

The Company Presentation and any information provided is only preliminary and indicative and does not purport to contain the information that would be required to evaluate the Company. The Company Presentation and the Information does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company.

The Company Presentation have been prepared for the exclusive use of persons attending an oral briefing and meeting to which these materials relate given by a representative of the Company and/or persons to whom these materials have been provided directly by an authorized representative of the Company. Further, the materials are strictly confidential and by reviewing it, you acknowledge its confidential nature and agree to the terms of this notice The materials may not be copied, distributed, reproduced, published or passed on, directly or indirectly, in whole or in part, or disclosed by any recipient, to any other person (whether within or outside such person's organization or firm) by any medium or in any form for any purpose.

No liability: The Company Presentation has been prepared by the Company. The Company does not accept any responsibility whatsoever, or make any representation or warranty, express or implied, for the contents of the Company Presentation, including its accuracy, completeness or verification or for any other statement made or purported to be made in connection therewith the Company. The information in this Company Presentation and any other material discussed is subject to change.

Any forward-looking statements contained in this Company Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts and 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. The Company does not provide any assurance that the assumptions underlying such statements 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.

Except where otherwise expressly indicated, this Company Presentation speaks as of the date set out on its cover. The delivery of this Company Presentation shall, under no circumstances, be construed to indicate or imply that there has been no change in the affairs of the Company since the date hereof. The Company does not assume any obligation to update or revise the Company Presentation or the Information.

The Company Presentation is subject to Norwegian law, and any dispute arising in respect of thereof is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as first venue.

Agenda

I. HydrogenPro in brief

II. Market outlook

III. Strategy

IV. Financials

V. Summary

VI. Appendix

I. HydrogenPro in brief

High-performance green hydrogen electrolysers for large-scale applications

Hydrogen pro

Global provider of large-scale green hydrogen technology & systems

Renewables

Hydro

Solar

Wind

Water

H_2O

Hydrogen pro

World's largest electrolyser

H_2

+

O_2

- Sustainable Aviation fuel
- Refinery/ Decarbonization
- Power-To-Gas
- Balancing the grid
- Steel Production
- Fertilizer/ Ammonia
- Shipping

Our current footprint – building a global brand

HydrogenPro at a glance

- Founded 2013 by core team with several years of experience from electrolyser industry from Norsk Hydro
- HydrogenPro is an OEM for high pressure alkaline electrolyser and supplies large scale green hydrogen technology & services, ISO 9001, ISO 45001 and ISO 14001 certified
- Experienced engineering team of leading industry experts, drawing upon unparalleled experience and expertise in the hydrogen and renewable energy industry
- Listed on Oslo Stock Exchange under the ticker “Hypro” with a MCAP of NOK 1.5bn

Manufacturing facilities and offices

Hydrogen pro

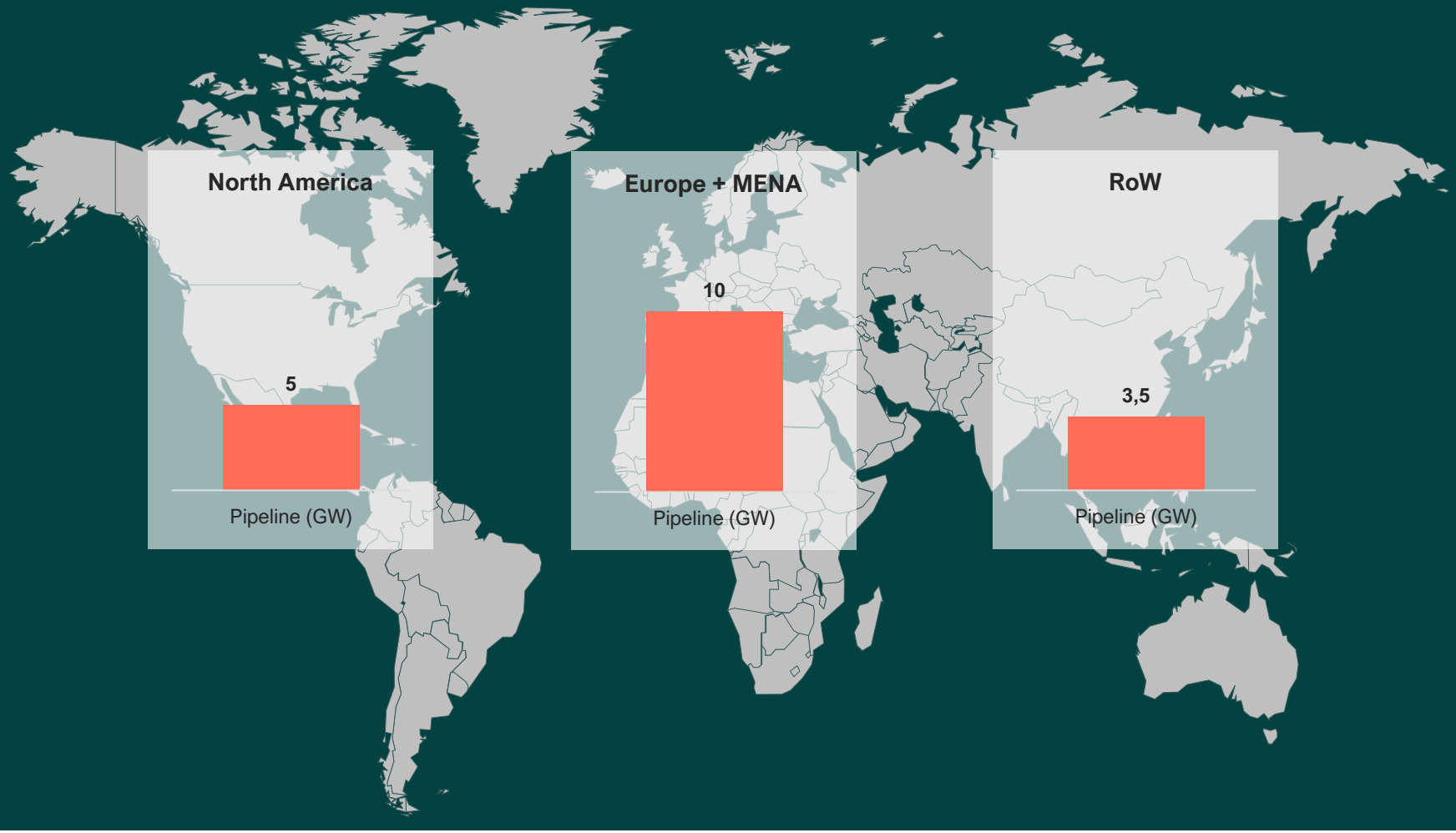
Founded in 2013 with >10x growth since IPO in October 2020

	IPO (October 2020)	Q4 2022
Value chain position	Distributor	Technology owner & OEM[1]
Manufacturing capacity (p.a.)	0 MW	300 MW
Backlog	NOK 15 mill	NOK 747 mill
Active sales pipeline	1.5 GW	18.5 GW
# of employees	10	165[2]
Listing venue	Euronext Growth	Oslo Børs main market[3]

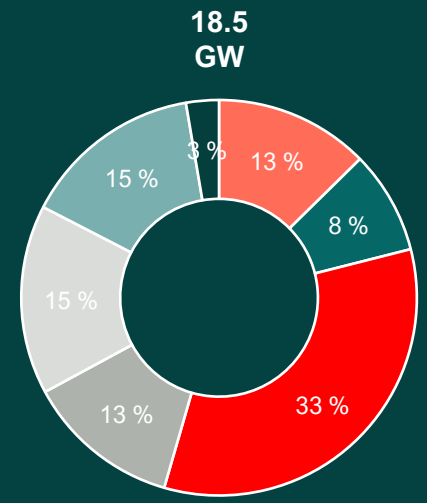
1) Original Equipment Manufacturer; 2) As of 7 February 2023; 3) First day of trading 3 October 2022

Hydrogen pro

Active sales pipeline of 18.5 GW well-diversified across geograhies and use cases



Pipeline by use case (MW)



- SAF
- Power-To-Gas
- Fertilizer/Ammonia
- Other
- Refinery/Decarbonization
- Steel Production
- Shipping

Hydrogen pro

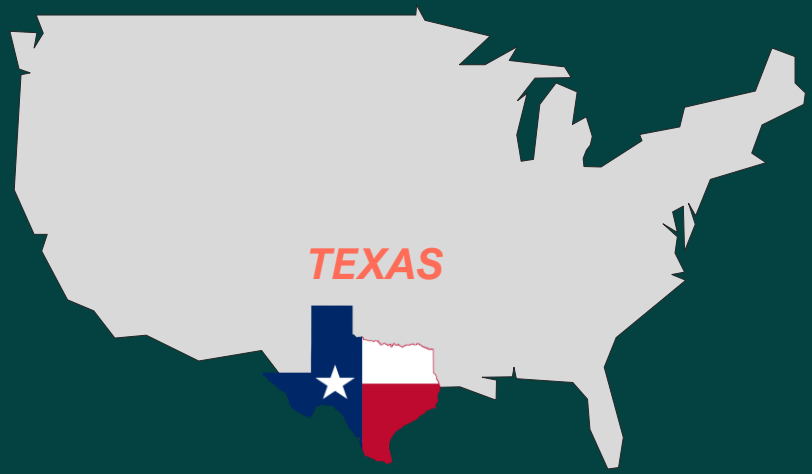
HydrogenPro to establish manufacturing capacity in Texas, US

WHAT

- Establishing new manufacturing capacity in Texas, US with an initial capacity of **500 MW (stage 1) with potential to scale up capacity to several gigawatts**

WHY

- The US has become market leader on green hydrogen following the IRA, and thus become HydrogenPro's top priority
- Serving the US market as the only viable large-scale high-pressure alkaline technology provider
- Contracts and active sales pipeline > 5 GW



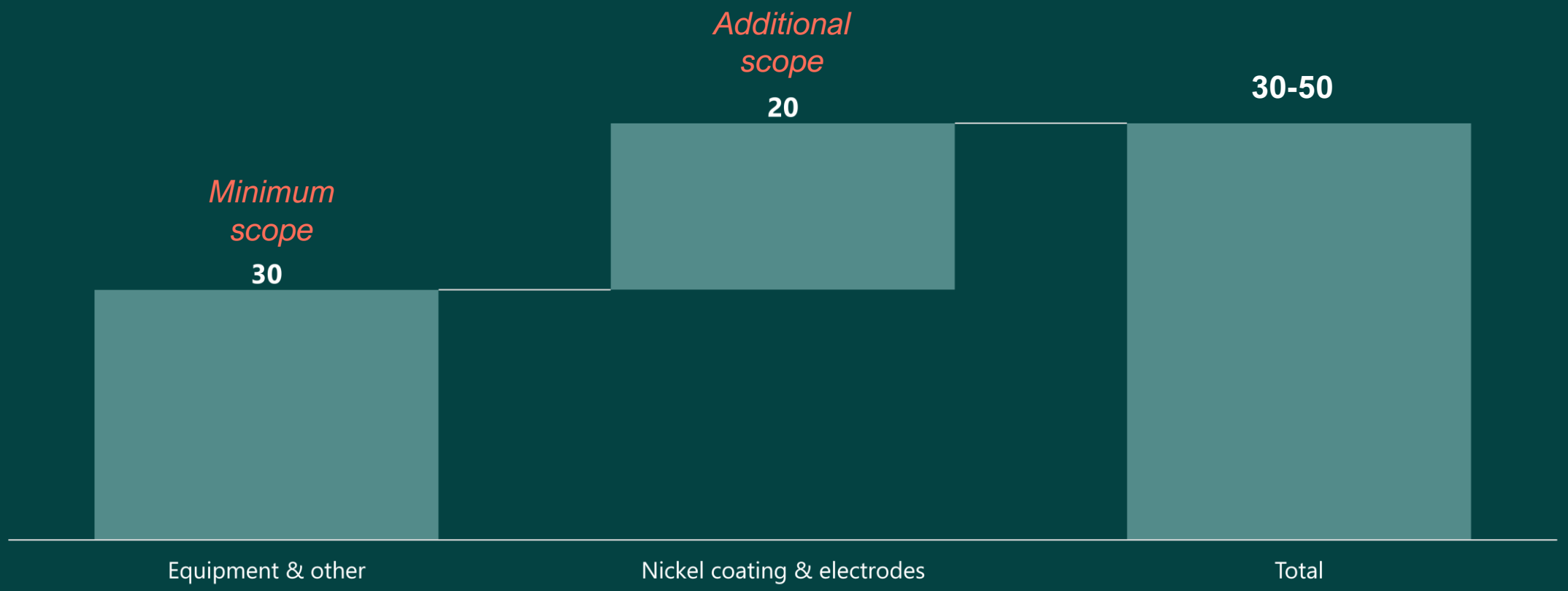
HOW

- After an extensive strategic review Texas is chosen as state of location based on several criteria (access to site and skilled workers, infrastructure, ease of sourcing raw materials, proximity to end-users and incentive programmes)
- Build-up of US organization ongoing

Est. capex up to $50M for 500 MW facility in Texas, US

Capital investment for 500 MW brownfield manufacturing site

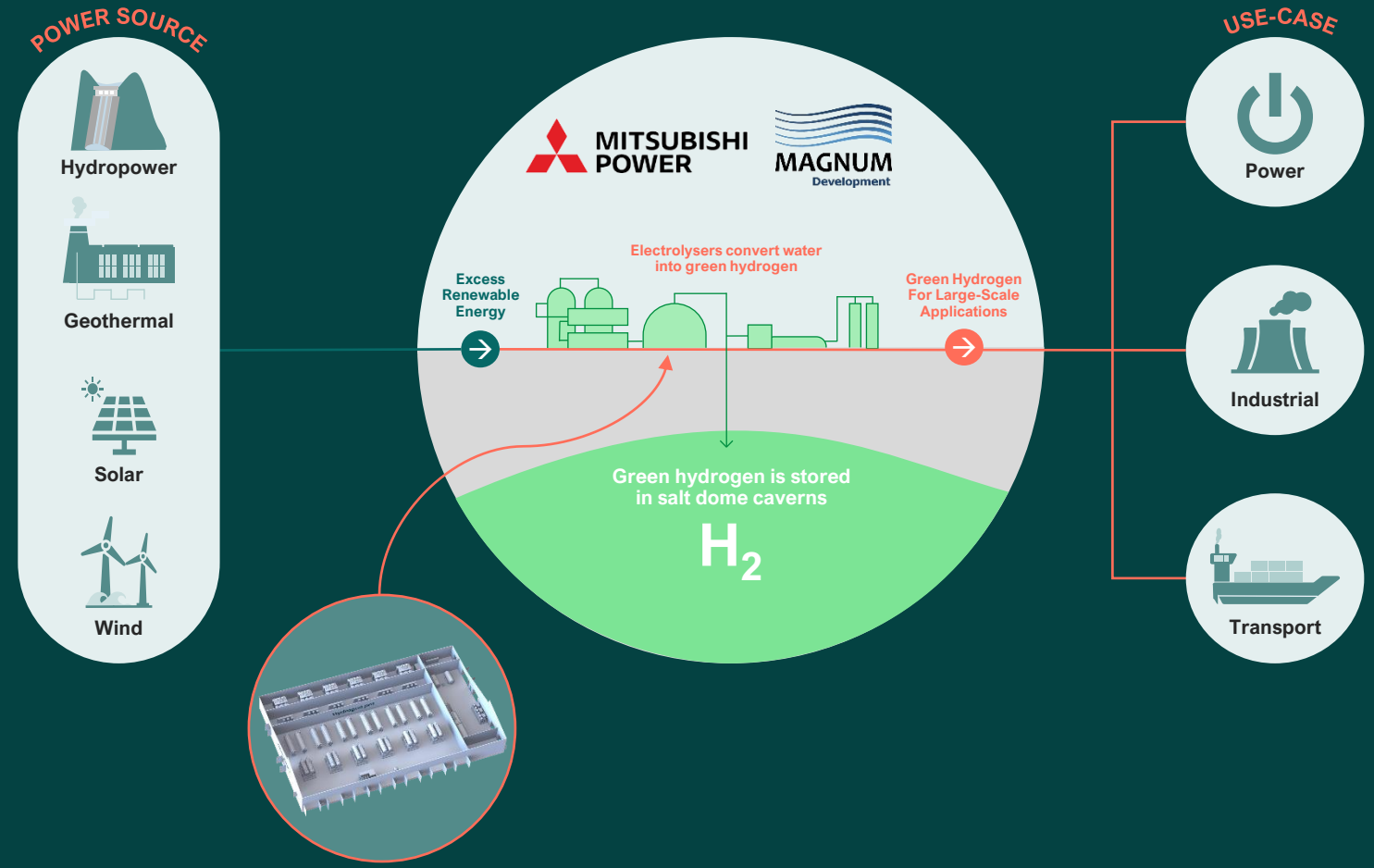
($M)



Source: Market research. Note 1: land and building to be leased. Note 2: potential federal and state incentives not included.

Exclusive supplier to ACES[1] project: the world's largest green hydrogen energy hub

- 220 MW electrolysis plant
- HydrogenPro has also signed a 10-year service and support agreement
- The Advanced Clean Energy Storage Hub will use renewable energy sources
- HydrogenPro will complete the manufacturing of the electrolyser systems in H2 2023, followed by on-site work with completion in late 2024

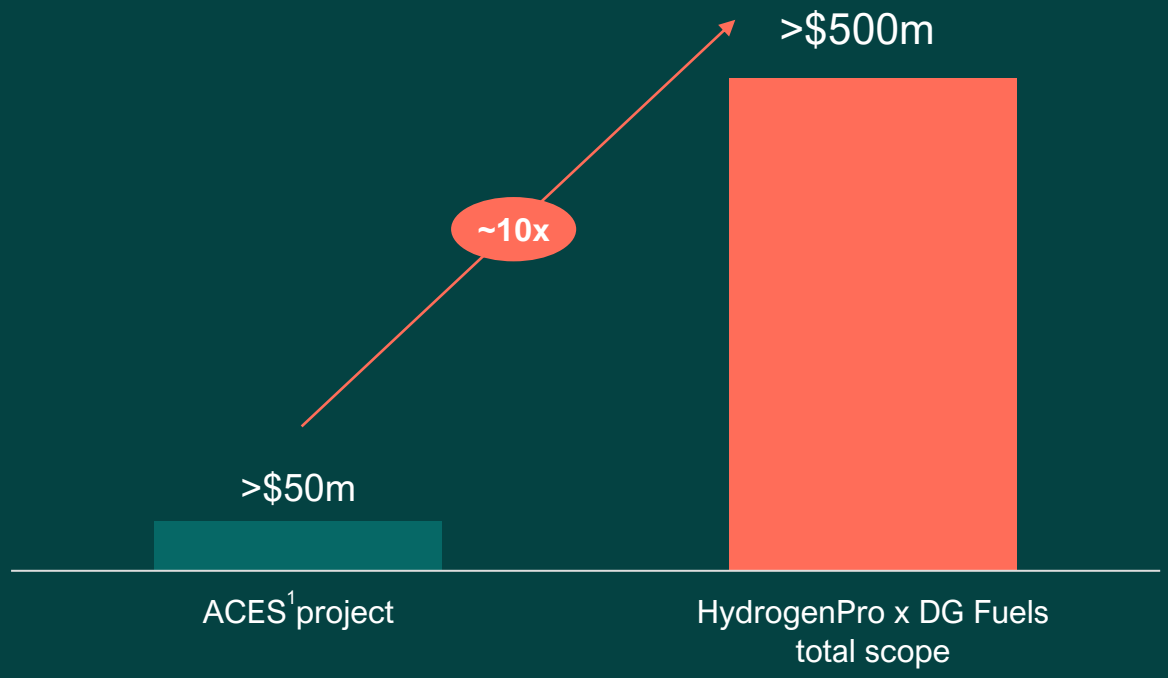


1) Advanced Clean Energy Storage

Hydrogen pro

FEED study near completion at DG Fuels project in Louisiana - Final Investment Decision (FID) expected in 2023

- HydrogenPro is chosen as the supplier for high-pressure alkaline electrolysers for DG Fuels' plant in Louisiana
- HydrogenPro's contract with DG Fuels is worth >USD 500 million, excluding life cycle services
- DG Fuels has sold out 100% of the expected initial production at the Louisiana plant in the US



1) Advanced Clean Energy Storage

Hydrogen pro

II. Market update

Substantial demand for industrial green hydrogen generation ahead of us

Hydrogen pro

Three major market trends: size matters!

1. Demand focus on ***large-scale solutions***; average size 10MW a few years ago, now several hundred MW per project
2. ***Larger end-users*** with higher likelihood of reaching FID
3. ***Green hydrogen outperforms*** other hydrogen sources/colours

HydrogenPro strategically positioned to benefit from the major market trends

Increased momentum for green hydrogen in the US

US Congress passed the Inflation Reduction Act (IRA) August 12, 2022

$3/kg H_2

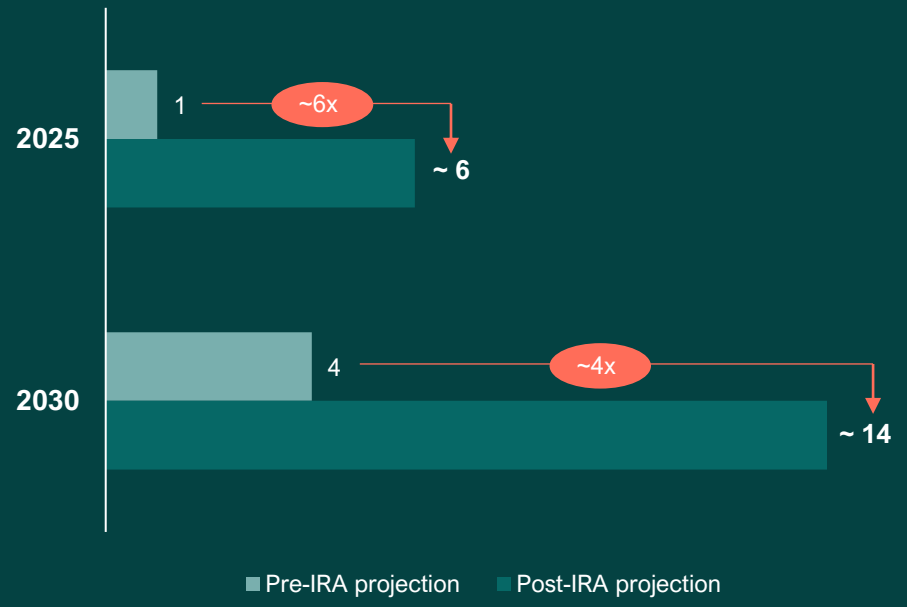
in tax credits for producers of green hydrogen

Wind/solar/hydro power is a pre-requisite to maximise tax credit

High-pressure alkaline or PEM electrolysis

IRA boosts US demand for clean hydrogen[1]

Low carbon hydrogen[2] final energy demand by end use
(million metric tons per year)



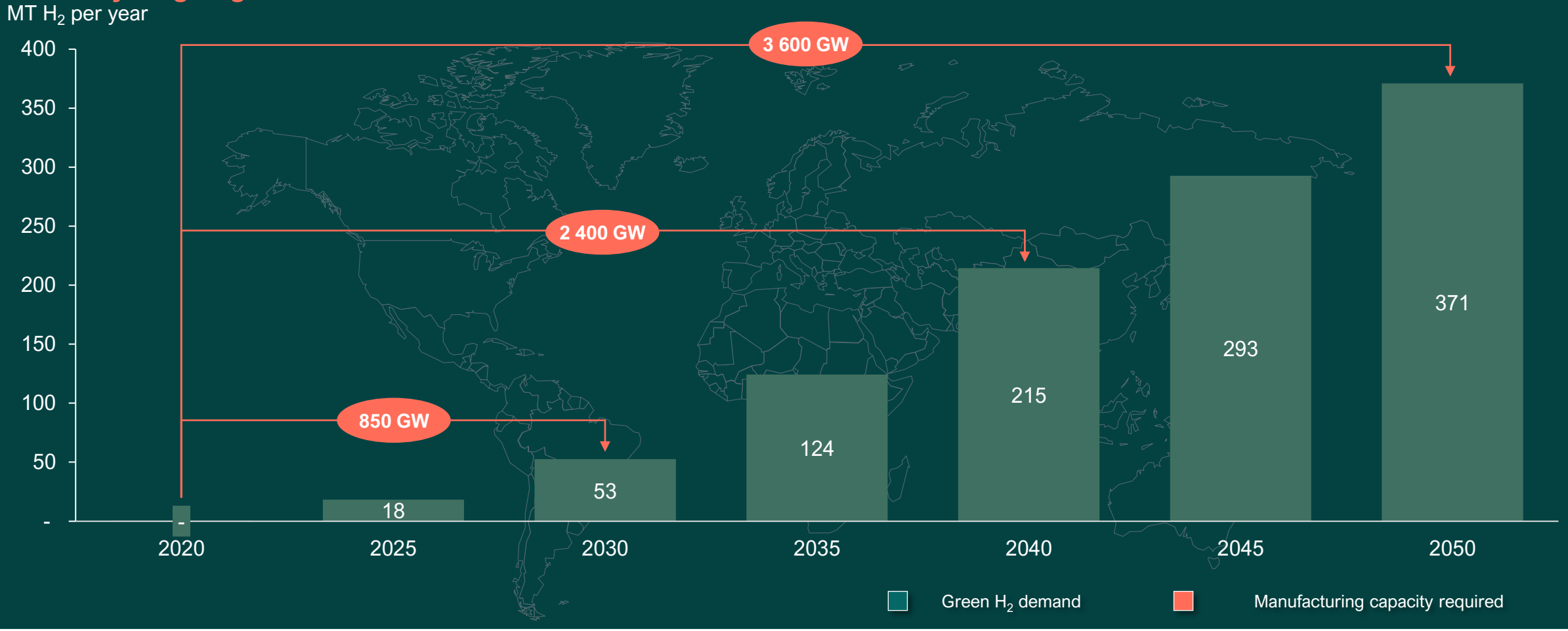
Tax incentives and clean H_2 demand makes HydrogenPro's high-pressure alkaline electrolysers attractive for US market

1) Data from global management consulting firm
2) Green, blue, and pink hydrogen

Hydrogen pro

Significant investment required in manufacturing capacity to meet future green hydrogen demand

Green hydrogen growth in IEA Net Zero Scenario



Source: Hydrogen Council, IEA.

III. Strategy

Becoming #1 provider of large-scale green hydrogen technology & systems

Hydrogen pro

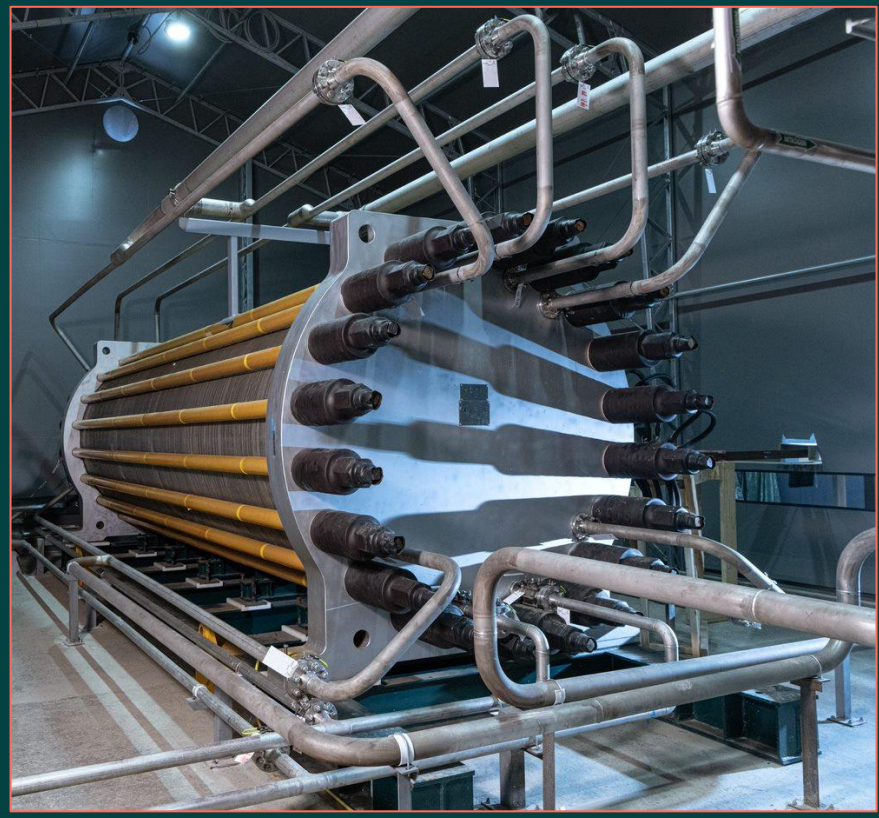
Four strategic pillars to become #1 provider of large-scale green hydrogen technology & systems

Hydrogen pro

Technology Leader

Setting a new industry standard

- The initial test of the world's largest high-pressure alkaline electrolyser at the Herøya Industrial Park located in Porsgrunn, Norway is completed
- Our single 5.5 MW electrolyser has been validated to produce 1,100 Nm3/h hydrogen at normal current density. This equals 100 kg of pure green pressurized hydrogen per hour, which sets a new standard for the industry
- The test provides proof-of-concept that our electrolyser and gas separator technologies will produce hydrogen on a large scale
- Further testing to optimise electrolyser efficiency on-going



Herøya Industrial Park, Porsgrunn

Technology Leader

HydrogenPro takes the lead role in the technology revolution

1st generation

Atmospheric pressure electrolysers developed in the 1920s

2nd generation

High-pressure alkaline systems developed in the 1960s

3rd Gen

Hydrogen pro

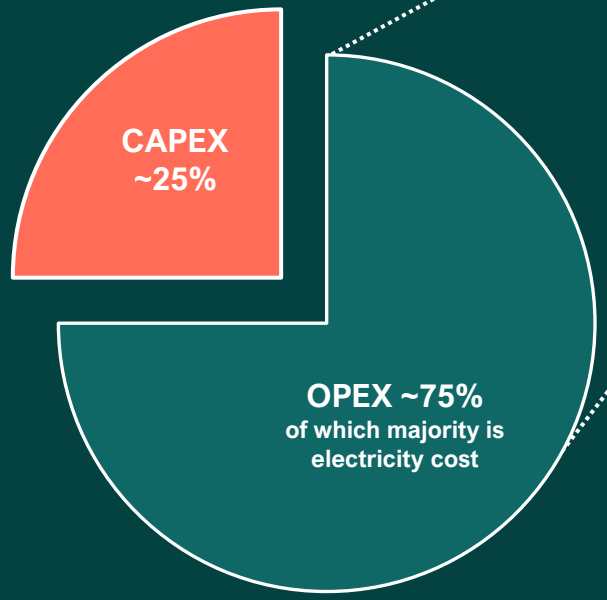
high-pressure alkaline system based on next-generation electrode technology

Hydrogen pro

Technology Leader

HydrogenPro's 3rd Gen electrode technology increases efficiency and reduces OPEX

Levelised cost of hydrogen



Near-term R&D priorities to reduce end-user OPEX

- 3rd Gen electrode
- New hydrogen gas purifying unit
- New electrolyser body

Advanced electrodes is a *game changer* for production of green hydrogen

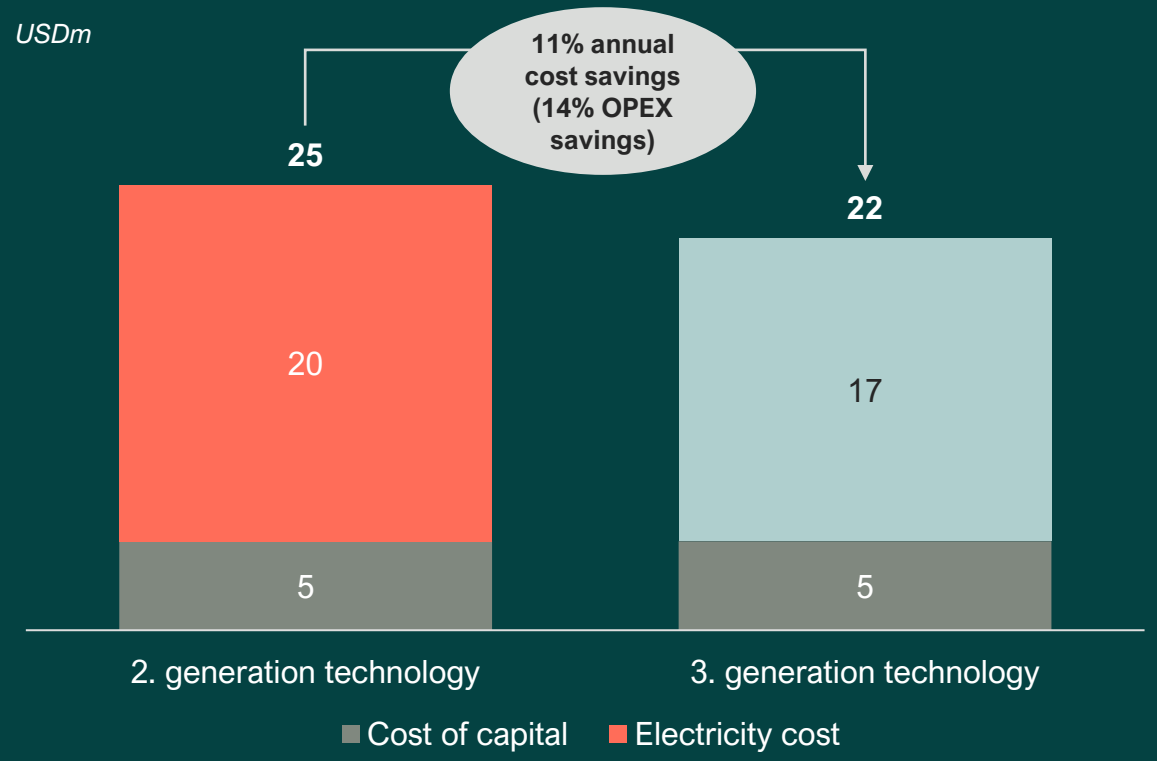
- HydrogenPro's 3rd Gen technology reduces consumption of electricity by 14%
- Increasingly higher advantage with high energy prices
- Significant reduction of cooling water need

Hydrogen pro

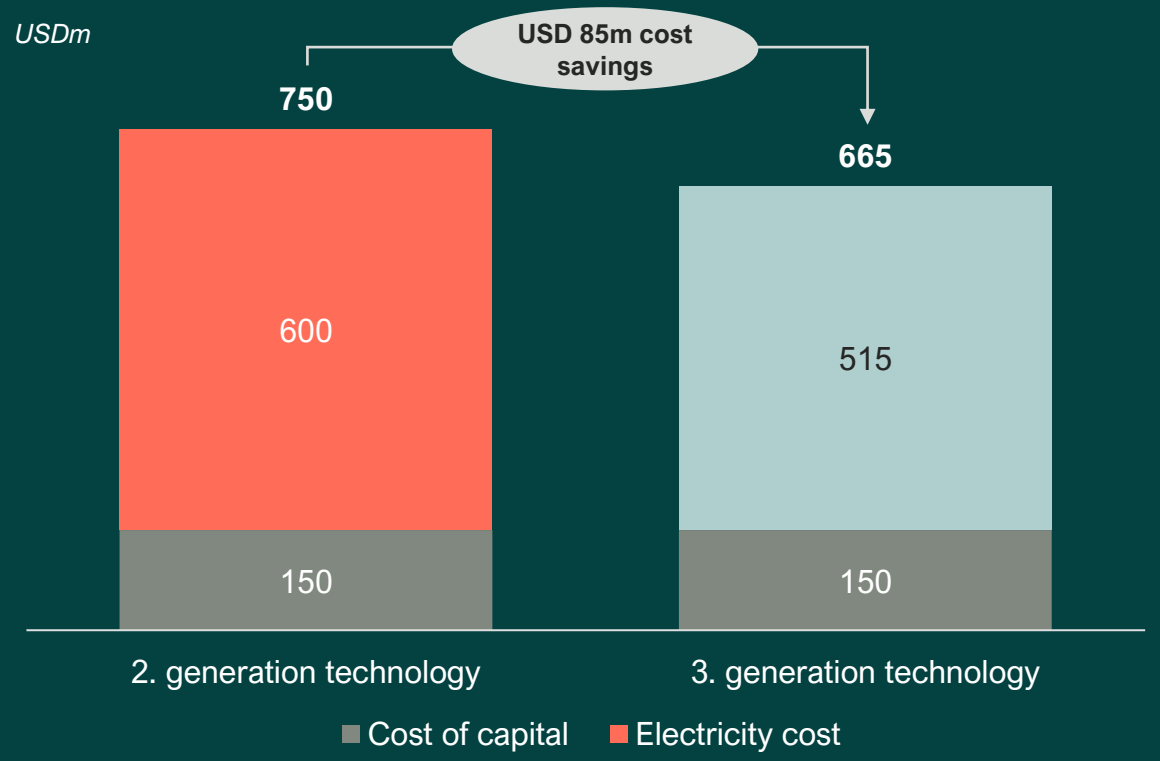
Technology Leader

14% OPEX savings of 3rd Gen technology equals saving of > 50% of capital cost @ USD 20/MWh electricity price

Total annual cost of operations



Total lifetime cost over 30 years



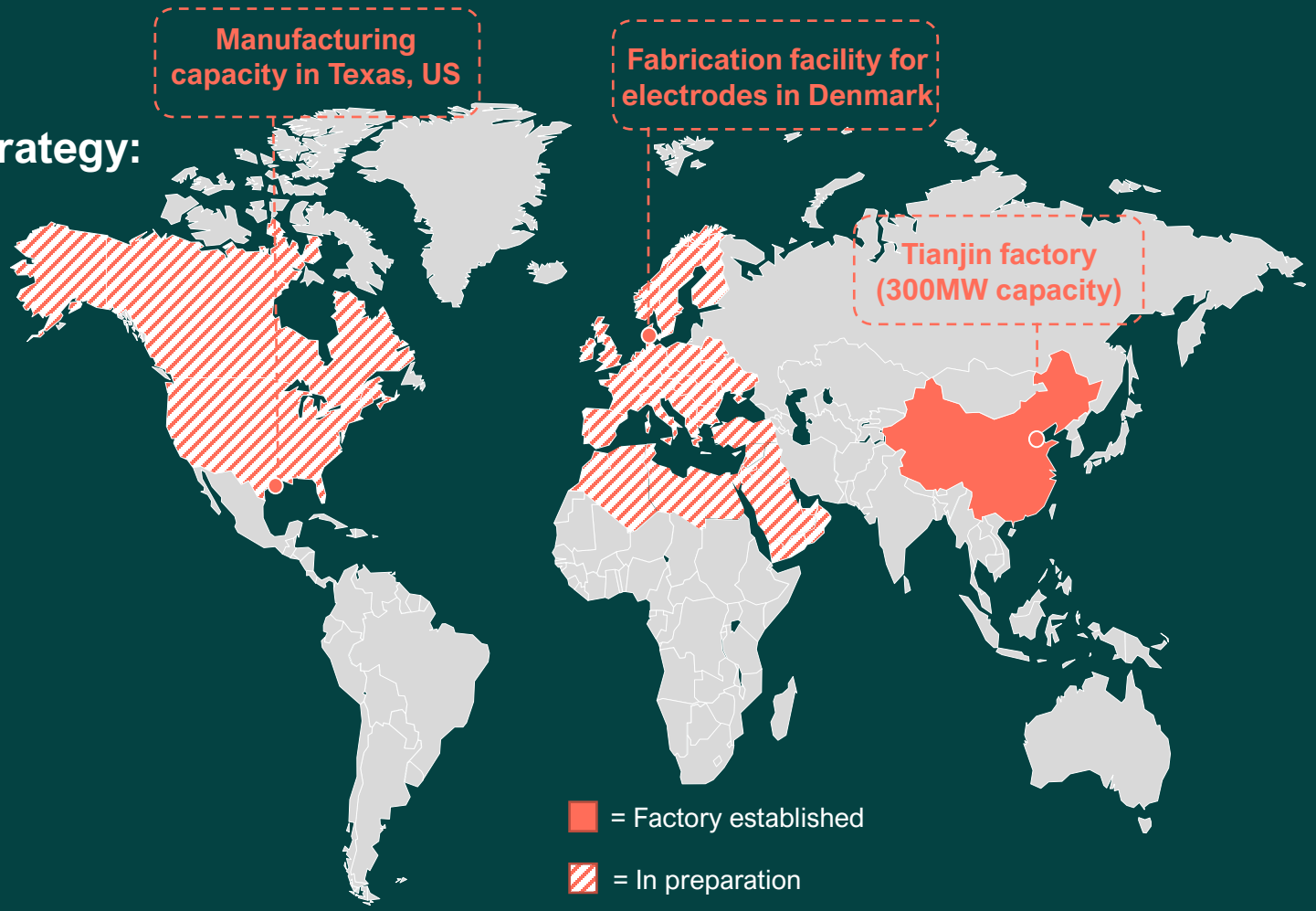
Assumptions: 100 MW plant, USD 60M in total capex and equipment overhauls during lifetime of operation (30 years), electricity price of USD20/MWh, Cost of capital includes 30 years depreciation & 10% interest rate on depreciated value

Hydrogen pro

Expanding our global footprint

Pillars of HydrogenPro's global fabrication strategy:

- Develop organisational flexibility to serve each individual region
  - HydrogenPro, JVs, licensing, other partnership models
- Dynamic, flexible supply chain and logistics
  - Develop local supply chains, secure service and aftersales, reduce cost from shipping, tolls and fees, and secure national political support
- Establishing manufacturing capacity in Texas, US
- Currently preparing expansion of footprint in Europe and MENA



Hydrogen pro

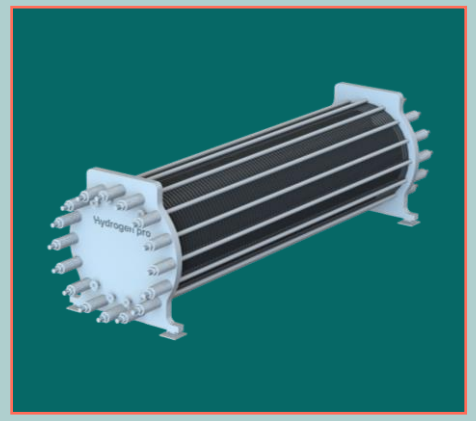
Scalability

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

Turn-key process plant

Standardised core scope manufactured by

Hydrogen pro



Electrolyser stacks

Gas separator skids

Scope delivered together with partners

- Electro
- Auxiliary systems
- EPC

- Scope delivered with large industrial partners like Mitsubishi and ABB
- Targeting additional strategic partnerships going forward

Hydrogen pro

Life cycle model increases recurring revenues

Service & overhaul

Plant delivery revenue ≈ *Lifetime overhaul revenue*

Increase in installed base of plant deliveries will generate recurring revenues

Significant potential for *additional* after-sales revenues

- Remote and digital services
- Product optimisation
- Rapid response support
- Predictive modelling

Hydrogen pro

IV. Financials

Financial roadmap to scale up globally and generate industry-leading returns

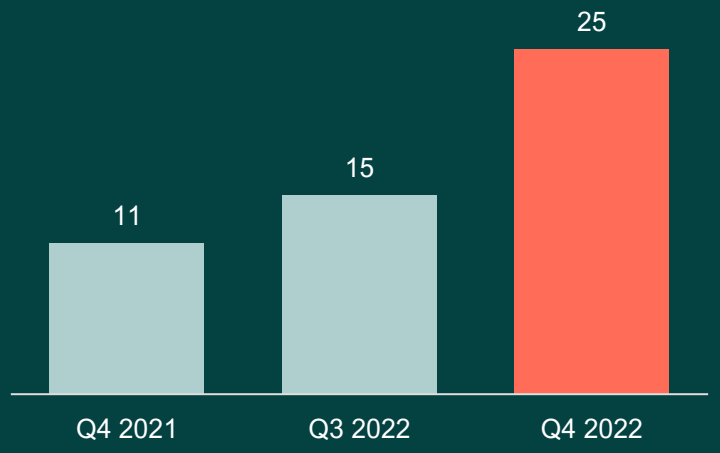
Hydrogen pro

Q4 2022 financials

UNAUDITED FIGURES

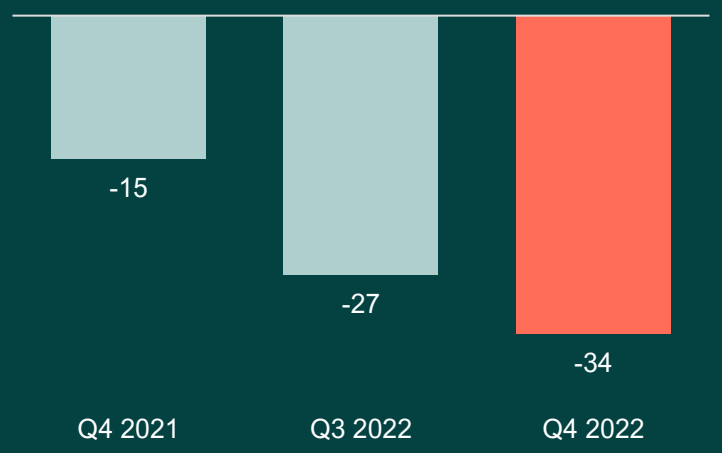
Revenues

(NOK mill)



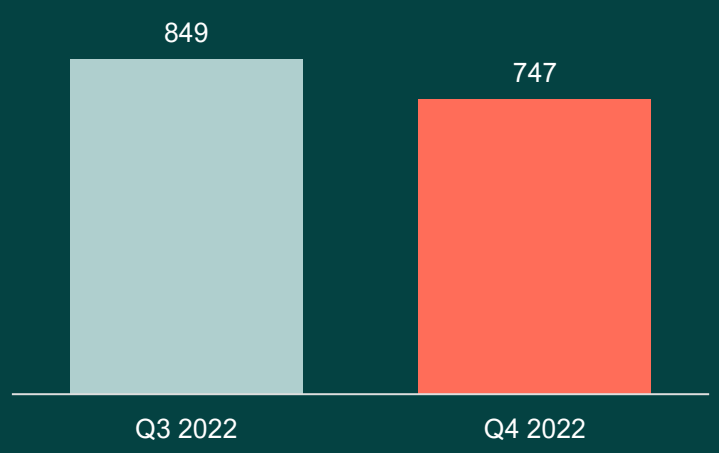
Adj. EBITDA[1]

(NOK mill)



Backlog

(NOK mill)



- Q4 2022 results impacted by R&D expenses (through increased COGS), organisational build-up to deliver on purchase orders and COVID-19 measures in China
- Change in backlog is mainly impacted by negative FX fluctuations of NOK 76 mill. and recognised revenues of NOK 26 mill.

1) *Excl. non-cash impact of incentive program*

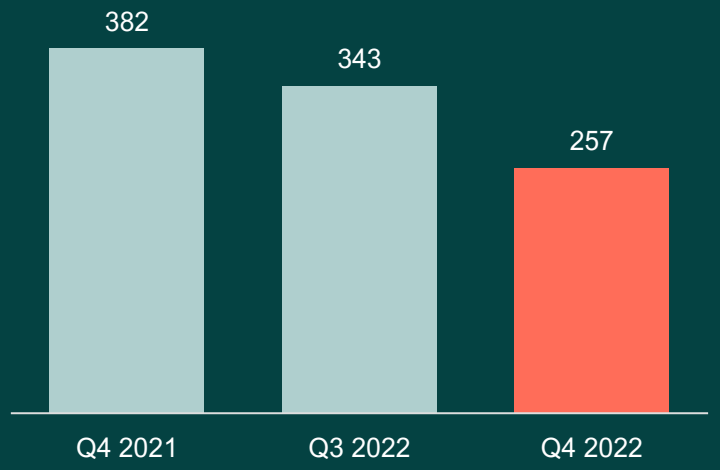
Hydrogen pro

Q4 2022 financials (cont.)

UNAUDITED FIGURES

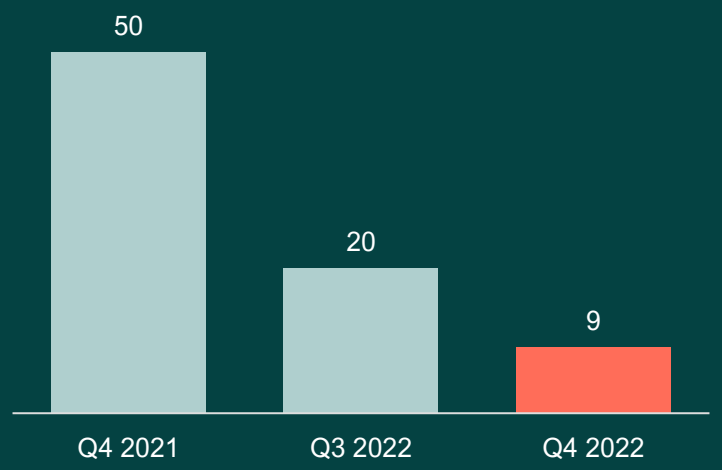
Cash balance

(NOK mill)



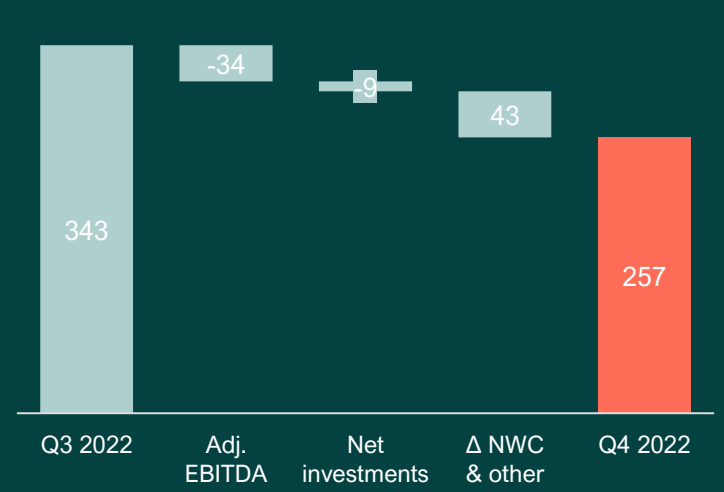
Net investments

(NOK mill)



Change in cash balance

(NOK mill)



- Build-up of inventory of NOK 34 mill during the quarter for manufacturing on awarded purchase orders

Breakdown of ΔNWC: Increase in inventory (NOK -34 mill.), increase in accounts payables (NOK 15 mill.), increase in accounts receivables (NOK -17 mill.), agio/disagio (NOK -9 mill.), other (NOK 2 mill.).

Hydrogen pro

2023 financials outlook

- Gradual step-up in revenue recognition as manufacturing activity ramps up to full capacity
- Re-iterating guidance: HydrogenPro to recognise ~90% of the ACES contract revenues (>$50M) by the end of 2023 - with a positive margin impact
- Working capital need to deliver on purchase orders in H1 2023, but adequate cash position at current activity level

Well positioned to *scale* up and generate *industry-leading returns*

Lean and cost competitive set-up

- Cost leadership through highly competitive global manufacturing cost
- Standardized product offering enabling cost savings through larger deliveries and continued improvement
- Lean administrative set-up
- Administrative, commercial and technical resources in close proximity to major end-users

+

Focused capital deployment plan

- Global manufacturing & assembly capacity
- Technology and innovation front-runner
- Scale-up of the organisation
- Working capital on large-scale projects

V. Summary

State-of-the-art technology with a proven track record & strong growth drivers

Hydrogen pro

Executive summary

Proof-of-concept for world's largest electrolyser

Backlog of NOK 747 million & active sales pipeline of 18.5 GW as of YE 2022

Establishing manufacturing capacity in Texas, US. Global electrolysis capacity target of >5 GW p.a. within five years.

Guidance: Recognise ~90% of the ACES[1] contract revenues by the end of 2023 - with a positive margin impact

Offtake agreements on entire volume for DG Fuels' SAF plant in Louisiana secured

Hydrogen pro

Pure Performance | Pure Efficiency | Pure Power

1) Advanced Clean Energy Storage

VI. Appendix

Hydrogen pro

Record-high number of hydrogen orders being placed

Recently announced hydrogen projects and contracts

January 2023

- Size: 120 MW
- Green hydrogen for industrial applications, transportation and heat
- Germany's largest-ever order for green hydrogen production

May 2022

- Size: 1 GW
- Green hydrogen fuel for fuel-cell heavy duty trucks in Denmark
- First ever gigawatt-scale electrolyser order

September 2022

- Size: 500 MW (Phase I)
- Production of 500k tonnes per year of green hydrogen to be combined with nitrogen to produce green ammonia
- Part of First Ammonia's total 5 GW electrolyser target

November 2021

- Size: 100 MW
- Production of 90k tonnes of green ammonia per year at chemical company Egyptian Basic Industries Corporation's existing ammonia plant in Egypt

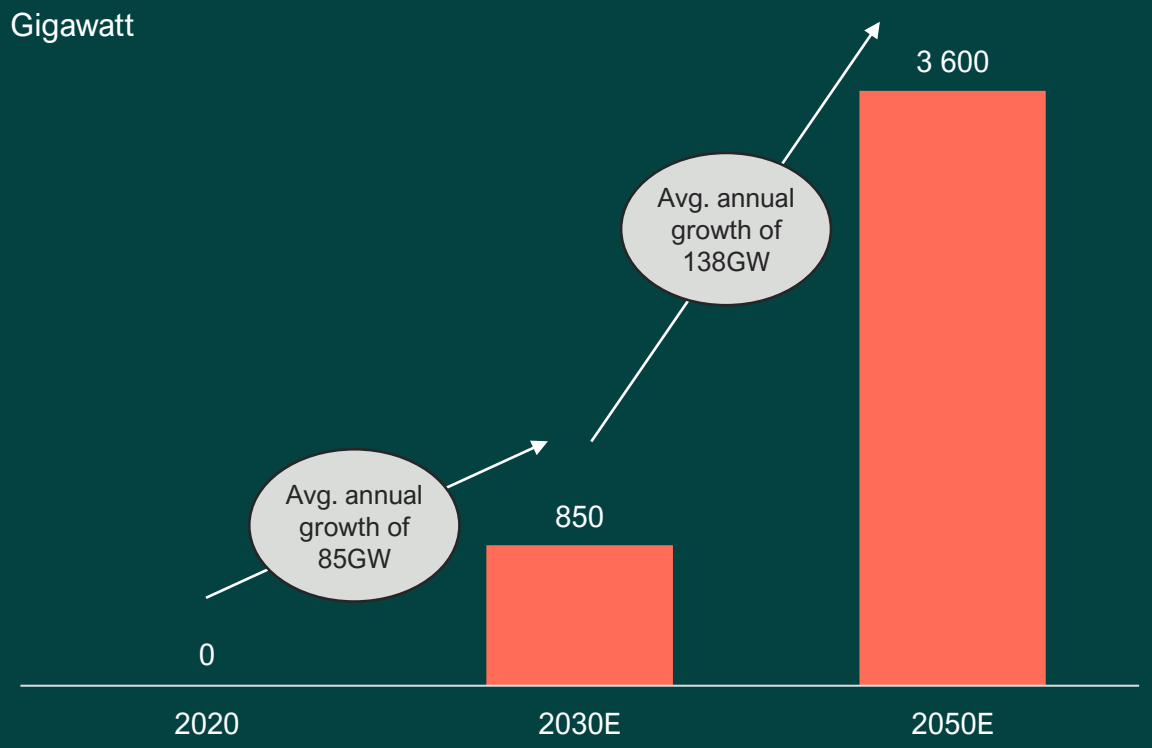
October 2022

- Size: 290 MW (Phase I)
- Production of 90 tonnes per day of liquid hydrogen for the heavy transport sector
- Part of Woodside's H2OK project with a total capacity of 550 MW

Sustainable aviation fuel

- Major order from Delta Airline and DG Fuels for at least 839 MW electrolyser capacity for production of sustainable aviation fuel in the US

Estimated required electrolyser capacity



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

Source: IEA report "Global Hydrogen Review 2021"; Recharge

Executive management and Board of Directors

Executive management

Tarjei Johansen
CEO

Martin Thanem Holtet
CFO

Erik Chr. Bolstad
CCO

Karoline Aafos
CPO

Richard Espeseth
Head of BD and Technology

Tormod Kløve
Chief Legal Officer

Board of Directors

Ellen Hanetho
Chair

Jarle Tautra
Board member

Donna Rennemo
Board member

Jarle Dragvik
Board member

Vivian Espeseth
Board member

Shareholders as of 16 March 2023

Shareholder	Number of shares	% of shares
Richard Espeseth	11,424,125	19.69
TM Holding AS	9,635,182	16.60
Clearstream Banking S.A.	7,886,879	13.59
Mistubishi Heavy Industries Ltd	5,381,165	9.27
Espeseth Vivian Yanjin Chen	3,173,571	5.47
Ctibank Europe Plc	1,600,000	2.76
Nordnet Bank AB	1,580,968	2.72
Avanza Bank AB	1,523,939	2.63
Enern Invest AS	1,408,433	2.43
Danielsen Tor	1,313,872	2.26
Others	13,100,037	22.58
Total	**58,028,171**	**100.00**

Main components in a hydrogen factory

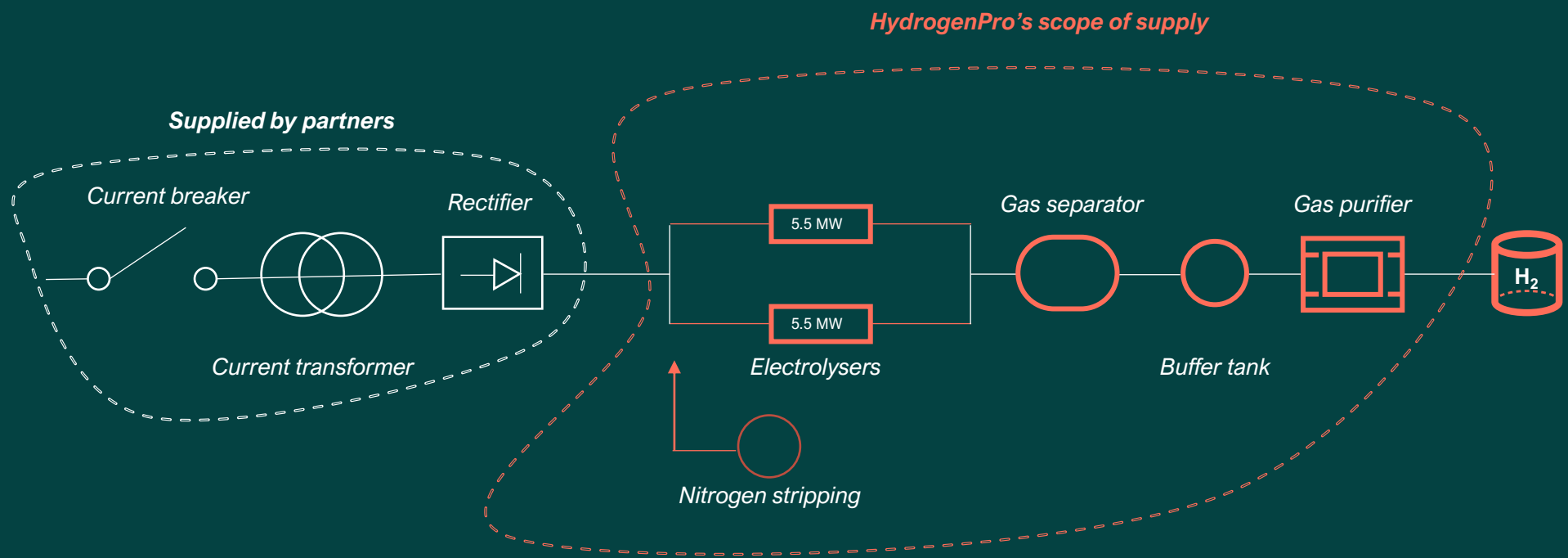
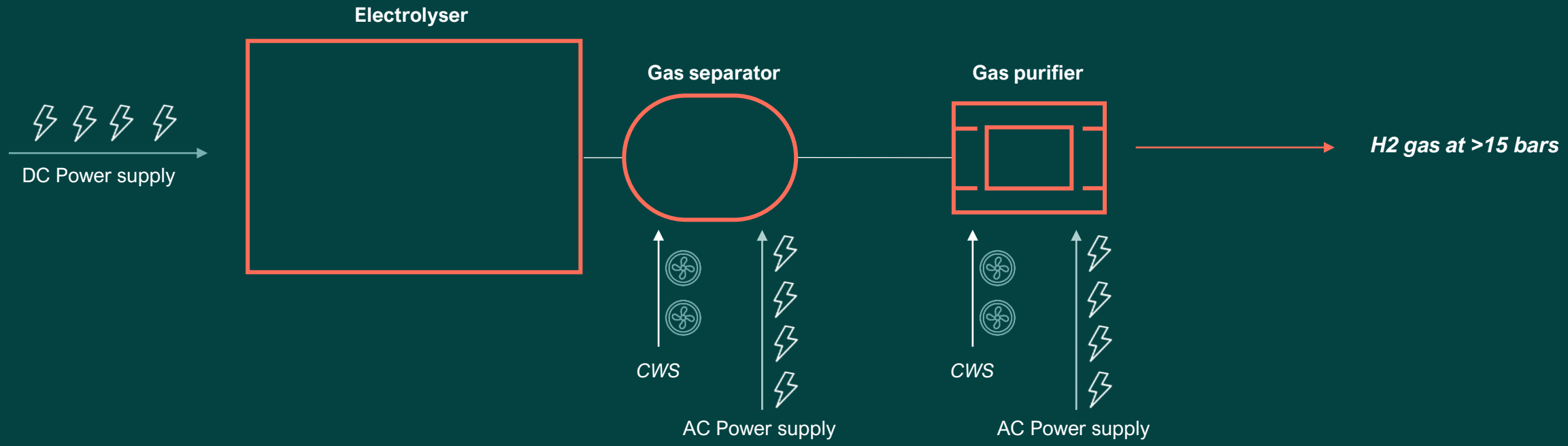


Illustration of electrolyser system for green hydrogen production

Hydrogen pro

3rd Gen product technology and plant improvements

HydrogenPro's R&D focus areas



Hydrogen pro

Hydrogen pro

www.hydrogen-pro.com