

**Hyzon Motors Inc.
Q3 2023 Earnings Conference Call
Tuesday, November 14, 2023 at 8:30 a.m. Eastern**

CORPORATE PARTICIPANTS

Henry Kwon – *Head of Investor Relations*
Parker Meeks – *Chief Executive Officer*
Jiajia Wu – *Senior Vice President, Finance and Accounting*
Stephen Weiland, *Chief Financial Officer*

ANALYSTS

Mahima Kakani – *JP Morgan*
Steven B. Fox – *Fox Advisors LLC*

Operator

Thank you for holding, and welcome, everyone, to the Hyzon Motors Third quarter 2023 Earnings Call.

[Operator Instructions]

Thank you. I will now turn the call over to Henry Kwon, Head of Investor Relations. Mr. Kwon, please go ahead.

Henry Kwon

Head of Investor Relations

Thank you, operator, and good morning, everyone. Welcome to Hyzon's Q3 2023 earnings call. With me on the call today are Parker Meeks, Chief Executive Officer; Stephen Weiland, Chief Financial Officer; and Jiajia Wu, Senior Vice President of Finance and Accounting.

As a reminder, you can find the press release detailing our financial results and the presentation accompanying today's call in the Investor Relations section of our website. Today's discussions include references to non-GAAP measures. These measures are reconciled to the most comparable U.S. GAAP measures and can be found at the end of the Q3 earnings press release.

This morning's discussions include forward-looking statements regarding future plans and expectations. Actual results might differ materially from those stated, and factors that could cause actual results to differ are explained in the forward-looking statements at the end of the press release and Page 2 of our earnings presentation.

Forward-looking statements speak only as of the date on which they are made. You are cautioned not to put undue reliance on forward-looking statements.

With that, I will turn the call over to Parker.

Parker Stewart Meeks

CEO & Director

Thank you, Henry. Good morning, everyone, and thank you for joining today's call. This was a remarkable quarter. Hyzon continues to accelerate the global transition to clean energy by developing and commercializing our proprietary leading zero-emission fuel cell technology. Our company is at an inflection point, as we made our first

commercial delivery in the U.S. this month. We expect to have less than \$5 million of capital spend left to reach start of production in 2024. And with that, we'll start the transition to ramping production.

The hydrogen economy also gained significant tailwinds from recently progressed government programs and policies, further supporting Hyzon's technology and business model advantages. Those advantages, our leading 200-kilowatt fuel cell technology, our state-of-the-art fuel cell production facility and our assetlight business model are being sharpened and deployed by a strengthened leadership team and supported by industry-leading partners. Hyzon's fuel cell technology is the foundation of our company and is being monetized over 2 investment horizons: our core commercialization in heavy-duty fuel cell trucks today and substantial option value over time in deploying the same technology to additional fuel cell advantaged end markets. We have an early mover advantage and a scalable business model that we expect to generate a positive cash contribution margin at the truck level on the trucks we deliver to large fleets in the fourth quarter of 2023. This is made possible by 5 key advantages: our in-house fuel cell technology and manufacturing leadership, driving expected lower cost and higher fuel efficiency fuel cell power; an asset-light business model with relatively low-cost third-party truck assembly; an accelerating hydrogen market, powered by customer and government tailwinds; a series of additional fuel cell advantaged end markets with substantial option value; and a proven and driven leadership team that continues to strengthen. Bolstered by a powerful combination of near-term government supported subsidies and government-mandated emissions reduction regulations, we believe Hyzon is on a pathway to corporate cash flow breakeven, focusing on those most attractive zero-emission truck markets first.

To put that into perspective, California's current mandates and funding structures estimate the conversion of 24,000 heavy-duty port drayage trucks to zero-emission alone by 2030, along with 10% to 25% of the higher emission portion of the California heavy-duty truck fleets. Hyzon believes 50% of those conversions will be to fuel cell trucks. As 1 of only 2 companies with fuel cell trucks and commercial delivery to customers in the U.S., if Hyzon achieves a 25% share of those projected fuel cell truck deployments, we anticipate Hyzon will be on track to our corporate cash breakeven goals by 2030 with California deliveries alone. That breakeven moves forward, of course, when adding the potential for the rest of the U.S., Europe, and Australia and New Zealand.

Our single-stack, 200-kilowatt fuel cell technology is a key differentiator, which we expect will be in operation ahead of the competition, demonstrating its durability, performance, weight and cost advantages. This early mover advantage, we believe, will secure our place with large fleets who are acting on the available subsidy

programs and approaching mandates now and who desire to scale assuming successful initial fuel cell truck deployments.

Beyond trucks, we see significant opportunity for deploying our fuel cell technology in other use cases with high power density requirements such as rail, aviation, mining and stationary power, several of which we are already shaping with leading partners. In each of these ecosystems, we see fuel cell products that are well positioned to decarbonize, which we plan to action once the fuel cell truck platforms are commercially stable, continuing to expand our addressable markets and unlocking option value for our technology. As a whole, the market for zero emission heavy-duty power continues to grow as governments incentivize the transition to hydrogen, benefiting both our core fuel cell truck commercialization and additional end market applications.

For example, the Biden administration recently allocated \$7 billion to 7 hydrogen hubs, several of which Hyzon directly supported. The Inflation Reduction Act earmarks \$2.6 billion to decarbonize coastal and inland ports nationwide, including drayage trucks and fueling infrastructure. And California's HVIP program has over \$250 million for heavy-duty zero-emission trucks and another \$147 million set aside for drayage trucks specifically, totaling close to \$400 million available to heavy-duty trucks today. These are all major long-term investments in the hydrogen economy at both the federal and state level, which we estimate could stimulate thousands of fuel cell trucks in the U.S. this decade. And as these funding programs scale, Hyzon and our customers will also have the opportunity to scale with them.

Beyond the increasing government support, customer interest in fuel cell trucks is expanding as our large fleet customers are seeing the limitations of heavy-duty battery electric trucks through, in many cases, months of attempting to utilize them in their operations. Our customers are confirming to us their reality in many cases, shows even shorter-than-expected usable range, long charging times, and the need for substantial charging infrastructure, which, in many cases, is years away at any real scale. Our large fleet customers have described the need, in some cases, to deploy 2 battery electric trucks to complete the work of one of their regular diesel trucks, primarily due to weight and charge time, where fuel cell trucks are much closer to diesel in their expected operating performance. Fuel cell trucks offer a potential solution, thanks to their range, quick refueling time and payload performance. And customers are recognizing that, increasing the addressable market for fuel cell trucks.

The market support for fuel cell trucks continues to increase as we have made significant strides this quarter in parallel. We have seen continued commercial deployments of our fuel cell technology to truck customers, opened additional future markets for our fuel cell technology and hydrogen investment rights, and done all of this while managing our cash and capital in line with prior guidance. Our commercial progress reflects this momentum, and we believe we are approaching an inflection point in customer pipeline conversion with our large fleet trial customers.

We also continue to drive our commercial deployments, including a significant recent milestone moment for the company, completing our first revenue delivery in the U.S. Earlier this month, we saw our first delivery of a fuel cell truck in the U.S. to a customer through a sale, for which we expect to record revenue in the fourth quarter of 2023. We believe this is the industry's first publicly announced commercial delivery of a heavy-duty fuel cell truck to a customer in North America. What's more, we delivered it into operations at the Port of LA and Long Beach, where 20,000 drayage trucks operate and where the advanced clean fleet rule requires drayage trucks to begin decarbonizing their operations in January 2024. This is a major market, which Hyzon has now commercially entered, which we believe provides significant opportunity due to its concentrated back-to-base operations, conversion mandates, subsidy availability and multiple layers of funding opportunities via the previously mentioned existing CARB HVIP drayage set aside funding, IRA and DOE hydrogen hub Awards.

By the end of the third quarter, we had deployed 13 vehicles under commercial agreements to customers in 2023. Since quarter-end, we deployed an additional truck under commercial agreements. With that, we are raising the low end of our 2023 vehicle guidance to 15 to 20 vehicles deployed by year-end, up from 10 to 20. Our model for commercial agreements envisions the potential for up to 50 trucks over multiple years with defined contingencies and/or customer options. These agreements typically start with a few trucks, which allows the fleets to validate performance, secure additional subsidies, and stand up fueling as a precedent to confirming the next tranches. The company's North American trial program continued to expand with 18 trials completed since March 2022, of which 10 trials were completed in 2023, gaining experience with and learnings from real world operations for future fuel cell truck deployments. In Australia, last month, we announced the global launch of Hyzon's heavy, rigid refuse truck platform. Partnering with REMONDIS, one of the world's largest waste service and recycling companies, we rolled out Australia's first zero-emission hydrogen-powered garbage truck in a commercial trial. The commercial trial is expected to convert to a full vehicle purchase if certain trial performance targets are met. After quarter-end, we also announced a vehicle agreement for up to 20 vehicles powered by our 200-kilowatt fuel

cell system. The agreement with TR Group, New Zealand's largest heavy-duty truck fleet owner, is expected to start with a trial of 2 vehicles in March 2024. Any vehicle purchases under the agreement are at TR Group's option following this initial commercial trial. And finally, in Europe, we continue to successfully gain operational experience with vehicles in commercial operation with DB Schenker and [Emprise] through our channel partners Hylane and JuVe, respectively.

Looking ahead, we are on track to deliver the first 110-kilowatt Class 8 trucks to Performance Food Group this year. The initial vehicles are currently well into assembly. Our agreement has the potential for up to 50 vehicles if all tranches, conditions, and options are met and executed. We are also on track to launch the first U.S. trial of our refuse truck in the first half of 2024 in California, with customer deliveries expected to begin in 2025. We remain focused on converting the next large fleet customer contracts in the U.S. and Europe, with several negotiations on the back of successful initial trials.

The growing commercial conversion is also a testament to Hyzon's best-in-class fuel cell technology, which we have significantly progressed since we last spoke. Our fuel cell technology enables 200 kilowatts of power output from one stack, which we estimate is 30% smaller and lighter, 20% more fuel efficient, and 25% lower cost to manufacture than other fuel cell providers who need to combine multiple smaller fuel cell units to reach 200 kilowatts of power output. This expected lower cost and improved fuel efficiency advantage provides the core foundation for our business model and we believe is the only single-stack 200-kilowatt fuel cell system in trucks with customer commercial agreements in place.

Our world-class fuel cell production facility in Bolingbrook, Illinois is on track for SoP in the second half of 2024. We anticipate needing to invest less than \$5 million in capital to complete the SoP and meet our volume forecast through 2025. With just the equipment installed to date, once commissioned, the facility is expected to have the capacity to produce over 700 200-kilowatt fuel cell systems annually across 3 shifts. We believe we can increase capacity through further debottlenecking to the point that we can reach corporate cash breakeven at the fuel cell system manufacturing level from the Bolingbrook facility. Simultaneously, we have completed planning with our third-party vehicle assembly partner, Fontaine Modification, with the goal of ensuring fuel cell electric truck assembly capacity scaling is on plan in line with those production numbers through our intended corporate cash breakeven volumes.

Turning to the specific progress on the 200-kilowatt fuel cell technology, we continue to follow the standard automotive product development process, producing and validating Fuel Cell System B-Samples before moving to C-Sample and then declaring SoP. So far, we have completed 9 B-Samples in the second half of 2023 and have completed a total of 18 B-Samples through factory acceptance testing so far this year. This achievement shows growth in the company's prototype assembly rate as we produced 3 units in Q1, 6 units in Q2, and 9 in the first 4 months of second half 2023. We remain on track to complete the additional 7 B-Samples in the fourth quarter, bringing the full year total to 25 200-kilowatt B-Samples. We also continue our durability testing, completing approximately 20% of total durability testing with an accelerated drive cycle and are on track to complete the accelerated system durability testing in line with our 2024 SoP. The successful progress of the 200-kilowatt Fuel Cell System B-Samples confirms the viability of our design, equipment and procedures to date, essential to eventual commercialization.

We continued strengthening our leadership in the third quarter. At the executive team level, I'm personally thrilled to welcome Steve Weiland to the team as CFO. His capital markets experience will be particularly valuable to us at this stage in the company's evolution. Steve previously served as CFO at an early-stage technology-led company, and prior to that, was CFO for multiple divisions at Caterpillar. He brings capital markets, financial services and corporate financial leadership experience critical to Hyzon's continued drive toward long-term capital stability. Additionally, the Board announced the appointment of Matthew Foulston, who serves as Chair of both the Audit and Compensation Committees. Matthew is an accomplished financial executive, having served as Chief Financial Officer for 3 publicly listed companies throughout his career. The Board also elected Erik Anderson as Chairman, bringing years of experience as a global innovation leader and an investor across various sectors. The Board also elected Andrea Farace as Vice Chairman of Hyzon's Board. Andrea is an accomplished executive with a global career spanning more than 40 years in finance and general business management.

Finally, I want to thank Jiajia Wu for serving as Interim CFO during a pivotal time for our company. Hazen would not be at this point without Jiajia's critical contributions and leadership. Over the past 6 months, Jiajia and her teams worked tirelessly to get our financials current and strengthen Hyzon's financial, accounting and governance processes, which we look forward to building upon with her and Steve. I have the utmost confidence in her as our new Senior Vice President of Finance and Accounting.

We are excited about the continued growth in experience and depth of our Board and management team who bring expertise in our near-term priorities of commercialization, cash and capital management. We're also proud to show a continued track record of attracting top talent to Hyzon's management team, Board and staff, reflective of the technology, value and opportunity people see in Hyzon.

Turning to our financial performance this quarter, we are pleased to have delivered the lowest quarterly cash burn in the last 8 quarters, driven by our operational focus, lower headcount, and lower legal and professional services expenses. We will comment further on the quarter and outlook, but these results give us confidence to keep our cash burn guidance unchanged for both the second half of 2023 and the full year of 2024. We also demonstrated our ability to drive below \$10 million per month core cash burn in the month of October 2023.

We continue to remain focused on raising capital, and the resolution of the SEC investigation removed a significant obstacle. We believe Hyzon has a significant strategic value with leading technology, minimal remaining capital spending requirements through SoP, and increasing customer agreements and deliveries. We are engaging with a further focused set of potential strategics and evaluating additional financing alternatives. While remaining opportunistic, we need to balance alternatives against our belief that today's valuation does not reflect the intrinsic value of the company.

We continue to focus on executing our strategy with the goal of continuing to meet and possibly exceed our expected targets and guidance. I'm confident our differentiated technology, strong IP and in-house U.S.-based fuel cell production, the growing commercial momentum, and our significantly streamlined organization, all position us well in this accelerating market.

With that, I will hand over the discussion to Jiajia, who will go over our third quarter results, and then to Steve, who will cover our plans going forward. Jiajia?

Jiajia Wu

SVP, Financer & Accounting

Thank you, Parker, and good morning, everyone. First of all, I would like to thank Parker and the Board of Directors for allowing me to serve as Interim Chief Financial Officer for the last 6 months. I'm excited to partner closely with Steve at Hyzon going forward. For this call, I will go over the numbers that Hyzon is reporting for the third quarter of 2023 and then transition to Steve for further comments.

During this quarter, we incurred \$3.3 million in cost of sales, primarily due to \$2.7 million inventory net realizable value write-downs in Europe. Our loss from operations amounted to \$40.1 million in Q3 2023 compared to \$64.1 million in Q2 2023. The primary driver for this reduction is because we included \$22 million legal loss contingency accrual related to the SEC investigation in Q2 2023. In this quarter, we reached a final resolution with SEC, subject to court approval, and recorded additional \$3 million accrual to increase the amount to the agreed \$25 million. Additionally, in July 2023, our Board of Directors approved a restructuring program to improve operational effectiveness and cost reduction, including our workforce. As part of the restructuring program, we expect to rationalize our global footprint, implement a shared service model for procurement and engineering, and transition to a third-party assembly model for FCEV assembly services. The restructuring program is expected to be completed by the end of the third quarter of 2024. This led to a nearly \$4.6 million impairment charges in this quarter, primarily relating to Europe, which should be viewed as a nonrecurring item.

Net loss attributable to Hyzon for Q3 amounted to \$44.1 million from \$60.2 million in Q2. Basic loss per share stood at negative \$0.18 in Q3 2023 versus negative \$0.25 in Q2 2023.

Moving to our non-GAAP measures, we believe adjusted EBITDA provides a better view of our recurring operational performance. Our adjusted EBITDA for Q3 2023 amounted to negative \$32.3 million, compared to negative \$33 million in Q2 2023. The largest add-back item in this quarter related to \$4.9 million in restructuring and impairment charges, as discussed earlier.

Turning to cash, we ended this quarter with \$137.8 million in unrestricted cash, cash equivalents and short-term investments. We ended October with a cash balance of approximately \$129 million, bringing our monthly cash burn to below \$10 million for the month of October. This keeps us on track for the second half 2023 cash burn guidance that we had previously provided during our last quarter's earnings call. We are very proud of our financial discipline in this quarter. To reiterate those accomplishments, during this quarter, our cash burn came to \$34.6 million, representing 3 consecutive quarters of declining cash burn since Q4 2022 and the lowest quarterly burn over the last 8 quarters. This clearly demonstrated we can and we are able to reduce our monthly cash burn below \$10 million.

I again want to thank individual employees at Hyzon and our Board for their faith in my leadership as I served as the Interim Chief Financial Officer. It was my honor to support our company through this important time. With that, I will now transition this call to Steve.

Stephen Paul Weiland
Chief Financial Officer

Thank you, Jiajia, and to everyone at Hyzon for a warm welcome. I'm grateful to the executive team and Board for this opportunity to serve Hyzon. I also want to recognize Jiajia and her team's leadership and dedication during this time. The critical accomplishments of getting our financials current and strengthening our processes reflect their tireless work and dedication.

As I approached this opportunity, I discovered that Hyzon's differentiated technology and intellectual properties strongly position us in one of the most promising energy transition markets, hydrogen. I joined Hyzon convinced that our strategy is the right one to seize upon this large and growing commercial opportunity. Before I joined, Hyzon had disclosed that it was actively pursuing strategic investment opportunities. As Parker mentioned, with dynamic market conditions, Hyzon is assessing multiple options to raise capital. Given what I know about the organization's leadership, technology, business model and the important work that we are doing, I am confident on our fundraising prospects. I believe that our differentiated capital-efficient strategy to become an OEM supplier is the right path.

Transitioning now to some guidance for the rest of the year, we are happy to report that against the previously-stated second half 2023 cash burn target range of \$65 million to \$73 million, our cash burn in Q3 was approximately \$35 million. The company has done a tremendous job to stay on track against this goal. In Q2, we accrued \$22 million for the SEC investigation settlement that was ultimately reached in September for \$25 million. The \$25 million settlement is to be paid in 3 installments: \$8.5 million within 30 days of court approval; \$8.5 million at the end of 2024; and the remaining \$8 million within 730 days or 2 years after court approval. We originally assumed an initial payment in 2023. With the final court approval still pending, this could potentially be pushed to 2024, moving the cash flow impact from 2023 to 2024. Subject to that potential timing impact, our guidance is unchanged for both the second half 2023 cash burn range of \$65 million to \$73 million and the 2024 range of \$110 million to \$120 million. While the original 2024 range that we gave during our Q2 earnings call did not include potential SEC payments, we now feel that we can achieve that range, including the SEC payments.

Given our October cash balance, as well as our current and forecast cash burn rate, we believe that we have sufficient cash to sustain us well into 2024 in support of our continued execution and fundraising efforts.

Again, thank you to everyone at Hyzon for the welcome, and thank you for listening. With that, I will pass the call back to Parker. Parker?

Parker Stewart Meeks

CEO & Director

Thank you, Steve, and thank you, Jiajia. As we sit here today, we are working toward important milestones in the fourth quarter, driving Hyzon's single-stack 200-kilowatt fuel cell system technology to commercialization, including producing and validating 25 200-kilowatt Fuel Cell B-Samples, declaring C-Sample of the 200-kilowatt fuel cell system, meeting our revised guidance of 15 to 20 vehicles deployed commercially this year, including delivering Hyzon's first commercial Class 8 fuel cell trucks to Performance Food Group, and converting additional major fleet customers to multistage commercial agreements.

In closing, Hyzon is in a much different and stronger position today, building that strength quarter-on-quarter, which we look forward to continuing in Q4. Our company is at an inflection point, as we transition from development to production and delivery. We have and continue to make significant strides in advancing our proprietary fuel cell technology and remain on track for SoP and commercialization of our single stack 200 kilowatt fuel cell system in the second half of 2024. We continue to show progress in the commercialization of our heavy-duty trucks, including the recent first commercial delivery on revenue in the U.S. and additional major fleet contract conversions and are confident in our strong customer pipeline continuing to convert going forward. With the appointment of Steve as permanent CFO and additional Board appointments, we have a management bench and Board with deep experience, allowing us to entirely focus our efforts on our streamlined, refocused and centralized company with a clear vision for the future. We believe our technology and business model leads commercial progress and low required capital spending needs through SoP position us well as we engage with potential strategic partners. The resolution of the SEC investigation removed a significant obstacle, all with a supportive backdrop of increasing government support and customer interest.

We thank you for your continued engagement with us as we drive with our customers and partners to commercialize Hyzon's leading hydrogen fuel cell technology in trucking today and many other use cases in the future.

With that, I will turn it back over to the operator for questions. Operator?

Question and Answer

Operator

[Operator Instructions] Steven Fox with Fox Advisors.

Steven Bryant Fox
Fox Advisors LLC

First question, I had 2, but just Parker, can you sort of dig into the concept of why this is such an important inflection point for the company in terms of the pipeline conversion? It's the first of hopefully many in terms of your U.S. delivery, but what else does it say to the marketplace, other customers that we maybe should appreciate further? And then, I had a follow-up.

Parker Stewart Meeks,
CEO & Director

That's great. Well, love to dig into that, Steve. We truly do believe as a company we are at a critical inflection point, moving from development, which we've been in for the company's history, to production and starting to deliver vehicles. This milestone of a first revenue delivery in the U.S. shows a few things. I think, first, it shows the breadth of the market application that we have in front of us. So the drayage market, specifically in Port of LA and Long Beach, is substantial, 20,000 drayage trucks operating in a very nice circular ecosystem with back-to-base operations and fueling stations already in place. And now, multiple layers of funding opportunity as the IRA zero-emission port equipment grants are expected to be awarded December of 2024, and potential as well from the DOE hydrogen hub that was awarded to the state, stacking on top of \$147 million that CARB has set aside for drayage. That is in addition, of course, to our large fleet customer focus where we are really excited to build on this momentum with deliveries later this year to Performance Food Group with their first vehicles well into assembly. And you combine that transition, that inflection point in delivery that's finally come to the U.S. after

deploying customers already commercially in Europe for some time and even in Australia with the customer progression in the pipeline, right? So, we talked about the trial program continuing to advance in North America where we went from 7 trials this year at our last call to 10, so 3 more large fleet trials conducted in North America. Additionally, we are progressing quite well with several large fleet customers who have completed their trials in framing the contracts that we hope to finalize with them soon. So, all of this, combined with the progress we have on our leading 200-kilowatt fuel cell system SoP, which we're still on track for SoP in 2024, and the fact that we have less than \$5 million of CapEx left through that SoP to achieve a starting production that we're estimating at 700 units per year on 3 shifts, we truly believe that this marks a very important symbolic milestone with this first truck with all of that momentum behind us.

Steven Bryant Fox

Fox Advisors LLC

Great. That's helpful. And then, just on the free cash flow burn, it actually sounds like on an organic basis, if we take out the SEC payment, you're making more progress than the headline number will give credit for the '24 guidance staying the same. Can you talk about that progress a little bit more into next year and maybe the flexibility in the plan, whether it's for faster deliveries or more trials, et cetera? How much sort of wiggle room do you have on that number?

Parker Stewart Meeks,

CEO & Director

Absolutely. Steve, you want to take that?

Stephen Paul Weiland

Chief Financial Officer

Yes, sure. Thanks. Happy to address that question. I think you make a good observation. The prior cash burn guidance for '24 was \$110 million to \$120 million but did not include the SEC payment. Now, that does. So, that's an \$8.5 million delta right there, which highlights our confidence in taking our cash burn down -- recurring cash burn down even below what we thought it was when that guidance was previously made. I think there's other opportunities there, other levers to pull. We're not ready to discuss those yet. I think when we come back early next year, we'll have a better view. But it does give us flexibility to make continuing strategic investments in things

that move the needle over the course of next year. So, we remain very focused on it, and we think that that gives us the flexibility we need to move through the rest of next year.

Operator

Bill Peterson with JPMorgan.

Mahima Kakani

This is Mahima Kakani on for Bill. Maybe just to start, we've seen a couple of peers in the space starting to pivot away from heavy-duty BEVs, just given the challenging market conditions. So, can you maybe elaborate on what you're seeing in terms of customer interest in converting non-binding orders to firm orders once fleet trials are completed?

Parker Stewart Meeks

CEO & Director

Thanks so much, Mahima. And we're really excited to dig into that because when we look at the market, we see only increasing interest in specifically fuel cell technology and fuel cell trucks. You look at the application that we are focused on today, it is commercializing our leading fuel cell technology in the trucking application that has tremendous government support, only increasing for zero-emission broadly and hydrogen specifically, and for instance, the DOE hydrogen hubs that were just awarded. And additionally, customers are seeing the expanding addressable part of their fleet that only fuel cell can deliver a true zero-emission solution. So, what I mean by that is, many large fleet customers of ours have had battery electric trucks in their hands for months. And the feedback we're getting is very consistent across most of them, particularly those that haul heavier things longer distances, even in a back-to-base, call it, a 200 mile to 250 mile route structure. The battery electric truck experience for many is one where the usable range is not what they thought it would be, particularly when hills are involved, which even in the LA Basin, if you know that area, if you're going anywhere of any material distance, you're probably climbing a hill. And additionally, the charge times and the ability to get charging infrastructure, putting 5 megawatt to 10 megawatts, in some cases, behind a back-to-base warehouse fence is years away for many of those fleets, along with those that need to hot seat or can't have a truck sit for 48 hours to a charge.

So, while others that are focused on battery electric truck technology may be pivoting, we are only even more excited about the market potential, the customer excitement. And we're seeing that both in our progression to our trial program and our anticipated near-term conversion of additional fleets to contracts who have completed their trials. As I said before, our North America trial program is one example. We did have 3 additional large fleet trials this quarter. We have, in those 10 fleets that have completed their trials this year, several who are fully progressed in months of work with us of where the trucks will go, assuming we are able to complete the commercial contract with them. And for several of them, frankly, it's coming down to lining up the fuel solution, the fuel pricing, with our partners on the fuel side. So, we look at the market with the customer excitement for fuel cell, with the real world experience they're getting with other technologies, and seeing that fuel cell needs to be a bigger part of what their zero-emission future is, along with the growing multiple layers of subsidy availability that we see, particularly in the U.S., we actually see a market that's turning to fuel cell.

Mahima Kakani

That's really great color. Maybe a second one for me. In light of some of the market opportunities that are incremental that you discussed on the call, can you maybe help us better understand the size of those opportunities? And then also, what would be the easiest expansion or the most synergistic sort of expansion beyond heavy-duty trucking, whether that be medium-duty, rail or off-road, some of the different ones that were mentioned?

Parker Stewart Meeks

CEO & Director

Absolutely, happy to provide additional thoughts there. So, when you look at Hyzon's core, the core of the company is our leading fuel cell technology. And the 200-kilowatt single-stack fuel cell system, we believe, is advantaged and is quite flexible. So, we are focused today. The core of the company today is commercializing that in fuel cell trucks. However, there's multiple additional ecosystems such as remote and stationary power, aviation, mining and rail, where we're already shaping with leading partners what the entry for the 200-kilowatt fuel cell system as the common building block would look like when we're ready to take that step. Some of those partners are under agreements of some kind. Some are not yet. And when you take one example, like aviation, right, the entry point for aviation, we believe, is not planes to start. It's ground support vehicles, so things like aircraft tugs. The next time that you're on a plane, look down and look at what's pushing you back from the gate. That

application is a tremendous fit for the 200-kilowatt single-stack fuel cell system. And there's many others in the ecosystem that are ready to adopt a 200-kilowatt size single-stack fuel cell technology today, where it has the same advantages, we believe, versus multiple systems that others will have to employ today in weight, in volume, in cost and in fuel efficiency. So, in each ecosystem, the way we think about it is simple. What's the most efficient entry using our common building block? So, this plant and Bolingbrook, where we're sitting today, is producing one unit, the 200-kilowatt, and that's going into as many ecosystems as possible. We see that entry point in several of these other markets.

We're going to stay focused on trucks as we're commercializing that today. But as soon as the trucks are commercialized, we will pivot and start to take on additional partner-led use cases entering with the same product. And then, the future upside for the company is that 200-kilowatt scaling and then the 300-kilowatt single-stack system coming into play. That's important. If you take a market like stationary power or remote power, the 200-kilowatt would be 5 units to get to a megawatt of power. If you are using 100-kilowatt fuel cell system, that's ten units, incredibly complex, very expensive, and hard to scale. The 300-kilowatt obviously would be 3 to 4 units to serve that use case, even simpler, more compact, more cost-effective. So, we see the progression of the company as quite straightforward. It's trucking today to commercialize the company. It's efficiently launching additional use cases with the same product, 200kilowatt single-stack fuel cell system that we think will be as advantaged in other ecosystem as it is in trucks, and then having the 300-kilowatt come in once the 200-kilowatt is fully commercialized, to take our addressable market to the next level and continue to further our economic edge.

Operator

[Operator Instructions] There are no further questions. I'll turn it back to the speakers for closing remarks.

Parker Stewart Meeks

CEO & Director

Great. Well, thank you again to everyone for joining us and listening to our journey. We remain quite excited by the progress we've made in commercializing our fuel cell technology and the inflection point that we believe we are making in transitioning from development to production and delivery, and then the additional commercial progress we are expecting to show as we look forward to delivering our first trucks to Performance Food Group in the U.S. later this year and driving forward to convert additional large fleet customers. We look forward to giving

you updates on our fuel cell technology as well. And again, thank you for engaging with us as we drive forward to decarbonize through our leading technology. Thank you very much.

Operator

This concludes today's call. We thank you for your participation. You may now disconnect.