2025-03-04

HydrogenPro

Positioned for Growth With Unique Solutions in the Hydrogen Space

HydrogenPro ("HydrogenPro" or "the Company") is a leader in the green hydrogen space with the world's largest single-stack high-pressure alkaline electrolyzer, which is used to produce green hydrogen. Electrolyzers are evaluated based on energy efficiency, where HydrogenPro's latest tests indicate a substantial improvement in efficiency with an increase of up to 14%, setting a new industry benchmark. The Company has strong global partners and has a proof of concept by delivering electrolyzers to some of the largest hydrogen projects to date. HydrogenPro is uniquely positioned to capitalize on expected market growth during the forecast period 2025-2027. With an estimated revenue in 2027 of NOK 1 137m, and by applying a P/S multiple of 1,25, with a discount rate of 15%, this presents a potential present value of NOK 9,1 per share in a Base scenario.

- **Groundbreaking Energy Efficiency**

HydrogenPro already held a competitive advantage with the Company's high-pressure alkaline electrolyzers, achieving 80% energy efficiency–defined as the share of renewable energy converted to hydrogen rather than lost. However, through a groundbreaking advancement in electrode technology, the Company shows substantial potential improvement with an efficiency increase of up to 14%. Higher energy efficiency lowers the plant operator's operational costs significantly, as electricity accounts for 70-90% of total project costs in green hydrogen production. Given this technological leadership, Analyst Group estimates strong revenue growth with an 80% CAGR until 2027, reaching a revenue of NOK 1 137m in 2027.

- **Proof of Concept**

The Company has successfully delivered electrolyzers for two of the ten largest projects globally[1] : 220 MW with an order value of >USD 50m and 100 MW with an order value of >EUR 18m. This validates HydrogenPro's technology, while demonstrating successful execution in manufacturing and delivery capabilities for large-scale, complex projects. HydrogenPro's prioritized sales pipeline totals 12,1 GW, and by utilizing an established proof of concept, Analyst Group estimates the Company will secure orders of 1,1 GW over the next three years, showcasing an impressive ≈9% hit rate by industry standards.

- **Strong Partners With Ownership Stake**

HydrogenPro has partnerships with leading players in the industry. The partners Mitsubishi, Andritz, and Longi have extensive experience securing orders for large-scale projects. Additionally, all three have demonstrated confidence in HydrogenPro's technology by jointly investing NOK 140m, acquiring a 40% ownership stake[2]. This strengthens the partnerships and ensures shared interest in securing future orders. Furthermore, the Company has received grant funding through the Danish government for a 500 MW electrode H2-Gigafactory, covering more than 50% of the required financing for the factory.

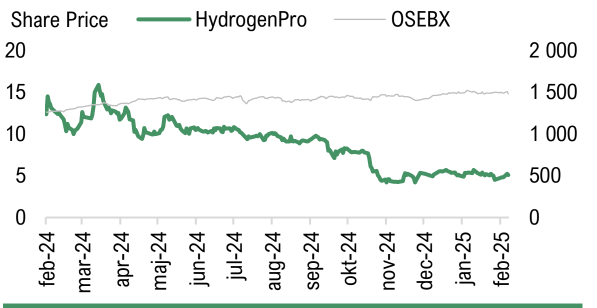
Valuation Range

Bear	Base	Bull
NOK 3,8	NOK 9,1	NOK 13,4

Key Information

Share Price (2025-03-03)	5,2
Shares Outstanding	70 121 680
Market Cap (NOKm)	364,6
Net cash(-)/debt(+) (NOKm)	-169,8
Enterprise Value (NOKm)	194,8
List	Oslo Børs
Quarterly report 1 2025	2025-05-15

Share Price Development



Owners (Source: Holdings) — Insider

CLEARSTREAM BANKING S.A.		15,7%
ANDRITZ AG		15,3%
ESPESETH RICHARD	Insider	13,6%
TM HOLDING AS		11,6%
MITSUBISHI HEAVY INDUSTRIES LTD		11,0%

Estimates (NOKm)	2024A	2025E	2026E	2027E
Revenue	196	345	799	1139
COGS	-147	-207	-434	-570
Gross Profit	**49**	**138**	**360**	**570**
Gross Margin	25%	40%	45%	50%
Operating Costs	-254	-214	-352	-433
EBITDA	**-205**	**-76**	**8**	**137**
EBITDA Margin	-105%	-22%	1%	12%
P/S	1,82	1,0	0,45	0,31
EV/S	0,96	0,54	0,24	0,17
EV/EBITDA	N/A	N/A	23,5	1,4

1: Excluding China
2: Longi's stake pending on approval

Introduction

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About the Company

HydrogenPro was founded in 2013 with a focus on pioneering green hydrogen technology solutions. The Company specializes in developing energy-efficient high-pressure alkaline electrolyzers, which are essential to producing green hydrogen. In 2020, HydrogenPro began operating the production of electrolyzer stacks in China, while assembling in Europe. In 2021, through the acquisition of the Danish company Advanced Surface Plating, HydrogenPro secured electrode manufacturing capability. The Company has been listed on the Oslo Børs since 2020.

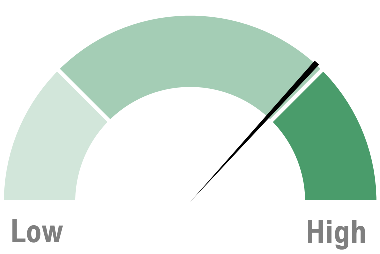
CEO and Chairman

CEO	Jarle Dragvik
Chairman	Dag J. Opedal

Analyst

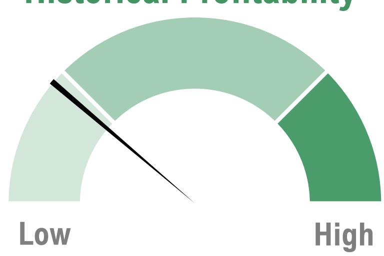
Namn	Henrik Guditz
E-mail	henrik.guditz@analystgroup.se

Value Drivers



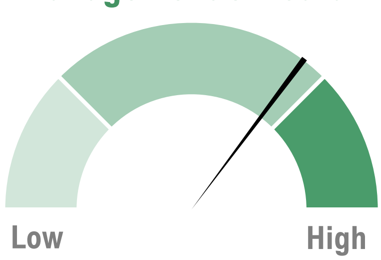
HydrogenPro has strong partnerships with leading players that recently secured a joint stake in HydrogenPro, amounting to 40%. The Company has a prioritized sales pipeline amounting to 12,6 GW. Through strong partnerships and a substantial advancement in energy efficiency, HydrogenPro is expected to capitalize on the sales pipeline and generate strong revenue amounting to NOK 1 137 in 2027, with a CAGR of 80%.

Historical Profitability



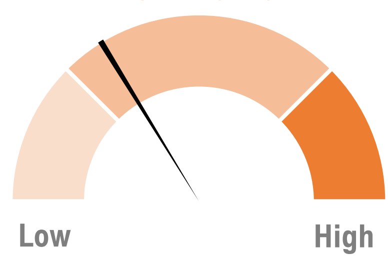
Due to macroeconomic headwinds, the necessary growth to achieve economies of scale has not been realized, leaving the Company unprofitable on an annual basis. However, HydrogenPro has demonstrated strong resilience in cost control, implementing measures to reduce its cost base while remaining prepared to scale and meet growing demand to achieve positive EBITDA. The rating is based on historical profitability and is not forward-looking.

Management & Board



The current CEO, Jarle Dragvik has been instrumental in the key strategic decisions made in recent years, including partnering with leading players, securing continued leadership in innovation, and maintaining financial discipline while positioning the Company for future growth. A higher rating would require higher insider ownership, which currently stands at 0,04% from the CEO and 0% from the chairman, Dag J. Opedal.

Risk Profile



HydrogenPro's cash position is strong, with NOK 261m, including the private placement with Mitsubishi and Andritz that took place in December. Furthermore, another NOK 70m is expected to be realized through Longi's investment, currently pending approval of local regulations. One risk to the Company is a deteriorating macroeconomic environment, which could negatively impact investments in green hydrogen and demand for electrolyzers.

Investment Thesis

Over **13 GW** of Announced Projects in the Next Three Years

Shifted Market Focus Benefits HydrogenPro

The hydrogen industry competes with carbon-intensive energy sources like oil, coal, and natural gas, while the green hydrogen sector also faces competition from non-renewable hydrogen. In recent years, the market has shifted from easily secured financing for most green projects, regardless of economic viability, to a landscape demanding cost-competitive solutions. This shift benefits HydrogenPro, as the Company's technology achieves a substantial improvement in energy efficiency compared to competitors. According to the IEA, over 13 GW of high-pressure alkaline electrolyzers are planned within three years. With highly competitive technology, the Company is well positioned to secure orders from these projects.

Proof of Concept with Successful Deliveries to Two of the Ten Largest Projects Globally

HydrogenPro has proven its concept through successful electrolyzer deliveries to two large-scale projects. One order was for 220 MW worth > USD 50m for a hydrogen storage facility in Utah. The other order was for 100 MW worth > EUR 18m for a steel production project in Salzgitter, where hydrogen replaces coal. These deliveries validate the technology's applicability for large-scale production. They also demonstrate the Company's ability to manage complex manufacturing, assembly, and logistics. Leveraging these achievements strengthens HydrogenPro's position and increases the likelihood of securing orders from the prioritized 12,1 GW sales pipeline, as demonstrated by the latest news of a new highly probable order of 100 MW (>EUR 18m) through Andritz for delivery to a green hydrogen plant in Rostock, Germany.

Potential to Increase Efficiency With up to **14%**

Groundbreaking Energy-Efficiency Through Technological Leadership

HydrogenPro's high-pressure alkaline electrolyzers have a competitive edge with 80% energy efficiency, defined as the share of renewable energy converted to hydrogen rather than lost. Higher efficiency lowers operational costs, as electricity accounts for 70-90% of total project costs, and is one of the key factors in determining economic viability. With new electrode technology, the Company achieves an even greater efficiency improvement, increasing energy conversion by up to 14%, setting a new industry benchmark and saving customers ≈3mUSD annually and ≈85mUSD over a 30-year lifespan. The technology also cuts water-cooling needs by 75%, enhancing feasibility in water-scarce regions where projects would otherwise be impractical. Additionally, HydrogenPro's electrolyzers produce high-pressure hydrogen, reducing further compression needs and ensuring compatibility with industrial use. These advancements position HydrogenPro at the forefront of the market, offering unmatched energy efficiency.

Strong Partner Network With Global Reach and Satisfactory In-House Manufacturing Capability

HydrogenPro partners with industry leaders, reducing the need for an in-house sales team and lowering operational costs. The four key partners Mitsubishi, Andritz, Longi, and J.H.K., validate the technology, expand global reach, and enable bidding on projects of all sizes. By combining cost-efficient in-house manufacturing of electrolyzer stacks with final assembly conducted locally near a project site through partners, such as Andritz in Europe for the SALCOS project in Salzgitter, the Company ensures a lower cost base, greater logistical flexibility, and compliance with EU regulations.

NOK 9.1
Base scenario

Financial Forecast

HydrogenPro has a proof of concept, groundbreaking energy efficiency, a strong partner network, and a robust sales pipeline, amounting to 12,1 GW and is thereby well positioned to deliver strong growth going forward. Based on FY 2027 projected revenue of NOK 1 137m and an applied P/S multiple of 1,25, coupled with a discount rate of 15%, a potential present value of NOK 9,1 per share is derived.

Risks

The green hydrogen market has faced challenges in recent years, primarily due to macroeconomic factors. Furthermore, the industry remains heavily reliant on governmental subsidies. Additionally, continuous innovations compete with HydrogenPro's technology. However, subsidies for economically feasible projects are projected to continue, and the Company's competitive solutions, alongside continuous investments in innovation are positioning HydrogenPro to meet the competition of tomorrow.

Comment on Q4 Report

Q4 at a Glance

HydrogenPro's revenues amounted to NOK 70m during the fourth quarter (NOK 72m in Q3 24) and were primarily related to deliveries for the SALCOS project (100 MW) with Andritz in Germany. The Company increased the gross margin to 41%, compared to 26% in Q3 24. OPEX came in at NOK 73m, an increase of NOK 13m, of which approximately NOK 9m were extraordinary costs of a nonrecurring nature.

Successful Delivery and Project Execution

Validation of 3rd Generation Electrodes in Q1

During the fourth quarter, HydrogenPro made successful deliveries to the Green Steel SALCOS project with its partner Andritz, demonstrating continued strong project execution regarding components being delivered on time and meeting the complex requirements associated with a large-scale green hydrogen project. Most of the electrolyzer components for the Andritz order have now been delivered, with the remaining parts primarily related to the 3rd-generation electrodes. Before these are delivered, a joint full-scale validation program is being conducted together with Andritz at HydrogenPro's test facility in Herøya. One electrolyzer will be equipped with 50% 3rd generation electrodes and 50% 2nd generation for a direct comparison. The test starts now and will conclude in 500 testing hours over one month. Positive results are expected and set to confirm the groundbreaking energy efficiency enhancements of 14% previously demonstrated, associated with the Company's 3rd-generation electrodes. The partnership with the global leader Andritz, which assembles components and now cooperates in the validation program, confirms HydrogenPro's strategic position in maintaining a slim organization while utilizing partners' core competencies to sustain logistical flexibility and validate improvements in electrolyzer performance.

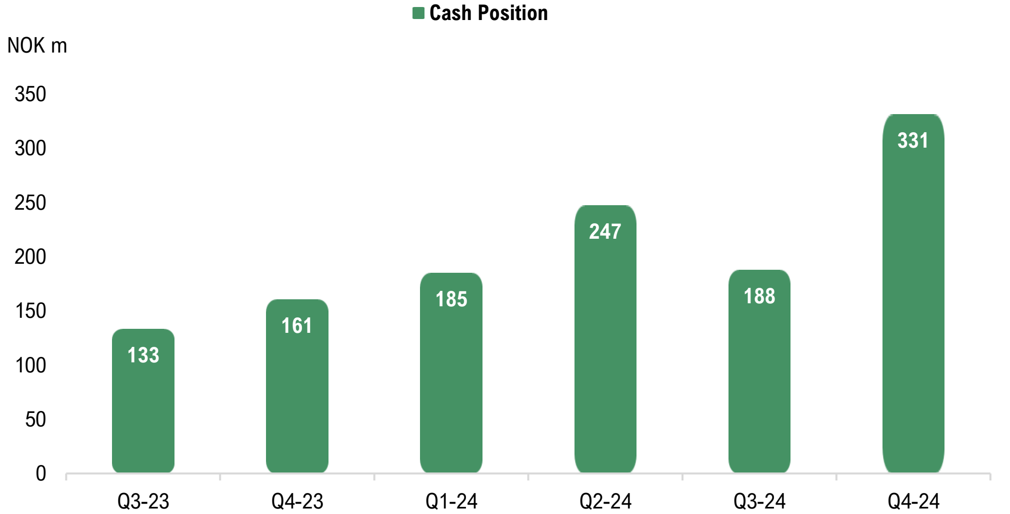
Strong Financial Position

Cash Position Stands at NOK 331m, Including Capital Raise of NOK 140m

The Company conducted a strategic capital raise amounting to NOK 70m, secured from key partners Mitsubishi and Andritz. Furthermore, an additional NOK 70m is expected to be raised from Longi, although pending approval regarding Chinese regulations on foreign investments. The cash position, excluding the combined capital raise of NOK 140m, increased by NOK 3m to NOK 191m. The increase is explained by changes in working capital amounting to NOK 58m. Due to a challenging market, the Company is implementing cost-reduction measures, with HydrogenPro downsizing in Europe while also reducing the use of external consultants. Furthermore, activity in China is being reduced in both the Tianjin manufacturing plant and the Shanghai office. The cost reduction initiative is expected to save the Company NOK 40m on an annual basis. These measures are expected to be temporary, and the Company remains flexible in scaling up activity when the market improves. The total cash position, with both capital raises included, amounts to NOK 331m - a solid financial position, enabling growth-enhancing investments.

Strong Cash Position of NOK 191m and an Additional NOK 140m when Including Private Placements.

HydrogenPro's Cash Position, Q3-2023-Q4-2024E



Source: HydrogenPro's Quarterly Reports

Comment on Q4 Report

Market Situation

The fourth quarter included a market backdrop with several cancellations of previously announced projects, ranging from 50 MW to 200 MW, confirming the challenging market environment observed since 2023. The primary reasons for this market backdrop can be summarized as higher inflation, increased capital costs, and a lack of government funding, which is partly related to the war in Ukraine and reprioritized investments regarding that matter.

≈ EUR **2,2B** Earmarked for Hydrogen Investments

However, the Company continues to make strategic investments, strengthening its position for when the hydrogen market returns to a climate with more positive Final Investment Decisions, the seeds of which are being sown through the European Hydrogen Bank, which has approximately EUR 2,2 billion earmarked for investments in the coming years.

Strategic Investments

≈ NOK **240 million** in Received Grants for **H2-Gigafactory**

HydrogenPro is taking strategic initiatives to upgrade the annual manufacturing capacity for the 3rd-generation electrodes to 350 MW, securing delivery capacity for the SALCOS project as well as for future projects. In parallel with the 350 MW capacity investment in electrodes, HydrogenPro is considering the development of an H2 Gigafactory for the 3rd generation electrodes, which would bring the total capacity to at least 500 MW in annual electrode capacity, matching the current 500 MW capacity of electrolyzer stacks while enabling flexibility with possible spare capacity. This potential spare capacity could be utilized as the Company deems most beneficial, possibly by selling it to external electrolyzer producers and thereby adding new revenue streams.

The expected positive results from the joint full-scale validation program together with Andritz, in combination with future mass production of electrodes, are expected to be a game changer in terms of HydrogenPro's offering and competitiveness in the market. Financing for the H2-Gigafactory buildout was partly secured through grants from the Danish government in 2024, amounting to ≈ NOK 240 million. As HydrogenPro leads the way in an innovative space that increases energy efficiency and makes large-scale hydrogen projects more cost-efficient, the Company is positioned to receive further potential grants in the future. However, as the situation stands today, financing for the H2-Gigafactory would also require equity, and the definitive investment decision has not yet been made.

Capital Raised With a **22%** premium

The strategic investments have additional associated financing through the recently announced capital raise amounting to NOK 70 million from partners Andritz and Mitsubishi and an additional NOK 70 million from Longi, both with a 22% share price premium. However, the Longi investment is pending approval regarding Chinese regulations. While securing financing for strategic investments, this capital injection also strengthens the partnerships further, ensuring a shared interest in securing orders moving forward. The latest partnership with Longi also opens the Chinese market for HydrogenPro, which currently accounts for two-thirds of the global electrolyzer demand.

Sales Piepline Amounts to **12,1 GW**

Despite several project cancellations, the Company updated the prioritized sales pipeline, which now amounts to 12,1 GW or USD 4,1 billion in potential, demonstrating an expanded addressable market through new partnerships with Longi and J.H.K. Furthermore, on the third of March, shortly after the report was presented, Andritz announced the receipt of an order for the authority engineering of a 100 MW green hydrogen plant in Rostock, Germany. Subject to the investment decision of the final customer, Andritz expects to receive the notice to also proceed with the supply of the plant. Analyst Group considers this likely to occur, given that Andritz has extensive experience and strong track record in handling the full project process, including engineering, procurement and construction. If Andritz is chosen for the supply of the plant, it means Andritz will procure HydrogenPro's solutions. The potential order demonstrates the strong position Andritz holds in the market as well as the valuable partnership currently in place between Andritz and HydrogenPro. An order would, in Analyst Group's estimates, amount to more than 18m EUR, reflecting the same size as the SALCOS project.

In summary, while market conditions remain challenging, the Company has secured a stable financial foundation, strengthening the capital base and enabling continued growth-driven activities such as validation of the 3rd-generation electrodes and associated capacity expansion. Through these measures and a further enhanced partnership with industry leaders, HydrogenPro is positioned to capitalize on the strong sales pipeline of 12,1 GW with a leading electrolyzer solution that increases energy efficiency significantly.

Company Description

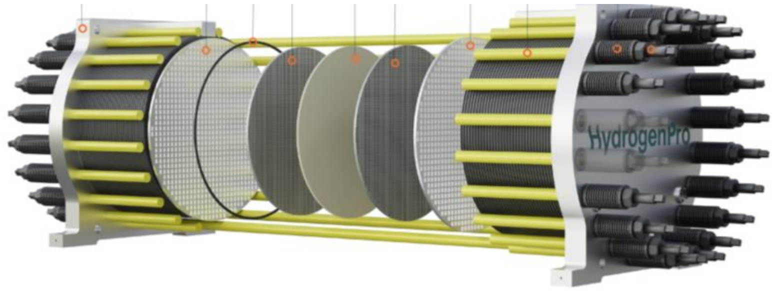
Terminology

Hydrogen production capacity is typically measured in terms of energy input, using **Megawatts (MW)** or **Gigawatts (GW)**.

HydrogenPro's standard electrolyzer requires **5.5 MW** of electrical power input per unit.

A **100 MW** plant, consuming 100 MW of electricity, would require ≈ **18** electrolyzers (**100 MW / 5.5 MW ≈ 18).**

HydrogenPro, founded in 2013, specializes in green hydrogen technology solutions. Today, the Company is a technology owner and a global original equipment manufacturer, specializing in the world's largest single-stack high-pressure alkaline electrolyzer. Electrolyzers are essential for production of green hydrogen. In 2021, the Company established in-house manufacturing capacity in China through a joint venture with Tianjin HQY Hydrogen Machinery, today known as HydrogenPro Tianjin. The plant has a 500 MW annual capacity, capable of producing ≈90 electrolyzer stacks. While manufacturing of electrolyzer components takes place in China, the assembly is conducted locally near end users, thereby securing logistical flexibility and compliance with local regulations.



HydrogenPro's standard 5.5 MW single stack **electrolyzer** and its components which are explained later in the Company description

Green Hydrogen via Electrolysis and End-Users

Utilizing Electrolyzers, Water (H2O) is split into Oxygen (O2) and Green Hydrogen (H2)

Green hydrogen originates from renewable energy sources such as wind, hydro, and solar energy. In its production, renewable energy powers the electrolysis process, where an electrolyzer splits water molecules into hydrogen and oxygen. Green hydrogen has many applications, with targeted end users including oil refining, steel production, synthetic aviation fuel, fertilizer/ammonia, power-to-gas, and grid balancing. These industries seek to reduce carbon emissions by integrating green hydrogen into their operations. A key use case for HydrogenPro is the Advanced Clean Energy Storage (ACES) project, the world's largest renewable energy storage hub, where HydrogenPro's electrolyzers produce hydrogen stored in an underground salt cavern for later use. Another example is the SALCOS project in Germany, where green hydrogen produced with HydrogenPro's electrolyzer replaces coal in steel production, reducing emissions in the process.

Sales Strategy and Targeted End-Users Through Partners

EPC (Engineering, Procurement and Construction) is a project delivery model where a contractor designs (engineering), sources materials (procurement), and builds (construction) a project from start to finish. It's commonly used for large-scale infrastructure, energy, and industrial projects.

HydrogenPro collaborates with four global partners in its sales and assembly strategy for electrolyzers. These partners operate under an EPC structure, meaning they are responsible for the engineering, procurement, and construction in projects. The partners purchase HydrogenPro's electrolyzers and integrate them into hydrogen production facilities designed for the Company's end users. HydrogenPro's primary partnerships are with Japan-based Mitsubishi Heavy Industries and Austria-based Andritz. Recently, the Company also announced partnerships with China-based Longi and Germany-based J.H.K. Partnering with global leaders not only validates HydrogenPro's technology in negotiations for large-scale projects but also provides access to an established global sales network that would be difficult to build independently. This structure has so far resulted in two large-scale projects using HydrogenPro's electrolyzers over the past three years. Additionally, all partners except J.H.K. hold a combined 40%[1] ownership stake in HydrogenPro, further aligning their interests and incentivizing them to include HydrogenPro's products in their large-scale EPC bids. Meanwhile, the J.H.K. partnership adds flexibility to HydrogenPro's partner structure, allowing the Company to compete for smaller projects as well.

	ANDRITZ	MITSUBISHI HEAVY INDUSTRIES	LONGi	J.H.K.
2023 revenue	≈ NOK 100bn	≈ NOK 350bn	≈ NOK 130bn	N/A
# of employees	≈ 30 000	≈ 78 000	≈ 75 000	≈ 300
Ownership stake	16,7%	12,3%	13,3%	0%
Focus regions	Europe	US & Asia	Asia	Europe
Focus projects	Large scale > 50MW	Large scale > 50MW	Large scale > 50MW	Small scale <50MW

[1]: Longi's staks is pending on approval from Chinese regulators.

Company Description

HydrogenPro's standard electrolyzers produce ~ **1,100 Nm³/h**

Equaling ~ **100kg** of pure pressurized green hydrogen per hour

Equaling ~ **80%** energy efficiency

With the 3rd generation coating technology HydrogenPro deliver a substantial improvement in efficiency with an increase of up to 14%

Energy Efficiency Through Competitive Electrolyzers and Innovative Coating Technology

One of the biggest challenges in green hydrogen production is energy spillage during electrolysis, where not all electrical energy input is successfully converted into hydrogen. Electricity spillage results in added electricity costs required to power the electrolysis. Thus, hydrogen producers, which are HydrogenPro's end-users, evaluate electrolyzers not only by the initial investment cost of an electrolyzer but, more importantly, by their respective energy efficiency. The energy costs make up the largest share of a hydrogen producer's total expenses, accounting for 70-90% of the levelized cost of hydrogen production, whereas the direct investment cost of an electrolyzer represents 10-30%.

HydrogenPro's electrolyzers were already competitive in efficiency, delivering 80% energy efficiency. However, in 2020, the Company enhanced its offering by acquiring the Danish company Advanced Surface Plating ("ASP"), which owns proprietary next-generation advanced electrode coating technology (3rd-generation). The 3rd-generation electrode technology has the potential to improve HydrogenPro's electrolyzer efficiency by up to 14%. Additionally, water cooling needs are expected to be reduced by 75%, referring to the amount of water required to regulate the heat of the electrolyzer system and produced hydrogen. This reduction increases suitability for projects in water-scarce regions, where such systems would otherwise be impractical. The innovative coating technology uses nickel foam, a relatively inexpensive material, whereas competitors rely on noble materials such as platinum and iridium, which are both scarce and expensive. The Company is currently finalizing official validation of the 3rd-generation electrodes to confirm the results already obtained through its own testing efficiency gains. Simultaneously, HydrogenPro is investing in manufacturing capacity for the next-generation electrodes in Denmark, with plans to reach 350 MW production capacity in 2025, compared to 500 MW for electrolyzer stacks. Beyond this, the Company has been granted ≈ NOK 240m from the Danish government, partly funding an H2-Gigafactory, which would be designed to produce over 77 000 electrodes annually, matching the electrode requirement for installing 0.5 GW electrolyzer capacity. If HydrogenPro chooses to invest, electrode capacity would amount to at least 500 MW, while electrolyzer stacks capacity would remain at 500 MW.

World's high pressure alkaline electrolyzer

Compatible with renewable energy

3rd generation electrode coating technology

Theoretical potential energy efficiency amount up to 93%

No noble materials in the electrolyzer or electrode coating

Secures competitive pricing

Save customers ≈ 3mUSD in annual operating cost and ≈ 85mUSD in total lifetime cost of operations over 30 years

Energy efficiency reduces operating costs

HydrogenPro's high-pressure alkaline electrolyzer is one of the two primary electrolyzer technologies used in green hydrogen production, the other being PEM electrolyzers. Historically, alkaline technology has lagged behind PEM technology in energy efficiency but have remained competitive on cost, partly due to the absence of expensive noble materials like platinum and iridium. With the new coating technology, HydrogenPro reverses this dynamic by offering competitive pricing combined with energy efficiency.

	PEM	Alkaline		
	High Pressure	**Atmospheric pressure**	**High Pressure**	**HydrogenPro 3rd Gen**
Plant Efficiency	✗	✓	✓	✔
Low Cooling Need	✗	✓	✓	✔
No Noble Materials	✗	✔	✔	✔
Suitable for Renewable Energy	✔	✗	✔	✔
High Pressure on O2	✓	✗	✔	✔
Suitable for P2X plants	✓	✗	✓	✔
Proven for Large-Scale Plants	✗	✓	✔	✔

Best capability ✔ Average capability ✓ NO/Limited capability ✗

Company Description

FEED study (Front-End Engineering Design) is a detailed engineering and-design phase conducted before finalizing a project investment. It defines the technical requirements, project scope, costs, and risks associated with hydrogen production, storage, or transportation infrastructure.

Delivery range from months and years, depending on the size and complexity of the project.

Service Agreement was secured in the ACES-project with a 10-year duration.

FEED Studies, Delivery, and Service Agreements

Before securing a contract, a FEED study (Front-End Engineering Design) is conducted to assess technological applicability, energy efficiency, delivery capacity, and other key factors. The duration of this process varies from several months to years, depending on the project's complexity and scale. However, a successful FEED study does not guarantee an order, as factors such as financing and economic viability can shift due to external macroeconomic conditions. Therefore, maintaining a strong pipeline of FEED studies is crucial for long-term success. HydrogenPro's strategic partnerships with industry-leading players create a strong position for success in the bidding process. Once a contract is secured, manufacturing and delivery take place, typically spanning from months to years, depending on project scale. Additionally, HydrogenPro may also secure a service agreement for ongoing maintenance and potential upgrades, such as integrating its coating technology into installed HydrogenPro electrolyzers.

Understanding HydrogenPro's Partner, Customer, and End-User Relationships

HydrogenPro operates in complex project environments where the roles of partners, customers, and end users can overlap. This complexity is evident in large-scale projects such as ACES and Salzgitter.

- **The Advanced Clean Energy Storage (ACES) project** exemplifies the intricate relationships within the green hydrogen ecosystem:

Customer: Mitsubishi Power (a solution brand of Mitsubishi Heavy Industries) acted as one of two EPC (Engineering, Procurement, and Construction) providers, procuring HydrogenPro's electrolyzers and integrating them into the plant. The other EPC provider was Magnum Development, a construction company.

Financing & Ownership: The project received funding from Mitsubishi Heavy Industries and U.S. government subsidies through the Inflation Reduction Act (IRA).

Operators: Mitsubishi Power, together with the oil company Chevron, now own and operate the facility after Chevron acquired a stake in the storage unit.

End Users: Mitsubishi Power and Chevron store and distribute the produced hydrogen but are not necessarily the final consumers. Instead, the stored hydrogen can be used for grid balancing, green ammonia production, and other applications.

Ultimately, the recipient of a bid varies among financiers, EPC providers and end users of the electrolyzers.

- **The SALCOS project** follows a more straightforward setup:

Partner, Customer & EPC Provider: Andritz served as the EPC provider, responsible for constructing the facility and procuring HydrogenPro's electrolyzers.

Facility Operator & End User: Salzgitter AG operates the hydrogen production facility and directly uses the electrolyzers to support green steel production. Since they utilize both the electrolyzers and the hydrogen, they are the true end-user.

Financing: The project was funded by Salzgitter AG and the European Green Hydrogen Bank.

Project	Partner	Financier	EPC-Provider	HydrogenPro's Customer	Quote to HydrogenPro	Service Agreement	End-User and Operator of Electrolyzers	End-User/Customer of Produced Hydrogen
ACES Delta	Mitsubishi Heavy Industries	Mitsubishi Power, American Government	Mitsubishi Power, Magnum Development	**Mitsubishi Power**	**220 MW => USD 50m**	**≈ USD 25m with a 10-year agreement**	Mitsubishi Power, Chevron	E.G. Grid operators & Ammonia Producers
Salcos	Andritz	Salzgitter AG, European Green Hydrogen Bank	Andritz	**Andritz**	**100 MW => EUR 18m**	**N/A**	Salzgitter AG	Salzgitter AG - Steel Production

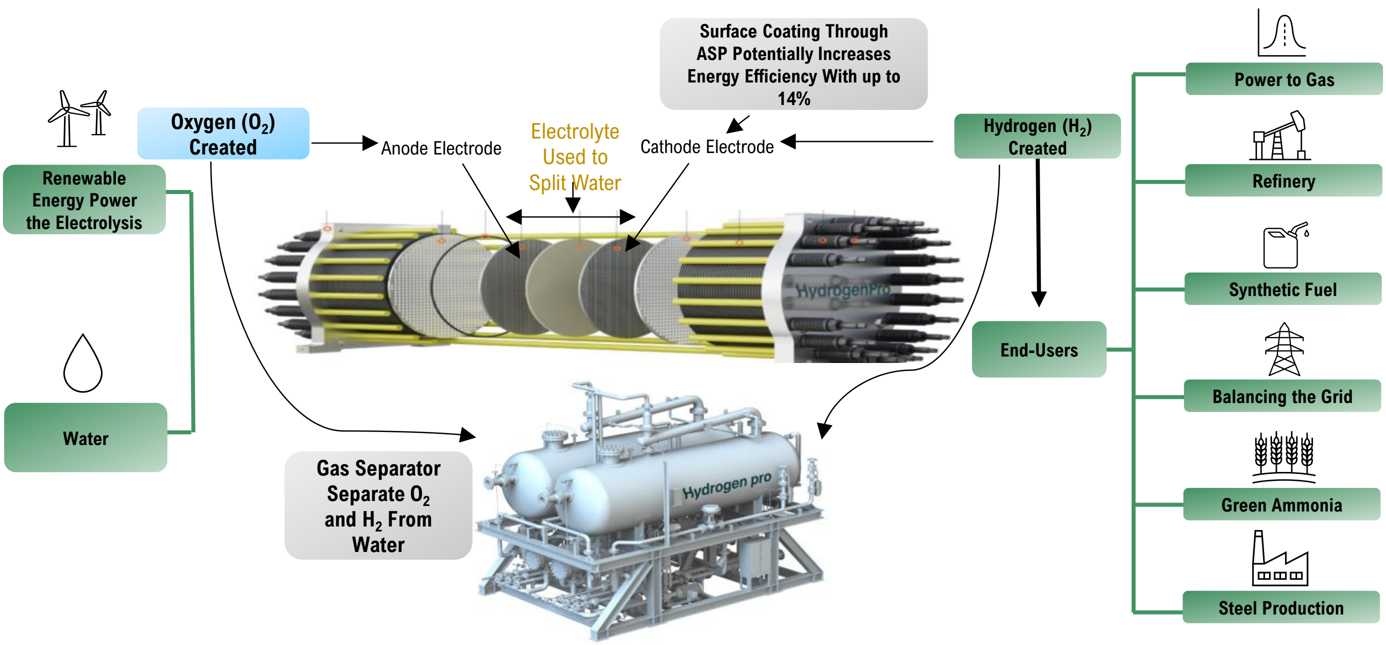
Company Description

Current Energy Efficiency reaches **80%** - with new Coating Technology it has the Potential to Increase by up to **14%**

The World's Largest High-Pressure Alkaline Electrolyzer with Modular and Scalable Design

HydrogenPro has the world's largest electrolyzer, a 5.5 MW single-cell stack, suitable for renewable energy input. A standard module consists of a cell stack connected to a single gas-liquid separation unit. The cell stacks utilize electricity from renewable sources to split water into hydrogen and oxygen. The gas-liquid separation unit separates the produced hydrogen and oxygen gases from water to ensure they are dry and pure. Furthermore, the modular design of the electrolyzer enables it to turn on and off as needed, a critical feature for hydrogen production using intermittent renewable energy sources such as wind and solar.

HydrogenPro's high-pressure alkaline electrolyzers produce hydrogen at 15 bar, meaning the gases (hydrogen and oxygen) are generated at a pressure 15 times greater than atmospheric pressure. High-pressure production reduces the need for additional compression, making storage, transportation, and industrial use more cost-effective. The large size of the electrolyzer minimizes the number of surrounding hydrogen system components, lowering overall plant costs and making it well-suited for large-scale hydrogen production. As mentioned earlier, the energy efficiency currently reaches 80%, but with 3rd-generation electrodes, a substantial improvement in efficiency is achieved with an increase of up to 14% In summary, these developments are expected to reduce an average customer's annual costs by approximately USD 3m and lifetime costs over a 30-year period by USD 85m.



Strategic Outlook

The Company aims to strengthen its prioritized sales pipeline, currently 59 projects with a total value of 12,1 GW, by focusing on both small- and large-scale projects for greater diversification. Final validation testing of the 3rd-generation electrode coating technology, integrated with the electrolyzers, is being conducted with Andritz in Q1 2025. By combining a substantial pipeline with this 3rd-generation technology, HydrogenPro is well-positioned to secure further orders in 2025–2027. Furthermore, the Company is considering the investment decision in an H2-Gigfafactory, for which part of the financing has been secured through grants. An H2-Gigafactory, would potentially enable mass production of the new electrode technology, thus substantially strengthening HydrogenPro's ability to meet expected demand. By utilizing its cost-efficient strategy of manufacturing electrolyzer stacks in China while assembling in Europe, HydrogenPro is expected to improve margins moving forward.

Conduct FEED studies solo or together with partner
Strengthen Sales-Pipeline

Secure orders alone or with partner
Generate Revenue and Cashflow

Finalize validation of the 3rd generation electrodes
Confirm Expected Increase in Energy-Efficiency

Manufacture in China, Assemble Locally near a project
Execute on the Strategically Set Up Supply Chain

Green Hydrogen

Green Hydrogen is produced by splitting water into hydrogen and oxygen. By utilizing renewable energy for this process, green hydrogen generates no carbon dioxide emissions. This is the process in which HydrogenPro's electrolyzers are used.

Blue Hydrogen

Blue Hydrogen is produced through using steam from natural gas to react with methane, generating hydrogen and carbon dioxide. Blue hydrogen utilizes Carbon Capture and Storage (CCS), where carbon dioxide is captured and stored instead of being released.

Gray Hydrogen

Gray Hydrogen is produced in the same way as blue hydrogen, with the difference that carbon dioxide is not captured but released into the atmosphere. Gray hydrogen is the most common and the cheapest option today but has high carbon dioxide emissions.

Green Hydrogen Constitutes an Important Factor in the Green Energy Transition

Hydrogen can be categorized by different colors to distinguish the level of renewability in the sourcing process as per the figure to the left. Hydrogen has several use cases, which vary somewhat between the different colors. These include use as a feedstock, fuel for transportation, energy storage and energy carrier. Today, hydrogen is used in several applications, where the global demand amounting to 100 Mt hydrogen, primarily attributable to oil refining and ammonia as well as methanol production. The current demand is dominated by gray hydrogen, which results in high carbon dioxide emissions. Looking ahead, the potential of using green hydrogen is expected to play an important role in the green transition and to reach global climate goals such as the Paris agreement, particularly by decarbonizing hard-to-abate sectors such as aviation, maritime, long-haul trucking and large parts of heavy industry. Hard-to-abate sectors are those that cannot easily be decarbonized through electrification, these sectors are estimated to account for approximately 35% of the global carbon dioxide emissions. According to DNV, green hydrogen is expected to play an important role in the decarbonization of these sectors alongside biofuels, positioning green hydrogen as a key component of the future energy mix.[1]

Example of use cases for hydrogen.

Hydrogen **as a feedstock** is a use case, where it is currently essential for two primary applications: oil refining and ammonia production for fertilizers. This is a large use case for hydrogen today but primarily consists of gray hydrogen. Replacing gray hydrogen with green in these industries is associated with significant reductions in Co_2.

Energy storage is a challenge in the green energy transition, as it largely relies on intermittent energy sources. By converting surplus electricity into hydrogen and storing it for later use, green hydrogen reduces energy spillage and helps balance the grid. HydrogenPro's ACES project falls under this category and serves as evidence of the area's relevance.

Hydrogen has the potential to replace or complement fossil fuels in **industrial processes** such as steel production. However, current utilization is low due to higher costs compared to traditional fossil-fuel technologies. Nevertheless, HydrogenPro's SALCOS project with Andritz falls under this category and showcases green hydrogen's potential

Fuel within transportation is used for cars, trucks, trains, boats, and synthetic fuel for airplanes. The primary benefit of using green hydrogen instead of conventional fuels is that it provides zero emissions while offering the same convenience in terms of both range and fueling time.

Hydrogen and Its Derivatives is Estimated to Account for 4% of the Global Energy Demand in 2050

Renewable hydrogen is expected to grow rapidly in the coming decades, as it is seen as essential for lowering emissions in energy-intensive sectors that are difficult to electrify. Hydrogen and its derivatives, such as e-fuel, need to account for 15% of the global energy demand by 2050 to reach the goals of the Paris agreement. However, due to rising costs for the first ongoing hydrogen-for-energy projects and the absence of policies that subsidize hydrogen at the substantial level required for a fast ramp up, DNV estimates that the share will only reach 4% in 2050 and 0.25% in 2030. This still represents a rapid growth rate over the next 25 years, considering that the figure currently stands close to 0%. Moreover, DNV estimates that the global expenditure on hydrogen production for energy purposes until 2050 to reach USD 6.8trn, highlighting the expected growth and size of the addressable market for green hydrogen and HydrogenPro. The Company's alkaline electrolyzers are expected to play a crucial role in the production of green hydrogen and, through factors such as energy efficiency and the new generation of electrodes, capitalize on the projected increase in investments in green hydrogen.

[1]*Source: DNV, "The energy transition outlook 2024".*

Market Analysis

SELECTION OF INCENTIVE PROGRAMS

- CARBON CONTRACTS FOR DIFFERENCE SUBSIDIES
- TENDER AUCTIONS FOR HYDROGEN PURCHASE AGREEMENTS
- CONTRACTS FOR DIFFERENCE FOR CLEAN HYDROGEN
- NATIONAL GREEN HYDROGEN MISSION (USD 2.4BN)
- USD 3/KG HYDROGEN IN TAX CREDITS FOR PRODUCERS OF GREEN HYDROGEN
- CONTRACT FOR DIFFERENCE

Government Incentives is Expected to Drive the Demand for Green Hydrogen

Political incentives are expected to provide critical support for growth, as several geographies have incentive programs for green hydrogen. However, delays in such subsidy programs have hampered growth in recent years, leading to delays in final investment decisions (FIDs). Nevertheless, incentive programs are in place across different geographies and are expected to drive the market toward reaching climate goals, making them an important growth driver. Furthermore, declining costs of green hydrogen technology, driven by technological advancements such as HydrogenPro's, are expected to lead to increasing demand in the coming decades.

New Regulations and US Election Creates Uncertainties

In September 2024, the European Hydrogen Bank introduced new terms stating that prospective projects will not be allowed to source more than 25% of electrolyzer stacks - covering surface treatment, cell unit production, and stack assembly - from China if the project is to be granted subsidies. It should be noted that these restrictions only apply to projects that are eligible to receive subsidies within the EU. HydrogenPro meets these requirements by assembling the electrolyzer stacks in Europe. However, uncertainties remain regarding the interpretation of the new regulations, which is why HydrogenPro maintains an ongoing dialogue with the European Hydrogen Bank. Furthermore, there are uncertainties in U.S. incentive programs under the new administration, which has expressed skepticism toward investments in green energy, including the Inflation Reduction Act, which among other measures, provides tax credits for clean hydrogen production.

Deliveries of Alkaline Electrolyzers is Expected to Grow in the Coming Years

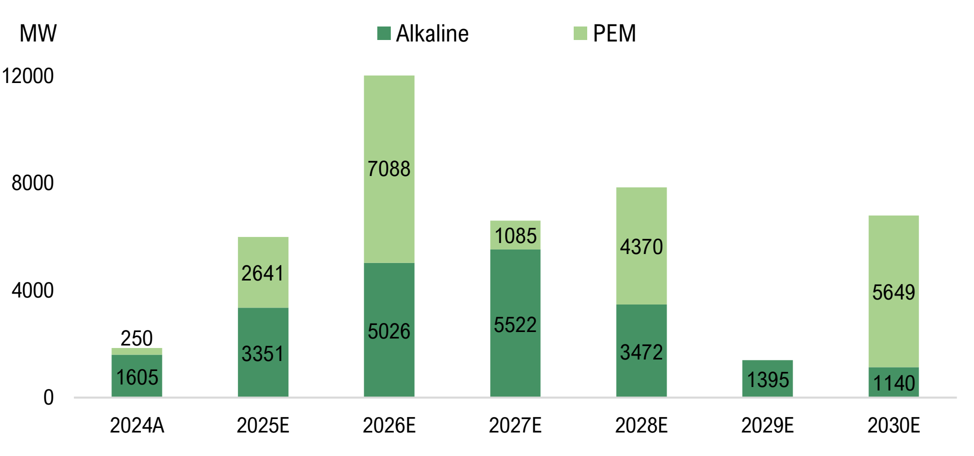
Significant Growth in Projects Expected Ahead

There are two main types of electrolyzers used for the production of green hydrogen, alkaline electrolyzers and PEM electrolyzers. The International Energy Agency has compiled data on all hydrogen projects worldwide. This data includes both projects where a final investment decision has been made as well as those still in a feasibility study phase. The number of completed projects is expected to grow significantly in the coming years, project count and total MW capacity. The distribution between projects utilizing alkaline electrolyzers and PEM electrolyzers remains evenly balanced until 2030. However, there are greater fluctuations in individual years, depending on which projects are expected to be completed each year, as per the graph below. Between 2025 and 2030, 84 projects utilizing alkaline electrolyzers are included in the statistics.

The number of potential projects aligns well with HydrogenPro's well-filled sales pipeline, where the Company's explicitly prioritized projects - some of which have undergone a FEED study but are awaiting a final investment decision - amount to 59 projects with a total capacity of 12,1 GW. Overall, this indicates a strong pipeline of potential green hydrogen projects in the coming years, which HydrogenPro is expected to capitalize on through its high-pressure alkaline electrolyzers with groundbreaking energy efficiency.

The planned projects for hydrogen for energy or climate change mitigation purposes indicates a rapidly growing market in the coming years.

Planned projects in a feasibility study or FID stage divided in type of electrolyzer, 2024-2030E



Source: IEA

[1]Source: DNV, "The energy transition outlook 2024".

Financial Forecast

FEED study (Front-End Engineering Design) is a detailed engineering and design phase conducted before finalizing a project investment. It defines the technical requirements, project scope, costs, and risks associated with hydrogen production, storage, or transportation infrastructure.

For example, if a project is expected to cost **USD 1m** in total and the Company has already incurred USD **400k** in costs, then **40%** of the revenue associated with that contract would be recognized at that point. This approach ensures that revenue is recorded as work is completed, reflecting the Company's progress in meeting contractual commitments.

Historical Figures and Revenue Recognition

Between 2020 and 2022, HydrogenPro's revenue fluctuated between NOK 26m and NOK 56m. Revenue during this period was largely attributable to small orders from Mitsubishi, where the Company demonstrated the capability of the electrolyzers, and conducted FEED studies for several potential projects. However, these years were pivotal in building up a sales pipeline, marketing the products, and securing strong partnerships. Furthermore, HydrogenPro established a robust manufacturing capability through its joint venture with HydrogenPro Tianjin. The Company also acquired the Danish company ASP, strengthening the product offering through groundbreaking electrode coating technology.

Since 2023 and to this day, HydrogenPro has significantly increased its revenue, while scaling up manufacturing capability. In 2023, the Company booked NOK 568m in revenue for the delivery of 40 electrolyzer systems, amounting to 220 MW for the ACES project. In 2024, HydrogenPro booked NOK 196m for the delivery of ≈ 18 electrolyzer systems, amounting to 100 MW to Andritz for the SALCOS project.

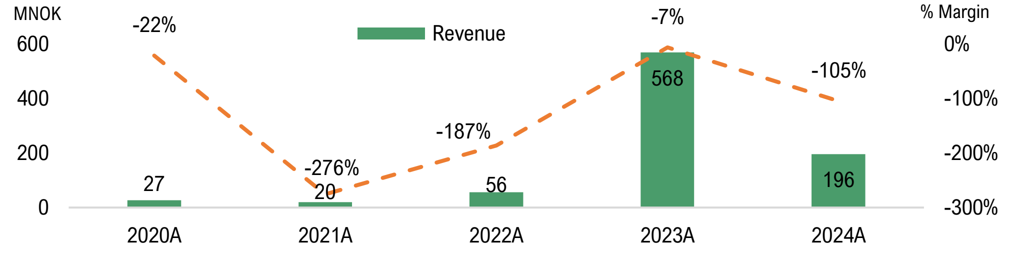
Revenue recognition is determined separately for each contract by analyzing its specific terms and performance obligations. Depending on the nature of the contract, revenue is recognized either at a single point in time or over a period. When revenue is recognized over time, as is the case with electrolyzer systems, the Company uses the cost-to-cost method to measure progress. This means that revenue is recognized based on the percentage of the total estimated project cost that has been incurred so far. Essentially, as the Company incurs costs to fulfill contractual obligations, it recognizes a proportional amount of revenue.

The largest cost item has historically consisted of cost of goods sold (COGS). In the year 2023, when HydrogenPro delivered 220 MW of electrolyzers, the gross margin fluctuated between 15% and 44% throughout the quarters of 2023, depending on timing of booked revenue. However, the definition of the COGS was recently redefined to capture only direct material costs. Adjusting for the new definition, the gross margin fluctuated between 24% and 69% in the quarters of 2023. For the full year, the gross margin amounted to 42%, totaling NOK 237m. Throughout 2024, the gross margin fluctuated between -16,9% and 237%, totaling 25%. However, this includes a negative revenue impact of NOK 21m related to replacement costs of some auxiliary components on the ACES project. For the same reason, a negative impact on gross costs amounting to NOK 5m was recorded; therefore, the underlying gross margin was 27,5% when adjusted. However, 2023 is still a more suitable reference year if orders amount to 220 MW or more.

Other operating expenses consist of consultancy fees, advertising expenses, employee benefits such as option costs, warranties, repair and maintenance, as well as costs directly linked to manufacturing that were previously booked as cost of goods sold. In 2023, adjusting for the new definition, the cost item fluctuated between 20% and 37% in relation to revenue across the quarters, and for the full year, it amounted to NOK 154m, representing 27% of revenue. Again, adjusting for the new definition, personnel costs amounted to NOK 120m in 2023, representing 21% of revenue.

EBITDA margin amounted to -7% in 2023, and –105% (-100% adjusted) in 2024, reflecting a cost base that was necessary for the successful delivery to the 220 MW ACES project but too high in relation to the 100 MW SALCOS project. Hence, the Company has reduced the number of employees by 50 at the China factory. Analyst Group considers this to be a prudent measure, reducing fixed costs until orders are secured, while maintaining flexibility to scale up activity if orders are secured. The 10-year service agreement for the ACES project currently makes up the lion's share of the backlog.

Strong revenue growth and margin improvement in 2023 due to 220 MW delivery for ACES project.
Revenue and EBITDA margin, 2020-2024



Source: HydrogenPro's Figures

Financial Forecast

Market Dynamics

Despite considerable revenue growth of 900% between 2022 and 2023, the development has still been below the Company's expectations since 2023. Many FEED studies have been conducted but have not yet materialized into orders. This trend is not unique to HydrogenPro; the entire industry has been affected by significant macro headwinds, such as:

Previous Market Challenges

- Higher general financing costs, driven by rising interest rates and inflation, which have increased the cost of green hydrogen projects, making investments relatively less attractive.
- Lack of government funding, largely due to the mentioned factors and geopolitical tension.
- Recognition of today's limited infrastructure for green hydrogen distribution, creating a hurdle for initiatives such as large-scale green ammonia production projects. An example of this is pipelines that currently operate with natural gas flows and are not yet suitable for green hydrogen flows.
- Lower natural gas prices have reduced production costs for blue hydrogen, which serves as a substitute, making green hydrogen relatively more expensive.

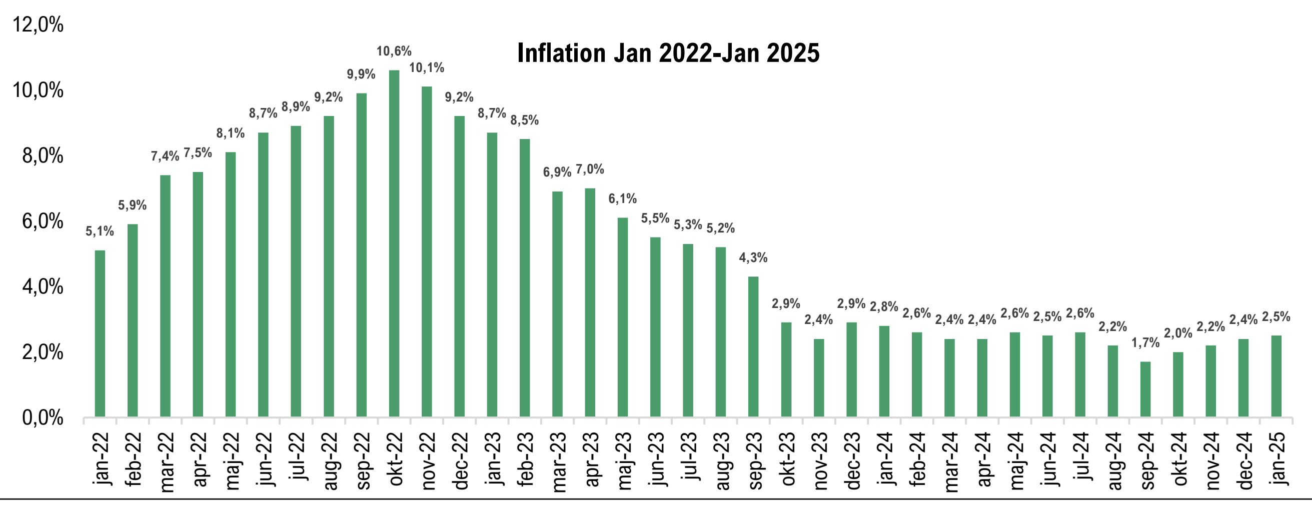
HydrogenPro has Delivered to Two of the Ten Largest Hydrogen Projects, Excluding China

As a result of the above-mentioned reasons, large-scale projects of this magnitude have been delayed or put on hold, explaining the absence of new orders aside from the ACES and SALCOS projects. One of the most telling examples is that HydrogenPro was expected to receive an order for electrolyzer deliveries to the world's largest synthetic aviation fuel project, through DG Fuels, with a potential order value exceeding USD 500m. However, negative macro developments, beyond HydrogenPro's control, have put the project on hold while DG Fuels has communicated plans to use blue hydrogen instead. However, the successful delivery of electrolyzers for two of the ten largest green hydrogen projects serves as a much-needed proof of concept now that market conditions are improving.

Signs of an improving economic climate are emerging. One example is the downward trend in European inflation, which aligns with the global pattern. Inflation peaked in September 2022 but has averaged 2.4% since November 2023. European and global interest rates have followed a similar downward trajectory. Investment decisions often take time to adjust; however, substantially lower inflation is expected to enhance the investment climate moving forward. A confirmation of this is the highly probable 100 MW order expected to be received through Andritz for delivery to a green hydrogen plant in Rostock, Germany. The definitive order depends on Andritz receiving the notice to proceed with the supply of the plant, which would mean that HydrogenPro is chosen as the supplier. This highly probable order reflects a market that has bottomed out, while also demonstrating the robustness of the cooperation between Andritz and HydrogenPro.

Inflation trending downwards is expected to improve the investment climate going forward.

Inflation rate Month by Monty, 2022-2025A



Sales Process and Timeline from Start to Finish

Before securing a contract, a FEED study (Front-End Engineering Design) is conducted to demonstrate technological applicability, energy efficiency, delivery capacity and other key factors. This process ranges from months to years, depending on the project's complexity and scale. HydrogenPro has bid on more than 170 projects, amounting to 40GW. However, a successful FEED study does not guarantee an order, as earlier mentioned factors such as financing and the economic viability of the project determine whether an order is placed. Therefore, maintaining a large pipeline of successfully conducted FEED studies is essential. The combination of HydrogenPro partnering with some of the industry's strongest players - who have proven track records in building production facilities - while them procuring the Company's energy-efficient electrolyzers creates a strong position for success in bidding processes moving forward.

HydrogenPro's Revenue Drivers

FEED-Studies + **Securing Orders for Electrolyzer Systems** + **Service Agreements**

Financial Forecast 2025-2027

5,5 MW is Estimated to be Worth ≈ NOK 20m Combining Project Delivery and Service-Agreement

There are more than 13 GW of hydrogen projects utilizing alkaline electrolyzers that are in the FEED or FID stage, where HydrogenPro has announced a prioritized pipeline, amounting to 12,1 GW. During the forecasting period, Analyst Group estimates that HydrogenPro will receive orders for more projects than in previous years. However, these projects are expected to start on a smaller scale, ranging from 5-50 MW, with a few expected to expand into large-scale (100 MW+) projects over time as better ROI is achieved through the improved efficiency. On average one HydrogenPro electrolyzer system, with a capacity of 5,5 MW, is estimated to be worth USD ≈1,2m (≈NOK 13,6m) throughout the delivery stage, and an additional ≈USD 0,6m (≈NOK 6,6m through a service agreement. In total, 5,5 MW is estimated to be worth (≈ NOK 20m).

One positive aspect of smaller-scale projects is that the expected timeline from start to completion of a customer journey will be shorter. A reduced timeline is therefore projected to enable positive cash flow earlier. Additionally, the Company will be able to plan manufacturing capacity in a more structured manner.

A few of the larger announced projects that HydrogenPro is either currently completing a FEED study for or has already completed a FEED study for, excluding the latest highly probable 100 MW order:

- Fortum is investing in a green steel project in Finland, similar to the one in Salzgitter, with an announced potential project size of 250 MW.
- Koppö has announced a power-to-X project in Finland with a potential capacity of 200 MW.
- Another green ammonia project in Texas, from an undisclosed company, has a potential capacity of 400 MW.

Prioritized Sales Pipeline Amount to 13,6 GW

With a strong pipeline, demonstrated competitive energy efficiency, the 3rd-generation of electrodes, and strong partnerships with Andritz, Mitsubishi, J.H.K., and Longi, HydrogenPro is well-positioned to secure orders. Analyst Group estimates that HydrogenPro will secure orders of 250 MW (NOK 601 million) in 2025, including the highly probable order in Rostock, Germany of 100 MW. In 2026, orders amounting to 350 MW (NOK 841 millions) are expected to be secured. In 2027, orders amounting to 500 MW (NOK 1 202 million) are estimated. This consecutive growth is driven by both new orders and increasing project sizes, which may start at 50 MW but expand to 75–100 MW once the energy efficiency benefits have been fully demonstrated. Further revenue streams beyond new electrolyzer orders are anticipated to stem from service agreements and FEED studies, which together are projected to generate recurring revenue, corresponding to 8-12% of estimated total revenue throughout 2025-2027. Revenue from service agreements fluctuates in nature, as actual service primarily occurs during overhauls. However, as the number of secured service agreements is expected to increase, the Company is projected to book annual revenue from the total service order value, divided by ten, reflecting the estimated average service agreement period.

Financial Forecast

Uncertainty in the US Market

Uncertainty regarding IRA-Funding With New US Administration

A recent source of uncertainty is the new U.S. administration and its potential impact on financing for green projects in America, particularly regarding the Inflation Reduction Act ("IRA"). The IRA includes clean energy tax credits and other provisions that aimed at increasing financing for domestic renewable energy production. The IRA's clean energy incentives include several provisions for clean hydrogen and fuel cell technologies, either extending, increasing, or creating new federal tax credits..

One example is the Advanced Energy Project Credit, which extends a 30% investment tax credit and provides funding for manufacturing projects related to fuel cell electric vehicles, hydrogen infrastructure, electrolyzers, and a range of other products:

- Expanding tax credits to include projects at manufacturing facilities aimed at reducing their greenhouse gas emissions by at least 20%
- The tax credit is funded for investments amounting to $10 billion or less for eligible projects and can be applied to retrofitting facilities for low-carbon industrial heat, carbon capture, transport, utilization, and storage systems, as well as equipment for recycling, waste reduction, and energy efficiency.
- It can be applied to retrofitting facilities for low-carbon industrial heat, carbon capture, transport, utilization, and storage systems, as well as equipment for recycling, waste reduction, and energy efficiency.

US 10-year yield has declined from 5% to 4,4%

Despite the new administration, many of the factors that previously prevented the Company from securing orders have eased. Starting with financing costs, both long- and short-term interest rates have declined globally since peaking in October 2023. The U.S. 10-year yield has decreased from 5% to 4,4% while the 3-month yield has fallen from 5,5% to 4,3%. A similar trend can be observed in European interest rates across all durations. The decrease in interest rates is largely a result of declining inflation, earlier referenced. Together, these factors lower the financing costs of hydrogen projects.

Furthermore, natural gas prices, in both America and Europe, have recently increased and are currently at their highest levels since October 2023, representing a 140% price increase, compared to a year ago. On a relative basis, the price increase improves the attractiveness of green hydrogen projects compared to hydrogen produced using steam from natural gas such as the blue and grey alternative.

The Tide is Turning

EUR 2,2b earmarked for future project financing

Whether American governmental financing for green energy projects is scaled down or not, HydrogenPro's revenue potential extends beyond the U.S. market. Europe and Southeast Asia continue to advance ambitious green transition targets, which is exemplified by the European Hydrogen Bank, which closed an auction in February 2024, awarding EUR 720m to seven renewable hydrogen projects across Europe. A total of 132 bids were submitted, but only seven received financing, including the SALCOS project that HydrogenPro is delivering to. Additionally, EUR 2,2b has been earmarked for future project financing, with competition among bidders expected to remain intense. Green hydrogen project financing is rebounding, but securing funds will heavily depend on demonstrating high energy efficiency, as it significantly reduces operational costs, benefiting HydrogenPro.

Again, the highly probable 100 MW order expected to be received through Andritz for delivery to a green hydrogen plant in Rostock, Germany confirms the reacceleration of positive investment momentum. The definitive order depends on Andritz receiving the notice to proceed with the supply of the plant, which would mean that HydrogenPro is chosen as supplier. This highly probable order reflects a market that has bottomed out, while also demonstrating the robustness of the cooperation.

Weighing all these factors together, green hydrogen projects are expected to rebound after a few challenging years with a gradual transition beginning in 2025 and beyond. In 2025, announced alkaline electrolyzer projects in the FEED and FID stages amount to 3,3 GW. However, a more gradual transition into the sector is anticipated. Analyst Group expects more green hydrogen projects to start on a smaller scale within the 5-50 MW range in 2025 and 2026, gradually expanding over a 3-year period to 100 MW and beyond. This also allows time for the necessary buildout of infrastructure and distribution networks to support larger green hydrogen flows, such as an increased number of fuel stations.

Financial Forecast

5,5 MW estimated to average NOK **13,6m** throughout delivery stage

And an additional NOK **6,6m** throughout service stage

Totaling a value of approximately NOK **20m**

Financial Forecast 2025

The estimated price of one electrolyzer system is USD 1-1,25m, depending on whether gas separators are included in the order. On average, Analyst Group estimates the order price per unit to be USD 1,1m. Furthermore, an additional USD 0,1m is projected from the 3rd generation of electrodes which is expected to be included in deliveries moving forward. One HydrogenPro 5,5 MW electrolyzer is estimated to have average value of NOK 13,6m throughout the delivery stage and NOK 6,6m for the service agreement spanning over 10 years.

The timing of revenue recognition depends on various factors. When revenue is recognized over time, as is the case with electrolyzer systems, the Company uses the cost-to-cost method to measure progress. This means revenue is recognized based on the percentage of the total estimated project cost incurred so far. Essentially, as the Company incurs costs to fulfill contractual obligations, it recognizes a proportional amount of revenue.

Analyst Group expects 50 % of annual orders to be delivered at a faster pace with costs incurred at the same pace. As a result, the Company is estimated to convert 50% of a new order into revenue within the same year. Hence, of the 250 MW of projected orders for 2025, Analyst Group estimates the Company will deliver 50% within the same year, thereby recognizing 125 MW worth of value as revenue. The average service agreement is estimated to have a 10-year duration, generating annual revenue equivalent to 10% of the service backlog on average. The Company is also expected to continue conducting FEED studies from 2025-2027, securing an estimated average revenue of NOK 15m per year.

Estimated Revenue for 2025 of NOK 345m

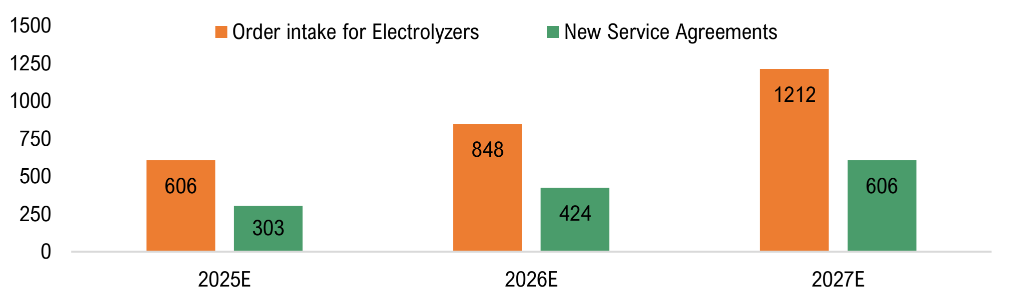
Estimated orders of 250 MW in 2025 are projected to amount to an order value of NOK 606m, of which NOK 305m is recognized as revenue during the full year. This order intake represents approximately 2% of the Company's prioritized sales pipeline. Although a small figure compared to the total pipeline, it signals momentum in order intake relative to 2024 and is driven by the previously mentioned relief in the hydrogen market and expected positive results from electrode validation. Additionally, strong partnerships are expected to help secure satisfactory results from the final investment decisions of project announcements. Another NOK 25m is estimated from the service agreement of the ACES project, representing 10% of the estimated service value, while an additional NOK 15m is expected from conducted FEED studies. The estimated revenue for 2025 is therefore NOK 345m.

The Company is projected to sign service agreements on all new orders with the same structure as the one signed with Mitsubishi for the ACES project, i.e. a 10year service agreement worth an estimated 50% of the order value for electrolyzer deliveries. One example of the service to be conducted for the ACES project, as well as for future orders is the replacement of consumed stacks in the electrolyzers, to extend their lifetime value. Again, the timing of this specific performance is uncertain but as the number of unique 10-year service agreements signed with different actors increases, the average revenue from performed services is estimated to represent the total value of an average agreement divided by its duration – ten years. Analyst Group estimates that service agreements will, on average, amount to 50% of the order value with a 10-year duration. The estimated service backlog at the end of 2025 is NOK 556m, of which NOK 253m is from the ACES project and NOK 303m is from new orders received. The total backlog in 2025, including the current orderbook plus new order intake for both electrolyzer deliveries and service agreements, is projected to amount to NOK 850m.

Order Intake for Electrolyzers Estimated at NOK 606m in 2025E

Projected Momentum in Order intake for Electrolyzers and New Service Agreements.

Estimated order intake from Electrolyzers and New Service Agreements, 2025E-2027E



Source: Analyst Group's Estimates

Financial Forecast

2026 Estimated Order Intake of **350 MW**

Financial Forecast 2026

Of the anticipated 250 MW of orders received during 2025, 125 MW is expected to be delivered in 2026. Therefore, projected revenue to be recognized in 2026 from orders received through 2025 amounts to NOK 303m. The Company is anticipated to receive 350 MW in new orders during 2026, of which electrolyzers worth 175 MW are expected to be delivered throughout the year, using the same logic as for 2025. The estimated order intake during 2026 represents approximately 2,7% of the prioritized sales pipeline as it stands today. The estimated increase in orders reflects the anticipated success of marketing the Company's groundbreaking energy efficiency through the 3rd-generation electrodes, thereby securing expansion of current projects due to validated cost reductions for plant operator.

In total, 300 MW of electrolyzers are expected to be delivered, amounting to an estimated revenue of NOK 728m in 2026. Additionally, Analyst Group estimates revenue of NOK 15m from FEED studies and NOK 56m from performed services in 2026. In total, Analyst Group estimates that revenue will amount to NOK 799m. The order book from service agreements is projected to reach NOK 925m by the end of 2026, with a duration of 10 years.

Estimated Order Intake of **500 MW** in Year 2027

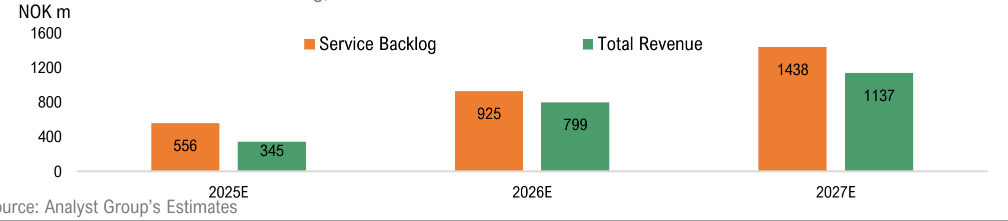
Financial Forecast 2027

In the final year of Analyst Group's projection, HydrogenPro is expected to receive orders totaling 500 MW. The estimated order intake for 2027 represents approximately 3.9% of the current prioritized sales pipeline, bringing the total intake for 2025–2027 to ≈9%. The Company is projected to generate revenue of NOK 1 137m in 2027, stemming from electrolyzer deliveries worth 425 MW, estimated at NOK 1 030m. Additionally, NOK 15m is included from conducted FEED-studies and NOK 92m from performed services. The order book from service agreements is estimated to reach NOK 1 438m, thus securing recurring revenue beyond the financial forecasting period. The increased order intake during this period reflects both a market with greater momentum in Final Investment Decisions and the Company's ability to expand projects due to its high energy efficiency, making large-scale operations more economically viable. Furthermore, FEED studies are expected to have a higher conversion-rate into new orders. This is driven by strong partner cooperation and HydrogenPro's competitive solutions, which offer lower operational project costs than those of competitors.

Estimated Backlog of Service-Agreements Worth **NOK 1438m** in Year 2027

Projected Strong Revenue Growth and a Strong Backlog From Service Agreements in 2027E.

Estimated Revenue and Service Backlog, 2025E-2027E



Source: Analyst Group's Estimates

Optionality Outside of the Financial Forecast

Analyst Group has not included individual new project orders of major size (> 250 MW) in the financial forecast. This decision is based on the expectation that the market still is holding off on larger investments in green hydrogen projects, primarily due to infrastructure limitations for handling larger flows of green hydrogen, such as hydrogen distribution systems towards ammonia production and fuel stations for cars.

Potential in an **H2-Gigafactory** Buildout

However, an optionality, outside of Analyst Groups projections, should still be mentioned. If the Company were to secure a mega order similar to the one previously considered with DG Fuels, (> 1500 MW), it would significantly impact the financial projections. Although Analyst Group considers this unlikely given today's investment climate, securing such an order could have a potential value exceeding NOK 5bn and would also require the Company to invest heavily in expanded manufacturing capacity.

Another optionality that should be mentioned is that if HydrogenPro invests in the H2-Gigafactory and successfully scales up electrode production, to a level exceeding the electrolyzer production, the Company could choose to sell excess electrode capacity to competitors. This would create additional revenue streams beyond Analyst Group's projections.

Financial Forecast

Cost Profile and Margins 2025-2027

The Year 2023 Represents a Suitable Benchmark for 2025

Analyst Group considers 2023 to be a suitable benchmark for the potential margin profile the Company is expected to deliver throughout the forecast period, with the exception of total operational expenses (OPEX) in relation to revenue in 2025, which is estimated to be higher than it was in 2023, partly due to a higher revenue base during that period. In 2023, HydrogenPro achieved manufacturing and delivery of 220 MW, equaling 44% of the Company's annual manufacturing capacity, which aligns with Analyst Groups estimates for 2025. This production volume and scale of delivered systems resulted in NOK 568m in revenue, with direct material costs amounting to NOK 331m, leading to a a gross margin of 41,7%.

In 2023, OPEX amounted to 49% of revenue, resulting in an EBITDA margin of -7%. The gross margin and EBITDA margin fluctuated significantly between quarters, depending on delivery scale and revenue recognition. The margin profile in 2023 reflects some of the challenges the Company faced in managing logistics while manufacturing and assembling in China and then delivering to the U.S. This led to a one-time charge for components replacements, with costs associated amounting to ≈NOK 20m. Since 2023, HydrogenPro has optimized the logistics strategy by continuing electrolyzer stack manufacturing in China while shifting final assembly to locations near project sites. Moving forward, this approach is expected to enhance efficiency by reducing container loads and associated insurance costs. By assembling larger, high-value electrolyzers locally, the need for long-distance transport of fully loaded containers is minimized, leading to lower shipping expenses and greater flexibility in securing transportation routes. Additionally, local assembly reduces the risk of delivery delays and potential penalties for unsuccessful shipments.

Estimated Gross Margin of 40% in 2025E

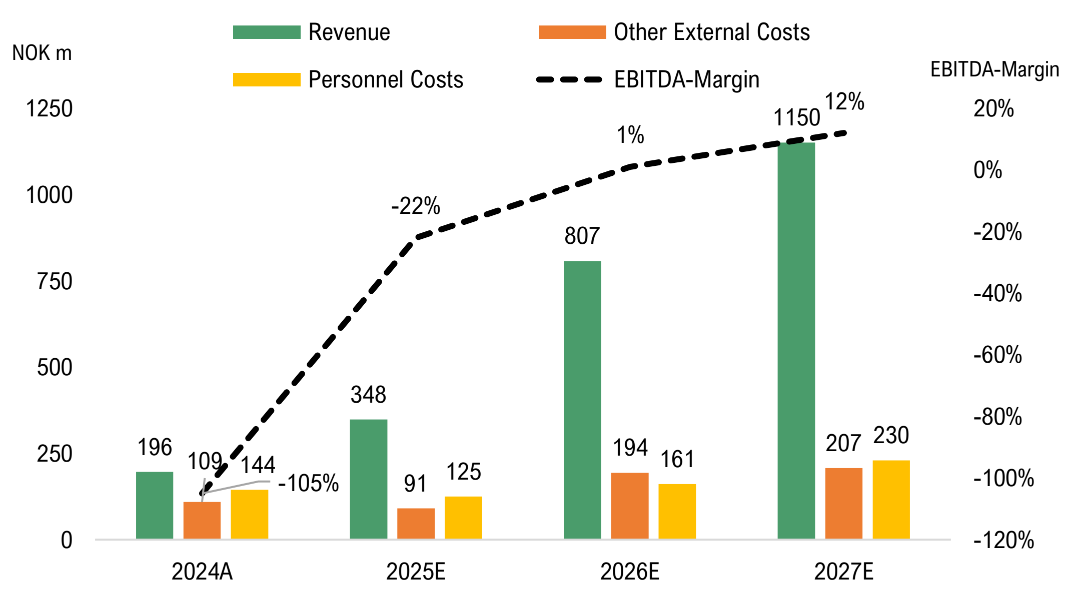
Analyst Group estimates a gross margin of 40% for the full year in 2025, similar to the margin achieved in 2023, reflecting the Company's increased production scale, amounting to 250 MW. However, improvements in the OPEX profile are not expected to take effect until 2026. The reason is that the current cost base remains too high relative to both the current situation and Analyst Group's projections for 2025. This is a natural phenomenon when manufacturing companies experience a temporary demand reduction, while maintaining production capacity. HydrogenPro has communicated measures to reduce its cost base, which are estimated to lower the OPEX by NOK 40m, compared to 2024.

Analyst Group estimates OPEX to reach 58% of revenue in 2025, a significant improvement from 130% in 2024 but still higher than 48% in 2023. While costs are expected to decrease, substantial efficiency gains are unlikely until production scales to 300 MW and beyond. For 2025, a negative EBITDA margin of -22% is projected, equating to NOK -75m.

Operational Efficiency Gains Expected to Reduce Opex in Relation to Revenue

Operational Expenses Expected to Decrease in Relation to Revenue, Contributing to an Increased EBITDA-Margin.

Estimated OPEX, Revenue and EBITDA-Margin in 2025E-2027E



Source: Analyst Group's Estimates

Financial Forecast

For the full year 2026, a gross margin of 45% is estimated, driven by projected better bulk prices when procuring larger quantities of steel and nickel, corresponding to an anticipated production of 350 MW. An increase in OPEX is expected as a result of the renewed scale-up in manufacturing. However, a significant improvement in the relationship between revenue and OPEX is projected, supported by both strong revenue growth and economies of scale. Higher production volumes are expected to drive down unit costs. Furthermore, ongoing optimization in the manufacturing process, such as the implementation of an improved IT system in which the Company has invested, is expected to enhance efficiency. The full effects of these efforts are anticipated to become more evident in 2026 than in 2025, reflecting an adaptation period. OPEX is expected to total NOK 351m, or 44% of revenue. This equates to an EBITDA of NOK 8m, corresponding to an EBITDA-margin of 1%.

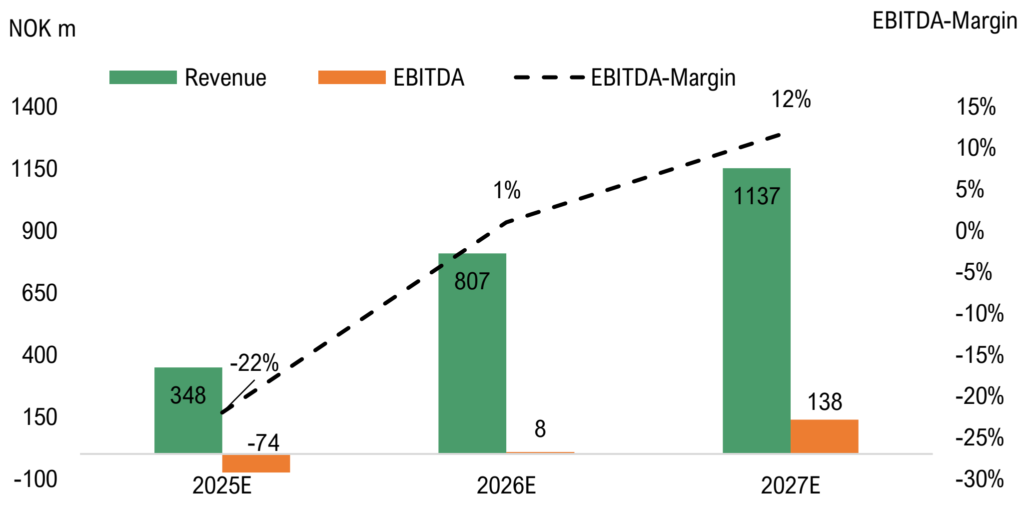
Substantial Improvements in Operational Expenses in Relation to Revenue in 2026E

In 2027, Analyst Group expects the Company to reach a key threshold, delivering a substantial positive EBITDA margin of 12%, equating to NOK 137m. The projected positive margin is driven by the expected order intake, along with further improved pricing when procuring even larger quantities of steel and nickel, reaching a production of 500 MW and resulting in a gross margin of 50%. Additionally, expected efficiency gains, both through economies of scale and process optimization, are anticipated to have a greater impact once 500 MW production is reached. OPEX is estimated to decline relative to revenue, reaching NOK 431m (38% of revenue) in 2027. This reduction is driven by both improved efficiency and higher revenue. If growth continues beyond the forecast period, additional capital expenditures (CAPEX) will be required to expand manufacturing capacity, as HydrogenPro is expected to reach its 500 MW production limit by 2027.

Strong Growth and Increased EBITDA Margin Expected to be Realized in 2027

Estimated Revenue and EBITDA-Margin in 2025E-2027E

Estimated EBITDA-Margin of 12% in 2027E



Source: Analyst Group's Estimates

Secured Financing Cover Part of Future Potential Investments

Regarding financing throughout the forecast period, the Company stands on solid ground, considering its current cash position of NOK 261 million, which includes the private placement from Andritz and Mitsubishi. Furthermore, accounting for the expected capital to be secured through Longi, an additional NOK 70 million is added, bringing the cash position to NOK 331 million. Analyst Group estimates that the Company has sufficient funding for operational expenses, before reaching the projected substantial positive EBITDA of NOK 137 million in 2027. positioning it for potential future investments in capacity expansion if deemed necessary.

The Company has previously secured state-funded grants of approximately NOK 240 million earmarked for the H2-Gigafactory. This facility would also require financing through equity, however, the final investment decision has not yet been made. Analyst Group expects the decision to be based on general market conditions. If demand for the electrodes becomes substantial, an investment decision for the H2-Gigafactory is expected. Also, once energy-efficiency is further demonstrated, additional grants for this potential H2-Gigafactory can not be ruled out.

Valuation

The valuation of HydrogenPro is based on a relative valuation, where the Company is compared to a peer group with similarities in business model and addressable market. Some peers have additional exposure within the hydrogen industry, such as fuel cells and liquefaction solutions. However, all peers offer electrolyzers. The selected electrolyzer technologies range from alkaline technologies, such as HydrogenPro's, to PEM- and Solid Oxide technologies (SOEC). The companies vary in size with respect to revenue and market capitalization. Despite these differences, several similarities exist between HydrogenPro and its peers. The business model and growth outlook align, as all the companies target many of the same end users. All peers, except for Ceres, which operates under a licensing model, showed a growth CAGR between 2020 and 2023, reflecting high demand for electrolyzers during this period, particularly between 2020 and 2022. The past twelve months have shown greater variability in revenue growth, as order intake has decreased. Additionally, each company's EBITDA margin, except for Thyssenkrupp Nucera, has been negative, highlighting the necessary scale of production required to reach profitability. All peers are expected to achieve growth until 2026 while reducing losses at the EBITDA level.

Green Hydrogen Systems designs and manufactures efficient, standardized and modular electrolyzers to produce green hydrogen with renewable energy. The company's X-Series electrolyzer is a modular, high-pressure electrolysis solution designed for scale. Based on existing, well-proven GHS alkaline technology, it is optimized for use in the growing market for large-scale applications in industries, energy, and heavy-duty transport sectors.

Market Cap (NOK m)
834

List: Small Cap Copenhagen

Plug Power is a global Company that provides hydrogen and fuel cell solutions. Plug is building an end-to-end green hydrogen ecosystem to make hydrogen usage economical and easy. This ecosystem includes electrolyzers to make green hydrogen and everything else needed to liquefy, store, transport, dispense, and convert hydrogen to carbon-free electricity. The company produce and sell container-based PEM electrolyzers.

Market Cap (NOK m)
18 857

List: Nasdaq

ThyssenKrupp Nucera® offers Alkaline Water Electrolysis (AWE), the company has a track record of over 60 years' experience and +10 GW of successfully installed solutions in the chemical industry. With extensive in-depth knowledge in the engineering, procurement, and construction of electrochemical plants and their large-scale solutions for green value chains, the company has a strong position in the market.

Market Cap (NOK m)
13 464

List: Equiduct

Ceres has a technology licensing business model that combines engineering with manufacturing precision to build high quality clean technology. Ceres licenses the cells and stack intellectual property ("IP") to manufacturing partners for mass production. Ceres also licenses system IP, into which the stacks are integrated and sold to end markets. The company has established a position in fuel cells that is being demonstrated in multiple applications and geographies with established global partners. Now using the same architecture, they are developing a Solid Oxide Electrolysis Cell (SOEC) technology.

Market Cap (NOK m)
3 694

List: LSE

NEL has since the founding in 1927, through R&D made continuous improvement of electrolyzer technology. The Company's electrolysis technology is today widely respected for its robustness, reliability and energy efficiency. The Company offers contain-based PEM electrolyzers.

Market Cap (NOK m)
4 074

List: Oslo Børs

ITM Power is after 24 years of research and development offering advanced PEM electrolyzer technology. Now a high-volume manufacturer the company has reached a higher level in the industry.

Market Cap (NOK m)
2 907

List: LSE

Bonus Peer Against HydrogenPro's subsidiary ASP

Smoltek is a Swedish technology company that provides a technology enabling the growth of nanostructures on various materials. The company's nanostructure manufacturing technology can be applied across multiple industry sectors. Its customers are found within the global process industry and the semiconductor sector. The products developed by the company are used in the production of fossil-free hydrogen and for further miniaturization of microchips.

Market Cap (NOK m)
56

List: Spotlight Stock Market

Valuation

Company	Equity Value NOK m	Revenue Growth CAGR (2020-2023)	Revenue Growth Estimates CAGR (2023-2026E)	Gross Margin LTM	EBITDA Margin LTM	P/S LTM	P/S 2026E
Green Hydrogen Systems	803	65%	137%	-170%	-12%	8,6	0,9
Plug Power	16 818	56%	12%	-83%	-1%	2,3	1,2
Thyssenkrupp Nucera	13 553	38%	12%	11%	4%	1,3	1,2
Ceres Power Holding PLC	1 934	-11%	48%	75%	-10%	3,5	1,9
Nel	3 575	43%	7%	59%	-6%	2,1	1,7
ITM Power	2 576	17%	119%	-81%	-48%	7,8	3,3
Average	**6 543**	**34%**	**56%**	**-32%**	**-12%**	**4,3**	**1,7**
Median	**3 075**	**40%**	**30%**	**-35%**	**-8%**	**2,9**	**1,5**
HydrogenPro[1]	455	178%	12%	25%	-105%	1,80	0,57

HydrogenPro vs peers

HydrogenPro has a **smaller** Market Cap than the peers

HydrogenPro has a **higher** CAGR in 2020-2023 than the peers

HydrogenPro has a **higher** Gross Margin than the peers

Base Scenario

HydrogenPro has a relatively short financial history and has recently faced a few years of a challenging market. However, as Analyst Group has argued, the Company has taken necessary steps to strengthen the offering with the 3rd-generation of electrodes and enhance the sales strategy through strong partners. Considering the expected market growth ahead, combined with an already established proof of concept, HydrogenPro has a high probability of securing orders with successful deliveries. Although the Company is smaller than most of the selected peers, HydrogenPro has partnered with some of the largest players in the industry, strengthening the Company's position when bidding for projects. The partnerships are further reinforced by three out of four partners investing in HydrogenPro, securing a 40% joint ownership stake. The combination of strong partners and their demonstrated conviction enables HydrogenPro to compete for projects that would otherwise be limited to larger players such as Thyssenkrupp. Therefore, Analyst Group does not consider HydrogenPro's relatively smaller size in terms of revenue and market cap, compared to most peers, as justification for a meaningful valuation discount, which would otherwise have been the case. The validation obtained through Mitsubishi, Andritz and Longi, combined with groundbreaking energy efficiency achieved through pioneering the electrode coating technology, positions the Company for strong revenue growth during the forecast period. Finally, although not reflected in the forecasted revenue, Analyst Group anticipates a strong order backlog at the end of 2027, securing a larger portion of revenue from recurring sources through long-term service agreements. This is expected to strengthen HydrogenPro's margin profile in the years following the forecast period.

Analyst Group considers 2027 the most relevant year for valuing HydrogenPro, given the estimated acceleration in revenue driven by strong order intake during 2025-2027. Furthermore, 2027 is expected to demonstrate the Company's operational leverage, with margin expansion as HydrogenPro scales production to 500 MW, resulting in a projected EBITDA-margin of 12%. As many of the selected peers have recently raised capital, their large cash positions create a very low or even negative Enterprise Value, leading unusually significant discrepancies relative to equity value. Additionally, most selected peers do not report positive EBITDA margins. Due to these factors, Analyst Group has chosen the P/S-multiple to value HydrogenPro.

Based on a highly competitive offering, a proof of concept, and a strong partner network, a P/S multiple of 1.25x has been applied to the estimated 2027 revenue of NOK 1 137m, using a discount rate of 15%. This multiple is lower than the current P/S multiple of 5.1, reflecting the extended valuation horizon and an expected normalization as growth materializes. Applying the P/S multiple of 1.25x to the 2027 revenue estimate, with a discount rate of 15%, and factoring in an expected diluted share count of 95 million (up from the current 70 million) following the private placement from Mitsubishi, Andritz, and Longi, a potential share price of NOK 9.1 is derived in the Base scenario.

Base Scenario
NOK 9,1

Although Analyst Group does not apply a sum-of-the-parts valuation method, an additional perspective highlighting the potential of HydrogenPro's Danish subsidiary and its electrode coating technology can be drawn from the Swedish company Smoltek. Like HydrogenPro's Danish subsidiary, ASP, Smoltek specializes in coating technologies. Smoltek recently announced an innovative solution for PEM electrolyzers, involving the development of a porous transport electrode (PTE) that reduces the required amount of iridium in PEM electrolyzer electrodes by 95%. Following the announcement, its market cap increased by 100% compared to its pre-announcement level, potentially indicating heightened interest in coating optimization technologies. However, Analyst Group considers HydrogenPro's coating technology to be of even greater value, given that it completely eliminates the need for iridium.

[1]: Including share count with Andritz, Mitsubishi and Longi's stake of which the latest is pending on approval

Bull & Bear

Bull scenario

Potential Present Value per Share

13,4

Bull Scenario

In a Bull scenario, HydrogenPro gains greater traction in the market from 2026 onward, with orders amounting to 500 MW in 2026 and 850 MW in 2027. Lower inflation and interest rates create a favorable climate for increased investments in the green hydrogen sector. The Company's competitive technology, which enables a substantial reduction in the plant operators' operational costs, drives its successful capitalization on the increased demand. Furthermore, new partnerships with Longi and J.H.K., which expand the addressable market, create strong traction in the Chinese market through Longi while more small-scale projects (5-50 MW) are secured through J.H.K. Additionally, HydrogenPro's capacity expansion for electrodes has been successful through the H2-Gigafactory, allowing the Company to match the 850 MW electrolyzers demand with 850 MW of electrodes manufacturing. This maximizes productivity for customers while increasing revenue for the Company.

Strong demand is driving the expansion of electrolyzer stack manufacturing, requiring additional investments. Possible scenarios include expanding the Tianjin factory or establishing a new setup, similar to the current model, through a joint venture with a manufacturer to meet growing demand. In either case, the associated investment is expected to remain controlled relative to the increased revenue generated from higher order intake. This estimated scenario results in revenue amounting to NOK 981 and an EBITDA of NOK 137 in 2026, followed by a revenue of NOK 1 763 with an EBITDA of NOK 511m in 2027, equating an EBITDA-margin of 29%.

By applying a P/S multiple of 1,25x on the revenue of NOK 1 763 in 2027, with a discount rate of 15%, and a diluted share count of 95 million, a potential share price of NOK 13,4 is derived in a Bull scenario.

Bear scenario

Potential Present Value per Share

3,8

Bear Scenario

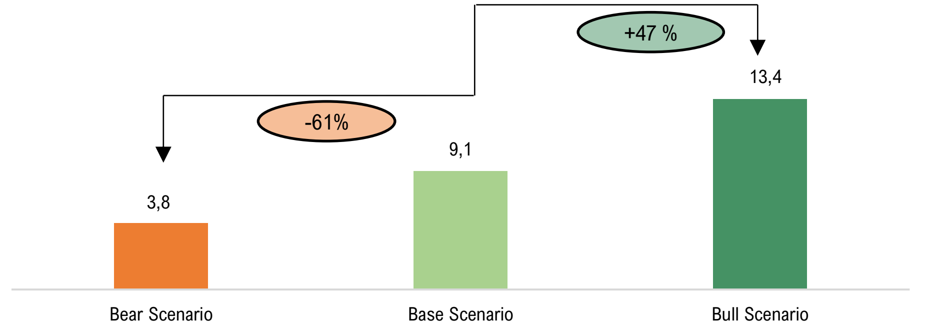
In a Bear scenario, a prolonged and more challenging market environment reduces demand for HydrogenPro's electrolyzers, with greater adoption of the blue and grey hydrogen due to lower pricing. Reduced investments in green hydrogen and electrolyzers would be driven by heightened geopolitical tensions and trade wars, prompting governments to deprioritize green investments while reallocating resources to other areas, such as military. As a result, order intake amounts to 100 MW in 2025, 200 MW in 2026 and 300 MW in 2027. Despite market headwinds, a revenue of NOK 680m is generated in 2027, with a positive EBITDA of NOK 34m, equating an EBITDA margin of 5%.

The Company is still expected to have sufficient financing for ongoing operations. However, HydrogenPro would be forced to delay investments in the H2-Gigafactory, reducing electrode manufacturing capacity to 350 MW, which still matches the demand for electrolyzers given this scenario.

By applying a P/S multiple of 1x to the revenue of NOK 680 in 2027, with a discount rate of 15%, and a diluted number of shares of 95 million, a potential share price of NOK 3,8 is derived in a Bear scenario.

Illustration of Potential Valuation in a Bull and Bear Scenario.

Potential Value per Share, Bull and Bear Scenario



Source: Analyst Groups Estimates

Management & Board

Jarle Dragvik, CEO

Jarle Dragvik was appointed as CEO for HydrogenPro in 2023. He has had a long career in industrial companies, holding several high-profile positions. His most recent position was CEO at TM Holding AS. His earlier experience includes serving as Post-Merger Integration Director at Hydro Brazil at Norsk Hydro, CEO at Sapa Chinalco Aluminum Products Chongqing, and VP Global Sales and Marketing at Norske Skog.

Number of shares: 41 000

Martin Thanem Holtet, CFO

Martin Thanem Holtet took on his role as CFO for HydrogenPro in 2021. He has extensive experience in corporate finance, having worked at Carnegie and Yara international within M&A, Strategy and Investor Relations. His most recent role was VP, Head of Treasury and M&A at Hurtigruten.

Number of shares: 1 500

Erik Chr. Bolstad, CCO

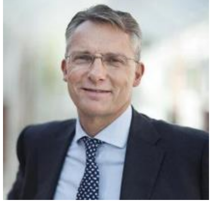
Erik Chr. Bolstad, has had several positions within Commercial, Sales & Marketing functions, with long experience in B2B within the global shipping and shipbuilding industry. He has more than 20 years experience in various management positions at ABB and others companies.

Number of shares: 100 000

Jon Backer, COO

Jon Backer has long experience within the energy space, earlier experience include working as Project Director at NEL Hydrogen, VP Projects at Aker Drilling Risers, Aker Solution, and Global Category Manager Investments at Norske Skog Supply & Logistics.

Number of shares: 0



Dag J. Opelda, Chairman

Chairman, Dag J. Opelda, has served as Chair of HydrogenPro's Board of Directors since April 2024. He has an extensive career in industrial companies such as Orkla ASA, where he was CEO from 2005 to 2010, as well as in organizations like Treschow-Fritzøe, and Ferd Capital. Throughout his career, Opedal has held numerous board positions, including with companies such as Telenor, Jotun, Carlsberg, Sapa/Alcoa, and REC. He currently serves on various boards, including as Vice Chair of Elkem ASA and Chair of O. Kavli and the Knut Kavli Trust.

Number of shares: 0

Appendix

Base Scenario NOKm	2024A	2025E	2026E	2027E
Revenue	196	345	799	1 137
Direct Materials	-147	-207	-440	-569
Gross Profit	49	138	360	569
Gross margin	25%	40%	45%	50%
Other operating expenses	-109	-89	-192	-205
Personell expenses	-144	-124	-160	-228
EBITDA	-205	-76	8	137
EBITDA-margin	-105%	-22%	1%	12%
Depreciation	-23	-25	-30	-35
EBIT	-228	-101	-22	102
Net financial income and expenses	27	3	3	3
EBT	-228	-101	-22	79
Tax	0	0	0	-23
Net result	-200	-98	-19	82
Net margin	-102%	-28%	-2%	7%

Appendix

Bull Scenario NOKm	2024A	2025E	2026E	2027E
Revenue	196	345	981	1 762
Direct Materials	-147	-207	-490	-793
Gross Profit	49	138	490	969
Gross margin	25%	40%	50%	55%
Other operating expenses	-109	-89	-196	-247
Personell expenses	-144	-124	-157	-211
EBITDA	-205	-76	137	511
EBITDA-margin	-105%	-22%	14%	29%
Depreciation	-23	-25	-30	-35
EBIT	-228	-101	107	476
Net financial income and expenses	27	3	3	3
EBT	-200	-98	110	479
Tax	0	0	0	-105
Net result	-200	-98	110	374
Net margin	-102%	-28%	11%	21%

Appendix

Bear Scenario NOKm	2024A	2025E	2026E	2027E
Revenue	196	163	418	680
Direct Materials	-147	-106	-251	-374
Gross Profit	49	57	167	306
Gross margin	25%	35%	40%	45%
Other operating expenses	-109	-49	-109	-136
Personell expenses	-144	-65	-125	-136
EBITDA	-205	-57	-67	34
EBITDA-margin	-105%	-35%	-16%	5%
Depreciation	-23	-25	-30	-35
EBIT	-228	-82	-97	-1
Net financial income and expenses	27	3	3	3
EBT	-200	-82	-97	-1
Tax	0	0	0	0
Net result	-200	0	0	0
Net margin	-102%	0%	0%	0%

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Other
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The parts that the Company has been able to influence are the parts that are purely factual and objective.

The analyst does not own shares in the Company.