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, 2023

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	**001-39632**	**82-2726724**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

475 Quaker Meeting House Road **Honeoye Falls, NY**	**14472**
(Address of principal executive offices)	**(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
Common Stock, par value $0.0001 per share	**HYZN**	**NASDAQ Capital Market**
Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of $11.50 per share	**HYZNW**	**NASDAQ Capital Market**

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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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 30, 2023, there were approximately 244,599,212 shares of the registrant's common stock outstanding, par value $0.0001 per share, 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 and the plans and objectives of management for future operations, and any statements that refer to characterizations of future events or circumstances, including any underlying assumptions. 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*” in our Annual Report filed on Form 10-K for the year ended December 31, 2022, and in subsequent reports that we file with the SEC, including this Form 10-Q for the quarter ended March 31, 2023.

- our ability to commercialize our products and strategic plans, including our ability to establish facilities to produce our fuel cells, assemble our vehicles or secure hydrogen supply in appropriate volumes, at competitive costs or with competitive emissions profiles;
- our ability to effectively compete 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 into binding orders or sales (including because of the 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 geopolitical events, and shortages 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 the Nasdaq Capital Market;
- 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 our intellectual property on which we depend; and
- the impacts of legal proceedings, regulatory disputes, and governmental inquiries.

We have experienced and continue to experience several of these risks which have had and are having a materially negative effect on our results of operations. Should these risks increase, should risks or uncertainties other than those described above materialize, or should our underlying assumptions prove incorrect, our 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, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 101,623	$ 60,554
Short-term investments	107,392	194,775
Accounts receivable	1,292	29
Related party receivable	6,995	6,578
Inventory	42,126	35,553
Prepaid expenses and other current assets	12,461	15,365
Total current assets	**271,889**	**312,854**
Property, plant, and equipment, net	22,580	22,420
Right-of-use assets	8,943	9,181
Investments in equity securities	15,030	15,030
Other assets	13,332	15,411
Total Assets	**$ 331,774**	**$ 374,896**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 16,043	$ 13,798
Accrued liabilities	16,290	25,587
Related party payables	780	433
Contract liabilities	5,248	3,919
Current portion of lease liabilities	2,055	2,132
Total current liabilities	**40,416**	**45,869**
Long term liabilities		
Lease liabilities	7,177	7,492
Private placement warrant liability	481	1,122
Earnout liability	4,507	10,927
Deferred income taxes	526	526
Other liabilities	1,666	1,901
Total Liabilities	**$ 54,773**	**$ 67,837**
Commitments and contingencies (Note 12)		
Stockholders' Equity		
Common stock, $0.0001 par value; 400,000,000 shares authorized, 244,561,071 and 244,509,208 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively.	25	25
Treasury stock, at cost; 3,769,592 shares as of March 31, 2023 and December 31, 2022, respectively.	(6,446)	(6,446)
Additional paid-in capital	374,243	372,942
Accumulated deficit	(88,846)	(58,598)
Accumulated other comprehensive loss	(1,247)	(153)
Total Hyzon Motors Inc. stockholders' equity	**277,729**	**307,770**
Noncontrolling interest	(728)	(711)
Total Stockholders' Equity	**277,001**	**307,059**
Total Liabilities and Stockholders' Equity	**$ 331,774**	**$ 374,896**

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,	
	2023	2022
Revenue	$ —	$ 2,888
Operating expense:		
Cost of revenue	838	653
Research and development	9,340	6,936
Selling, general, and administrative	30,857	19,752
Total operating expenses	**41,035**	**27,341**
Loss from operations	**(41,035)**	**(24,453)**
Other income (expense):		
Change in fair value of private placement warrant liability	641	1,523
Change in fair value of earnout liability	6,420	3,241
Gain on equity securities	—	12,530
Foreign currency exchange gain (loss) and other expense, net	1,150	(1,150)
Investment income and interest income, net	2,566	17
Total other income (expense)	**10,777**	**16,161**
Net loss before income taxes	**$ (30,258)**	**$ (8,292)**
Income tax expense	—	526
Net loss	**$ (30,258)**	**$ (8,818)**
Less: Net loss attributable to noncontrolling interest	(10)	(2,295)
Net loss attributable to Hyzon	**$ (30,248)**	**$ (6,523)**
Comprehensive loss:		
Net loss	**$ (30,258)**	**$ (8,818)**
Foreign currency translation adjustment	(804)	211
Change in unrealized gain (loss) on short-term investments	(297)	$ —
Comprehensive loss	**$ (31,359)**	**$ (8,607)**
Less: Comprehensive loss attributable to noncontrolling interest	(17)	(2,169)
Comprehensive loss attributable to Hyzon	**$ (31,342)**	**$ (6,438)**
Net loss per share attributable to Hyzon:		
Basic	$ (0.12)	$ (0.03)
Diluted	$ (0.12)	$ (0.03)
Weighted average common shares outstanding:		
Basic	244,541	247,940
Diluted	244,541	247,940

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)

	Common Stock Class A		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Hyzon Motors Inc. Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount						
Balance as of December 31, 2022	**244,509,208**	**$ 25**	**3,769,592**	**$(6,446)**	**$ 372,942**	**$ (58,598)**	**$ (153)**	**$ 307,770**	**$ (711)**	**$ 307,059**
Stock-based compensation	—	—	—	—	1,359	—	—	1,359	—	1,359
Vesting of RSUs	51,863	—	—	—	—	—	—	—	—	—
Net share settlement of equity awards	—	—	—	—	(58)	—	—	(58)	—	(58)
Available-for-sale short-term investments:										
Unrealized net gain on short-term investments	—	—	—	—	—	—	462	462	—	462
Reclassification to net loss	—	—	—	—	—	—	(759)	(759)	—	(759)
Net loss attributable to Hyzon	—	—	—	—	—	(30,248)	—	(30,248)	—	(30,248)
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	(10)	(10)
Foreign currency translation loss	—	—	—	—	—	—	(797)	(797)	(7)	(804)
Balance as of March 31, 2023	**244,561,071**	**$ 25**	**3,769,592**	**$(6,446)**	**$ 374,243**	**$ (88,846)**	**$ (1,247)**	**$ 277,729**	**$ (728)**	**$ 277,001**

	Common Stock Class A		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Hyzon Motors Inc. Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount						
Balance as of December 31, 2021	**247,758,412**	**$ 25**	**—**	**$ —**	**$ 400,826**	**$ (26,412)**	**$ 378**	**$ 374,817**	**$ (4,752)**	**$ 370,065**
Exercise of stock options	30,008	—	—	—	34	—	—	34	—	34
Stock-based compensation	—	—	—	—	1,193	—	—	1,193	—	1,193
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	—	—	—	—	—	(6,523)	—	(6,523)	—	(6,523)
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	(2,295)	(2,295)
Foreign currency translation loss	—	—	—	—	—	—	85	85	126	211
Balance as of March 31, 2022	**247,881,568**	**$ 25**	**—**	**$ —**	**$ 401,862**	**$ (32,935)**	**$ 463**	**$ 369,415**	**$ (6,921)**	**$ 362,494**

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, 2023	Three Months Ended March 31, 2022
Cash Flows from Operating Activities:		
Net loss	$ (30,258)	$ (8,818)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,082	904
Stock-based compensation	1,359	1,193
Deferred income tax expense	—	526
Fair value adjustment of private placement warrant liability	(641)	(1,523)
Fair value adjustment of earnout liability	(6,420)	(3,241)
Fair value adjustment of value in equity securities	—	(12,530)
Accretion of discount on available-for-sale debt securities	(722)	—
Write down of inventory	317	—
Loss on equity method investment	7	—
Changes in operating assets and liabilities:		
Accounts receivable	(1,232)	2,164
Inventory	(6,863)	(7,494)
Prepaid expenses and other current assets	3,135	(1,749)
Other assets	299	(68)
Accounts payable	2,254	(180)
Accrued liabilities	(9,319)	3,404
Related party payables, net	(65)	(56)
Contract liabilities	1,066	(2,637)
Other liabilities	(12)	9
Net cash used in operating activities	**(46,013)**	**(30,096)**
Cash Flows from Investing Activities:		
Purchases of property and equipment	(1,242)	(3,575)
Advanced payments for capital expenditures	(219)	(320)
Purchases of short-term investments	(7,096)	—
Proceeds from maturities of short-term investments	94,905	—
Net cash provided by (used in) investing activities	**86,348**	**(3,895)**
Cash Flows from Financing Activities:		
Exercise of stock options	—	34
Payment of finance lease liability	(142)	(86)
Net share settlement of equity awards	(58)	(160)
Payment for purchase of Horizon IP	—	(3,146)
Repurchase of warrants	—	(31)
Net cash used in financing activities	**(200)**	**(3,389)**
Effect of exchange rate changes on cash	(833)	216
Net change in cash, cash equivalents, and restricted cash	**39,302**	**(37,164)**
Cash, cash equivalents, and restricted cash — Beginning	66,790	449,365
Cash, cash equivalents, and restricted cash — Ending	**$ 106,092**	**$ 412,201**

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, is commercializing its proprietary heavy-duty (“HD”) fuel cell technology through assembling and upfitting HD hydrogen fuel cell electric vehicles (“FCEVs”) in the United States, Europe, and Australia. 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”).

Basis of Presentation

The accompanying unaudited interim 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”). Any reference in these notes to applicable guidance refers to U.S. GAAP as found in U.S. Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB"). 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 interim 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, 2022.

The Company’s unaudited interim 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 interim 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.

Liquidity

The Company has incurred net losses of $30.3 million and $8.8 million for the three months ended March 31, 2023 and 2022, respectively. Accumulated deficit amounted to $88.8 million and $58.6 million as of March 31, 2023 and December 31, 2022, respectively. Net cash used in operating activities was $46.0 million and $30.1 million for the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023, the Company has $101.6 million in unrestricted cash and cash equivalents, $107.4 million in short-term investments, and $4.5 million in restricted cash.

As an early stage growth company, the Company expects to continue to incur net losses in the near term. As the Company commenced its internal restructuring efforts in 2022, the primary focuses are the advancement of its proprietary fuel cell technology and development and commercialization of single HD commercial vehicle platforms in each region where it operates by leveraging third-party contracted assemblers for some or all of the assembling process. Until the Company can generate sufficient revenue from product sales and upfit services to cover operating expenses, working capital and capital expenditures, the Company will need to raise additional capital. The Company expects to fund cash needs through a combination of equity and debt financing, strategic collaborations, and licensing arrangements. If the Company cannot raise additional funds when needed, the financial condition, business, prospects, and results of operations could be materially adversely affected. In addition, 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 outcome of litigation and other legal proceedings, including the other claims described under Legal Proceedings in Note 12. Commitments and Contingencies, are inherently uncertain, and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages or injunctive relief against us. Specifically, resolution of the SEC investigation or other regulatory proceedings could have a material impact on the Company’s liquidity and the Company's ability to continue as a going concern if a significant monetary payment is agreed and paid.

These unaudited interim consolidated financial statements have been prepared by management in accordance with U.S. GAAP and this basis assumes that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. These unaudited interim consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty. As of the date of this Quarterly Report on Form 10-Q, management believes that the Company's existing financial resources will be sufficient to execute its operating priorities for the next 12 months following the issuance date of these unaudited interim consolidated financial statements. As of May 31, 2023, unrestricted cash, cash equivalents, and short-term investments were approximately $185 million.

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 are 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.

Hyliion Inc. Technology Development Agreement

In February 2023, the Company entered into a Technology Development Agreement ("TD Agreement") with Hyliion Inc. for the purpose of working collaboratively to integrate a Hyzon fuel cell into a Hyliion powertrain on a Class 8 semi-truck. Subject to the terms and conditions of the TD Agreement, the parties grant one another a worldwide, irrevocable, nonexclusive, royalty-free, non-sublicensable license to their respective intellectual property solely for the limited purpose of developing the deliverable. The TD Agreement contains various representations, warranties, covenants, indemnities and other provisions customary for transactions of this nature. The term of the TD Agreement is one year, with the option of extending the term by mutual agreement. The Company agrees to reimburse Hyliion up to $1 million for research and development expenses incurred.

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, 2022.

There have been no material changes to the significant accounting policies for the three months ended March 31, 2023.

Note 3. Revenue

The Company did not recognize revenue for the three months ended March 31, 2023. The Company recognized $2.9 million primarily from sales of FCEVs in China and sales of hydrogen fuel cell systems in the United States for the three months ended March 31, 2022.

In accordance with ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), the Company is required to evaluate customers' ability and intent to pay substantially all of the consideration to which the Company is entitled in exchange for the vehicles transferred to the customer, i.e., collectability of contracts with customers. The Company's two customers in China are special purpose entities established in response to China's national hydrogen fuel cell vehicle pilot program. In consideration of the customers' limited operating history and extended payment terms in their contracts, the Company determined the collectability criterion is not met with respect to contract existence under ASC 606 for these customers, and therefore, an alternative method of revenue recognition has been applied to each arrangement.

Revenue recognized from sales of FCEVs in China is related to the delivery of 62 FCEVs in the three months ended March 31, 2022. This amount, $2.5 million, is equal to the remaining consideration received after satisfying local government VAT obligations, as such amounts are non-refundable and the Company has transferred control of the 62 FCEVs to which the consideration relates and has stopped transferring goods or services to the customer. The Company will continue to monitor the customer and evaluate the collectability criterion as of each reporting period. The total cost of the 62 FCEVs delivered was recorded within Cost of revenue in the Consolidated Statements of Operations and Comprehensive Loss in 2021 since control of such FCEVs was transferred to the customer prior to December 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.

The current portion of contract liabilities is recorded within Contract liabilities in the Consolidated Balance Sheets and totaled $5.2 million and $3.9 million as of March 31, 2023 and December 31, 2022, respectively. The long term portion of contract liabilities is recorded within Other liabilities in the Consolidated Balance Sheets and totaled $1.7 million and $1.9 million as of March 31, 2023 and December 31, 2022, respectively.

Remaining Performance Obligations

The transaction price associated with remaining performance obligations for commercial vehicles and other contracts with customers was $13.4 million as of March 31, 2023. The Company expects to recognize approximately 76% of its remaining performance obligations as revenue over the twelve months after March 31, 2023.

Note 4. Inventory

Inventory consisted of the following (in thousands):

	March 31, 2023	December 31, 2022
Raw materials	$ 29,707	$ 24,862
Work in process	12,419	10,691
Total inventory	**$ 42,126**	**$ 35,553**

The Company writes down inventory for any excess or obsolescence, or when the Company believes that the net realizable value of inventories is less than the carrying value. A total of $0.3 million in inventory write-downs was recognized in Cost of revenue in the unaudited interim Consolidated Statements of Operations and Comprehensive Loss for the three months ended March 31, 2023. The Company did not write down any inventory for the three months ended March 31, 2022.

Note 5. Prepaid Expenses and Other Current Assets

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

	March 31, 2023	December 31, 2022
Deposit for fuel cell components (Note 15)	$ 5,570	$ 6,092
Vehicle inventory deposits	658	2,074
Production equipment deposits	455	235
Other prepaid expenses	2,575	1,877
Prepaid insurance	1,624	3,201
VAT receivable from government	1,579	1,886
Total prepaid expenses and other current assets	**$ 12,461**	**$ 15,365**

Note 6. Property, Plant, and Equipment, net

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

	March 31, 2023	December 31, 2022
Land and building	$ 2,824	$ 2,818
Machinery and equipment	15,891	15,832
Software	2,455	2,350
Leasehold improvements	3,143	2,123
Construction in progress	2,553	2,499
Total Property, plant, and equipment	26,866	25,622
Less: Accumulated depreciation and amortization	(4,286)	(3,202)
Property, plant and equipment, net	**$ 22,580**	**$ 22,420**

Depreciation and amortization expense totaled $1.1 million and $0.5 million for the three months ended March 31, 2023 and 2022, respectively.

Note 7. Accrued liabilities

Accrued liabilities consisted of the following (in thousands):

	March 31, 2023	December 31, 2022
Payroll and payroll related expenses	$ 4,371	$ 4,638
Accrued professional fees	3,458	10,016
Accrued product warranty costs	952	942
Accrued contract manufacturer costs	1,395	1,409
Accrued contract termination costs (Note 12)	2,738	2,688
Accrued Orten cancellation costs	—	1,192
Other accrued expenses	3,376	4,702
Accrued liabilities	**$ 16,290**	**$ 25,587**

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 or an impairment.

There was no gain or loss on equity securities in the unaudited interim Consolidated Statements of Operations and Comprehensive Loss for the three months ended March 31, 2023. Included in the Gain (loss) on equity securities in the unaudited interim Consolidated Statements of Operations and Comprehensive Loss for the three months ended March 31, 2022 is a $12.5 million gain related to the equity investment in Raven SR, Inc. ("Raven SR"). The investment in Raven SR's common shares and options was initially accounted for at cost of $2.5 million.

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, 2023	December 31, 2022
Total initial cost basis	$ 4,948	$ 4,948
Adjustments:		
Cumulative unrealized gain	12,530	12,530
Cumulative impairment	(2,448)	(2,448)
Carrying amount, end of period	**$ 15,030**	**$ 15,030**

Note 9. Short-term Investments

The following tables summarize the Company's short-term investments as of March 31, 2023 and December 31, 2022 (in thousands):

	As of March 31, 2023			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Short-term investments				
Certificates of deposit	$ 15,000	$ 138	$ —	$ 15,138
Commercial paper	5,000	23	—	5,023
Corporate debt securities	39,156	219	(18)	39,357
Foreign government bonds	12,815	142	—	12,957
U.S. Treasury bills	34,415	508	(6)	34,917
Total short-term investments	**$ 106,386**	**$ 1,030**	**$ (24)**	**$ 107,392**

	As of December 31, 2022			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Short-term investments				
Certificates of deposit	$ 38,703	$ 194	$ —	$ 38,897
Commercial paper	26,198	205	—	26,403
Corporate debt securities	46,826	189	(33)	46,982
Foreign government bonds	37,453	348	—	37,801
U.S. Treasury bills	44,333	359	—	44,692
Total short-term investments	**$ 193,513**	**$ 1,295**	**$ (33)**	**$ 194,775**

Note 10. Income Taxes

During the three months ended March 31, 2023 and 2022, the Company recorded a zero tax expense and a discrete tax expense of $0.5 million, respectively. The discrete item in the three months ended March 31, 2022 was primarily associated with the establishment of a deferred tax liability that is not expected to offset available deferred tax assets.

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. The Company continues to be in a net operating loss and net deferred tax asset position, before valuation allowances. Full valuation allowances, but for the deferred tax liability described above, have been established for the Company’s operations in all jurisdictions.

There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of March 31, 2023 and December 31, 2022. 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 11. Fair Value Measurements

The Company follows the guidance in ASC 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, 2023, and December 31, 2022, the carrying amounts of accounts receivable, prepaid expenses and other current assets, accounts payable, and accrued liabilities approximate 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 indicate the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value (in thousands):

	As of March 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:	$ 60,088	$ —	$ —	$ 60,088
Short-term investments:				
Certificates of deposit	—	15,138	—	15,138
Commercial paper	—	5,023	—	5,023
Corporate debt securities	—	39,357	—	39,357
Foreign government bonds	—	12,957	—	12,957
U.S. Treasury bills	34,917	—	—	34,917
Liabilities:				
Warrant liability – Private Placement Warrants	$ —	$ 481	$ —	$ 481
Earnout shares liability	—	—	4,507	4,507

	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:	$ 23,113	$ 4,992	$ —	$ 28,105
Short-term investments:				
Certificates of deposit	—	38,897	—	38,897
Commercial paper	—	26,403	—	26,403
Corporate debt securities	—	46,982	—	46,982
Foreign government bonds	—	37,801	—	37,801
U.S. Treasury bills	44,692	—	—	44,692
Liabilities:				
Warrant liability – Private Placement Warrants	$ —	$ 1,122	$ —	$ 1,122
Earnout shares liability	—	—	10,927	10,927

Cash Equivalents

The Company's cash equivalents consist of short-term, highly liquid financial instruments that are readily convertible to cash with original maturities of three months or less. As of March 31, 2023, the Company has $60.1 million invested in money market funds. As of December 31, 2022, the Company had $28.1 million invested in commercial paper and money market funds. The Company classifies its investments in commercial paper as Level 2 because they are valued using inputs other than quoted prices which are directly or indirectly observable in the market, including readily available pricing sources for the identical underlying security which may not be actively traded.

Short-term Investments

The Company's short-term investments consist of high quality, investment grade marketable debt securities and are classified as available-for-sale. The Company classifies its investments in certificates of deposit, commercial paper, corporate debt securities and foreign government bonds as Level 2 because they are valued using inputs other than quoted prices which are directly or indirectly observable in the market, including readily available pricing sources for the identical underlying security which may not be actively traded.

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, 2023	December 31, 2022
Stock price	$ 0.82	$ 1.55
Risk-free interest rate	3.8 %	4.2 %
Volatility	104.00 %	92.00 %
Remaining term (in years)	3.29	3.54

The following table presents the changes in the liabilities for Private Placement Warrants and Earnout for the three months ended March 31, 2023 (in thousands):

	Private Placement Warrants	Earnout
Balance as of December 31, 2022	$ 1,122	$ 10,927
Change in estimated fair value	(641)	(6,420)
Balance as of March 31, 2023	**$ 481**	**$ 4,507**

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

Note 12. 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 assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable, often involves significant judgment about future events, and the outcome of litigation is inherently uncertain. The Company accrues for matters when we believe that losses are probable and can be reasonably estimated. The Company accrued $2.7 million relating to probable and estimable losses as of March 31, 2023 and December 31, 2022 in Accrued liabilities in the Consolidated Balance Sheets, respectively.

As the outcome of individual matters is not predictable with assurance, the assessments are based on the Company's knowledge and information available at the time; thus, the ultimate outcome of any matter could require payment substantially in excess of the amount being accrued and/or disclosed. The Company is party to current legal proceedings as discussed more fully below.

Shareholder Securities and Derivative Litigation

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 and former officers and directors and certain former 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 the Company's 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-CJS-MWP), and on March 21, 2022, the court-appointed lead plaintiff filed a consolidated amended complaint seeking monetary damages. The Company and individual defendants moved to dismiss the consolidated amended complaint on May 20, 2022, and the court-appointed lead plaintiff filed its opposition to the motion on July 19, 2022. The court-appointed lead plaintiff filed an amended complaint on March 21, 2022, and a second amended complaint on September 16, 2022. Briefing regarding the Company and individual defendants' anticipated motion to dismiss the second amended complaint was stayed pending a non-binding mediation among the parties, which took place on May 9, 2023. The parties did not reach a settlement during the May 9, 2023 mediation. The lead plaintiff has conveyed that he will request leave to file a third amended complaint. The Company and individual defendants continue to anticipate filing a motion to dismiss the operative complaint.

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-06023-CJS)). These three lawsuits have been consolidated under the caption In re Hyzon Motors Inc. Derivative Litigation (Case No. 6:21-cv-06744-CJS). On February 2, 2022, a similar stockholder derivative lawsuit was filed in the U.S. District Court for the District of Delaware (Yellets v. Gu et al. (No. 22-cv-00156)). On February 3, 2022, a 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)). On February 13, 2023, a similar stockholder derivative lawsuit was filed in the Delaware Court of Chancery (Kelley v. Knight et al. (C.A. No. 2023-0173)). These lawsuits name as defendants the Company's current and former 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/or waste of corporate assets. These lawsuits generally seek equitable relief and monetary damages. Each of the shareholder derivative actions has been stayed or the parties have jointly requested that the actions be stayed pending a decision regarding the anticipated motion to dismiss in the consolidated securities class action.

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 stockholders 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. On May 26, 2022, the defendants in this case moved to dismiss the complaint. On August 2, 2022, the plaintiff filed an amended complaint. Defendants filed a motion to dismiss the amended complaint on August 15, 2022. Briefing on the motion to dismiss is now complete, and oral argument occurred on April 21, 2023.

Between January 26, 2022 and August 22, 2022, Hyzon received demands for books and records pursuant to Section 220 of the Delaware General Corporation Law from four stockholders who state they are investigating whether to file similar derivative or stockholder lawsuits, among other purposes. On May 31, 2022, one of these four stockholders represented that he had concluded his investigation and did not intend to file a complaint. On November 18, 2022, a second of the four stockholders filed a lawsuit in the Delaware Court of Chancery (Abu Ghazaleh v. Decarbonization Plus Acquisition Sponsor, LLC et al. (C.A. No. 2022-1050)), which was voluntarily dismissed shortly thereafter on December 1, 2022. On February 13, 2023, a third of these four stockholders filed a derivative lawsuit in the Delaware Court of Chancery (Kelley v. Knight et al. (C.A. No. 2023-0173)). The complaint asserts claims for breach of fiduciary duty and generally alleges that the individual defendants breached their fiduciary duties by making or failing to prevent misrepresentations including those alleged in the consolidated securities class action and the report released by Blue Orca Capital. As with the previously filed stockholders derivative lawsuits, the complaint seeks equitable relief and monetary damages. On April 17, 2023, the Court entered an order staying this action pending a decision on the anticipated motion to dismiss in the consolidated securities class action.

On April 18, 2023, the Company received a demand for books and records pursuant to Section 220 of the Delaware General Corporation Law from a stockholder seeking to investigate possible breaches of fiduciary duty or other misconduct or wrongdoing by the Company's controlling stockholder, Hymas Pte. Ltd. ("Hymas"), Hyzon's Board of Directors (the "Board") and/or certain members of Hyzon's senior management team in connection with the Company's entrance into (i) an equity transfer agreement (the "Equity Transfer") with certain entities affiliated with the Company, and (ii) the share buyback agreement with the Hymas (the "Share Buyback" and, together with the Equity Transfer, the "Transactions") as reported by the Company in its Form 8-K filed on December 28, 2022.

The above proceedings are subject to uncertainties inherent in the litigation process. The Company cannot predict the outcome of these matters or estimate the possible loss or range of possible loss, if any at this time.

Government Investigations

On January 12, 2022, the Company announced it 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 received two additional subpoenas in connection with the SEC's investigation on August 5, 2022 and August 10, 2022. On October 31, 2022, the U.S. Attorney's Office for the Southern District of New York ("SDNY") notified the Company that it is also investigating these matters. The Company is cooperating and will continue to cooperate with these and any other regulatory or governmental investigations or inquiries, and has commenced preliminary discussions with the SEC related to a potential resolution of their investigation. The Company cannot predict the ultimate outcome or timing of the SEC and the SDNY investigations or inquiries, what if any actions may be taken by the SEC or the SDNY, or the effect that such actions may have on the business, prospects, operating results and financial condition. As of the date of filing this Quarterly Report on Form 10-Q, management believes that the ultimate outcome and timing of the SEC investigation, including any potential monetary payment as part of a consensual resolution, if one is reached, remains uncertain and is not estimable given the broad range of potential outcomes. The resolution of the SEC investigation or other regulatory proceedings could have a material impact on the Company's liquidity and the Company's ability to continue as a going concern if a significant monetary payment is agreed and paid.

Delaware Court of Chancery Section 205

On February 13, 2023, the Company filed a petition under the caption In re Hyzon Motors Inc., C.A. No. 2023-0177-LWW (Del. Ch) in the Delaware Court of Chancery pursuant to Section 205 of the Delaware General Corporation Law ("DGCL"), which permits the Court of Chancery, in its discretion, to validate potentially defective corporate acts due to developments regarding potential interpretations of the DGCL stemming from the Court's recent decision in Garfield v. Boxed, Inc., 2022 WL 17959766 (Del. Ch. Dec. 27, 2022). On March 6, 2023, the Court of Chancery granted our petition, holding that any defects that may have existed with respect to the conduct of the Special Meeting of Shareholders held on July 15, 2021, to approve the increase in the Company's authorized share capital were ratified as of the meeting.

The Company continues to believe that, notwithstanding the relief the Delaware Court of Chancery granted to the Company under Section 205, at the time of DCRB Shareholder Meeting on July 16, 2021, the increase in the Company's authorized share capital was validly approved by DCRB's shareholders under Delaware law.

Customer and Supplier Disputes

From time to time, the Company is subject to various commercial disputes or claims with its customers or suppliers. In January 2023, Duurzaam Transport B.V. and H2 Transport B.V., both private limited companies in the Netherlands and customers of the Company's European subsidiary, Hyzon Motors Europe B.V. ("Hyzon Europe"), filed an attachment with the local Dutch court. The initial attachment claimed that Hyzon Europe was liable for liquidated and consequential damages stemming from Hyzon Europe allegedly not delivering trucks as contracted. The initial attachment placed a lien on the assets of Hyzon Europe. Following the attachments, Duurzaam Transport B.V. and H2 Transport B.V. initiated proceedings on the merits in February 2023. Eventually, the dispute was settled without any party admitting liability, and the Company made a payment of €2.1 million (approximately $2.3 million in USD) in April 2023, which was recorded in Accrued liabilities in the Consolidated Balance Sheets as of March 31, 2023 and December 31, 2022.

Regardless of outcome, such proceedings or claims can have an adverse impact on the Company because of legal defense and settlement costs, the Company's 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, the Company cannot predict the outcome of these currently outstanding customer and supplier dispute matters or estimate the possible loss or range of possible loss, if any.

Note 13. 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, 2022	**19,536,904**	**$ 1.51**	**12.00**	**5,972**	**6,268,193**	**$ 2.81**
Granted	—	$ —	—	—	140,500	$ 1.47
Exercised or released	—	$ —	—	—	(83,932)	$ 3.70
Forfeited/Cancelled	(360,110)	$ 1.65	—	—	(666,740)	$ 3.18
Outstanding at March 31, 2023	**19,176,794**	**$ 1.67**	**11.92**	**—**	**5,658,021**	**$ 2.72**
Vested and expected to vest, March 31, 2023	13,639,295	$ 1.20	11.58	—	5,658,021	$ 2.72
Exercisable and vested at March 31, 2023	12,270,770	$ 1.13	12.15	—	—	

As of March 31, 2023, there was $1.7 million of unrecognized stock-based compensation expense related to unvested stock options, which is expected to be recognized over a weighted-average period of 3.47 years.

RSUs granted under the Company's equity incentive plans typically vest over a two or four-year period beginning on the date of grant. RSUs will be settled through the issuance of an equivalent number of shares of the Company's 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, 2023, unrecognized compensation costs related to unvested RSUs of $12.4 million is expected to be recognized over a remaining weighted average period of 2.26 years.

Earnout to Other Equity Holders

Certain earnout awards to other equity holders accounted for under ASC 718, *Compensation - Stock Compensation* were vested at the time of grant, and therefore recognized immediately as compensation expense, and certain earnout awards vest over future periods. Total compensation expense related to these awards was negligible and $1.0 million for the three months ended March 31, 2023 and March 31, 2022, respectively. 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, 2023, no compensation expense has been recorded related to these awards.

Note 14. 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, 2023 and December 31, 2022, there were 244,561,071 and 244,509,208 shares of Class A common stock issued and outstanding, respectively.

Warrants

At March 31, 2023 and December 31, 2022, there were 11,013,665 Public Warrants and 8,014,500 Private Placement Warrants, for a total of 19,028,165 warrants outstanding. At March 31, 2023 and December 31, 2022, there were 170,048 Ardour Warrants outstanding.

Note 15. 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 subsidiaries 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 $10.0 million. The full $10.0 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

The Company made deposit payments to Horizon and its subsidiaries to secure fuel cell components. As of March 31, 2023, the remaining deposit balance was $5.6 million and included within Prepaid expenses and other current assets in the unaudited interim Consolidated Balance Sheets.

Certain employees of Horizon and its subsidiaries provide research and development, staff training, and administrative 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 in the Company’s unaudited interim Consolidated Statements of Operations and Comprehensive Loss related to such services for the three months ended March 31, 2022. There were no such activities for the three months ended March 31, 2023.

The related party receivable, net from Horizon and its subsidiaries is $6.2 million and $6.1 million as of March 31, 2023 and December 31, 2022, respectively. The related party receivable, net primarily relates to the divestiture of Hyzon Motors Technology (Guangdong) Co., Ltd. (“Hyzon Guangdong”), which was subsequently renamed to Guangdong Qingyun Technology Co. Ltd. (“Guangdong Qingyun”). In April 2023, the Company received approximately $6.4 million to settle the related party receivable associated with the divestiture of Hyzon Guangdong.

Note 16. Loss per share

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

	Three Months Ended March 31,	
	2023	2022
Net loss attributable to Hyzon	$ (30,248)	$ (6,523)
Weighted average shares outstanding:		
Basic	244,541	247,940
Effect of dilutive securities	—	—
Diluted	244,541	247,940
Net loss per share attributable to Hyzon:		
Basic	$ (0.12)	$ (0.03)
Diluted	$ (0.12)	$ (0.03)

Potentially dilutive shares are excluded from the computation of diluted net loss per share when their effect is antidilutive. The potential dilutive securities are summarized as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Restricted stock units	5,658	1,864
Stock options with service conditions	11,867	12,121
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	8,015
Public warrants	11,014	11,286
Earnout shares	23,250	23,250
Hongyun warrants	31	31
Ardour warrants	170	230

Note 17. Subsequent Events

Nasdaq Notices

Periodic Filing Rule

In February 2023, the Company received a Staff Determination from the Listing Qualifications Staff of Nasdaq notifying the Company that unless the Company requests an appeal, trading of the Company's Class A common stock and warrants will be suspended from The Nasdaq Capital Market at the opening of business on February 14, 2023, and a Form 25-NSE will be filed with the SEC. On February 10, 2023, the Hearings Panel granted the Company a 15 calendar day stay of delisting, and informed the Company that it would be notified within this 15 calendar day period whether the Company's request for a stay pending the hearing will be granted. The date for the delisting hearing was March 16, 2023. At the hearing, the Company presented its plan to regain compliance with Nasdaq Listing Rule 5250(c)(1) and requested the continued listing of its securities on The Nasdaq Capital Market pending such compliance. In March 2023, the Company received a letter from the Hearings Panel indicating that the Hearings Panel granted the Company's request for continued listing until May 15, 2023, in order to allow the Company to regain compliance with the periodic filing rule.

The Company's request for continued listing of its securities on The Nasdaq Capital Market until May 15, 2023 was granted subject to the condition that on or before May 15, 2023, the Company shall have filed with the SEC all delinquent reports, in compliance with the Periodic Filing Rule. Subsequently, on May 5, 2023, the Company notified the Hearings Panel and the Staff that the Company determined that it was necessary to seek an extension to May 31, 2023 to complete the annual audit of the Company's financial statements for the year ended December 31, 2022 and for the Company to file the 2022 Form 10-K. The Company also requested an extension to June 7, 2023, to file the Q1 2023 Form 10-Q. On May 10, 2023, the Hearings Panel granted the Company's requested extensions, providing the Company until May 31, 2023 to file the 2022 Form 10-K and June 7, 2023 to file the Q1 2023 Form 10-Q.

On April 6, 2023, the Company received an additional Staff Determination (the "Additional Staff Determination") from the Staff notifying the Company that, because the Staff did not receive the Company's Form 10-K for the year ended December 31, 2022, the Company does not comply with Nasdaq's Listing Rules for continued listing, thus constituting an additional basis for delisting the Company's securities from The Nasdaq Capital Market. The Additional Staff Determination further notified the Company that the Hearings Panel will consider this matter in their decision regarding the Company's continued listing on The Nasdaq Capital Market, and that the Company should present its views with respect to this additional deficiency to the Hearings Panel in writing no later than April 13, 2023. On April 13, 2023, the Company filed its response to the Additional Staff Determination. On May 31, 2023, the Company filed Form 10-K for the year ended December 31, 2022.

On May 16, 2023, the Company filed a Form 12b-25 to report that the Q1 2023 Form 10-Q would not be filed within the prescribed time period. On May 17, 2023, the Company received a second additional Staff Determination (the "Second Additional Staff Determination") from the Staff notifying the Company that, because the Staff did not receive the Q1 2023 Form 10-Q, the Company does not comply with Nasdaq's Listing Rules for continued listing, thus constituting an additional basis for delisting the Company's securities from The Nasdaq Capital Market. The Second Additional Staff Determination further notified the Company that the Hearings Panel will consider this matter in their decision regarding the Company's continued listing on The Nasdaq Capital Market, and that the Company should present its views with respect to this additional deficiency to the Hearings Panel in writing no later than May 24, 2023. On May 24, 2023, the Company filed its response to the Second Additional Staff Determination. There can be no assurance that we will successfully regain compliance or, if we do, that we will be able to remain in compliance.

Nasdaq Minimum Bid Price Requirement

On May 8, 2023, the Company received a letter from The Nasdaq Stock Market notifying the Company that, because the closing bid price for its common stock has been below $1.00 per share for 30 consecutive business days, it no longer complies with the minimum bid price requirement for continued listing on The Nasdaq Capital Market. Nasdaq Listing Rule 5550(a)(2) requires listed securities to maintain a minimum bid price of $1.00 per share (the "Minimum Bid Price Requirement"), and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the Minimum Bid Price Requirement exists if the deficiency continues for a period of 30 consecutive business days.

In the event the Company is not in compliance with the Minimum Bid Price Requirement by November 6, 2023, the Company may be afforded a second 180 calendar day grace period. To qualify, the Company would be required to meet the continued listing requirements for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the Minimum Bid Price Requirement. In addition, the Company would be required to provide written notice of its intention to cure the minimum bid price deficiency during this second 180-day compliance period by effecting a reverse stock split, if necessary. The Company is evaluating options for regaining compliance with the Minimum Bid Rule, including seeking shareholder approval at its next annual meeting of shareholders to declare and effect a reverse stock split.

The Company will continue to monitor the closing bid price of its common stock and seek to regain compliance with all applicable Nasdaq requirements within the allotted compliance periods.

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 2022 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.

Overview

Headquartered in Honeoye Falls, New York, with major operations in the United States, the Netherlands, and Australia. We provide decarbonized solutions primarily for the commercial vehicle market and hydrogen supply infrastructure. We are commercializing our proprietary fuel cell technology through assembling and upfitting heavy duty ("HD") hydrogen fuel cell electric vehicles ("FCEVs"). When we refer to "assembling" or "converting" our FCEVs, we generally mean integrating our fuel cells and fuel cell stacks with batteries, electric motors, and other components into a chassis to form a completed FCEV that we sell. When we "upfit" a vehicle, we generally mean that we provide services to transform a customer's internal combustion engine ("ICE") vehicle into a FCEV.

Vehicles and Vehicle Platforms

Our commercial vehicle business is focused primarily on assembling and converting FCEVs. Our new strategy takes a focused approach by designing and developing one vehicle platform in each region to conform with regional regulations and customer preferences. Our strategy to manufacture fuel cells in-house and work with third-party vehicle assemblers is intended to enable us to maintain an asset-light business model, lower production costs, and ultimately lower total cost of ownership ("TCO") for the customer - a prerequisite for scaling deployments of HD and medium duty ("MD") trucks with customers.

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. Our initial targeted customers 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.

We plan to expand our integration activities across rail, aviation, mobile power 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 partners and third parties 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.

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 Part I, Item 1A. "Risk Factors" in our Annual Report filed on Form 10-K for the year ended December 31, 2022.

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

We reported no revenue and $2.9 million of revenue from hydrogen fuel cell system sales in the United States and FCEVs in China for the three months ended March 31, 2023 and 2022, respectively. 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 for our fuel cells and fuel cell stacks, and we must achieve research and development milestones. Furthermore, we must establish or invest in companies that will establish or operate facilities capable of producing our hydrogen fuel cell systems and leverage third-party vehicle manufacturers to assemble 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 explore opportunities for fostering 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 spectrum with 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’ and other industry participants' 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 or collaborating with our partners and industry participants to drive down construction cost and achieve on-time scheduled performance.

Continued Investment in Innovation

We believe that we are an industry-leading hydrogen technology company with the most efficient and reliable fuel cell powertrain technologies and a compelling product and service offering. Our financial performance will be significantly dependent on our ability to maintain this position. We expect to incur substantial and increasing research and development 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 expect to 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 are focusing on a few major customers and we expect to follow this strategy for the next several years. These customers will mostly employ a back-to-base model in the early adoption phase of FCEVs. 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, mobile power, and incremental mobility applications (e.g., rail, 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 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 increased 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 not only by the need and desire to decarbonize activities, but also by the potential benefits of lower TCO in comparison to the cost of ownership associated with traditional gasoline and diesel internal combustion engines. Hyzon believes that it has identified a pathway to TCO parity with diesel vehicles.

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 HD 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 the demand for alternative, low-to-no carbon emission propulsion vehicles due to the numerous benefits of hydrogen power, including hydrogen's abundance, 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 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 may 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 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 Part I, Item 1. "Business" in our Annual Report filed on Form 10-K for the year ended December 31, 2022.

Results of Operations

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

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
Revenue	**$ —**	**$ 2,888**	**$ (2,888)**	**(100)%**
Operating expense:				
Cost of revenue	838	653	185	28 %
Research and development	9,340	6,936	2,404	35 %
Selling, general, and administrative	30,857	19,752	11,105	56 %
Total operating expenses	**41,035**	**27,341**	**13,694**	**50 %**
Loss from operations	**(41,035)**	**(24,453)**	**(16,582)**	**68 %**
Other income (expense):				
Change in fair value of private placement warrant liability	641	1,523	(882)	(58)%
Change in fair value of earnout liability	6,420	3,241	3,179	98 %
Gain on equity securities	—	12,530	(12,530)	(100)%
Foreign currency exchange gain (loss) and other expense, net	1,150	(1,150)	2,300	(200)%
Investment income and interest income, net	2,566	17	2,549	NM
Total other income (expense)	**10,777**	**16,161**	**(5,384)**	**(33)%**
Net loss before income taxes	**(30,258)**	**(8,292)**	**(21,966)**	**265 %**
Income tax expense	—	526	(526)	(100)%
Net loss	$ (30,258)	$ (8,818)	$ (21,440)	243 %
Less: Net loss attributable to noncontrolling interest	(10)	(2,295)	2,285	(100)%
Net loss attributable to Hyzon	**$ (30,248)**	**$ (6,523)**	**$ (23,725)**	**364 %**

NM Not meaningful

Three Months Ended March 31, 2023 and 2022

Revenue. Revenue represents sales of hydrogen FCEVs, fuel cell systems, and upfit services.

We did not generate revenue for the three months ended March 31, 2023. Revenue for the three months ended March 31, 2022 was $2.9 million, and represents sales of fuel cell systems in the United States and FCEVs in China.

Operating Expenses. Operating expenses consist of Cost of revenue, Research and development expenses and Selling, general and administrative expenses.

Operating expenses for the three months ended March 31, 2023 were $41.0 million compared to $27.3 million for the three months ended March 31, 2022.

Cost of Revenue. Cost of revenue includes direct materials, labor costs, allocated overhead costs related to the assembly and upfitting of hydrogen FCEVs, fuel cell systems, estimated warranty costs, and inventory write-downs.

Cost of revenue for the three months ended March 31, 2023 totaled $0.8 million related to cost provisions accrued for customer contract activities and inventory write-downs in Europe. Cost of revenue for the three months ended March 31, 2022 totaled $0.7 million primarily consisting of $0.5 million in upfitting services in Europe and $0.1 million of costs to deliver fuel cells in the U.S.

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 $9.3 million and $6.9 million for the three months ended March 31, 2023 and 2022, respectively. The increase was primarily due to $1.6 million in higher personnel costs, which were incurred in order to enhance our research and development expertise in vehicle design, vehicle software, fuel cell systems, and electric powertrain. The remaining increase of $0.8 million was primarily related to materials used in research and development.

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 $30.9 million and $19.8 million for the three months ended March 31, 2023 and 2022, respectively. The increase was primarily due to $9.4 million in higher legal, accounting and consulting fees incurred in connection with regulatory and legal matters, including the Special Committee investigation, the SEC and regulatory investigations and other litigation, $1.4 million in higher salary and related expenses and $0.3

million in higher marketing expense.

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 investee entity.

Changes in estimated fair values of private placement warrant liability and earnout liability for the three months ended March 31, 2023, were $0.6 million and $6.4 million, respectively. 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. The change in the estimated fair values of the private placement warrant liability and earnout liability were primarily attributable to the year over year decrease in the Company's share price. There were no equivalent price adjustment in equity securities requiring fair value remeasurement for the three months ended March 31, 2023.

Foreign Currency Exchange Gain (Loss) and Other Expense, net. Foreign currency exchange gain (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 gain was $1.2 million for the three months ended March 31, 2023 compared to a loss of $1.2 million in the three months ended March 31, 2022.

Investment income and interest expense, net. Investment income was $2.4 million and interest income, net was $0.1 million for the three months ended March 31, 2023, compared to negligible interest income for the three months ended March 31, 2022. Investment income for the three months ended March 31, 2023 primarily relates to realized gain or loss on short-term investments.

Income Tax Expense. We had no income tax expense for the three months ended March 31, 2023. For 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, foreign, and state levels and maintains a full valuation allowance, but for the deferred tax liability described above, against its deferred tax assets.

Net Loss Attributable to Noncontrolling Interests. Net loss attributable to noncontrolling 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 noncontrolling interests was negligible and $2.3 million for the three months ended March 31, 2023 and 2022, respectively. The decrease is primarily because the Company acquired the remaining equity interests of Hyzon Europe from Holthausen Clean Technology Investments B.V. ("Holthausen") in December 2022. The Company now holds 100% ownership in Hyzon Europe.

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, gain (loss) on 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 EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate 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,	
	2023	**2022**
Net loss	**$ (30,258)**	**$ (8,818)**
Interest income, net	(135)	(17)
Income tax expense	—	526
Depreciation and amortization	1,082	904
EBITDA	**$ (29,311)**	**$ (7,405)**
Adjusted for:		
Change in fair value of private placement warrant liability	(641)	(1,523)
Change in fair value of earnout liability	(6,420)	(3,241)
Gain on equity securities	—	(12,530)
Stock-based compensation	1,359	1,193
Regulatory and legal matters [1]	7,742	2,730
Adjusted EBITDA	**$ (27,271)**	**$ (20,776)**

(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

The Company incurred net losses of $30.3 million and $8.8 million for the three months ended March 31, 2023 and 2022, respectively. Net cash used in operating activities was $46.0 million and $30.1 million for the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023, we had $101.6 million in unrestricted cash and cash equivalents, $107.4 million in short-term investments, and positive working capital of $231.5 million. We believe that our current cash balance, including cash equivalents and short term investments, will provide adequate liquidity during the 12-month period from the issuance date of these unaudited interim consolidated financial statements.

As an early-stage growth company, the Company expects to continue to incur net losses in the near-term. The Company commenced its internal restructuring efforts in 2022, focusing on advancing its proprietary fuel cell technology, developing and commercializing a single HD FCEV commercial vehicle platform in each region, and leveraging third-party contracted manufacturers and assemblers where possible to streamline our operations and maximize cash and capital efficiency. Until the Company can generate sufficient revenue from product sales and upfit services to cover operating expenses, working capital, and capital expenditures, the Company will need to raise additional capital. The Company expects to fund cash needs through a combination of equity and debt financing, strategic collaborations, and licensing arrangements. If the Company cannot raise additional funds when needed, our financial condition, business, prospects, and results of operations could be materially adversely affected. In addition, 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 outcome of litigation and other legal proceedings, including the other claims described under Legal Proceedings in Note 12. Commitments and Contingencies, are inherently uncertain, and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages or injunctive relief against us. Specifically, the resolution of the SEC investigation or other regulatory proceedings could have a material impact on the Company's liquidity and the Company's ability to continue as a going concern if a significant monetary payment is agreed and paid.

These unaudited interim consolidated financial statements have been prepared by management in accordance with U.S. GAAP and this basis assumes that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. These unaudited interim consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty. As of the date of this Quarterly Report on Form 10-Q, management believes that the Company's existing financial resources will be sufficient to execute its operating priorities for the next 12 months following the issuance date of these unaudited interim consolidated financial statements. As of May 31, 2023, unrestricted cash, cash equivalents, and short-term investments were approximately $185 million.

Short-Term Liquidity Requirements

As of the date of this filing, we believe our available liquidity and capital resources will be sufficient to continue to execute our business strategy over at least the next twelve-month period. Given the challenging capital market environment that exists today, the Company is actively assessing scenarios to further streamline operations and cash requirements including further integrating and centralizing global engineering, and supply chain and logistics to minimize the lag between inventory and truck delivery to customers (amongst other optimizations).

The main tenants of our re-focused business strategy includes:

- completing the development and commercial launch of our three focused FCEV HD truck platforms;
- completing customer trials of our FCEVs which we expect to lead to FCEV sales;
- delivering FCEVs to customers;
- expanding our contracted customer pipeline;
- commercializing our 200 kW single stack fuel cell system, and manufacturing facility in Bolingbrook, IL, USA;
- active management of our cost structure and balancing priorities, and;
- strategic hiring of critical personnel to deliver the above mentioned programs.

We have considered and assessed our ability to continue as a going concern for at least one year from the date of this filing. We have undertaken certain actions during the last two quarters of 2022 and the first five months of 2023 which we expect to further improve our cost structure, monthly cash burn rate, and strategic alignment along with our pathway to cash flow breakeven in the future:

- integrating our organization globally to drive efficiencies in all regions, including re-prioritization of hiring plans;
- eliminated research and development programs deemed not vital to fuel cell and vehicle platform commercialization in the near-term;
- reduced the number of vehicle platforms for development and deployment, focusing on three core vehicle platforms (one developed in each region where we operate with global deployment potential);
- halted commercial vehicle deliveries in China and restructured some of our China operations to align with our revised global strategic and execution priorities, which included a staff reduction of 17 employees;
- conducted divestitures to monetize non-core assets or contracts and acquired 100% ownership of Hyzon Motors Europe to drive further operational

efficiencies in our European operation;

- identified improvements in our business model that we expect to further reduce the working capital requirements for our fuel cell system manufacturing and vehicle assembling business;

- pursuing a path to dissolve non-core legal entities or joint venture relationships.

We have identified additional cash management levers available to us, which we are prepared to implement if necessary to extend liquidity balanced against impact to the business execution plan.

However, actual results could vary materially and negatively as a result of a number of factors, including:

- our ability to manage the costs of manufacturing and servicing the FCEVs;

- revenue received from sales of our FCEVs and 200 kW single stack fuel cell systems;

- the costs of expanding and maintaining our fuel cell manufacturing facility and equipment;

- our warranty claims experience should actual warranty claims differ significantly from estimates;

- the scope, progress, results, costs, timing and outcomes of the commercial development of our FCEV customer pipeline and conversion to contracts and deliveries;

- the timing and the costs involved in bringing our vehicles and 200 kW single stack fuel cell systems to market;

- the costs of maintaining, expanding and protecting our intellectual property portfolio, including potential litigation costs and liabilities;

- the timely assembly of, delivery to customers, and performance of our FCEVs and 200 kW single stack fuel cell systems for purposes of revenue recognition and expanding contracted revenue pipeline with customers;

- the costs of additional general and administrative personnel, including accounting and finance, legal, and human resources, as well as costs related to litigation, investigations, or settlements;

- other risks discussed in our 2022 Annual Report filed on Form 10-K the section entitled "*Risk Factors*".

Long-Term Liquidity Requirements

Until we can generate sufficient revenue from product sales and upfit services to cover operating expenses, working capital and capital expenditures, we will need to fund cash needs through a combination of equity and debt financing, strategic collaborations, and licensing arrangements. If we raise funds by issuing equity securities, dilution to stockholders may result. Any equity securities issued may also provide for rights, preferences or privileges senior to those of holders of our common stock. If we raise funds by issuing debt securities, these debt securities may have rights, preferences and privileges senior to those of holders of our common stock. The terms of debt securities or borrowings could impose significant restrictions on our operations. If we raise funds through collaborations and licensing arrangements, we might be required to relinquish significant rights to our technologies or products, or grant licenses on terms that are not favorable to us. The credit market and financial services industry have in the past, and may in the future, experience periods of upheaval that could impact the availability and cost of equity and debt financing.

While we intend to raise additional capital in the future, if adequate funds are not available, we will need to reevaluate our expansion plans or limit our research and development activities, which could have a material adverse impact on our business prospects.

Cash Flows

The following table is summarized from our unaudited interim Consolidated Statements of Cash Flows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Net cash used in operating activities	$ (46,013)	$ (30,096)
Net cash provided by (used in) investing activities	86,348	(3,895)
Net cash used in financing activities	(200)	(3,389)

Cash Flows for Three Months Ended March 31, 2023 and March 31, 2022

Cash Flows from Operating Activities

Net cash used in operating activities was $46.0 million for the three months ended March 31, 2023, as compared to $30.1 million for the three months ended March 31, 2022. The cash flows used in operating activities for the three months ended March 31, 2023 was primarily driven by net loss of $30.3 million and adjustments for certain non-cash items and changes in operating assets and liabilities. Non-cash gain adjustments primarily consisted of changes in estimated fair value of the private placement warrant liability of $0.6 million, earnout liability of $6.4 million and accretion of discount on available-for-sale debt securities of $0.7 million. These non-cash gain adjustments were partially offset by $1.4 million of stock-based compensation expense, $1.1 million in depreciation and amortization and $0.3 million for the write-down of inventory. Changes in operating assets and liabilities were primarily driven by increases of $6.9 million in inventory balances, $1.2 million in accounts receivable, $2.3 million accounts payable, $1.1 million in contract liabilities, and decreases of $9.3 million in accrued liabilities, and $3.1 million in prepaid expenses and other current assets.

Net cash used in operating activities for the three months ended March 31, 2022 was primarily driven by a net loss of $8.8 million and adjusted for certain non-cash items and changes in operating assets and liabilities. Non-cash gain adjustments consisted of changes in estimated 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 $1.2 million of stock-based compensation expense and $0.9 million in depreciation and amortization. Changes in operating assets and liabilities were primarily driven by $1.7 million increase in prepayments for vehicle inventory, production equipment, other supplier deposits and director and officer (“D&O”) insurance, an increase of $7.5 million in inventory balances, an increase in accrued liabilities of $3.4 million, a decrease in contract liabilities of $2.6 million and a decrease in accounts receivable of $2.2 million.

Cash Flows from Investing Activities

Net cash provided by investing activities was $86.3 million for the three months ended March 31, 2023, as compared to $3.9 million of cash used in investing activities for the three months ended March 31, 2022. The cash flows provided by investing activities for the three months ended March 31, 2023 were primarily driven by $94.9 million of proceeds from maturities of short-term investments, offset by $7.1 million cash paid to purchase short-term investments and $1.2 million cash paid for property and equipment. The cash flows used in investing activities for the three months ended March 31, 2022 were primarily driven by $3.6 million cash paid for property and equipment and $0.3 million paid in advance for capital expenditures.

Cash Flows from Financing Activities

Net cash used in financing activities was $0.2 million for the three months ended March 31, 2023, as compared to $3.4 million for the three months ended March 31, 2022. The cash flows used in financing activities for the three months ended March 31, 2023 were driven primarily by $0.1 million payment towards finance lease liability. The cash flows used in financing activities for the three months ended March 31, 2022 were driven primarily by a $3.1 million payment towards the Horizon IP Agreement.

Contractual Obligations and Commitments

For the three months ended March 31, 2023, 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, 2022.

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

There have been no substantial changes to these estimates, or the policies related to them for the three months ended March 31, 2023. 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, 2022.

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 $1.235 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, 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 subsidiaries 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 $10.0 million. The full $10.0 million has been paid, $6.9 million was paid in 2021 and the remaining $3.1 million was paid in February 2022.

Hyzon, JS Horizon and JS Powertrain have begun discussions to amend the IP Agreement.

Related Party Payables and Receivables

Horizon Fuel Cell Technologies and Related Subsidiaries

The Company made deposit payments to Horizon and its subsidiaries to secure fuel cell components. As of March 31, 2023, the remaining deposit balance was $5.6 million and included within Prepaid expenses and other current assets in the unaudited interim Consolidated Balance Sheets.

Certain employees of Horizon and its subsidiaries provide research and development, staff training, and administrative 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 in the Company's unaudited interim Consolidated Statements of Operations and Comprehensive Loss related to such services for the three months ended March 31, 2022. There were no such activities for the three months ended March 31, 2023.

The related party receivable, net from Horizon and its subsidiaries is $6.2 million and $6.1 million as of March 31, 2023 and December 31, 2022, respectively. The related party receivable, net primarily relates to the divestiture of Hyzon Motors Technology (Guangdong) Co., Ltd. ("Hyzon Guangdong"), which was subsequently renamed to Guangdong Qingyun Technology Co. Ltd. ("Guangdong Qingyun"). In April 2023, the Company received $6.4 million to settle the related party receivable associated with the divestiture of Hyzon Guangdong.

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

(a) Evaluation of Disclosure Controls and Procedures

The term disclosure controls and procedures means 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 Interim Chief Financial Officer to allow timely decisions regarding required disclosure.

We do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all instances of fraud due to inherent limitation of internal controls. Because of these inherent limitations there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Our Chief Executive Officer and Interim Chief Financial Officer have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of March 31, 2023. Based on such evaluation, our Chief Executive Officer and Interim Chief Financial Officer have concluded that as of March 31, 2023 our disclosure controls and procedures were not effective because of the material weaknesses in internal control over financial reporting described below.

In light of the material weaknesses described below, our management has performed additional analyses, reconciliations, and other post-closing procedures and has concluded that, notwithstanding the ineffectiveness of our disclosure controls and procedures as well as material weaknesses in our internal control over financial reporting as of March 31, 2023, the unaudited interim consolidated financial statements for the periods covered by and included in this Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows as of and for the periods presented in conformity with U.S. GAAP.

(b) Material Weaknesses in Internal Control over Financial Reporting

While preparing the Company's unaudited interim consolidated financial statements, our management concluded that the following material weaknesses in internal control over financial reporting disclosed in our Annual Report filed on Form 10-K for the year ended December 31, 2022 are not fully remediated:

- The Company did not demonstrate a commitment to attract, develop, and retain competent individuals in alignment with objectives and accordingly did not have sufficient qualified resources.

- The Company did not have an effective risk assessment process that successfully identified and assessed risks of material misstatement to ensure controls were designed and implemented to respond to those risks.

- The Company did not have an effective internal information and communication process to ensure that relevant and reliable information was communicated on a timely basis across the organization, to enable financial personnel to effectively carry out their financial reporting and internal control roles and responsibilities.

- The Company did not sufficiently establish structures, reporting lines and appropriate authorities and responsibilities in the pursuit of objectives.

As a consequence, the Company did not effectively design, implement and operate process-level control activities related to revenue recognition, complex accounting transactions, and the financial close process to mitigate risks to an acceptable level.

Because there is a reasonable possibility that material misstatements of the unaudited interim consolidated financial statements will not be prevented or detected on a timely basis, we concluded that these deficiencies represent material weaknesses in our internal control over financial reporting and that our internal control over financial reporting was not effective as of March 31, 2023.

A material weakness is a deficiency, or a 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 financial statements will not be prevented or detected on a timely basis. These deficiencies could result in misstatements to our financial statements that would be material and would not be prevented or detected on a timely basis.

(c) Remediation Plan and Status

With oversight from the Audit Committee and input from the Board of Directors, management has begun designing and implementing changes in processes and controls to remediate the material weaknesses described above. Management and the Board of Directors, including the Audit Committee, are working to remediate the material weaknesses identified herein. While the Company expects to take other remedial actions, actions taken to date include:

- appointed a new Chief Executive Officer and Interim Chief Financial Officer and created new roles of President of International Operations, President of North America, Chief Operating Officer, and Chief Human Resource Officer.

- hired additional finance and accounting personnel over time to augment our accounting staff, including third-party resources with the appropriate technical accounting expertise;

- engaged 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;

- established a Disclosure Committee and implemented controls and procedures for the disclosure of Company data and information, as well as roles and responsibilities for formal review and sign off process; and

- implemented a formal regional general manager consolidated financial statement review and certification process for each SEC filing.

In addition to the remedial actions taken to date, the Company is taking, or plans to take, the following actions to remediate the material weaknesses identified herein:

- designing and implementing a comprehensive and continuous risk assessment process to identify and assess risks of material misstatements and to ensure that the impacted financial reporting processes and related internal controls are properly designed, maintained, and documented to respond to those risks in our financial reporting;

- further developing and implementing formal policies, processes and documentation procedures relating to financial reporting, including revenue recognition and other complex accounting matters, and consulting with independent accounting experts and advisors;

- formalizing the design of the processes and controls related to sales of our products and services, as well as vendor contracting, fuel cell acceptance, transfer of control of our products to customers, tracking our vehicles' post-sale performance, and archiving documentation in a central system; and

- completing ethics training globally and in addition, providing general public company periodic training for Company personnel, including on potential topics such as the responsibilities of a public company, the core values of the Company’s accounting and finance function, and best practices to implement those values.

As we work to improve our internal control over financial reporting, we will report regularly to the Company’s Audit Committee on the progress and results of the remediation plan, including the identification, status, and resolution of internal control deficiencies. We may modify our remediation plan and may implement additional measures as we continue to review, optimize and enhance our financial reporting controls and procedures in the ordinary course. We will not be able to fully remediate these material weaknesses 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 weaknesses, 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.

(d) Changes in Internal Control over Financial Reporting

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 quarter ended March 31, 2023, 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 12. Commitment and Contingencies, to our unaudited interim 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, 2022 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 2022 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 for the three months ended March 31, 2023 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

Exhibit Number	Description
3.1	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)
3.2	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)
10.1**	Technology Development Agreement, effective as of February 24, 2023, between Hyzon Motors USA Inc. and Hyliion Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 1, 2023).
10.2#	Employment Agreement, dated August 21, 2021, together with Letter Agreement, signed March 16, 2023, by and between Hyzon and JiaJia Wu (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on April 4, 2023).
10.3#	Employment Agreement, dated September 18, 2021, together with Letter Agreement, signed March 3, 2023, by and between Hyzon and Pat Griffin (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on April 4, 2023).
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)
31.2	Certification of Interim Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a)
32.1*	Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350
32.2*	Certification of Interim Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350
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.

** Certain provisions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K and will be supplementally provided to the SEC upon request.

# Indicates management contract or compensatory arrangement.

SIGNATURES

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: June 7, 2023	By:	/s/ Parker Meeks
	Name:	Parker Meeks
	Title:	Chief Executive Officer (Principal Executive Officer)
Date: June 7, 2023	By:	/s/ Jiajia Wu
	Name:	Jiajia Wu
	Title:	Interim Chief Financial Officer and Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

**CERTIFICATION 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, Parker Meeks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   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 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: June 7, 2023

/s/ Parker Meeks

Parker Meeks
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION 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, Jiajia Wu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    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 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: June 7, 2023

/s/ Jiajia Wu

Jiajia Wu
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Hyzon Motors Inc. (the "Company") for the period ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Parker Meeks, Chief Executive Officer, hereby certify to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2022, that:

1. 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: June 7, 2023

/s/ Parker Meeks

Parker Meeks
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Hyzon Motors Inc. (the "Company") for the period ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jiajia Wu, Interim Chief Financial Officer, hereby certify to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. 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: June 7, 2023

/s/ Jiajia Wu

Jiajia Wu
Interim Chief Financial Officer
(Principal Financial Officer)