

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Hyzon Motors Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-39632**  
(Commission  
File Number)

**82-2726724**  
(I.R.S. Employer  
Identification No.)

**475 Quaker Meeting House Road**  
**Honeoye Falls, NY**  
(Address of principal executive offices)

**14472**  
(Zip Code)

**(585)-484-9337**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, par value \$0.0001 per share</b>	<b>HYZN</b>	<b>NASDAQ Capital Market</b>
<b>Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of \$11.50 per share</b>	<b>HYZNW</b>	<b>NASDAQ Capital Market</b>

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 29, 2022, 247,900,979 shares of Class A Common Stock, par value \$0.0001 per share, were issued and outstanding.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements include, without limitation, statements regarding the financial position, business strategy, plans and objectives of management for future operations, and any statements that refer to characterizations of future events or circumstances, including any underlying circumstances. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this report, the words "could," "should", "will," "may," "anticipate," "believe," "expect," "estimate," "intend," "plan," "project," the negative of such terms, and other similar expressions are intended to identify forward looking statements, although not all forward-looking statements contain such identifying words. Such forward-looking statements are based on management's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events.

Forward-looking statements are subject to a number of risks and uncertainties including, but not limited to, those described below and under the section entitled "Risk Factors" included in our Annual Report filed on Form 10-K for the year ended December 31, 2021, and in subsequent reports that we file with the SEC, including this Form 10-Q for the three months ended March 31, 2022.

- our ability to commercialize our products and strategic plans, including our ability to establish facilities to produce our vehicles or secure hydrogen supply in appropriate volumes, at competitive costs or with competitive emissions profiles;
- our ability to compete effectively in the heavy-duty transportation sector, and withstand intense competition and competitive pressures from other companies worldwide in the industries in which we operate;
- our ability to convert non-binding memoranda of understanding and letters of intent into binding orders or sales (including because of current or prospective resources of our counterparties) and the ability of our counterparties to make payments on orders;
- our ability to invest in hydrogen production, distribution, and refueling operations to supply our customers with hydrogen at competitive costs to operate their fuel cell electric vehicles;
- disruptions to the global supply chain, including as a result of the COVID-19 pandemic and geopolitical events, and shortage of raw materials, and the related impacts on our third party suppliers and assemblers;
- our ability to maintain the listing of our common stock on NASDAQ;
- our ability to raise financing in the future;
- our ability to retain or recruit, or changes required in, our officers, key employees or directors;
- our ability to protect, defend, or enforce intellectual property on which we depend; and
- the impacts of legal proceedings, regulatory disputes and governmental inquiries.

Should one or more of the risks or uncertainties described above, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements.

The forward-looking statements contained in this report are based on our current expectations and beliefs concerning future developments and their potential effects on us and speak only as of the date of this report. Except as otherwise required by applicable law, we disclaim any duty to update any forward looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this report. You should, however, review additional disclosures we make in subsequent filings with the SEC.

**Hyzon Motors, Inc.**  
**Quarterly Report on Form 10-Q**

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

**HYZON MOTORS INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(unaudited)

	March 31, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets		
Cash	\$ 407,333	\$ 445,146
Accounts receivable	774	2,598
Related party receivable	417	264
Inventory	26,082	19,245
Prepaid expenses and other current assets	29,951	27,970
<b>Total current assets</b>	<b>464,557</b>	<b>495,223</b>
Property, plant, and equipment, net	18,249	14,311
Right-of-use assets	10,970	10,265
Investments in equity securities	17,478	4,948
Other assets	6,146	5,430
<b>Total Assets</b>	<b>\$ 517,400</b>	<b>\$ 530,177</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 7,938	\$ 8,430
Accrued liabilities	9,034	6,026
Related party payables	648	3,633
Contract liabilities	11,063	11,230
Current portion of lease liabilities	2,409	1,886
<b>Total current liabilities</b>	<b>31,092</b>	<b>31,205</b>
Long term liabilities		
Lease liabilities	9,249	8,830
Private placement warrant liability	13,705	15,228
Earnout liability	100,520	103,761
Deferred income taxes	526	—
Other liabilities	1,243	1,296
<b>Total liabilities</b>	<b>156,335</b>	<b>160,320</b>
Commitments and contingencies (Note 11)		
<b>Stockholders' Equity</b>		
Common stock, \$0.0001 par value; 400,000,000 shares authorized, 247,881,568 and 247,758,412 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively.	25	25
Additional paid-in capital	404,992	403,016
Accumulated deficit	(37,182)	(28,117)
Accumulated other comprehensive gain	486	373
Total Hyzon Motors Inc. stockholders' equity	<b>368,321</b>	<b>375,297</b>
Noncontrolling interest	(7,256)	(5,440)
<b>Total Stockholders' Equity</b>	<b>361,065</b>	<b>369,857</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 517,400</b>	<b>\$ 530,177</b>

*The accompanying notes are an integral part of these unaudited consolidated financial statements*

**HYZON MOTORS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands, except per share amounts)  
(unaudited)

	Three Months Ended March 31,	
	2022	2021
<b>Revenue</b>	\$ 356	\$ —
<b>Operating expense:</b>		
Cost of revenue	424	—
Research and development	6,212	627
Selling, general, and administrative	20,470	3,146
Total operating expenses	27,106	3,773
<b>Loss from operations</b>	<b>(26,750)</b>	<b>(3,773)</b>
<b>Other income (expense):</b>		
Change in fair value of private placement warrant liability	1,523	—
Change in fair value of earnout liability	3,241	—
Change in fair value of equity securities	12,530	—
Foreign currency exchange loss and other expense	(1,057)	(28)
Interest income (expense), net	17	(4,588)
<b>Total other income (expense)</b>	<b>16,254</b>	<b>(4,616)</b>
<b>Net loss before income taxes</b>	<b>(10,496)</b>	<b>(8,389)</b>
Income tax expense	526	—
<b>Net loss</b>	<b>\$ (11,022)</b>	<b>\$ (8,389)</b>
Less: Net loss attributable to noncontrolling interest	(1,957)	(242)
<b>Net loss attributable to Hyzon</b>	<b>\$ (9,065)</b>	<b>\$ (8,147)</b>
<b>Comprehensive loss:</b>		
<b>Net loss</b>	<b>\$ (11,022)</b>	<b>\$ (8,389)</b>
Foreign currency translation adjustment	254	(29)
<b>Comprehensive loss</b>	<b>\$ (10,768)</b>	<b>\$ (8,418)</b>
Less: Comprehensive loss attributable to noncontrolling interest	(1,816)	(233)
<b>Comprehensive loss attributable to Hyzon</b>	<b>\$ (8,952)</b>	<b>\$ (8,185)</b>
<b>Net loss per share attributable to Hyzon:</b>		
Basic	\$ (0.04)	\$ (0.05)
Diluted	\$ (0.04)	\$ (0.05)
<b>Weighted average common shares outstanding:</b>		
Basic	247,940	166,201
Diluted	247,940	166,201

*The accompanying notes are an integral part of these unaudited consolidated financial statements.*

**HYZON MOTORS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(in thousands, except share data)  
(unaudited)

	Legacy Common Stock		Common Stock Class A		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Hyzon Motors Inc. Stockholders' Equity (Deficit)	Noncontrolling Interest	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount						
<b>Balance as of December 31, 2021</b>	—	\$ —	247,758,412	\$ 25	\$ 403,016	\$ (28,117)	\$ 373	\$ 375,297	\$ (5,440)	\$ 369,857
Exercise of stock options	—	—	30,008	—	34	—	—	34	—	34
Stock-based compensation	—	—	—	—	2,133	—	—	2,133	—	2,133
Vesting of RSUs	—	—	64,815	—	—	—	—	—	—	—
Net share settlement of equity awards	—	—	—	—	(160)	—	—	(160)	—	(160)
Common stock issued for the cashless exercise of warrants	—	—	28,333	—	—	—	—	—	—	—
Repurchase of warrants	—	—	—	—	(31)	—	—	(31)	—	(31)
Net loss attributable to Hyzon	—	—	—	—	—	(9,065)	—	(9,065)	—	(9,065)
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	(1,957)	(1,957)
Foreign currency translation loss	—	—	—	—	—	—	113	113	141	254
<b>Balance as of March 31, 2022</b>	—	\$ —	247,881,568	\$ 25	\$ 404,992	\$ (37,182)	\$ 486	\$ 368,321	\$ (7,256)	\$ 361,065

	Legacy Common Stock		Common Stock Class A		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Hyzon Motors Inc. Stockholders' Equity (Deficit)	Noncontrolling Interest	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount						
<b>Balance as of December 31, 2020</b>	93,750,000	\$ 94	—	\$ —	\$ 29,045	\$ (14,271)	\$ (16)	\$ 14,852	\$ (91)	\$ 14,761
Retroactive application of recapitalization	(93,750,000)	(94)	166,125,000	17	77	—	—	—	—	—
<b>Adjusted balance, beginning of period</b>	—	—	166,125,000	17	29,122	(14,271)	(16)	14,852	(91)	14,761
Exercise of stock options	—	—	115,189	—	187	—	—	187	—	187
Stock-based compensation	—	—	—	—	290	—	—	290	—	290
IP transaction - deemed distribution	—	—	—	—	(10,000)	—	—	(10,000)	—	(10,000)
Net loss attributable to Hyzon	—	—	—	—	—	(8,147)	—	(8,147)	—	(8,147)
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	(242)	(242)
Foreign currency translation loss	—	—	—	—	—	—	(38)	(38)	9	(29)
<b>Balance at March 31, 2021</b>	—	\$ —	166,240,189	\$ 17	\$ 19,599	\$ (22,418)	\$ (54)	\$ (2,856)	\$ (324)	\$ (3,180)

*The accompanying notes are an integral part of these unaudited consolidated financial statements.*

**HYZON MOTORS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

	Three Months Ended March 31,	
	2022	2021
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$ (11,022)	\$ (8,389)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	912	129
Stock-based compensation	2,133	290
Deferred income tax expense	526	—
Noncash interest expense	—	4,500
Fair value adjustment of private placement warrant liability	(1,523)	—
Fair value adjustment of earnout liability	(3,241)	—
Fair value adjustment of value of equity securities	(12,530)	—
Changes in operating assets and liabilities:		
Accounts receivable	1,839	(191)
Inventory	(6,864)	(626)
Prepaid expenses and other current assets	(1,599)	(6,982)
Other assets	(65)	—
Accounts payable	(568)	375
Accrued liabilities	3,003	316
Related party payables, net	8	811
Contract liabilities	(165)	297
Other liabilities	(92)	—
<b>Net cash used in operating activities</b>	<b>(29,248)</b>	<b>(9,470)</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(4,440)	(3,950)
Advanced payments for capital expenditures	(387)	—
Investment in equity securities	—	(123)
<b>Net cash used in investing activities</b>	<b>(4,827)</b>	<b>(4,073)</b>
<b>Cash Flows from Financing Activities:</b>		
Exercise of stock options	34	187
Payment of finance lease liability	(86)	(38)
Debt issuance costs	—	(59)
Proceeds from issuance of convertible notes	—	45,000
Net share settlement of incentive equity awards	(160)	—
Payment for purchase of Horizon IP	(3,146)	—
Repurchase of warrants	(31)	—
Deferred transaction costs	—	(487)
<b>Net cash (used in) provided by financing activities</b>	<b>(3,389)</b>	<b>44,603</b>
<b>Effect of exchange rate changes on cash</b>	<b>300</b>	<b>(26)</b>
<b>Net change in cash and restricted cash</b>	<b>(37,164)</b>	<b>31,034</b>
Cash and restricted cash — Beginning	449,365	17,139
<b>Cash and restricted cash — Ending</b>	<b>\$ 412,201</b>	<b>\$ 48,173</b>
<b>Supplemental schedule of non-cash investing activities and financing activities:</b>		
Horizon license agreement payable	—	10,000
Transaction costs included in accrued expenses	—	2,978

*The accompanying notes are an integral part of these unaudited consolidated financial statements.*

**HYZON MOTORS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Note 1. Nature of Business and Basis of Presentation**

**Description of Business**

Hyzon Motors Inc. (“Hyzon” or the “Company”), headquartered in Honeoye Falls, New York, assembles and supplies hydrogen fuel cell-powered commercial vehicles across North America, Europe, China, and Australasia. In addition, Hyzon builds and fosters a clean hydrogen supply ecosystem with leading partners from feedstocks through production, dispensing, and financing. The Company is majority-owned by Hymas Pte. Ltd. (“Hymas”), a Singapore company, which is majority-owned but indirectly controlled by Horizon Fuel Cell Technologies PTE Ltd., a Singapore company (“Horizon”).

**Business Combination and Basis of Presentation**

The accompanying unaudited consolidated financial statements and related disclosures have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) pursuant to the requirements and rules of the Securities and Exchange Commission (“SEC”) regarding interim reporting. Certain notes or other information that are normally required by U.S. GAAP have been omitted if they substantially duplicate the disclosures contained in the Company’s annual audited consolidated financial statements. Accordingly, the unaudited consolidated financial statements should be read in connection with the Company’s audited consolidated financial statements and related notes included in the Company’s Annual Report filed on Form 10-K for the year ended December 31, 2021.

The Company’s unaudited consolidated financial statements include the accounts and operations of the Company and its wholly owned subsidiaries including variable interest entity arrangements in which the Company is the primary beneficiary. All intercompany accounts and transactions are eliminated in consolidation. In the opinion of management, the accompanying unaudited consolidated financial statements include all normal and recurring adjustments necessary for a fair presentation for the periods presented. Results of operations reported for interim periods presented are not necessarily indicative of results for the entire year or any other periods.

On July 16, 2021 (the “Closing Date”), legacy Hyzon Motors Inc. and now named Hyzon Motors USA Inc., (“Legacy Hyzon”), consummated the transactions contemplated by the Business Combination Agreement and Plan of Reorganization (the “Business Combination”), dated February 8, 2021, with Decarbonization Plus Acquisition Corporation (“DCRB”) to effect a business combination between DCRB and Legacy Hyzon with DCRB Merger Sub Inc., a wholly owned subsidiary of DCRB, merging with and into Legacy Hyzon, with Legacy Hyzon surviving the merger as a wholly owned subsidiary of DCRB. On the Closing Date, DCRB changed its name to “Hyzon Motors Inc.” and Legacy Hyzon changed its name to “Hyzon Motors USA Inc.”

The Business Combination was accounted for as a reverse recapitalization in accordance with U.S. GAAP, with no goodwill or other intangible assets recorded and the net assets of Legacy Hyzon consolidated with DCRB at historical cost. Under this method of accounting, DCRB is treated as the “acquired” company for financial reporting purposes.

Accordingly, the equity structure has been retrospectively adjusted in all comparative periods up to the Closing Date, to reflect the number of shares of the Company’s common stock, \$0.0001 par value per share issued to Legacy Hyzon’s stockholders in connection with the reverse recapitalization. As such, the shares and corresponding capital amounts and earnings per share related to Legacy Hyzon common stock prior to the Business Combination have been retroactively restated as shares reflecting an exchange ratio of 1.772 (the “Exchange Ratio”).

**Liquidity and Capital Resources**

The Company has incurred losses from operations since inception. The Company incurred net losses of \$11.0 million and \$8.4 million for the three months ended March 31, 2022 and 2021, respectively, and accumulated deficit amounted to \$37.2 million and \$28.1 million as of March 31, 2022 and December 31, 2021, respectively. Net cash used in operating activities was \$29.2 million and \$9.5 million for the three months ended March 31, 2022 and 2021, respectively.

On July 16, 2021, the Company received \$512.9 million in cash, net of redemption and transaction costs as a result of the Business Combination. As of March 31, 2022, the Company has \$407.3 million in unrestricted cash. Management expects that the Company's cash, after taking consideration of the current projections of cash flow used in operating and investing activities, will be sufficient to meet its liquidity requirements for at least one year from the issuance date of these unaudited consolidated financial statements. Based on the above considerations, the Company's unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations.

## **Risks and Uncertainties**

The Company is subject to a variety of risks and uncertainties common to early-stage companies with a history of losses and are expected to incur significant expenses and continuing losses for the foreseeable future. The risks and uncertainties include, but not limited to, further development of its technology, marketing and distribution channels, further development of its supply chain and manufacturing, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, and the ability to secure additional capital to fund operations.

## **Note 2. Summary of Significant Accounting Policies**

The Company's significant accounting policies are described in Note 2, Summary of Significant Accounting Policies, in the Company's consolidated financial statements included in the Company's Annual Report filed on Form 10-K for the year ended December 31, 2021. There have been no material changes to the significant accounting policies during the three-month period ended March 31, 2022.

## **Recent Accounting Pronouncements**

### *Recently issued accounting pronouncements not yet adopted*

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2021-08, *Business Combination (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. This ASU requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities (deferred revenue) from acquired contracts using the revenue recognition guidance in Accounting Standard Codification ("ASC") 606. At the acquisition date, the acquirer applies the revenue model as if it had originated the acquired contracts. The ASU is effective for annual periods beginning after December 15, 2022, including interim periods within those fiscal years. Adoption of the ASU should be applied prospectively to business combinations occurring on or after the effective date of the amendments. Early adoption is permitted, including adoption in an interim period. The Company is in the process of assessing the impact of this guidance on its financial position, results of operations, or cash flow.

The Company considers the applicability and impact of all ASUs. The Company assessed ASUs not listed above and determined that they either were not applicable or were not expected to have a material impact on the unaudited consolidated financial statements.

## **Note 3. Revenue**

For the three months ended March 31, 2022, the Company recognized \$0.4 million in sales of fuel cell systems. The Company did not recognize any revenue for the three months ended March 31, 2021.

## **Contract Balances**

Contract liabilities relate to the advance consideration invoiced or received from customers for products and services prior to satisfying a performance obligation or in excess of amounts allocated to a previously satisfied performance obligation. These amounts are included within Contract liabilities in the unaudited Consolidated Balance Sheets.

The carrying amount of contract liabilities included in the accompanying unaudited Consolidated Balance Sheets was \$11.1 million and \$11.2 million as of March 31, 2022, and December 31, 2021, respectively.

**Remaining Performance Obligations**

The transaction price associated with remaining performance obligations related to binding orders for commercial vehicles and other contracts with customers was \$22.0 million and \$22.4 million as of March 31, 2022 and December 31, 2021, respectively. The Company expects to recognize substantially all its remaining performance obligations as revenue over the next 12 months.

**Note 4. Inventory**

Inventory consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Raw materials	\$ 20,051	\$ 15,727
Work in process	6,031	3,518
<b>Total inventory</b>	<b>\$ 26,082</b>	<b>\$ 19,245</b>

**Note 5. Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Deposit for fuel cell components (Note 14)	\$ 5,905	\$ 5,008
Vehicle inventory deposits	10,068	7,907
Production equipment deposits	1,552	4,423
Other prepaids	5,142	2,477
Prepaid Insurance	2,744	5,079
VAT receivable from government	3,637	2,173
VAT receivable from customers	903	903
<b>Total prepaid expenses and other current assets</b>	<b>\$ 29,951</b>	<b>\$ 27,970</b>

**Note 6. Property, Plant, and Equipment, net**

Property, plant, and equipment, net consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Land and building	\$ 2,818	\$ 2,818
Machinery and equipment	11,679	8,792
Software	1,176	596
Leasehold improvements	1,153	968
Construction in progress	2,693	1,828
Total Property, plant, and equipment	19,519	15,002
Less: Accumulated depreciation and amortization	(1,270)	(691)
<b>Property, plant and equipment, net</b>	<b>\$ 18,249</b>	<b>\$ 14,311</b>

Depreciation and amortization expense totaled \$0.6 million and \$0.1 million for the three months ended March 31, 2022 and 2021, respectively.

**Note 7. Accrued liabilities**

Accrued liabilities consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Payroll and payroll related expenses	\$ 3,833	\$ 2,247
Accrued professional fees	4,032	2,545
Other accrued expenses	1,169	1,234
Accrued liabilities	<u>\$ 9,034</u>	<u>\$ 6,026</u>

**Note 8. Investments in Equity Securities**

The Company owns common shares, participation rights, and options to purchase additional common shares in certain private companies. On a non-recurring basis, the carrying value is adjusted for changes resulting from observable price changes in orderly transactions for identical or similar investments in the same issuer.

Included in Change in fair value of equity securities in the unaudited Consolidated Statements of Operations and Comprehensive Loss for the three months ended March 31, 2022 is a \$12.5 million gain from the equity investment in Raven SR, LLC ("Raven"). The investment in Raven's common shares and options were initially accounted for at cost of \$2.5 million. Subsequently in March 2022, there was an observable change in price of Raven's common shares. The change in observable price of Raven's common shares also results in a remeasurement of the investment in Raven's options as of the date that the observable transaction took place. The fair value of the investment in Raven's common shares was determined based on observable market prices of identical instruments in less active markets and is classified accordingly as Level 2 in the fair value hierarchy. Due to certain anti-dilution rights included in the options held by the Company, the fair value was determined utilizing a Monte-Carlo simulation model. Accordingly, this was determined to be a Level 3 measurement in the fair value hierarchy. The most significant assumptions in the model included the transaction price of the underlying common shares at the transaction date, expected volatility, risk free rate, and certain assumptions around the likelihood, size, and timing of potential future equity raises by Raven. As of March 31, 2022, the Company determined the fair value of the investment in Raven's common shares and options to be \$6.5 million and \$8.5 million, respectively.

The following table summarizes the total carrying value of held securities, measured as the total initial cost plus cumulative net gain (loss) (in thousands):

	March 31, 2022	December 31, 2021
Total initial cost basis	\$ 4,948	\$ 4,948
<i>Adjustments:</i>		
Cumulative unrealized gain	12,530	—
Carrying amount, end of period	<u>\$ 17,478</u>	<u>\$ 4,948</u>

**Note 9. Income Taxes**

During the three months ended March 31, 2022, the Company recorded a net discrete tax expense of \$0.5 million primarily associated with the establishment of a deferred tax liability that is not expected to offset available deferred tax assets. The Company did not record a provision for income taxes for the three months ended March 31, 2021 because the Company generated tax losses.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company assesses all available evidence, both positive and negative, to determine the amount of any required valuation allowance within each taxing jurisdiction. Full valuation allowances have been established for the Company's operations in all jurisdictions. As of March 31, 2022, and December 31, 2021, the Company had net deferred tax assets of approximately \$25.1 million and \$21.9 million, respectively, each of which was fully offset by a valuation allowance.

There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of March 31, 2022 and December 31, 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its positions. The Company is subject to income tax examinations by taxing authorities in the countries in which it operates since inception.

#### Note 10. Fair Value Measurements

The Company follows the guidance in ASC Topic 820, Fair Value Measurement. For assets and liabilities measured at fair value on a recurring and nonrecurring basis, a three-level hierarchy of measurements based upon observable and unobservable inputs is used to arrive at fair value. The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

As of March 31, 2022, and December 31, 2021, the carrying amount of accounts receivable, other current assets, other assets, accounts payable, and accrued and other current liabilities approximated their estimated fair value due to their relatively short maturities.

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value (in thousands):

	As of March 31, 2022			
	Level 1	Level 2	Level 3	Total
Warrant liability – Private Placement Warrants	\$ —	\$ 13,705	\$ —	\$ 13,705
Earnout shares liability	—	—	100,520	100,520

  

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Warrant liability – Private Placement Warrants	\$ 15,228	\$ —	\$ —	\$ 15,228
Earnout shares liability	—	—	103,761	103,761

**Private Placement Warrants**

Following the lapsing of certain transferability restrictions subsequent to the Business Combination, the features of the Private Placement Warrants became identical to the Public Warrants, except that so long as they are held by the sponsor of the Business Combination, the Private Placement Warrants are not redeemable by the Company. Due to these similarities, the estimated fair value of the Private Placement Warrants was equal to the fair value of the Public Warrants at March 31, 2022.

**Earnout to Common Stockholders**

The fair value of the earnout shares was estimated by utilizing a Monte-Carlo simulation model. The inputs into the Monte-Carlo pricing model included significant unobservable inputs. The following table provides quantitative information regarding Level 3 fair value measurement inputs:

	March 31, 2022	December 31, 2021
Stock price	\$ 6.39	\$ 6.49
Risk-free interest rate	2.4 %	1.2 %
Volatility	90.00 %	90.00 %
Remaining term (in years)	4.29	4.54

The following table presents the changes in the liabilities for Private Placement Warrants and Earnout during the three months ended March 31, 2022 (in thousands):

	Private Placement Warrants	Earnout
Balance as of December 31, 2021	\$ 15,228	\$ 103,761
Change in estimated fair value	(1,523)	(3,241)
Balance as of March 31, 2022	<u>\$ 13,705</u>	<u>\$ 100,520</u>

The Company performs routine procedures such as comparing prices obtained from independent sources to ensure that appropriate fair values are recorded.

**Note 11. Commitments and Contingencies****Legal Proceedings**

The Company is subject to, and may become a party to, a variety of litigation, other claims, suits, indemnity demands, regulatory actions, and government investigations and inquiries in the ordinary course of business. The Company is party to current legal proceedings as discussed more fully below.

Three related putative securities class action lawsuits were filed between September 30, 2021 and November 15, 2021, in the U.S. District Court for the Western District of New York against the Company, certain of the Company's current officers and directors and certain officers and directors of DCRB: (Kauffmann v. Hyzon Motors Inc., et al. (No. 21-cv-06612-CJS), Brennan v. Hyzon Motors Inc., et al. (No. 21-cv-06636-CJS), and Miller v. Hyzon Motors Inc. et al. (No. 21-cv-06695-CJS)), asserting violations of federal securities laws. The complaints generally allege that the Company and individual defendants made materially false and misleading statements relating to the nature of the Company's customer contracts, vehicle orders, and sales and earnings projections, based on allegations in a report released on September 28, 2021, by Blue Orca Capital, an investment firm that indicated that it held a short position in our stock and which has made numerous allegations about the Company. These lawsuits have been consolidated under the caption In re Hyzon Motors Inc. Securities Litigation (Case No. 6:21-cv-06612-CJSMWP), and on March 21, 2022, the court-appointed lead plaintiff filed a consolidated amended complaint seeking monetary damages.

Between December 16, 2021 and January 14, 2022, three related shareholder derivative lawsuits were filed in the U.S. District Court for the Western District of New York: (Lee v. Anderson et al. (No. 21-cv-06744-CJS); Révész v. Anderson et al. (No. 22-cv-06012-CJS); and Shorab v. Anderson et al. (No. 22-cv-06023CJS)). On February 2, 2022, a similar shareholder derivative lawsuit was filed in the U.S. District Court for the District of Delaware (Yellets v. Gu et al. (No. 22-cv-00156), and on February 3, 2022, another similar shareholder derivative lawsuit was filed in the Supreme Court of the State of New York, Kings County (Ruddiman v. Anderson et al. (No. 503402/2022)). These lawsuits name as defendants the Company’s current directors and certain former directors of DCRB, along with the Company as a nominal defendant, and generally allege that the individual defendants breached their fiduciary duties by making or failing to prevent the misrepresentations alleged in the consolidated securities class action, and assert claims for violations of federal securities laws, breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. These lawsuits generally seek equitable relief and monetary damages.

On March 18, 2022, a putative class action complaint, Malork v. Anderson et al. (C.A. No. 2022-0260- KSJM), was filed in the Delaware Court of Chancery against certain officers and directors of DCRB, DCRB’s sponsor, and certain investors in DCRB’s sponsor, alleging that the director defendants and controlling shareholders of DCRB’s sponsor breached their fiduciary duties in connection with the merger between DCRB and Legacy Hyzon. The complaint seeks equitable relief and monetary damages.

Between January 26, 2022 and March 28, 2022, Hyzon received four demands for books and records pursuant to Section 220 of the Delaware General Corporation Law from stockholders who state they are investigating whether to file similar derivative or stockholder lawsuits, among other purposes. The proceedings are subject to uncertainties inherent in the litigation process. We cannot predict the outcome of these matters or estimate the possible loss or range of possible loss, if any.

On January 12, 2022, the Company announced that it had received a subpoena from the SEC for production of documents and information, including documents and information related to the allegations made in the September 28, 2021 report issued by Blue Orca Capital. The Company is cooperating with the SEC.

Regardless of outcome, such proceedings or claims can have an adverse impact on us because of legal defense and settlement costs, our obligations to indemnify third parties, diversion of resources, and other factors, and there can be no assurances that favorable outcomes will be obtained. Based on the early-stage nature of these cases, we cannot predict the outcome of these matters or estimate the possible loss or range of possible loss, if any.

**Note 12. Stock-based Compensation Plans**

The following table summarizes the Company’s stock option and Restricted Stock Unit (“RSU”) activity:

	Stock Options				RSUs	
	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual (Years)	Aggregate Intrinsic Value (in 000s)	Number of RSUs	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2021	19,311,140	\$ 1.29	13.07	100,885	1,852,685	\$ 6.14
Granted	188,232	\$ 6.29	—	—	107,310	\$ 5.22
Exercised or released	(30,008)	\$ 1.13	—	—	(95,576)	\$ 3.53
Forfeited/Cancelled	(38,984)	\$ 1.13	—	—	—	\$ —
Outstanding at March 31, 2022	19,430,380	\$ 1.30	12.78	99,280	1,864,419	\$ 6.22
Vested and expected to vest, March 31, 2022	13,892,880	\$ 1.15	12.39	73,271	1,864,419	\$ 6.22
Exercisable and vested at March 31, 2022	12,116,476	\$ 1.13	13.15	63,749	—	—

As of March 31, 2022, there was \$2.5 million of unrecognized stock-based compensation expense related to unvested stock options, which is expected to be recognized over a weighted-average period of 4.46 years.

RSUs granted under the Company’s equity incentive plans typically vest over a four or five-year period beginning on the date of grant. RSUs will be settled through the issuance of an equivalent number of shares of our common stock and are

equity classified. The fair value of restricted shares is determined based upon the stock price on the date of grant. As of March 31, 2022, unrecognized compensation costs related to unvested RSUs of \$9.6 million is expected to be recognized over a remaining weighted average period of 3.42 years.

#### **Earnout to Other Equity Holders**

Earnout awards to other equity holders are accounted for under ASC 718 were vested at the time of grant, and therefore recognized immediately as compensation expense. Total compensation expense recorded in the three months ended March 31, 2022 related to these earnout awards was \$1.0 million. Certain earnout awards to other equity holders contained performance and market-based vesting conditions, and as the performance conditions are not deemed probable at March 31, 2022, no compensation expense has been recorded related to these awards.

#### **Note 13. Stockholders' Equity**

##### ***Common Stock***

The Company is authorized to issue 400,000,000 shares of common stock with a par value of \$0.0001 per share. Holders of Class A common stock are entitled to one vote for each share. At March 31, 2022 and December 31, 2021, there were 247,881,568 and 247,758,412 shares of Class A common stock issued and outstanding, respectively.

##### ***Warrants***

As of March 31, 2022 and December 31, 2021, there were 11,286,242 Public Warrants and 8,014,500 Private Placement Warrants, for a total of 19,300,742 warrants outstanding.

##### ***Ardour Subscription Agreement***

As of March 31, 2022, and December 31, 2021, there were 230,048 and 293,087 Ardour Warrants outstanding, respectively. In the three months ended March 31, 2022, the Company issued 28,333 shares of common stock for the cashless exercise of certain Ardour Warrants.

##### ***Equity Repurchase Program***

On November 17, 2021, the Company's board of directors authorized the repurchase of up to \$5.0 million of its outstanding common stock and/or Public Warrants. The timing and amount of any share repurchases under the Company's share repurchase authorization will be determined by management based on market conditions and other considerations. Such repurchases may be executed in the open market. As of December 31, 2021, the Company had repurchased 256,977 public warrants for \$0.5 million. In the three months ended March 31, 2022, the Company repurchased an additional 15,600 public warrants for \$31 thousand. The Company suspended the share repurchase program as of January 5, 2022.

#### **Note 14. Related Party Transactions**

##### **Horizon IP Agreement**

In January 2021, the Company entered into an intellectual property agreement (the "Horizon IP Agreement") with Jiangsu Qingneng New Energy Technologies Co., Ltd. and Shanghai Qingneng Horizon New Energy Ltd. (together, "JS Horizon") both of which are affiliates of the Company's ultimate parent, Horizon. In September 2021, Jiangsu Horizon Powertrain Technologies Co. Ltd. ("JS Powertrain") was an added party to the agreement. Pursuant to the agreement the parties convey to each other certain rights in intellectual property relating to Hyzon's core fuel cell and mobility product technologies, under which Hyzon was to pay JS Horizon and JS Powertrain a total fixed payment of \$10 million. As of March 31, 2022, the full \$10 million has been paid, \$6.9 million was paid in 2021 and the remaining \$3.1 million was paid in February 2022.

## Related Party Payables and Receivables

### *Horizon Fuel Cell Technologies and Related Subsidiaries*

Hyzon utilizes Horizon to supply certain fuel cell components. In March 2021, the Company made a deposit payment to Horizon in the amount of \$5.0 million to secure fuel cell components. This payment is included in prepaid expenses as none of the components have yet been received. In addition, the Company made other deposit payments to purchase fuel cell systems and components from Horizon and its affiliates. For the three months ended March 31, 2022, Cost of revenue of \$0.1 million for fuel cell components purchased from Horizon and its affiliates were recorded in the Company's unaudited Consolidated Statements of Operations and Comprehensive Loss.

Certain employees of Horizon and its affiliates provide services to the Company. Based on an analysis of the compensation costs incurred by Horizon and an estimate of the proportion of effort spent by such employees on each entity, an allocation of approximately \$0.3 million and \$0.1 million was recorded in the Company's unaudited Consolidated Statements of Operations and Comprehensive Loss related to such services for the three months ended March 31, 2022, and 2021, respectively.

The related party liability to Horizon and its affiliates is \$0.6 million and \$3.6 million as of March 31, 2022 and December 31, 2021, respectively.

### *Holthausen and Affiliates*

The Company entered into a joint venture agreement in October 2020 to create Hyzon Motors Europe B.V. ("Hyzon Europe") with Holthausen Clean Technology Investments B.V. ("Holthausen"). As Hyzon Europe builds out its production facilities, it relies on Holthausen and its affiliates for certain production resources that result in related party transactions. In addition, both companies rely on certain suppliers, including Horizon.

The Company currently owns 50.5% of the equity interests of Hyzon Europe. On December 31, 2021, Hyzon executed a non-binding Letter of Intent ("LOI") with Holthausen to increase its stake to 75% in Hyzon Europe. Concurrent with the signing of this LOI, €1 million refundable deposit was paid to Holthausen, approximately \$1.1 million in U.S. dollars ("USD"). This deposit is recorded in the unaudited Consolidated Balance Sheets in Prepaid expenses and other current assets.

On May 5, 2022, the Company entered into a Stock Purchase Agreement ("SPA") with Holthausen, whereby the Company agreed to purchase 735,000 shares Holthausen holds in Hyzon Europe. When the transaction closes, the Company will own 75% of the issued and outstanding shares of Hyzon Europe, and Holthausen will own 25%. As part of the SPA, Holthausen agreed to transfer to Hyzon Europe all of its shares of stock in Holthausen Clean Technology B.V, private limited liability company registered in the Netherlands. The Company agreed to a total purchase price of €27.0 million, approximately \$28.5 million in USD, in a combination of cash and equity of the Company.

For the three months ended March 31, 2022, the Company paid \$0.1 million in director services to Carl Holthausen and Max Holthausen as executives of Hyzon Europe.

As of March 31, 2022 and December 31, 2021, the Company has a net related party receivable in the amount of \$0.4 million and \$0.3 million, respectively from Holthausen.

**Note 15. Loss per share**

The following table presents the information used in the calculation of our basic and diluted loss per share attributable to Hyzon common stockholders (in thousands, except per share data):

	Three Months Ended March 31,	
	2022	2021
<b>Net loss attributable to Hyzon</b>	\$ (9,065)	\$ (8,147)
<b>Weighted average shares outstanding:</b>		
Basic	247,940	166,201
Effect of dilutive securities	—	—
Diluted	247,940	166,201
<b>Loss per share attributable to Hyzon:</b>		
Basic	\$ (0.04)	\$ (0.05)
Diluted	\$ (0.04)	\$ (0.05)

The weighted average number of shares outstanding prior to Business Combination were converted at the Exchange Ratio.

Potentially dilutive shares are excluded from the computation of diluted net loss when their effect was antidilutive. The following outstanding common stock equivalents (in thousands) were excluded from the computation of diluted net loss per share for the periods presented because including them would have been anti-dilutive.

	Three Months Ended March 31,	
	2022	2021
Restricted stock units	1,864	872
Stock options with service conditions	12,121	12,525
Stock options for former CTO	1,772	1,772
Stock options with market and performance conditions	5,538	5,538
Private placement warrants	8,015	—
Public Warrants	11,286	—
Earnout shares	23,250	—
Hongyun warrants	31	—
Ardour warrants	230	326

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis provide information that management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. This discussion is intended to supplement, and should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our 2021 Annual Report filed on Form 10-K. Unless the context otherwise requires, all references in this section to “Hyzon,” “we,” “us,” and “our” are intended to mean the business and operations of Hyzon Motors Inc. and its consolidated subsidiaries following the consummation of the Business Combination and to Legacy Hyzon and its consolidated subsidiaries prior to the Business Combination.*

### **Overview**

Headquartered in Rochester, New York, with operations in North America, Europe, China, and Australasia, Hyzon provides decarbonized solutions primarily for commercial vehicles market and hydrogen supply infrastructure.

### **Vehicles and Vehicle Platforms**

Our commercial vehicle business is focused primarily on assembling and supplying hydrogen-powered fuel cell electric vehicles (“FCEVs”), including heavy-duty (Class 8) trucks, medium-duty (Class 6) trucks, light-duty (Class 3 and 4) trucks, and 40 and 60-foot (12 and 18-meter) city and coach buses to commercial vehicle operators.

On-road, our potential customers include shipping and logistics companies and retail customers with large distribution networks, such as grocery retailers, food and beverage companies, waste management companies, and municipality and government agencies around the world. Off-road, our potential customers include mining, material handling and port equipment manufacturers and operators. Initial strategic customer groups often employ a ‘back-to-base’ model where their vehicles return to a central base or depot between operations, thereby allowing operators to have fueling independence as the necessary hydrogen can be produced locally at or proximate to the central base and dispensed at optimally-configured hydrogen refueling stations. Hyzon may expand its range of products and hydrogen solutions as the transportation sector increasingly adopts hydrogen propulsion and investments are made in hydrogen production and related infrastructure in accordance with our expectations.

In addition, we perform integration for rail and aviation customers and plan to expand our integration activities across maritime and other applications in the future. We expect the opportunities in these sectors to continue to expand with the rapid technological advances in hydrogen fuel cells and the increasing investments in hydrogen production, storage and refueling infrastructure around the world.

### **Fuel and Infrastructure**

Our hydrogen supply infrastructure business is focused on building and fostering a clean hydrogen supply ecosystem with leading partners from feedstock through hydrogen production, dispensing and financing. We collaborate with strategic partners on development, construction, operation, and ownership of hydrogen production facilities and refueling stations in each major region of our operations, which we intend to complement our back-to-base model and near-term fleet deployment opportunities.

### **COVID-19 Pandemic**

The COVID-19 pandemic is currently impacting countries, communities, supply chains, and the global financial markets. Governments have imposed laws requiring social distancing, travel restrictions, shutdowns of businesses and quarantines, among others, and these laws may limit our ability to meet with potential customers or partners, or affect the ability of our personnel, suppliers, partners and customers to operate in the ordinary course of business. Although the economy has begun to recover, the severity and duration of the related global economic crisis is not fully known. The COVID-19 pandemic is expected to continue to have residual negative impacts, in particular the supply chain continues to face disruptions. Rebounding demand in key components challenge the supply base and supply chain with short notice and increasing volume levels. The supply constraints include overseas freight congestion causing extended lead times, semiconductor allocation, other raw/component material shortages and supplier staffing challenges.

The COVID-19 pandemic and measures to prevent its spread have had the following impact on our business:

- *Our workforce.* Employee health and safety is our priority. In response to COVID-19, we established protocols to help protect the health and safety of our workforce. We will continue to stay up-to-date and follow local, Centers for Disease Control and Prevention (“CDC”), or World Health Organization (“WHO”) guidelines regarding safe work environment requirements.
- *Operations and Supply Chain.* We continue to experience supply chain disruptions, which may temporarily limit our ability to outfit vehicles and fuel cell systems with key components. However, our global footprint has allowed us to leverage our strategic partnerships and to meet customer demands for zero-emission heavy commercial vehicles despite these challenges. In the future, we may experience supply chain disruptions from related or third-party suppliers and any such supply chain disruptions could cause delays in our development and delivery timelines. We continue to monitor the situation for any potential adverse impacts and execute appropriate countermeasures, where possible.

While we have experienced some operational challenges, the long-term implications of the COVID-19 pandemic on our workforce, operations and supply chain, as well as demand remain uncertain. These factors may in turn, have a material adverse effect on our results of operations, financial position, and cash flows.

#### **Key Trends and Uncertainties**

We believe that our performance and future success depends on several factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section entitled “*Risk Factors*” included in our Annual Report filed on Form 10-K for the year ended December 31, 2021.

#### ***Commercial Launch of Hyzon-branded commercial vehicles and other hydrogen solutions***

We reported \$0.4 million of revenue from hydrogen fuel cell system sales for the three months ended March 31, 2022; however, our business model has yet to be proven. Prior to full commercialization of our commercial vehicle business at scale, we must complete the construction of required manufacturing facilities and achieve research and development milestones. We must establish and operate facilities capable of producing our hydrogen fuel cell systems or assembling our hydrogen-powered commercial vehicles in appropriate volumes and at competitive costs.

Until we can generate sufficient additional revenue from our commercial vehicle business, we expect to finance our operations through equity and/or debt financing. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our development efforts. We expect that any delays in the successful completion of our manufacturing facilities, availability of critical parts, and/or validation and testing will impact our ability to generate revenue.

#### ***Hydrogen Production & Supply Infrastructure***

We continue to develop an end-to-end hydrogen ecosystem delivery model, with a partner-driven approach to design, build, own and operate hydrogen production hubs and downstream dispensing infrastructure expected to provide zero-to-negative carbon intensity hydrogen at below diesel-parity cost structures supporting Hyzon vehicle fleet deployments. We intend to continue forming additional partnerships across the full hydrogen feedstock, production and dispensing value chain in each major region in which we operate, that will be designed to ensure that the hydrogen fuel required is available at the cost and carbon intensity requirements to drive fleet conversions to Hyzon hydrogen FCEVs. Because we have a partner-driven approach, we are naturally reliant upon our partners’ performance in fulfilling the obligations that we depend on for delivery of each segment of that value chain. Additionally, consistent with other construction projects, there are risks related to realized construction cost and schedule that can impact final cost to produce and deliver hydrogen and timing of that delivery, along with the availability of feedstock near our vehicle fleet deployments. We intend to manage these risks by partnering with high quality and high performing partners with a track record of timely delivery and instituting commercial agreements to drive down construction cost and achieve on-time scheduled performance.

#### ***Continued Investment in Innovation***

We believe that we are the industry-leading hydrogen technology company with the most efficient and reliable fuel cell powertrain technologies and an unmatched product and service offering. Our financial performance will be significantly dependent on our ability to maintain this leading position. We expect to incur substantial and increasing research and

development expenses and stock-based compensation expenses as a result. We dedicate significant resources towards research and development and invest heavily in recruiting talent, especially for vehicle design, vehicle software, fuel cell system, and electric powertrain. We will continue to recruit and retain talented personnel to grow our strength in our core technologies. We expect to incur additional stock-based compensation expenses as we support our growth and status as a publicly traded company. We expect our strategic focus on innovation will further solidify our leadership position.

#### ***Customer Demand***

We are continually seeking to expand our customer base; however we depend on a few major customers and we expect this will continue for the next several years. These customers will mostly employ a back-to-base model in the early adoption phase of FCEVs. Vehicles will return to a central “base” between operations, allowing them to refuel onsite and/or nearby, where hydrogen can be produced locally at or proximate to the central base. While we focus on back-to-base or regional customers, we expect to expand our target customer focus to include longer-haul truck and bus segments, additional vehicle classes, stationary power, and incremental mobility applications (e.g., rail, marine, aviation) for customers around the world.

#### ***Supplier Relationships***

We depend on third parties, including our majority beneficial shareholder and parent company Horizon for supply of key inputs and components for our products, such as fuel cells and automotive parts. We intend to negotiate potential relationships with industry-leading OEMs to supply chassis for our Hyzon-branded vehicles but do not yet have any binding agreements and there is no guarantee that definitive agreements will be reached. Even if we reach such agreements, such suppliers, including Horizon, may be unable to deliver the inputs and components necessary for us to produce our hydrogen-powered commercial vehicles or hydrogen fuel cell systems at prices, volumes, and specifications acceptable to us. If we are unable to source required inputs and other components from third parties on acceptable terms, it could have a material adverse effect on our business and results of operations.

The automotive industry continues to face many supply chain disruptions. We are experiencing increases in both the cost of and time to receive raw materials, such as semiconductors or chassis. Any such increase or supply interruptions could materially negatively impact our business, prospects, financial condition, and operating results. Many of the parts for our products are sourced from suppliers in China, and the manufacturing situation in China remains uncertain.

#### ***Market Trends and Competition***

The last ten years have seen the rapid development of alternative energy solutions in the transportation space. We believe this growth will continue to accelerate as increased product offerings, technological developments, reduced costs, additional supporting infrastructure, and increased global focus on climate goals drive broader adoption.

We believe that commercial vehicle operators, one of our initial target markets, will be driven towards hydrogen-powered commercial vehicles predominantly by the need to decarbonize activities, but also by the potential for lower total cost of ownership in comparison to the cost of ownership associated with traditional gasoline and diesel internal combustion engines. Our fuel cell technology can be deployed across a broad range of mobility applications, including on-road, off-road, rail, maritime and aviation.

The competitive landscape for our commercial vehicles ranges from vehicles relying on legacy internal combustion engines, to extended range electric and battery electric engines, to other hydrogen fuel cell and alternative low-to-no carbon emission propulsion vehicles. Competitors include well established vehicle companies already deploying vehicles with internal fuel cell technology and other heavy vehicle companies that have announced their plans to offer fuel cell trucks in the future. We also face competition from other fuel cell manufacturers. We believe that our company is well positioned to capitalize on growth in demand for alternative low-to-no carbon emission propulsion vehicles due to the numerous benefits of hydrogen power, including hydrogen’s abundance and ability to be produced locally and the generally faster refueling times for hydrogen-powered commercial vehicles, as compared to electricity-powered vehicles. However, in order to successfully execute on our business plan, we must continue to innovate and convert successful research and development efforts into differentiated products, including new commercial vehicle models.

Our current and potential competitors have greater financial, technical, manufacturing, marketing and other resources. Our competitors may be able to deploy greater resources to the design, development, manufacturing, distribution, promotion, sales, marketing, and support of their internal combustion, alternative fuel and electric truck programs.

### Regulatory Landscape

We operate in a highly regulated industry. The failure to comply with laws or regulations, including but not limited to rules and regulations covering vehicle safety, emissions, dealerships, and distributors, could subject us to significant regulatory risk and changing laws and regulations and changing enforcement policies and priorities could adversely affect our business, prospects, financial condition and operating results. We may be also required to obtain and comply with the terms and conditions of multiple environmental permits, many of which are difficult and costly to obtain and could be subject to legal challenges. We depend on global customers and suppliers, and adverse changes in governmental policy or trade regimes could significantly impact the competitiveness of our products. Changes to applicable tax laws and regulations or exposure to additional income tax liabilities could affect our business and future profitability. See the section entitled “Government Regulations” in our Annual Report filed on Form 10-K for the year ended December 31, 2021.

### Results of Operations

The following table sets forth our historical operating results for the periods indicated (in thousands):

	Three Months Ended March 31,		\$ Change	% Change
	2022	2021		
<b>Revenue</b>	\$ 356	\$ —	\$ 356	N/M
<b>Operating expense:</b>				
Cost of revenue	424	—	424	N/M
Research and development	6,212	627	5,585	891 %
Selling, general, and administrative	20,470	3,146	17,324	551 %
Total operating expenses	27,106	3,773	23,333	618 %
<b>Loss from operations</b>	<b>(26,750)</b>	<b>(3,773)</b>	<b>(22,977)</b>	<b>609 %</b>
<b>Other income (expense):</b>				
Change in fair value of private placement warrant liability	1,523	—	1,523	N/M
Change in fair value of earnout liability	3,241	—	3,241	N/M
Change in fair value of equity securities	12,530	—	12,530	N/M
Foreign currency exchange loss and other expense	(1,057)	(28)	(1,029)	3675 %
Interest income (expense), net	17	(4,588)	4,605	(100)%
<b>Total other income (expense)</b>	<b>16,254</b>	<b>(4,616)</b>	<b>20,870</b>	<b>(452)%</b>
<b>Net loss before income taxes</b>	<b>(10,496)</b>	<b>(8,389)</b>	<b>(2,107)</b>	<b>25 %</b>
Income tax expense	526	—	526	N/M
<b>Net loss</b>	<b>\$ (11,022)</b>	<b>\$ (8,389)</b>	<b>\$ (2,633)</b>	<b>31 %</b>
Less: Net loss attributable to noncontrolling interest	(1,957)	(242)	(1,715)	709 %
<b>Net loss attributable to Hyzon</b>	<b>\$ (9,065)</b>	<b>\$ (8,147)</b>	<b>\$ (918)</b>	<b>11 %</b>

### ***Three Months Ended March 31, 2022 and 2021***

Hyzon was formed and commenced operations on January 21, 2020. As a result, we have a very limited operating history from inception and limited prior period comparable information available to be presented in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Hyzon.”

**Revenue.** Revenue for the three months ended March 31, 2022 was \$0.4 million, and represents sales of fuel cell systems. We did not generate revenue for the three months ended March 31, 2021.

**Operating Expenses.** Operating expenses for the three months ended March 31, 2022 were \$27.1 million compared to \$3.8 million for the three months ended March 31, 2021. Operating expenses consist of cost of revenue, research and development expenses and selling, general and administrative expenses.

**Cost of Revenue.** Cost of revenue includes direct materials, labor costs, allocated overhead costs related to the manufacture of hydrogen FCEVs, fuel cell systems, and estimated warranty costs. Cost of revenue for the three months ended March 31, 2022 was \$0.4 million. We did not generate revenue for the three months ended March 31, 2021 and therefore had no cost of revenue for the three months ended March 31, 2021.

**Research and Development Expenses.** Research and development expenses represent costs incurred to support activities that advance the development of current and next generation hydrogen powered fuel cell systems, the design and development of electric powertrain, and the integration of those systems into various mobility applications. Our research and development expenses consist primarily of employee-related personnel expenses, prototype materials and tooling, design expenses, consulting and contractor costs and an allocated portion of overhead costs.

Research and development expenses were \$6.2 million and \$0.6 million in the three months ended March 31, 2022 and 2021, respectively. The increase was primarily due to \$3.5 million in higher personnel costs in developing our research and development expertise in vehicle design, vehicle software, fuel cell system, and electric powertrain. The remaining increase of \$2.1 million was primarily due to the advancing development of current and next generation hydrogen powered fuel cell systems, the design and development of electric powertrain, and the integration of those systems into various mobility applications. We expect research and development expenses to continue to increase significantly going forward as we build out our research facilities and organization.

**Selling, General, and Administrative Expenses.** Selling expenses consist primarily of employee-related costs for individuals working in our sales and marketing departments, third party commissions, and related outreach activities. General and administrative expenses consist primarily of personnel-related expenses associated with our executive, finance, legal, information technology and human resources functions, as well as professional fees for legal, audit, accounting and other consulting services, and an allocated portion of overhead costs.

Selling, general, and administrative expenses were \$20.5 million and \$3.1 million in the three months ended March 31, 2022 and 2021, respectively. The increase was primarily due to \$5.0 million in higher legal, accounting and consulting fees, \$4.5 million in higher salary and related expenses, \$2.6 million in higher insurance expense and \$1.8 million in higher stock compensation expense. In addition, we incurred additional \$2.0 million in IT, rent, travel and other office related expenses to support business growth. We incurred greater selling, general, and administrative expense in the first quarter of 2022 as the Company continues to build out its corporate infrastructure, including accounting, audit, legal, regulatory and tax-related services. The increase in selling, general and administrative costs also resulted from director and officer insurance costs, investor and public relations costs.

**Change in Fair Value.** Change in fair value represents non-cash gains or losses in estimated fair values of the private placement warrant liability, earnout liability, and investments in equity securities. Private placement warrant and earnout liabilities are remeasured at each balance sheet date. Equity securities are remeasured when there is an observable price adjustment in an orderly transaction for an identical or similar investment in the same issuer. Changes in estimated fair values of private placement warrant liability, earnout liability, and investments in equity securities for the three months ended March 31, 2022, were \$1.5 million, \$3.2 million, and \$12.5 million, respectively. There were no equivalent instruments requiring fair value remeasurement for the three months ended March 31, 2021.

*Foreign Currency Exchange Loss.* Foreign currency exchange loss represents exchange rate gains and losses related to all transactions denominated in a currency other than our or our subsidiary's functional currencies. Foreign currency exchange loss was \$1.1 million in the three months ended March 31, 2022 compared to negligible expense in the three months ended March 31, 2021, as there were few transactions in foreign currencies in the prior period. We are subject to foreign currency risk as we continue to expand our geographic footprint.

*Interest Income (Expense), net.* Interest income was negligible in the three months ended March 31, 2022, compared to interest expense of \$4.6 million in the three months ended March 31, 2021. Interest expense relates primarily to the convertible debt issued in February 2021 and is comprised primarily from changes in the fair value of the embedded derivative associated with the automatic conversion provision of the convertible notes. Upon close of the Business Combination in July 2021, the convertible debt and accrued interest converted into shares of common stock of the Company. There was no debt outstanding during the three months ended March 31, 2022.

*Income Tax Expense (Benefits).* During the three months ended March 31, 2022, the Company recorded a net discrete tax expense of \$0.5 million primarily associated with the establishment of a deferred tax liability that is not expected to offset available deferred tax assets. The Company has cumulative net operating losses at the federal and state level and maintains a full valuation allowance against its net deferred tax assets. We had no income tax expense for the three months ended March 31, 2021.

*Net Loss Attributable to Non-Controlling Interests.* Net loss attributable to non-controlling interests represents results attributable to third parties in our operating subsidiaries. Net loss is generally allocated based on such ownership interests held by third parties with respect to each of these entities.

Net loss attributable to non-controlling interests was \$2.0 million and \$0.2 million for the three months ended March 31, 2022 and 2021, respectively. The change in the comparative periods is the result of increased activities in our Netherlands joint venture and the creation of a joint venture in Foshan, China in October 2021.

#### **Non-GAAP Financial Measures**

In addition to our results determined in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), we believe the following non-GAAP measures are useful in evaluating our operational performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors in assessing our operating performance.

#### ***EBITDA and Adjusted EBITDA***

"EBITDA" is defined as net loss before interest income or expense, income tax expense or benefit, and depreciation and amortization. "Adjusted EBITDA" is defined as EBITDA adjusted for stock-based compensation expense, change in fair value of private placement warrant liability, change in fair value of earnout liability, change in fair value of equity securities and other special items determined by management, if applicable. EBITDA and Adjusted EBITDA are intended as supplemental measures of our performance that are neither required by, nor presented in accordance with, U.S. GAAP. We believe that the use of EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware that when evaluating EBITDA and Adjusted EBITDA we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate Adjusted EBITDA in the same fashion.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with U.S. GAAP. We compensate for these limitations by relying primarily on our U.S. GAAP results and using EBITDA and Adjusted EBITDA on a supplemental basis. You should review the reconciliation of net loss to EBITDA and Adjusted EBITDA below and not rely on any single financial measure to evaluate our business.

The following table reconciles net loss to EBITDA and Adjusted EBITDA (in thousands):

	Three Months Ended March 31,	
	2022	2021
Net loss	\$ (11,022)	\$ (8,389)
Interest (income) expense, net	(17)	4,588
Income tax expense	526	—
Depreciation and amortization	912	129
<b>EBITDA</b>	<b>\$ (9,601)</b>	<b>\$ (3,672)</b>
<i>Adjusted for:</i>		
Change in fair value of private placement warrant liability	(1,523)	—
Change in fair value of earnout liability	(3,241)	—
Change in fair value of equity securities	(12,530)	—
Stock-based compensation	2,133	290
Regulatory and legal matters <sup>(1)</sup>	2,730	—
<b>Adjusted EBITDA</b>	<b>\$ (22,032)</b>	<b>\$ (3,382)</b>

(1) Regulatory and legal matters include legal, advisory, and other professional service fees incurred in connection with the short-seller analyst article from September 2021, and investigations and litigation related thereto.

### Liquidity and Capital Resources

The Company has incurred losses from operations since inception. The Company incurred net losses of \$11.0 million and \$8.4 million for the three months ended March 31, 2022 and 2021, respectively. Net cash used in operating activities was \$29.2 million and \$9.5 million for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, we had \$407.3 million in unrestricted cash and positive working capital of \$433.5 million. The Business Combination closed on July 16, 2021, generated proceeds of approximately \$512.9 million of cash, net of transaction costs and redemptions. We believe that our current cash balance will provide adequate liquidity during the 12-month period from the issuance of these unaudited consolidated financial statements.

Our future capital requirements will depend on many factors, including, but not limited to, the rate of our growth, our ability to generate sufficient revenue from commercial vehicle sales and leases to cover operating expenses, working capital expenditures, and additional cash resources due to changed business conditions or other developments, including supply chain challenges, disruptions due to COVID-19, competitive pressures, and regulatory developments, among other developments. Further, we may enter into future arrangements to acquire or invest in businesses, products, services, strategic partnerships, and technologies. As such, we may be required to seek additional equity and/or debt financing. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of common stockholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. If we are unable to maintain sufficient financial resources, our business, financial condition and results of operations may be materially and adversely affected.

### Debt

As of March 31, 2022 we have no debt. The convertible notes and accrued interest in the comparative period, were converted to 5,022,052 shares of common stock upon close of the Business Combination.

**Cash Flows**

	Three Months Ended March 31,	
	2022	2021
Net cash used in operating activities	\$ (29,248)	\$ (9,470)
Net cash used in investing activities	(4,827)	(4,073)
Net cash (used in) provided by financing activities	(3,389)	44,603

**Cash Flows for the Three Months Ended March 31, 2022 and March 31, 2021****Cash Flows from Operating Activities**

Net cash used in operating activities was \$29.2 million for the three months ended March 31, 2022, as compared to \$9.5 million for the three months ended March 31, 2021. The cash flows used in operating activities for the three months ended March 31, 2022 was primarily driven by a net loss of \$11.0 million and adjusted for certain non-cash items and changes in operating assets and liabilities. Non-cash gain adjustments consisted of changes in fair value of the private placement warrant liability of \$1.5 million, earnout liability of \$3.2 million, and equity securities of \$12.5 million. These non-cash gain adjustments were partially offset by \$2.1 million stock-based compensation expense and \$0.9 million in depreciation and amortization. Changes in operating assets and liabilities were primarily driven by \$1.6 million in prepayments for vehicle inventory, production equipment, other supplier deposits and D&O insurance, and a change of \$6.9 million in inventory balances, offset by an increase in accrued liabilities of \$3.0 million and accounts receivable of \$1.8 million. Net cash used in operating activities for the three months ended March 31, 2021 was primarily driven by recording a net loss of \$8.4 million and adjusted for certain non-cash items and changes in operating assets and liabilities. Non-cash loss adjustments primarily consisted of a noncash interest expense of \$4.5 million. These non-cash loss adjustments were partially offset by \$7.0 million for prepayments for vehicle inventory, production equipment, and other supplier deposits and \$1.5 million in payables and accrued liabilities.

**Cash Flows from Investing Activities**

Net cash used in investing activities was \$4.8 million for the three months ended March 31, 2022, as compared to \$4.1 million for the three months ended March 31, 2021. The increase of the cash flows used in investing activities for the three months ended March 31, 2022 were primarily driven by \$0.4 million deposit paid in advance for capital expenditures and \$0.4 million cash paid for property and equipment.

**Cash Flows from Financing Activities**

Net cash used in financing activities was \$3.4 million for the three months ended March 31, 2022, as compared to \$44.6 million net cash provided by financing activities for the three months ended March 31, 2021. The cash flows used in financing activities for the three months ended March 31, 2022 was driven primarily by \$3.1 million payment towards the Horizon IP Agreement. The cash flows provided by financing activities for the three months ended March 31, 2021 was driven primarily by \$45.0 million in proceeds from issuance of convertible notes.

**Contractual Obligations and Commitments**

For the three months ended March 31, 2022, there were no material changes outside the ordinary course of business within the Contractual Obligations table as previously disclosed in our Annual Report filed on Form 10-K for the year ended December 31, 2021.

**Off-Balance Sheet Arrangements**

We do not maintain any off-balance sheet arrangements, transactions, obligations or other relationships with unconsolidated entities that would be expected to have a material current or future effect upon our financial condition or results of operations.

### **Critical Accounting Policies and Estimates**

Our unaudited consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's applications of accounting policies. Certain policies are particularly important to the portrayal of our financial position and results of operations and require the application of significant judgment by management to determine appropriate assumptions to be used in certain estimates; as a result, they are subject to an inherent degree of uncertainty and are considered critical. Accordingly, we believe the following policies are the most critical to aid in fully understanding and evaluating our financial condition and results of operations.

There have been no substantial changes to these estimates, or the policies related to them during the three months ended March 31, 2022. For a full discussion of these estimates and policies, see "Critical Accounting Policies and Estimates" in Item 7 of our Annual Report filed on Form 10-K for the year ended December 31, 2021.

### **Emerging Growth Company Status**

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. Hyzon elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, Hyzon, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard, until such time Hyzon is no longer considered to be an emerging growth company. At times, Hyzon may elect to early adopt a new or revised standard.

In addition, Hyzon intends to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an emerging growth company, Hyzon intends to rely on such exemptions, Hyzon is not required to, among other things: (a) provide an auditor's attestation report on Hyzon's system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (b) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act; (c) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis); and (d) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation.

Hyzon will remain an emerging growth company under the JOBS Act until the earliest of (a) the last day of Hyzon's first fiscal year following the fifth anniversary of the closing of DCRB's initial public offering, (b) the last date of Hyzon's fiscal year in which Hyzon has total annual gross revenue of at least \$1.07 billion, (c) the date on which Hyzon is deemed to be a "large accelerated filer" under the rules of the SEC with at least \$700.0 million of outstanding securities held by non-affiliates or (d) the date on which Hyzon has issued more than \$1.0 billion in non-convertible debt securities during the previous three years.

### **Material Transactions with Related Parties**

#### ***Horizon IP Agreement***

In January 2021, Hyzon entered into the Horizon IP Agreement with JS Horizon, part of the Horizon group of companies, and in September 2021 JS Powertrain was an added party to the agreement. Pursuant to the agreement the parties convey to each other certain rights in intellectual property relating to Hyzon's core fuel cell and mobility product technologies, under which Hyzon was to pay JS Horizon and JS Powertrain a total fixed payment of \$10 million. As of March 31, 2022, the full \$10 million has been paid, \$6.9 million was paid in 2021 and the remaining \$3.1 million was paid in February 2022.

#### ***Horizon Supply Agreement***

In January 2021, Hyzon entered into a supply agreement with Jiangsu Horizon New Energy Technologies Co. Ltd, a wholly owned subsidiary of Horizon, to supply certain fuel cell components. In March 31, 2021, the Company made a deposit payment to Horizon in the amount of \$5.0 million for long lead time components. This payment is included in prepaid expenses as none of the components have yet been received. In addition, the Company made other deposit payments to purchase fuel cell systems and components from Horizon and its affiliates. For the three months ended March 31, 2022, Cost of revenue of \$0.1 million for fuel cell components purchased from Horizon and its affiliates were recorded in the Company's unaudited Consolidated Statements of Operations and Comprehensive Loss.

#### ***Holthausen and Affiliates***

The Company entered into a joint venture agreement in October 2020 to create Hyzon Europe with Holthausen. As Hyzon Europe builds out its production facilities, it relies on Holthausen and its affiliates for certain production resources that result in related party transactions. In addition, both companies rely on certain suppliers including Horizon.

The Company currently owns 50.5% of the equity interests of Hyzon Europe. On December 31, 2021, Hyzon executed a non-binding Letter of Intent ("LOI") with Holthausen to increase its stake to 75% in Hyzon Europe. Concurrent with the signing of this LOI, €1 million refundable deposit was paid to Holthausen, approximately \$1.1 million in USD. This deposit is recorded in the unaudited Consolidated Balance Sheets in Prepaid expenses and other current assets.

On May 5, 2022, the Company entered into a Stock Purchase Agreement ("SPA") with Holthausen, whereby the Company agreed to purchase 735,000 shares Holthausen holds in Hyzon Europe. When the transaction closes, the Company will own 75% of the issued and outstanding shares of Hyzon Europe, and Holthausen will own 25%. As part of the SPA, Holthausen agreed to transfer to Hyzon Europe all of its shares of stock in Holthausen Clean Technology B.V, private limited liability company registered in the Netherlands. The Company agreed to a total purchase price of €27.0 million, approximately \$28.5 million in USD, in a combination of cash and equity of the Company.

For the three months ended March 31, 2022, the Company paid \$0.1 million in director services to Carl Holthausen and Max Holthausen as executives of Hyzon Europe.

As of March 31, 2022 and December 31, 2021, the Company has a net related party receivable in the amount of \$0.4 million and \$0.3 million, respectively from Holthausen.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are a smaller reporting company as defined in Rule 12b-2 under the Exchange Act. As a result, pursuant to Item 305(e) of Regulation S-K, we are not required to provide the information required by this Item.

#### **Item 4. Controls and Procedures**

##### *Evaluation of Disclosure Controls and Procedures*

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable- not absolute - assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2022. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of March 31, 2022, solely due to the material weakness in internal control over financial reporting described below. In light of this fact, our management has performed additional analyses, reconciliations, and other post-closing procedures and has concluded that, notwithstanding the material weakness in our internal control over financial reporting, the unaudited consolidated financial statements for the periods covered by and included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

#### *Material Weaknesses in Internal Control over Financial Reporting*

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

We identified a material weakness in our internal control over financial reporting as of December 31, 2021. Specifically, due to our size and limited operating history, particularly prior to the Business Combination, we had limited resources and did not have the appropriate resources and business processes necessary to ensure the appropriate segregation of duties and effective review procedures with respect to the processing and recording of financial transactions, as well as an appropriate level of control oversight over the financial statement reporting process.

#### *Remediation Plans*

The measures we have taken and continue to take to remediate the identified material weakness and further evolving our accounting processes include:

- (i) hiring additional finance and accounting personnel over time to augment our accounting staff and to provide more resources for complex accounting matters and financial reporting;
- (ii) further developing and implementing formal policies, processes and documentation procedures relating to our financial reporting and consulting with accounting experts;
- (iii) engaging with external consultants with public company and technical accounting experience to facilitate accurate and timely accounting closes and to accurately prepare and review the consolidated financial statements and related footnote disclosures. We plan to retain these financial consultants, as needed, until such time that the required financial controls have been fully implemented; and
- (iv) adopting new technological solutions.

The actions we are taking are subject to ongoing executive management review and are also subject to audit committee oversight. To date, we have hired additional financial and accounting personnel with technical accounting experience and are in the process of implementing new technology solutions to assist with our financial reporting process. We are still executing an assessment to identify process design gaps and implementing additional controls to mitigate segregation of duty risk. We will not be able to fully remediate this material weakness until these steps have been completed and have been operating effectively for a sufficient period of time. If we are unable to successfully remediate the material weakness, or if in the future, we identify further material weaknesses in our internal control over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated.

#### *Changes in Internal Control over Financial Reporting*

Other than in connection with the implementation of the remedial measures described above, there have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months to which this Quarterly Report relates that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

## **PART II – OTHER INFORMATION**

**Item 1. Legal Proceedings**

The information set forth under Note 11, to our unaudited consolidated financial statements of this quarterly report on Form 10-Q is incorporated by reference in answer to this item. Such information is limited to certain recent developments.

**Item 1A. Risk Factors**

In addition to the other information discussed in this report, please consider the factors described in Part I, Item 1A., “Risk Factors” in our Annual Report filed on Form 10-K for the year ended December 31, 2021 that could materially affect our business, financial condition or future results. There have not been any material changes to the risk factors described in our Form 10-K, but these are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may adversely affect our business, financial condition or operating results.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

There were no sales of equity securities during the three months ended March 31, 2022 that were not registered under the Securities Act.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Second Amended and Restated Certificate of Incorporation of Hyzon (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on July 22, 2021)</a>
3.2	<a href="#">Amended and Restated Bylaws of Hyzon (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on July 22, 2021)</a>
4.1	<a href="#">Ardour Warrant Agreement, dated as of July 16, 2021, by and between DCRB and Continental Stock Transfer &amp; Trust Company incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed with the SEC on July 22, 2021.</a>
10.1	<a href="#">Amended and Restated Registration Rights Agreement, dated as of July 16, 2021, by and among Hyzon and certain security holders of Hyzon named therein and certain equity holders of Legacy Hyzon named therein (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on July 22, 2021)</a>
10.2#	<a href="#">Hyzon 2021 Equity and Incentive Plan (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the SEC on July 22, 2021)</a>
10.3#	<a href="#">Employment Agreement, dated as of July 9, 2021, between Hyzon and Craig Knight (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed with the SEC on July 22, 2021)</a>
10.4#	<a href="#">Employment Agreement, dated as of July 9, 2021, between Hyzon and George Gu (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed with the SEC on July 22, 2021)</a>
10.5#	<a href="#">Employment Agreement, dated as of August 5, 2021, between Hyzon and Mark Gordon (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 6, 2021)</a>
10.6#	<a href="#">Letter Agreement between Hyzon and Gary Robb (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 2, 2021)</a>
10.7#†	<a href="#">Letter Agreement between Hyzon and Samuel Chong, dated March 21, 2022.</a>
31.1	<a href="#">Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)</a>
31.2	<a href="#">Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a)</a>
32.1*	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350</a>
32.2*	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350</a>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* This information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act.

# Indicates management contract or compensatory arrangement.

† Filed or furnished herewith.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**Hyzon Motors Inc.**

Date: May 13, 2022

By: /s/ Samuel Chong  
Name: Samuel Chong  
Title: Chief Financial Officer  
(Principal Financial Officer)

## **EMPLOYMENT AGREEMENT**

Employment Agreement (the "Agreement"), dated as of March 21st, 2022, by and between Hyzon Motors Inc. (this "Company"), with its principal offices at 475 Quaker Meeting House Road, Honeoye Falls, NY 14472 and Samuel Chong ("Executive"), an individual whose principal residence is on file with the Company:

### **Recitals**

WHEREAS, the Company is engaged in the development and production of hydrogen fuel cell technology and products for large commercial vehicles;

WHEREAS, Executive represents that he is a business professional possessing the skills and experience the Company requires to serve initially as the Company's Chief Financial Officer ("CFO");

WHEREAS, the Company and Executive desire to set forth the terms upon which Executive will serve as CFO of the Company; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth below, the parties hereby agree as follows:

### **Agreement**

1. Employment. The Company hereby agrees to employ Executive, and Executive hereby accepts such employment, on the terms and conditions hereinafter set forth.

2. At-Will Employment. Executive's employment hereunder by the Company will commence on Effective Date or such other date as agreed by the parties. Executive's employment shall at all times be "at will" notwithstanding any provision in this Agreement.

3. Position and Duties. During the Employment Period, Executive will serve as CFO and will report both to the Company's Executive Chairman and to its Chief Executive Officer ("CEO"). Executive will have those powers and duties normally associated with the position of CFO and such other powers and duties as may be prescribed by or at the direction of the Executive Chairman and/or the CEO. Executive will devote substantially all of Executive's working time, business attention and energies (other than absences due to illness or vacation) to the performance of Executive's duties for the Company. Without the consent of the Executive Chairman and CEO, during the Employment Period, Executive will not serve on the board of directors, trustees or any similar governing body of any for-profit entity. Notwithstanding the above, Executive will be permitted, to the extent such activities do not interfere with the performance by Executive of his duties and responsibilities hereunder or violate Section 10 of this Agreement, to (i) manage Executive's (and his immediate family's) personal, financial and legal affairs, and (ii) serve, with the prior approval of the Board, on civic or charitable boards or committees (it being expressly understood and agreed that Executive's continuing to serve on the civic or charitable boards or committees on which Executive is serving, or with which Executive is otherwise associated, as of the Effective Date (each of which has been disclosed to the Company on a list provided to the Company by Executive coincident with the execution of this Agreement), will be deemed not to interfere with the performance by Executive of his duties and responsibilities under this Agreement).



4. Place of Performance. Except for work-from-home arrangements established by the Company in response to the COVID-19 pandemic or business travel as may be required from time to time, the place of employment of Executive will be at the Company's offices in Bolingbrook, Illinois or such other office or offices in the foregoing area as designated by the Company.

5. Compensation and Related Matters.

(a) *Base Salary.* During the Employment Period, the Company will pay Executive a base salary at the rate of \$450,000 (FOUR HUNDRED FIFTY THOUSAND DOLLARS) per year ("Base Salary"), to be paid in approximately equal installments in accordance with the Company's customary payroll practices in effect from time to time. The level of Executive's Base Salary will be subject to review as part of the Company's ordinary course annual review process.

(b) *Annual Bonus.* During the Employment Period and subject to approval by the Board or a committee thereof, Executive will be eligible to receive an annual cash bonus with a target of 70% (SEVENTY PERCENT) of Base Salary ("Target Bonus"). The actual amount of any such annual bonus payment will be determined in the sole discretion of the Executive Chairman and CEO ("Actual Bonus") in consultation with the Employer's Board of Directors, and no guarantee is made that the Actual Bonus will be payable in whole or in part, if at all. To receive any such annual bonus, Executive must be employed by the Company on the date such annual bonus is paid, subject to Section 8(b) below. The level of Executive's Target Bonus will be subject to review by the Board or a committee thereof as part of the Company's ordinary course annual review process.

(c) *Long-Term Incentive Award.* During Executive's employment, Executive will be eligible to be granted when and at such time as the Company's board approves or ratifies such grant, 75,000 (SEVENTY FIVE THOUSAND) "Restricted Stock Units" ("RSUs") per annum for 4 (four) years, for a total of 300,000 (THREE HUNDRED THOUSAND) RSUs as defined in and pursuant to the Company's 2021 Equity Incentive Plan or any successor plan, and in the form and subject to the terms and conditions to be determined by the Board or an independent committee thereof in its sole and absolute discretion. Such Restricted Stock Units will be subject to Executive's continuing employment with the Company or any of its affiliates, and any other terms and conditions as set forth in the applicable Restricted Stock Unit grant, and will include the contingent right to receive Earnout Shares, as defined in the Business Combination Agreement. Executive acknowledges receiving a copy of Company's 2020 Stock Incentive Plan.

(d) *Benefits.* During the Employment Period, Executive will be eligible to participate in employee health/welfare and retirement benefit plans and programs of the Company and its subsidiaries as are made available to the Company's senior-level executives or to its employees generally, as such plans or programs may be in effect from time to time, and subject to the terms of the applicable plans or programs.

(e) *Expense Reimbursement.* The Company will promptly reimburse Executive for all reasonable business expenses upon the presentation of reasonably itemized statements of such expenses in accordance with the policies and procedures of the Company Group in effect from time to time as may be modified for all senior executive officers of the Company.

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6. Reasons for Termination of Employment. Notwithstanding Section 2, Executive's employment hereunder may terminate at any time under the following circumstances:

(a) *Death.* Executive's employment hereunder will terminate upon Executive's death.

(b) *Disability.* If, as a result of Executive's incapacity due to physical or mental impairment, Executive will have been substantially unable to perform his duties under this Agreement for a continuous period of 180 days or for 210 days within any twelve-month period, then the Company may terminate Executive's employment as a result of "Disability."

(c) *Cause.* The Company may terminate Executive's employment for Cause. For purposes of this Agreement, the Company will have "Cause" to terminate Executive's employment upon Executive's:

(i) conviction of or plea of no contest to any felony or any crime involving fraud, embezzlement or moral turpitude;

(ii) attempted commission of, or participation in, a fraud or act of dishonesty against the Company or any of its affiliates;

(iii) intentional, material violation of any contract or agreement between the Executive and the Company or any of its affiliates;

(iv) material violation of any code of ethics, law applicable to the workplace, or material policies of the Company (including, without limitation, policies relating to sexual harassment or other prohibited discrimination) which violation if capable of cure (as reasonably determined by the Company) remains uncured for 30 days after Executive's receipt of notice from the Company that it deems such violation Cause for termination of employment;

(v) unauthorized use or disclosure of the Company's confidential information or trade secrets;

(vi) refusal or willful omission, other than due to Disability, to perform any duties required of Executive, which refusal or omission if capable of cure (as reasonably determined by the Company) remains uncured for 30 days after Executive's receipt of notice from the Company that it deems such conduct Cause for termination of employment; or

(vii) gross misconduct or gross negligence.

For purposes of this Section 6(c), no act, or failure to act, by Executive will be considered "willful" if taken or omitted in the reasonable and good faith belief that the act or omission was in, or not opposed to, the best interests of the Company.

(d) *Good Reason.* Executive may terminate his employment for "Good Reason" within 90 days after Executive has, or should have had, actual knowledge of the occurrence, without the consent of Executive, of one of the following events that has not been cured within 30 days after written notice thereof has been given by Executive to the Company setting forth in reasonable detail the facts and circumstances of the event; provided that

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such notice must be given to the Company within 30 days of Executive becoming aware of such condition:

- (i) a material diminution by the Company in Executive's Base Salary or Target Bonus;
- (ii) the failure to grant any annual installment of the Long Term Incentive Award described in Section 5(c), above, that has been approved or ratified by the Company's board in its sole and absolute discretion;
- (iii) a material diminution in Executive's authority, duties or responsibilities;
- (iv) a relocation of Executive's location of employment by more than 50 miles; or
- (v) the Company's material breach of any provision of this Agreement.

Executive's continued employment during the 90-day period referred to above in this Section 6(d) will not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder. Notwithstanding the foregoing, the Company placing Executive on a paid leave for up to 90 days, pending the determination of whether there is a basis to terminate Executive for Cause, will not constitute a "Good Reason" event.

(e) *Without Cause.* The Company may terminate Executive's employment hereunder without Cause by providing Executive with a Notice of Termination (as defined in Section 7(a)). This means that, notwithstanding any other provision of this Agreement, Executive's employment with the Company will be "at will."

(f) *Without Good Reason.* Executive may terminate Executive's employment hereunder without Good Reason by providing the Company with a Notice of Termination.

## 7. Termination of Employment Procedure.

(a) *Notice of Termination.* Any termination of Executive's employment hereunder by the Company or, with at least 60 days' advance written notice, by Executive (other than termination pursuant to Section 6(a)) will be communicated by written Notice of Termination to the other party hereto in accordance with Section 13. For purposes of this Agreement, a "Notice of Termination" means a notice which will indicate the specific termination provision in this Agreement relied upon and will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated if the termination is based on Section 6(b), (c) or (d). The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause will not waive any right of Executive or the Company, respectively, under this Agreement or preclude Executive or the Company, respectively, from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

(b) *Date of Termination.* "Date of Termination" means (i) if Executive's employment is terminated by his death, the date of his death; (ii) if Executive's employment is terminated pursuant to Section 6(b), the date set forth in the Notice of Termination; (iii) if Executive's

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employment is terminated upon the expiration of the Initial Period or a Renewal Period following the issuance of a notice of non-renewal from one party to the other, the date of expiration of the Initial Period or Renewal Period, as applicable; and (iv) if Executive's employment is terminated for any other reason, the date set forth in the Notice of Termination; provided, however, that if such termination is due to a Notice of Termination by Executive, the Company will have the right to accelerate such notice and make the Date of Termination the date of the Notice of Termination or such other date prior to Executive's intended Date of Termination as the Company deems appropriate, which acceleration will in no event be deemed a termination by the Company without Cause or constitute Good Reason.

(c) *Removal from Any Boards and Position.* Upon the termination of Executive's employment with the Company for any reason, Executive will automatically, and without any further action by Executive, be deemed to resign (i) from the board of directors of any subsidiary of the Company and/or any other board to which Executive has been appointed or nominated by or on behalf of the Company (including the Board), and (ii) from any position with the Company or any subsidiary of the Company, including, but not limited to, as an officer and director of the Company and any of its subsidiaries.

8. Compensation upon Termination of Employment. This Section 8 provides the payments and benefits to be paid or provided to Executive as a result of his termination of employment. Except as provided in this Section 8, Executive will not be entitled to any payments or benefits from the Company or its subsidiaries, as applicable, as a result of the termination of his employment, regardless of the reason for such termination.

(a) *Termination for Any Reason.* Following the termination of Executive's employment, regardless of the reason for such termination and including, without limitation, a termination of his employment by the Company for Cause or by Executive without Good Reason, the Company will:

(i) pay Executive (or his estate in the event of his death) as soon as practicable following the Date of Termination (A) any earned but unpaid Base Salary and (B) any accrued and unused vacation pay through the Date of Termination if payable in accordance with law or Company policy then in effect;

(ii) reimburse Executive as soon as practicable following the Date of Termination for any amounts due to Executive pursuant to Section 5(e) (unless such termination occurred as a result of misappropriation of funds); and

(iii) provide Executive with any compensation and/or benefits as may be due or payable to Executive in accordance with the terms and provisions of any employee benefit plans or programs of the Company or its subsidiaries, as applicable.

(b) *Termination by Company without Cause or by Executive for Good Reason.* If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, Executive will be entitled to the payments and benefits provided in Section 8(a) hereof. In addition, and solely in the case of a termination by Company without Cause or by Executive for Good Reason (a "Qualifying Termination"), and further subject to Section 8(d) and subject to Executive's continued compliance with Section 10 as if Executive remained employed during the period Executive is eligible to receive any severance benefits, Executive will be entitled to receive the following severance benefits: (i) a lump sum amount equal to the Severance Amount, (ii) any unpaid bonus relating to performance periods that

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have ended on or before Executive's termination of employment, (iii) the Pro Rata Bonus paid at the time bonuses are paid to similarly situated employees of the Company, (iv) the Medical Benefits and (v) the Equity Vesting Benefits.

(i) The "Severance Amount" will be equal to:

(A) if such Qualifying Termination is within three (3) months prior to or twelve (12) months following a Change in Control of the Company (a "Qualifying CIC Termination"), eighteen (18) months' Base Salary; or

(B) if such Qualifying Termination is not a Qualifying CIC Termination, twelve (12) months' Base Salary.

(ii) The "Pro Rata Bonus" will be equal to: (A) if such Qualifying Termination is a Qualifying CIC Termination, a prorated Annual Bonus for the year of termination based on the period of time elapsed from the start of the applicable performance period through the Date of Termination, calculated based on the greater of actual and target performance or (B) if such Qualifying Termination is not a Qualifying CIC Termination, a prorated Annual Bonus for the year of termination based on the period of time elapsed from the start of the applicable performance period through the Date of Termination, calculated based on actual performance.

(iii) The "Medical Benefits" require the Company to provide Executive medical insurance coverage substantially identical to (including the applicable cost of coverage) that provided to other senior executives of the Company (which may be provided pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985) for: (A) if such Qualifying Termination is a Qualifying CIC Termination, eighteen (18) months following the Date of Termination, or (B) if such Qualifying Termination is not a Qualifying CIC Termination, twelve (12) months following the Date of Termination. If this Agreement to provide benefits continuation raises any compliance issues or impositions of penalties under the Patient Protection and Affordable Care Act of 2010 or other applicable law, then the parties agree to modify this Agreement so that it complies with the terms of such laws without impairing the economic benefit to Executive.

(iv) The "Equity Vesting Benefits" mean (A) if such Qualifying Termination is a Qualifying CIC Termination, full vesting of all unvested equity or other Long Term Incentive Awards, or (B) if such Qualifying Termination is not a Qualifying CIC Termination, twelve (12) months' accelerated vesting of unvested equity or other Long Term Incentive Awards.

(v) "Change in Control" will mean:

(A) during any period of not more than 24 months, individuals who constitute the Board as of the beginning of the period (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the beginning of such period, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) will be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or publicly threatened election contest with respect to directors or as a result of any other actual or

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publicly threatened solicitation of proxies by or on behalf of any person other than the Board will be deemed to be an Incumbent Director;

(B) any “person” (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”), and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities eligible to vote for the election of the Board. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur on account of the ownership or acquisition of securities of the Company: (A) by the Company, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities or (D) pursuant to a Non-Qualifying Transaction (as defined in below);

(C) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (directly or indirectly) that requires the approval of the Company’s stockholders, whether for such transaction or the issuance of securities in the transaction (a “Business Combination”), unless immediately following such Business Combination: (A) the stockholders of the Company immediately prior to such Business Combination own, directly or indirectly, either (1) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such Business Combination (the “Surviving Entity”) or (2) more than 50% of the combined outstanding voting power of the parent of the Surviving Entity, in each case in substantially the same proportion as their ownership of the outstanding voting securities of the Company immediately prior to such Business Combination; (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Entity or the parent) is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the parent (or, if there is no parent, the Surviving Entity); and (C) at least a majority of the members of the board of directors of the parent (or, if there is no parent, the Surviving Entity) following the consummation of the Business Combination were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in clauses (A), (B) and (C) of this paragraph (v) will be deemed to be a “Non-Qualifying Transaction”);

(D) the consummation of a sale of all or substantially all of the consolidated assets of the Company and its subsidiaries (taken as a whole) to any “person” or “group” (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act); or

(E) the Company’s stockholders approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing or any other provision of this Agreement, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company and (B) a Change in Control will not be deemed to occur solely because any person acquires beneficial ownership of more than 50% of the outstanding voting securities of the Company as a result of the acquisition of outstanding voting securities of the Company by the Company which reduces the number of outstanding voting securities of the Company; provided that if after such acquisition by

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the Company described in the preceding clause (B) such person becomes the beneficial owner of additional voting securities of the Company that increases the percentage of outstanding voting securities of the Company beneficially owned by such person, a Change in Control will then occur.

(c) *Death or Disability.* In the event Executive's employment terminates as a result of Executive's death or Disability, Executive would be entitled to (i) the payments and benefits provided in Section 8(a) hereof and, subject to Section 8(d), (ii) a prorated portion of Executive's annual Target Bonus based on the period of time elapsed from the start of the applicable performance period through the Date of Termination, and (iii) vesting of all outstanding unvested equity-based awards on the Date of Termination (if applicable, any performance share unit performance requirements will vest based on actual performance at the end of the performance period), in each case, to be paid in a cash lump sum payment as soon as practicable following the Date of Termination.

(d) *Condition to Payment and Benefits.* As a condition to the payments and benefits set forth in this Section 8 (other than the payments or benefits described in Section 8(a)), Executive must timely execute (and not revoke in any time provided by the Company to do so) a separation and general release agreement in favor of the Company and its affiliates (the "Release") in a form acceptable to the Company in connection with severance pay modified to reflect the terms of this Agreement, which Release shall release the Company and each of its affiliates, and each of the foregoing entities' respective shareholders, members, partners, officers, managers, directors, predecessors, successors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Executive's employment, engagement or affiliation with the Company and any of its affiliates or the termination of such employment, engagement or affiliation, but excluding all claims to severance payments Executive may have under this Section 8. Subject to Section 17 hereof, any lump sum payments provided pursuant to this Section 8 will be paid to Executive within 30 days after such Release becomes effective; provided, however, that if Executive's Date of Termination occurs on or after November 1 of a given calendar year, such payment will, subject to Section 17 hereof, be paid in January of the immediately following calendar year.

9. Section 280G. In the event that any payments or benefits otherwise payable to Executive (1) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and (2) but for this Section 9, would be subject to the excise tax imposed by Section 4999 of the Code ("Section 4999"), then such payments and benefits will be either (x) delivered in full, or (y) delivered as to such lesser extent that would result in no portion of such payments and benefits being subject to excise tax under Section 4999, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999 (and any equivalent state or local excise taxes), results in the receipt by Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such payments and benefits may be taxable under Section 4999. Any reduction in payments and/or benefits required by this provision will occur in the following order: (1) reduction of cash payments; (2) reduction of the vesting acceleration of equity awards (if any); and (3) reduction of other benefits paid or provided to Executive. In the event that the acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for equity awards. If two or more equity awards are granted on the same date, each award will be reduced on a pro rata basis.



10. Confidential Information; Ownership of Documents; Non-Competition; Non-Solicitation.

(a) *Confidential Information.* Executive acknowledges that Executive's employment by the Company or another member of the Company Group will, during Executive's employment, bring Executive into close contact with confidential affairs of the Company Group, including information about costs, profits, markets, sales, products, key personnel, organizational plans, pricing policies, operational methods, technical processes, trade secrets, plans for future development, strategic plans of the most valuable nature and other business affairs and methods and other information not readily available to the public. All such information and all other information regarding the Company or its affiliates (regardless of whether obtained by, or made available to, Executive prior to the date of this Agreement or hereafter) is referred to herein as "Confidential Information." Executive further acknowledges that the services to be performed under this Agreement are of a special, unique, unusual, extraordinary and intellectual character.

During the Employment Period and thereafter, Executive agrees to keep secret all confidential matters of the Company Group (including all Confidential Information) and shall not disclose such matters to anyone outside the Company Group, or to anyone inside the Company Group who does not have a need to know or use such information, and shall not use such information for personal benefit or the benefit of a third party except with the prior written consent of the Company; provided, that (i) Executive shall have no such obligation to the extent such matters are or become publicly known other than as a result of Executive's breach of Executive's obligations hereunder and (ii) Executive may, after giving prior notice to the Company to the extent practicable under the circumstances, disclose such matters to the extent required by applicable laws or governmental regulations or judicial or regulatory process. For the avoidance of doubt, such confidential matters (and Confidential Information) include any oral or written information relating to any member of the Company Group or any of their respective officers, directors, employees, agents and joint venture partners. In addition, Executive agrees that the terms of this Agreement shall be deemed confidential and shall not be discussed or disclosed by Executive with any person other than Executive's spouse (if applicable), attorney or accountant; provided, that such discussions or disclosures shall be conditioned upon the agreement of the person to whom the terms are disclosed to maintain the confidentiality of such terms, or as provided in clause (i) or (ii) above. This confidentiality covenant is not intended to, and shall be interpreted in a manner that does not, limit or restrict Executive from exercising any legally protected whistleblower rights under any applicable law and receiving compensation therefor if provided by applicable law or rule for information provided to a governmental entity.

Executive is hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (2) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (3) to Executive's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.



Moreover, Executive acknowledges and agrees that Executive shall not at any time, directly or indirectly, take any action, or encourage others to take any action, to denigrate, ridicule, criticize or disparage the Company or any of its affiliates, or any of their respective current or former officers, directors, employees, joint venture partners, products, services or customers to any third party (whether through non-public communication with any person, social media or in any public communication to the media). In addition, Executive agrees that Executive will not improperly use, disclose or induce the Company or any other member of the Company Group to use any confidential or proprietary information or trade secrets of any former or concurrent employer or other person or entity, nor will Executive bring onto the premises of the Company or any other member of the Company Group any confidential or proprietary information or trade secrets belonging to any such employer, person or entity unless consented to in writing by both the Company and such employer, person or entity. Nothing contained in this Section 10(a) shall preclude Executive from enforcing his rights under this Agreement or truthfully testifying in response to legal process or a governmental inquiry, or providing confidential performance reviews in the ordinary course of his services hereunder.

(b) *Non-Competition.* While Executive is employed by, or providing services to, the Company or another member of the Company Group, and for the one-year period following the date on which Executive is no longer employed by, or providing services to, the Company or another member of the Company Group, Executive will not, directly or indirectly, without the prior written consent of the Company:

(i) render any services to, or manage, operate, control, associate with or act in any capacity (whether as a principal, partner, director, officer, member, agent, employee, consultant, owner, independent contractor or otherwise and whether or not for compensation) for, any person or entity that is a Competitive Entity; or

(ii) acquire, on a prospective basis, a three percent (3%) or greater equity, voting or profit participation interest in any Competitive Entity (except as provided in the following sentence), including, without limitation, as an owner, holder or beneficiary of any stock, stock options (whether or not exercisable) or other equity interest.

Nothing herein shall prohibit Executive from acquiring solely as a passive investment and through market purchases (i) securities of any Competitive Entity that are registered under Section 12(b) or 12(g) of the Exchange Act and that are publicly traded, so long as Executive or any entity under Executive's control are not part of any control group of such Competitive Entity and such securities, including converted or convertible securities, do not constitute more than 1% of the outstanding voting power of that entity and (ii) securities of any Competitive Entity that are not registered under Section 12(b) or 12(g) of the Exchange Act and are not publicly traded, so long as Executive or any entity under Executive's control is not part of any control group of such Competitive Entity and such securities, including converted securities, do not constitute more than 3% of the outstanding voting power of that entity; provided, that in each case Executive has no active participation in the business of such entity except as otherwise provided in this Agreement.

"Competitive Entity" means a business (whether conducted through an entity or by individuals including employees in self-employment) that is engaged in any business that competes, directly or indirectly through any parent, subsidiary, affiliate, joint venture, partnership or otherwise, with (x) any of the business activities carried on by the Company or another member of the Company Group in any geographic location (including in any U.S. state or country outside the United States) where the Company or another member of the



Company Group conducts business (including, without limitation, a Competitive Activity, as defined below), (y) any business activities being planned by the Company or any other member of the Company Group in the process of development at the time of Executive's termination of employment (as evidenced by written proposals, market research, RFPs and similar materials) or (z) any business activity that the Company or another member of the Company Group has covenanted, in writing, not to compete with in connection with the disposition of such a business.

"Competitive Activity" means business activities within the lines of business of the Company or any other member of the Company Group, including, without limitation, the design, development and manufacturing of hydrogen-powered commercial vehicles and fuel cell systems, the development and provision of hydrogen mobility solutions, including hydrogen supply and fuel cell lifecycle management and vehicle leasing, the development of hydrogen fuel cell technology and other renewable energy sources, the manufacturing and sale of hydrogen-powered commercial vehicles, and commercial vehicles powered by other forms of renewable energy, including, but not limited to, electric vehicles.

(c) *Non-Solicitation.* While Executive is employed by, or providing services to, the Company or another member of the Company Group, and for the one-year period following the date on which Executive is no longer employed by, or providing services to, the Company or another member of the Company Group, Executive will not, directly or indirectly, without the prior written consent of the Company, in any manner, directly or indirectly, (i) solicit or employ, and shall not cause any entity of which Executive is an affiliate to employ, any person who was an employee of the Company or another member of the Company Group at the date of such termination of employment or within 12 months prior thereto, (ii) solicit any Client to transact business with a Competitive Entity or (other than with any member of the Company Group) with respect to Competitive Activity or to reduce or refrain from doing any business with the Company or another member of the Company Group, (iii) transact business with any Client that would cause Executive to be a Competitive Entity or to be engaging in (other than on behalf of any member of the Company Group) Competitive Activity, or (iv) interfere with or damage any relationship between the Company Group and a Client.

For purposes of this Agreement, a "Client" means any client or customer or prospective client or customer of any member of the Company Group to whom Executive provided services, or for whom Executive transacted business, or whose identity became known to Executive in connection with his relationship with or employment by the Company or another member of the Company Group, or about whom Executive obtained Confidential Information, and "Solicit" means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action.

(d) *Work Product.* Executive acknowledges that during Executive's employment, Executive may conceive of, discover, invent or create inventions, improvements, new contributions, literary property, material, ideas and discoveries, whether patentable or copyrightable or not, that are (i) related in any manner to the business (commercial or experimental) of the Company Group, (ii) conceived or made on the Company Group's time or with the use of the facilities or materials of the Company Group, or (iii) related in any manner to business opportunities presented to Executive for the possible interest or participation of the Company or another member of the Company Group (all of the foregoing being collectively referred to herein as "Work Product"). Executive acknowledges that all of the foregoing, including all intellectual property and proprietary rights therein and thereto,



are “works made for hire” as that term is defined in the United States Copyright Act and shall be owned by and belong exclusively to the Company and that Executive shall have no personal interest therein. Executive (i) shall promptly disclose any such Work Product and business opportunities to the Company; (ii) hereby assigns to the Company or its subsidiaries or affiliates, upon request and without additional compensation, the entire rights to such Work Product and business opportunities; (iii) shall sign all papers necessary to carry out the foregoing; (iv) shall give testimony in support of Executive’s inventorship or creation in any appropriate case; and (v) otherwise assist the Company, another member of the Company Group or any designee of the foregoing, at the Company Group’s expense and request, in all matters related to securing, protecting and enforcing the Company Group’s rights in the Work Product and any copyright, patent or other intellectual property rights therein and thereto in any and all countries. Executive agrees that Executive will not assert any rights to any Work Product or business opportunity as having been made or acquired by Executive prior to the date of this Agreement except for Work Product or business opportunities, if any, disclosed in Schedule 1, attached hereto (a “Prior Invention”). If no Prior Inventions are listed on Schedule 1, Executive represents that there are no Prior Inventions. Executive agrees not to incorporate, or permit to be incorporated, any Prior Invention into a Company Group product, process or service without the Company’s prior written consent. To the extent Executive has disclosed any Prior Inventions on Schedule 1 hereto, Executive grants the Company a non-exclusive, royalty-free, fully paid-up, irrevocable, perpetual, transferable, sublicensable, worldwide license to reproduce, make derivative works of, distribute, perform, display, import, make, have made, modify, use, sell offer to sell, and exploit in any other way such Prior Invention to the extent incorporated with Executive’s consent into any Company Group product, process or service. If and to the extent that, prior to the date of this Agreement, Executive has conceived, discovered, invented or created any item, including any intellectual property rights with respect thereto, that would have been Work Product if conceived, discovered, invented or created following the date of this Agreement, then any item will be deemed Work Product under this Agreement, and this Agreement will apply to such item as if conceived, discovered, invented or created under this Agreement. Furthermore, all modifications to and derivative works of such Prior Inventions are Work Product under this Agreement so long as the relevant work during Executive’s employment otherwise meets the above definition of Work Product.

(e) *Covenants to Others.* Executive has indicated, and expressly represents, to the Company that there are no agreements or obligations that would impact Executive’s ability to be employed by the Company or any other member of the Company Group in this position, or in any way would prevent Executive from performing the functions of this position. Executive hereby agrees that Executive will not use any trade secrets, confidential information or proprietary information obtained from third parties, including any former employer or any other entity or person. Further, Executive will not use any unpublished documents or any other property belonging to any former employer or any other party to whom Executive has an obligation of confidentiality. To the extent the Company discovers that any of such materials or information has been brought with Executive or is being used by Executive in connection with performing Executive’s job duties, this will be grounds for disciplinary action.

(f) *Validity.* The terms and provisions of this Section 10 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement will thereby be affected. The parties acknowledge that the potential restrictions on Executive’s future employment imposed by this Section 10 are reasonable in both duration and geographic scope and in all other respects and necessary to protect the



Company Group's goodwill, Confidential Information, and other business interests. If for any reason any court of competent jurisdiction will find any provisions of this Section 10 unreasonable in duration or geographic scope or otherwise, Executive and the Company agree that the restrictions and prohibitions contained herein will be effective to the fullest extent allowed under applicable law in such jurisdiction and such court will reform such restrictions and prohibitions as necessary such that they will be enforceable to the fullest extent permitted by applicable law.

(g) *Injunctive Relief.* In the event of a breach or threatened breach of this Section 10, Executive agrees that the Company would suffer irreparable harm, and will be entitled to injunctive relief in a court of appropriate jurisdiction to remedy any such breach or threatened breach, Executive acknowledging that damages would be inadequate and insufficient.

(h) *Cease Payments.* In the event of a breach or threatened breach of this Section 10 by Executive, the Company's obligation to make or provide payments or benefits under Section 8 will cease. Such remedies and the remedies described in Section 10(g) above shall be in addition to all other rights and remedies available to the Company and its affiliates, at law and equity.

(i) *Continuing Operation.* The termination of Executive's employment or of this Agreement will have no effect on the continuing operation of this Section 10, as this Section 10 shall survive the termination of Executive's employment, regardless of the reason for such termination.

(j) *Return of Materials.* Upon the Date of Termination, and at any other time upon request of the Company, Executive shall (i) promptly surrender and deliver to the Company all documents (including electronically stored information) and all copies thereof and all other materials of any nature containing or pertaining to all Confidential Information and any other Company Group property (including any Company Group-issued computer, mobile device or other equipment) in Executive's possession, custody or control and Executive shall not retain any such documents or other materials or property of the Company Group and (ii) deliver to the Company any personal device (as well as a list of passwords or codes needed to operate or access any personal device) that Executive synced with or used to access any Company system solely for the purpose of removal of any Company Group property. Within five (5) days of any such request, Executive shall certify to the Company in writing that all such documents, materials and property have been returned to the Company.

#### 11. Indemnification.

(a) The Company agrees that if Executive is made a party to or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that Executive is or was a trustee, director or officer of the Company or is or was serving at the request of the Company or any subsidiary or either thereof as a trustee, director, officer, member, employee or agent of another corporation or a partnership, joint venture, trust or other enterprise, including, without limitation, service with respect to employee benefit plans, whether or not the basis of such Proceeding is alleged action in an official capacity as a trustee, director, officer, member, employee or agent while serving as a trustee, director, officer, member, employee or agent, Executive will be indemnified and held harmless by the Company to the fullest extent authorized by applicable law (including the advancement of applicable, reasonable

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legal fees and expenses), as the same exists or may hereafter be amended, against all expenses incurred or suffered by Executive in connection therewith, and such indemnification will continue as to Executive even if Executive has ceased to be an officer, director, trustee or agent, or is no longer employed by the Company and will inure to the benefit of his heirs, executors and administrators.

(b) At all times during the term of this Agreement, the Company will maintain a directors' and officers' liability insurance policy, and Executive will be entitled to coverage under that policy on the same terms as are made available to similarly situated executives of the Company.

12. Successors; Binding Agreement.

(a) *Company's Successors.* No rights or obligations of the Company under this Agreement may be assigned or transferred except that the Company may assign this Agreement to any parent or subsidiary of the Company and cause such entity to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.<sup>1</sup>

(b) *Executive's Successors.* No rights or obligations of Executive under this Agreement may be assigned or transferred by Executive other than his rights to payments or benefits hereunder, which may be transferred only by will or the laws of descent and distribution. If Executive dies following his Date of Termination while any amounts would still be payable to Executive hereunder if Executive had continued to live, all such amounts unless otherwise provided herein will be paid in accordance with the terms of this Agreement to such person or persons so appointed in writing by Executive, or otherwise to his legal representatives or estate.

13. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement will be in writing and will be deemed to have been duly given when personally delivered, sent by email or other electronic transmission (including portable document format (.pdf) and with confirmation of transmission) or sent by reputable overnight courier service (charges prepaid) as follows:

If to Executive:

Address on file with the Company

If to the Company:

Hyzon Motors USA Inc.  
599 S. Schmidt Road  
Bolingbrook, IL 60440

Attention: Chief Executive Officer

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Dispute Resolution; Arbitration.

(a) The parties will use good faith efforts to resolve any controversy or claim arising out of or relating to this Agreement or the breach thereof, first in accordance with the Company's internal review procedures, except that this requirement will not apply to any claim or dispute under or relating to Section 10 of this Agreement.

(b) If, despite their good faith efforts, the parties are unable to resolve such controversy or claim through the Company's internal review procedures, then such controversy or claim will be resolved by arbitration in Cook County, Illinois, in accordance with the rules then applicable of the American Arbitration Association (the "AAA") (provided that the Company will pay the filing fee and all AAA hearing fees, arbitrator expenses, and administrative and other fees of the AAA associated with any such arbitration), and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. For the avoidance of doubt, the Company's agreement to pay AAA fees and arbitrator expenses as set forth in the foregoing sentence does not mean that the Company shall pay Executive's legal fees or any expert or other fees or expenses incurred by Executive in conjunction with any arbitration proceeding, as Executive and the Company shall be solely responsible for the payment of their own legal fees and other expenses other than the expenses of the AAA that the Company has agreed to pay pursuant to the foregoing sentence. Any arbitration conducted under this Section 14 shall be private, and shall be heard by a single arbitrator (the "Arbitrator") selected in accordance with the then-applicable rules of the AAA. All disputes shall be arbitrated on an individual basis, and each party hereto hereby foregoes and waives any right to arbitrate any dispute as a class action or collective action or on a consolidated basis or in a representative capacity on behalf of other persons or entities who are claimed to be similarly situated, or to participate as a class member in such a proceeding. The decision of the Arbitrator shall be reasoned, rendered in writing, and be final and binding upon the disputing parties, and the parties agree that judgment upon the award may be entered by any court of competent jurisdiction. This Section 14 is subject to the Federal Arbitration Act.

(c) Notwithstanding the other terms of this Section 14, either party may make a timely application for, and obtain, judicial emergency or temporary injunctive relief to enforce any of the provisions of Section 14; provided, however, that the remainder of any such dispute (beyond the application for emergency or temporary injunctive relief) shall be subject to arbitration under this Section 14.

(d) By entering into this Agreement and entering into the arbitration provisions of this Section 14, THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY ARE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVING THEIR RIGHTS TO A JURY TRIAL.

(e) Nothing in this Section 14 shall prohibit a party to this Agreement from (i) instituting litigation to enforce any arbitration award, or (ii) joining the other party to this Agreement in a litigation initiated by a person or entity that is not a party to this Agreement. Further, nothing in this Section 14 precludes Executive from filing a charge or complaint with a federal, state or other governmental administrative agency.

(f) Further, notwithstanding anything in this Section 14, to the extent that any dispute, controversy or claim between Executive and the Company arises out of or relates to any equity-based incentive awards referenced in Section 8 above, such dispute,

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controversy or claim shall be governed by the dispute resolution provisions set forth in the applicable equity-based incentive award documentation.<sup>2</sup>

14. Miscellaneous.

(a) *Amendments.* No provision of this Agreement may be amended, modified or waived unless such amendment or modification is agreed to in writing signed by Executive and by a duly authorized officer of the Company, and such waiver is set forth in writing and signed by the party to be charged. The invalidity or unenforceability of any of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

(b) *Full Settlement.* Except as set forth in Section 10(h) of this Agreement, the Company's obligations to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder will not be affected by any set-offs, counterclaims, recoupment, defense or other claim, right or action that the Company may have against Executive or others. After termination of the Employment Period, in no event will Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement, and such amounts will not be reduced whether or not Executive obtains other employment.

(c) *Governing Law.* **The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of Illinois without regard to its conflict of law principles.**

(d) *Waiver of Jury Trial.* **To the extent permitted by law, Executive and the Company waive any and all rights to a jury trial with respect to any controversy or claim between Executive and the Company arising out of or relating to or concerning this Agreement.** With respect to any claim or dispute related to or arising under this Agreement, the parties hereby consent to the arbitration provisions of Section 14 and recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum and venue of the state and federal courts (as applicable) located in Cook County in the State of Illinois.

15. Entire Agreement/Effectiveness; Satisfaction of Obligations. This Agreement will automatically become null and void in the event the Business Combination Agreement is terminated in accordance with its terms prior to the closing of the Merger. Upon the Effective Date, this Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, term sheets, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto in respect of such subject matter; provided, however, this Agreement is in addition to and complements (and does not replace or supersede) any other obligation that Executive has to the Company and any of its affiliates with respect to confidentiality, non-disclosure and return of information.

16. Section 409A Compliance.

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(a) This Agreement is intended to be exempt from or to comply with the requirements of Section 409A of the Code (together with the applicable regulations thereunder, "Section 409A"). To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A or to the extent any provision in this Agreement must be modified to comply with Section 409A (including, without limitation, Internal Revenue Service Treasury Regulation 1.409A-3(c)), such provision will be read, or will be modified by the Company in its sole discretion, as the case may be, in such a manner so that all payments due under this Agreement will be exempt from or comply with Section 409A. For purposes of Section 409A, each payment made under this Agreement will be treated as a separate and distinct payment. In no event may Executive, directly or indirectly, designate the calendar year of payment for any amount payable hereunder.

(b) All reimbursements provided under this Agreement will be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit.

(c) Executive further acknowledges that Section 409A of the Code imposes tax liability solely on service providers and not on service recipients.

(d) Notwithstanding any provision of this Agreement to the contrary, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees" (as defined in Section 409A) any payment on account of Executive's separation from service that would otherwise be due hereunder within six months after such separation will nonetheless be delayed until the first business day of the seventh month following Executive's date of termination and the first such payment will include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction. Notwithstanding anything contained herein to the contrary, Executive will not be considered to have terminated employment with the Company for purposes of Section 8 hereof unless Executive would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A.

17. Representations. Executive represents and warrants to the Company that Executive is under no contractual or other binding legal restriction which would prohibit Executive from entering into and performing under this Agreement or that would limit the performance of Executive's duties under this Agreement.

18. Withholding Taxes. The Company may withhold from any amounts or benefits payable under this Agreement income taxes and payroll taxes and any other amounts that are required to be withheld pursuant to any applicable law, order or regulation.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of all of the parties reflected hereon as the signatories. Photographic, faxed or PDF copies of such signed counterparts may be used in lieu of the originals for any purpose.

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*signature page follows*

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**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the date first above written.

**HYZON MOTORS INC.**

**EXECUTIVE**

By: /s/ Craig Knight  
Craig Knight  
Chief Executive Officer

/s/ Samuel Chong  
*Name*

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**SCHEDULE 1**

**LIST OF PRIOR INVENTIONS**

If Executive has Prior Inventions, please list them in the space below. If Executive does not have any Prior Inventions or would like to include additional Prior Inventions on separate pages, check the appropriate box at the bottom of the page.

Check the following as applicable:

All of my Prior Inventions are listed above

I have no Prior Inventions (*it will be presumed that there are none if this sheet is left blank*)

I have attached additional sheets describing my Prior Inventions

Signature of Executive: /s/ Samuel Chong

Print Name of Executive: Samuel Chong

Date: 3/4/2022

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**Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)  
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Craig Knight, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hyzon Motors Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [Paragraph intentionally omitted pursuant to Exchange Act Rules 13a-14(a) and 15d-15(a)];
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2022

/s/ Craig Knight

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Craig Knight  
Chief Executive Officer  
(Principal Executive Officer)

**Certification of Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)  
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Samuel Chong, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hyzon Motors Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [Paragraph intentionally omitted pursuant to Exchange Act Rules 13a-14(a) and 15d-15(a)];
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2022

/s/ Samuel Chong

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Samuel Chong  
Chief Financial Officer  
(Principal Financial Officer)

**Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Craig Knight, Chief Executive Officer of Hyzon Motors Inc. (the "Company"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2022

/s/ Craig Knight

Craig Knight

Chief Executive Officer

(Principal Executive Officer)

**Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Samuel Chong, Chief Financial Officer of Hyzon Motors Inc. (the "Company"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2022

/s/ Samuel Chong

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Samuel Chong  
Chief Financial Officer  
(Principal Financial Officer)