

**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 June 30, 2024

OR

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

For the transition period from _____ to _____

Hyzon Motors Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39632
(Commission
File Number)

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

599 South Schmidt Road
Bolingbrook, IL
(Address of principal executive offices)

60440
(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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

As of August 2, 2024, there were approximately 271,550,918 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 (this “Report”) contains forward-looking statements within the meaning of 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 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,” “seeks,” as well as 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, 2023, and in subsequent reports that we file with the SEC, including this Form 10-Q for the quarter ended June 30, 2024:

- our ability to continue as a going concern;
- our ability to raise capital in the future;
- the possibility that we may need to seek bankruptcy protection;
- our ability to maintain our listing on The Nasdaq Capital Market;
- our ability to successfully execute on our strategic alternatives and avoid filing for bankruptcy;
- our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects and plans;
- developments and projections relating to our competition and industry;
- our ability to execute our business model, including market acceptance of our planned products and services;
- our ability to execute our corporate restructuring and manage the associated headcount reduction;
- our ability to maintain or extend our technological innovation in hydrogen fuel cells, proton exchange membranes and membrane exchange assemblies;
- our business, expansion plans and opportunities;
- our ability to profitably expand into new markets;
- our ability to realize our projected timelines for the development of our business;
- our ability to retain or recruit, or changes required in, our officers, key employees or directors;
- our ability to protect, defend, or enforce intellectual property on which we depend;
- our ability to implement our business plans and strategies;
- our ability to procure and/or supply hydrogen at competitive prices;
- our ability to obtain customers, obtain product orders, and convert our non-binding pre-orders into binding orders or sales; and
- our ability to address other factors detailed in this report in the section entitled “*Risk Factors*”.

We have based these forward-looking statements on our current expectations, assumptions, beliefs, estimates, projections, intentions and strategies regarding future events and on currently available information as to the outcome and timing of future events. While we believe these expectations, assumptions, beliefs, estimates, projections, intentions and strategies are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. Actual results and timing of certain events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the section entitled “*Risk Factors*” in this report. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements, which speak only as of the date of this report. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this report, except as may be required under applicable securities laws.

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)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 34,720	\$ 112,280
Short-term investments	20,418	—
Accounts receivable	720	498
Unbilled receivable	93	1,599
Inventory	7,786	28,811
Prepaid expenses and other current assets	3,644	9,335
Total current assets	67,381	152,523
Property, plant, and equipment, net	15,150	18,569
Right-of-use assets	3,762	4,741
Equity method investments	8,315	8,382
Investments in equity securities	763	763
Other assets	6,142	6,157
Total Assets	\$ 101,513	\$ 191,135
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 2,969	\$ 1,479
Accrued liabilities	23,948	30,116
Related party payables	588	265
Contract liabilities	4,777	8,872
Current portion of lease liabilities	1,570	1,821
Total current liabilities	33,852	42,553
Long term liabilities		
Lease liabilities	4,859	5,733
Private placement warrant liability	160	160
Earnout liability	1,321	1,725
Accrued SEC settlement	8,174	8,000
Other liabilities	1,318	2,964
Total Liabilities	\$ 49,684	\$ 61,135
Commitments and contingencies (Note 14)		
Stockholders' Equity		
Common stock, \$0.0001 par value; 400,000,000 shares authorized, 248,554,855 and 245,081,497 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively.	25	25
Treasury stock, at cost; 3,769,592 shares as of June 30, 2024 and December 31, 2023, respectively.	(6,446)	(6,446)
Additional paid-in capital	387,010	380,261
Accumulated deficit	(327,655)	(242,640)
Accumulated other comprehensive loss	(358)	(514)
Total Hyzon Motors Inc. stockholders' equity	52,576	130,686
Noncontrolling interest	(747)	(686)
Total Stockholders' Equity	51,829	130,000
Total Liabilities and Stockholders' Equity	\$ 101,513	\$ 191,135

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 313	\$ —	\$ 10,296	\$ —
Operating expense:				
Cost of revenue	18,415	2,410	26,231	3,248
Research and development	9,817	12,597	20,646	21,937
Selling, general, and administrative	25,516	49,098	47,044	79,955
Restructuring and related charges	2,663	—	3,164	—
Total operating expenses	56,411	64,105	97,085	105,140
Loss from operations	(56,098)	(64,105)	(86,789)	(105,140)
Other income (expense):				
Change in fair value of private placement warrant liability	481	160	—	801
Change in fair value of earnout liability	4,231	916	404	7,336
Foreign currency exchange gain (loss) and other expense, net	(156)	280	(683)	1,430
Investment income and interest income, net	752	2,494	1,976	5,060
Total other income (expense)	5,308	3,850	1,697	14,627
Loss before income taxes	\$ (50,790)	\$ (60,255)	\$ (85,092)	\$ (90,513)
Income tax expense	—	—	—	—
Net loss	\$ (50,790)	\$ (60,255)	\$ (85,092)	\$ (90,513)
Less: Net loss attributable to noncontrolling interest	—	(7)	(77)	(17)
Net loss attributable to Hyzon	\$ (50,790)	\$ (60,248)	\$ (85,015)	\$ (90,496)
Comprehensive loss:				
Net loss	\$ (50,790)	\$ (60,255)	\$ (85,092)	\$ (90,513)
Foreign currency translation adjustment	(313)	(931)	172	(1,735)
Net change in unrealized gain (loss) on short-term investments	—	(691)	—	(988)
Comprehensive loss	\$ (51,103)	\$ (61,877)	\$ (84,920)	\$ (93,236)
Less: Comprehensive income (loss) attributable to noncontrolling interest	4	22	(61)	5
Comprehensive loss attributable to Hyzon	\$ (51,107)	\$ (61,899)	\$ (84,859)	\$ (93,241)
Net loss per share attributable to Hyzon:				
Basic	\$ (0.21)	\$ (0.25)	\$ (0.34)	\$ (0.37)
Diluted	\$ (0.21)	\$ (0.25)	\$ (0.34)	\$ (0.37)
Weighted average common shares outstanding:				
Basic	246,788	244,628	247,293	244,585
Diluted	246,788	244,628	247,293	244,585

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

Available-for-sale short-term investments:											
Unrealized net gain on short-term investments	—	—	—	—	—	—	154	154	—	154	
Reclassification to net loss							(845)	(845)		(845)	
Net loss attributable to Hyzon	—	—	—	—	—	(60,248)	—	(60,248)	—	(60,248)	
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	(7)	(7)	
Foreign currency translation loss	—	—	—	—	—	—	(960)	(960)	29	(931)	
Balance as of June 30, 2023	244,708,119	\$ 25	3,769,592	\$ (6,446)	\$ 375,818	\$ (149,094)	\$ (2,898)	\$ 217,405	\$ (706)	\$ 216,699	

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)

	Six Months Ended June 30,	
	2024	2023
Cash Flows from Operating Activities:		
Net loss	\$ (85,092)	\$ (90,513)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,915	2,193
Stock-based compensation	7,638	2,987
Foreign currency transaction loss/(gain)	535	(1,620)
Fair value adjustment of private placement warrant liability	—	(801)
Fair value adjustment of earnout liability	(404)	(7,336)
Inventory write-downs	18,357	2,106
Impairment of property and equipment, ROU asset	1,322	1,090
Accretion of discount on available-for-sale debt securities	—	(1,424)
Gain on sales of property and equipment	187	—
Other	(386)	7
Changes in operating assets and liabilities:		
Accounts receivable	(221)	(919)
Unbilled receivable	1,506	—
Inventory	2,713	(10,500)
Prepaid expenses and other current assets	5,243	6,764
Other assets	237	305
Accounts payable	1,496	(5,995)
Accrued liabilities	(6,158)	(1,986)
Related party payables, net	323	5,988
Contract liabilities	(5,798)	2,711
Other liabilities	(125)	14,885
Net cash used in operating activities	(56,712)	(82,058)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(2,328)	(2,684)
Proceeds from sales of property and equipment	2,883	—
Purchases of short-term investments	(30,000)	(16,594)
Proceeds from maturities of short-term investments	10,000	129,905
Proceeds from sale of short-term investments	—	50,021
Net cash provided by (used in) investing activities	(19,445)	160,648
Cash Flows from Financing Activities:		
Payment of finance lease liability	—	(237)
Net share settlement of equity awards	(889)	(111)
Net cash used in financing activities	(889)	(348)
Effect of exchange rate changes on cash	(288)	(2)
Net change in cash, cash equivalents, and restricted cash	(77,334)	78,240
Cash, cash equivalents, and restricted cash — Beginning	118,101	66,790
Cash, cash equivalents, and restricted cash — Ending	\$ 40,767	\$ 145,030

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 Bolingbrook, Illinois, 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. In addition, Hyzon seeks to build and foster a clean hydrogen supply ecosystem with leading partners from feedstocks through production and dispensing.

Strategic Realignment

In June 2024, the Company announced that it had started realigning its strategic priorities to focus on the Company’s North American Class 8 and refuse truck markets and as a part of these efforts, the Company announced in July 2024 that it would wind down its operations in the Netherlands and Australia (see Note 4. Restructuring and Related Charges).

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, 2023.

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 and Going Concern

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 the uncertainties described below.

In accordance with ASC 205-40, *Presentation of Financial Statements - Going Concern* (“ASC 205-40”), the Company evaluates whether there are certain conditions and events, considered in the aggregate, which raise substantial doubt about the Company’s ability to continue as a going concern. In accordance with ASC 205-40, the Company’s analysis can only include the potential mitigating impact of the plans that have not been fully implemented as of the issuance date of these unaudited interim consolidated financial statements if (a) it is probable that these plans will be effectively implemented within one year after the date that the financial statements are issued, and (b) it is probable that the plans, when implemented, will alleviate the relevant conditions or events that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are issued.

The Company has incurred net losses since inception. Net cash used in operating activities was \$56.7 million and \$82.1 million for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, the Company has \$34.7 million in unrestricted cash and cash equivalents, \$20.4 million in short-term investments, and \$6.0 million in restricted cash. The Company incurred net losses of \$50.8 million and \$60.3 million for the three months ended June 30, 2024 and 2023, respectively. The Company incurred net losses of \$85.1 million and \$90.5 million for the six months ended June 30, 2024 and 2023, respectively. Accumulated deficit amounted to \$327.7 million and \$242.6 million as of June 30, 2024 and December 31, 2023, respectively.

The Company has concluded that at the time of this filing, substantial doubt exists about its ability to continue as a going concern as the Company believes that its financial resources, existing cash resources, and additional sources of liquidity are insufficient to support planned operations beyond the next 12 months. We are also continuing to evaluate the need to pursue bankruptcy protection or other in-court relief if our financing efforts or other strategic alternatives are not successful.

In order to reduce the cash used in operating activities, the Company implemented certain cost savings initiatives, including a restructuring plan in July 2023, as further discussed in our Annual Report filed on Form 10-K for the year ended December 31, 2023. Additionally, in June 2024, the Company announced that it had started realigning its strategic priorities to focus on the Company’s North American Class 8 and refuse truck markets and as a part of these efforts, the Company announced in July 2024 that it would wind down its operations in the Netherlands and Australia. While these plans are anticipated to reduce cash outflows when compared to prior periods, the Company’s continued existence is primarily dependent upon its ability to obtain additional financing, as well as to attain and maintain profitable operations by entering into profitable sales or service contracts and generating sufficient cash flow to meet its obligations on a timely basis. The Company’s business will require significant additional funding to execute its long-term business plans notwithstanding its requirements for

additional current funding. If the Company fails to raise additional funding in time or in a sufficient amount to meet its requirements, the Company may be required or compelled to pursue additional restructuring initiatives to preserve cash, working capital, and optionality, including pursuing bankruptcy protection or other in-court relief.

The Company plans to improve its liquidity through a combination of equity and/or debt financing, alliances or other partnership agreements with entities interested in our technologies, and the liquidation of certain inventory balances. If the Company raises funds in the future by issuing equity securities, dilution to stockholders will occur and may be substantial, and the Company may be required to seek shareholder approval for issuance of equity securities. Any equity securities issued may also provide for rights, preferences, or privileges senior to those of common stockholders. If the Company raises funds in the future by issuing debt securities, these debt securities could have rights, preferences, and privileges senior to those of common stockholders. The terms of any debt securities or borrowings could impose significant restrictions on the Company's operations. The capital markets have experienced in the past, and may experience in the future, periods of uncertainty that could impact the availability and cost of equity and debt financing. In addition, federal fund rates set by the Federal Reserve, which serve as a benchmark for rates on borrowing, will continue to impact the cost of debt financing.

There can be no assurance that any such financing can be realized by the Company, or if realized, what the terms thereof may be, or that any amount that the Company is able to raise will be adequate to support the Company's ongoing operations, working capital requirements, and/or fuel cell technology advancement. If the Company cannot raise additional funds when needed or on acceptable terms, the financial condition, business prospects, and results of operations could be materially adversely affected, and we may be required to pursue bankruptcy protection or other in-court relief. 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 14. 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, which may not be covered in full or in part by insurance.

Reclassifications

Certain items previously reported in specific financial statement captions have been reclassified to conform to the current presentation in the unaudited interim consolidated financial statements and the accompanying notes.

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, 2023.

There have been no material changes to the significant accounting policies for the six months ended June 30, 2024.

Note 3. Revenue

The following table shows disaggregated revenue from contracts with customers by region (in thousands). The Company did not generate revenue for the three and six months ended June 30, 2023.

	Three Months Ended June 30, 2024				Six Months Ended June 30, 2024			
	U.S.	Australia	China	Total	U.S.	Australia	China	Total
Revenue by region	\$ 153	\$ 160	\$ —	\$ 313	\$ 766	\$ 8,474	\$ 1,056	\$ 10,296

Revenue represents product sales, leasing and other sources. Product sales are derived from the sales of the Company's products and services including fuel cell systems, FCEVs, parts, product support, and other related services. The majority of the product sales recognized for the three and six months ended June 30, 2024 relate to vehicle deployments that occurred in prior periods. Leasing revenue is generated from customer contracts when the end customer has a significant economic incentive to exercise the trade-in or buyback option at contract inception. As of June 30, 2024, the Company had deferred \$1.1 million of upfront lease related payments, \$0.4 million of which was recorded in Contract liabilities and \$0.7 million of which was recorded in Other liabilities in the unaudited interim Consolidated Balance Sheets. The upfront lease related payments will be recognized on a straight-line basis over the individual lease term.

In 2022, the Company delivered a total of 82 FCEVs to two customers in China. In consideration of the customers' limited operating history and extended payment terms in their contracts, the Company determined the collectability criterion was not met with respect to contract existence under ASC 606 for these customers, and therefore, an alternative method of revenue recognition had been applied to each arrangement. In 2024, the Company entered into supplemental agreements with those Chinese customers. The supplemental agreements resulted in the payment of \$1.1 million to the Company and the termination of the standard warranty obligations in the contracts. The \$1.1 million was received by the Company in February 2024.

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 unaudited interim Consolidated Balance Sheets and totaled \$4.8 million and \$8.9 million as of June 30, 2024 and December 31, 2023, respectively. The long-term portion of contract liabilities is recorded within Other liabilities in the unaudited interim Consolidated Balance Sheets and totaled \$1.3 million and \$3.0 million as of June 30, 2024 and December 31, 2023, respectively. Certain customer contract liability balances may be refunded for cancelled contracts or unsuccessful FCEV trials, including up to \$4.3 million in the current portion of the Contract liabilities associated with customer contracts in Europe and Australia. As part of efforts to exit certain customer contracts, the Company refunded \$0.3 million to customers during the six months ended June 30, 2024. An additional \$1.0 million was paid back to customers in July 2024.

Note 4. Restructuring and Related Charges

In July 2023, the Company's board of directors approved a restructuring plan (the "2023 Restructuring Program") to improve operational effectiveness and cost reduction, including with respect to its workforce. The 2023 Restructuring Program is expected to be completed by the end of the third quarter of 2024.

In June 2024, the Company announced that it had started realigning its strategic priorities to focus on the Company's North American Class 8 and refuse truck markets and as a part of these efforts, the Company announced in July 2024 that it would wind down its operations in the Netherlands and Australia (collectively the "Strategic Realignment").

In connection with the Strategic Realignment during the second quarter of 2024 the Company has incurred and expects to incur restructuring and related charges including (a) employee-related charges such as severance, retention and stock-based compensation, (b) asset-related charges such as impairments of property plant and equipment and right-of-use asset, and (c) other exit related costs including contract termination costs. The employee-related charges arise from the on-going benefit arrangements in the Netherlands and Australia which require accrual when the related payments are probable. The impairment related charges arise from the determination that triggering events had occurred in the Netherlands and Australia as of June 30, 2024, and that the Company's long-lived assets at those locations should be written down to fair value, which was generally salvage value.

In the U.S., the Company entered into a purchase and sale agreement with Fulcrum Holdings LLC (the "Buyer") to sell its Rochester, NY facility for \$3.1 million. The sale closed and the Company moved its headquarters from Rochester, NY to Bolingbrook, IL in March 2024.

The Company did not record restructuring and related charges for the three and six months ended June 30, 2023. For the three and six months ended June 30, 2024, costs by type associated with these initiatives consisted of the following (in thousands):

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Asset-related	\$ 1,273	\$ 1,273
Employee-related	1,390	1,822
Other Costs	—	69
Total	<u>\$ 2,663</u>	<u>\$ 3,164</u>

Note 5. Inventory

Inventory consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Raw materials	\$ 5,437	\$ 11,380
Work in process	2,135	9,918
Finished Goods	214	7,513
Total inventory	\$ 7,786	\$ 28,811

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 \$17.3 million and \$18.4 million in inventory write-downs was recognized for the three and six months ended June 30, 2024, respectively, primarily related to the Strategic Realignment (see Note 4. Restructuring and Related Charges). A total of \$1.8 million and \$2.1 million in inventory write-downs was recognized for the three and six months ended June 30, 2023, respectively.

Note 6. Prepaid Expenses and Other Current Assets

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

	June 30, 2024	December 31, 2023
Deposit for fuel cell components (Note 17)	\$ 460	\$ 2,927
Vehicle inventory deposits	152	262
Production equipment deposits	260	623
Other prepaid expenses	1,806	1,333
Prepaid insurance	640	3,827
VAT receivable from government	326	363
Total prepaid expenses and other current assets	\$ 3,644	\$ 9,335

Note 7. Property, Plant, and Equipment, net

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

	June 30, 2024	December 31, 2023
Land and building	\$ —	\$ 2,823
Machinery and equipment	11,821	12,420
Software	3,293	3,403
Leasehold improvements	3,544	3,306
Construction in progress	3,233	2,652
Total Property, plant, and equipment	21,891	24,604
Less: Accumulated depreciation and amortization	(6,741)	(6,035)
Property, plant and equipment, net	\$ 15,150	\$ 18,569

Depreciation and amortization expense totaled \$1.0 million and \$1.9 million for the three and six months ended June 30, 2024, respectively. Depreciation and amortization expense totaled \$0.7 million and \$2.2 million for the three and six months ended June 30, 2023, respectively.

The Company recognized impairment charges of \$1.3 million during the three and six months ended June 30, 2024, respectively, primarily related to property, plant and equipment impairment in Hyzon Australia (see Note 4. Restructuring and Related Charges). There were no property, plant and equipment impairment charges for the three and six months ended June 30, 2023.

Note 8. Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Payroll and payroll related expenses	\$ 6,543	\$ 5,261
Accrued professional fees	3,444	2,411
Accrued product warranty costs	1,412	840
Accrued contract manufacturer costs	—	1,424
Accrued contract termination costs (Note 14)	1,204	470
Accrued SEC settlement (Note 14)	8,684	17,000
Other accrued expenses	2,661	2,710
Accrued liabilities	\$ 23,948	\$ 30,116

Note 9. 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 for an impairment.

The investment in equity securities in the unaudited interim Consolidated Balance Sheets as of June 30, 2024 represents the equity investment in common shares and options of Raven SR, Inc. (“Raven”). During the first quarter of 2024, there was an observable transaction in the price of Raven’s common shares and options, which was essentially equal to the fair value determined as part of the quantitative measurement of the investments at December 31, 2023. Accordingly, there was no gain or loss on equity securities in the unaudited interim Consolidated Statements of Operations and Comprehensive Loss for the three and six months ended June 30, 2024. There was no observable transaction and no gain or loss on equity securities for the three and six months ended June 30, 2023.

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

	June 30, 2024	December 31, 2023
Total initial cost basis	\$ 4,948	\$ 4,948
<i>Adjustments:</i>		
Cumulative unrealized gain	12,530	12,530
Cumulative impairment	(16,715)	(16,715)
Carrying amount, end of period	\$ 763	\$ 763

Note 10. Equity Method Investments

Raven SR S1 LLC

In December 2022, the Company, via its subsidiary, Hyzon Zero Carbon, Inc. (“HZCI”), entered into an agreement with Chevron and Raven SR, to invest in Raven SR S1 LLC (“Raven S1”). Raven S1 intends to develop, construct, operate and maintain a solid waste-to hydrogen generation production facility located in Richmond, California. The Company invested \$8.5 million at closing, and the remaining \$1.5 million is scheduled to be paid upon when construction of the facility is at least 50% complete and pre-commissioning activities have been initiated. The total \$10.0 million investment represents approximately 20% ownership of Raven S1.

The Company’s equity method investment in Raven S1 does not have a readily determinable fair value. Such investments are evaluated for impairment when events and conditions occur that may have a significant adverse effect on the investment’s fair value. Based on an assessment of these criteria, the Company determined that the investment in Raven S1 was not impaired as of June 30, 2024. The Raven S1 facility continues to experience certain permitting and construction delays and over-runs and has not yet been successful in attracting additional financing or achieving the milestones associated with remaining committed financing. However, Raven S1 has made progress towards achieving certain objectives and the Company continues to expect the Raven S1 project to be completed. The Company continues to monitor and evaluate the status of the Raven S1 project on an ongoing basis, and should an impairment be identified, the Company will evaluate whether such impairment is other-than-temporary. If Raven S1 management is not successful in achieving objectives such as fundraising the additional capital required to complete the project or in obtaining the required permits, a future impairment of the investment is reasonably possible.

Note 11. Short-term Investments

The following table summarizes the Company's short-term investments as of June 30, 2024 (in thousands). The Company did not have any short term investments as of December 31, 2023.

	As of June 30, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Short-term investments				
Certificates of deposit	\$ 20,000	\$ 418	\$ —	\$ 20,418
Total short-term investments	\$ 20,000	\$ 418	\$ —	\$ 20,418

Note 12. Income Taxes

The Company recorded no income tax expense during the three and six months ended June 30, 2024 and 2023, respectively.

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 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 June 30, 2024 and December 31, 2023. 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 13. 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 June 30, 2024, and December 31, 2023, 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 June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Short-term investments:				
Certificates of deposit	\$ —	\$ 20,418	\$ —	\$ 20,418
Liabilities:				
Warrant liability – Private Placement Warrants	\$ —	\$ 160	\$ —	\$ 160
Earnout shares liability	\$ —	\$ —	\$ 1,321	\$ 1,321
	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:	\$ 75,312	\$ —	\$ —	\$ 75,312
Liabilities:				
Warrant liability – Private Placement Warrants	\$ —	\$ 160	\$ —	\$ 160
Earnout shares liability	\$ —	\$ —	\$ 1,725	\$ 1,725

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 June 30, 2024, the Company did not have any cash equivalents. As of December 31, 2023, the Company had \$75.3 million invested in certificates of deposit. The Company classifies its investments in certificates of deposit 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 certificates of deposit with original maturities greater than three months. The Company classifies its investments in certificates of deposit 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:

	June 30, 2024	December 31, 2023
Stock price	\$ 0.32	\$ 0.90
Risk-free interest rate	4.7 %	4.1 %
Volatility	145.0 %	91.0 %
Remaining term (in years)	2.04	2.54

The following table presents the changes in the liabilities for Private Placement Warrants and Earnout for the six months ended June 30, 2024 (in thousands):

	Private Placement Warrants	Earnout
Balance as of December 31, 2023	\$ 160	\$ 1,725
Change in estimated fair value	—	(404)
Balance as of June 30, 2024	\$ 160	\$ 1,321

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

Note 14. 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. As of June 30, 2024, the Company accrued \$1.2 million in Accrued liabilities for customer and supplier disputes. In addition, the Company accrued \$16.9 million related to the resolution of the SEC investigation, of which \$8.7 million is recorded in Accrued liabilities and \$8.2 million in Accrued SEC settlement, in the unaudited interim Consolidated Balance Sheets relating to probable and estimable losses. As of December 31, 2023, the Company accrued \$0.5 million in Accrued liabilities for a customer dispute. In addition, the Company accrued \$25.0 million related to the resolution of the SEC investigation, of which \$17.0 million is recorded in Accrued liabilities and \$8.0 million in Accrued SEC settlement.

Other than the SEC matter described below, 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 Decarbonization Plus Acquisition Corporation ("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. On June 20, 2023, the court granted the lead plaintiff leave to file a third amended complaint, which was filed on June 23, 2023. The third amended complaint added additional claims. The Company filed a motion to dismiss on September 13, 2023, and DCRB and former DCRB officers, directors, and its sponsor filed a motion to dismiss on the same day. The lead plaintiff filed oppositions to the motions to dismiss on October 25, 2023, and defendants filed a reply on November 22, 2023. The parties are awaiting a ruling from the court.

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 certain of 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 it 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) ("Malork"), 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. On July 17, 2023, the Delaware Court of Chancery denied the defendants' motion to dismiss the complaint. In August 2023, the plaintiff in Malork subpoenaed Hyzon for various documentation in connection with the litigation against the named defendants. In December 2023, the Company paid \$1.5 million dollars in legal fees on behalf of the named individual defendants pursuant to an indemnity agreement between DCRB and the named individual defendants. The Company does not expect to incur further legal fees in connection with the indemnity agreement.

On August 5, 2024, Hyzon was served by the plaintiff in Malork with a Second Amended Complaint naming the Company and its former CEO, Craig Knight, as additional defendants (individually and collectively, the "Legacy Hyzon Defendants"). The Second Amended Complaint alleges new claims that the Legacy Hyzon Defendants aided and abetted the breaches of fiduciary duty alleged against the originally named Malork defendants. The Company will defend itself in

this litigation.

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 stockholder 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.

Litigation Involving Former Officers and Directors

On June 14, 2024, the Company received a complaint and demand for arbitration from counsel for Craig Knight, the Company's former CEO. Mr. Knight asserts that the Company breached his employment agreement by failing to pay him severance, a bonus, and a long term (equity) incentive. The Company's Board of Directors ultimately determined in January 2023 that Craig Knight's termination was "for cause" as disclosed in its Current Report on Form 8-K/A filed with the SEC on February 1, 2023. The Company believes Mr. Knight's claims are without merit and will vigorously defend itself against them.

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 was also investigating these matters. The Company has received no further communications from the SDNY.

On September 26, 2023, the Company announced a final resolution, subject to court approval, of the SEC's investigation. On that date, the SEC filed a complaint in the U.S. District Court for the Western District of New York naming the Company, Craig Knight, the Company's former Chief Executive Officer and a former director, and Max C.B. Holthausen, a former managing director of the Company's European subsidiary, Hyzon Motors Europe B.V., as defendants. Without admitting or denying the allegations in the SEC's complaint, the Company consented to the entry of a final judgment, subject to court approval, that would permanently restrain and enjoin the Company from violating certain sections of and rules under the Exchange Act and the Securities Act, and would require the Company to pay a civil penalty of \$25.0 million as follows: \$8.5 million within 30 days of entry of the final judgment; (2) \$8.5 million by December 31, 2024; and (3) \$8.0 million by January 15, 2026. Mr. Knight and Mr. Holthausen also separately consented to the entry of final judgments, subject to court approval, resolving the SEC's allegations. On January 16, 2024, the U.S. District Court for the Western District of New York entered the final judgment as to the Company, and on January 17, 2024 entered the final judgments as to Mr. Knight and Mr. Holthausen, concluding this litigation. The Company paid the first tranche of \$8.5 million in January 2024 and accrues interest on unpaid amounts due after 30 days of the entry of the final judgment at a rate equal to the weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System.

Customer and Supplier Disputes

On July 28, 2023, Worthington Industries Poland SP.Z.O.O, a Hyzon Europe supplier, filed a complaint in the Amsterdam District Court in the Netherlands, against Hyzon Europe for breach of contract and obtained an attachment covering Hyzon Europe's bank accounts. Accordingly, \$1.1 million included in those Hyzon Europe's bank accounts are recorded as restricted cash in the unaudited interim Consolidated Balance Sheets as of June 30, 2024. The complaint seeks damages from Hyzon Europe totaling €4.6 million (approximately \$4.9 million in USD). The Company intends to vigorously defend itself against this claim.

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. Other than the matters disclosed above, based on the 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 15. Stock-based Compensation Plans

The following table summarizes the Company's stock option, Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs") activity:

	Stock Options				RSUs		PSUs	
	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	Number of PSUs	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	14,773,453	\$ 1.20	10.37	—	13,682,338	\$ 1.50	2,265,283	\$ 0.95
Granted	—	\$ —	—	—	11,147,848	\$ 0.60	3,500,161	\$ 0.76
Exercised or released	—	\$ —	—	—	(4,854,912)	\$ 1.08	(708,468)	\$ 0.91
Forfeited/Cancelled	(14,176)	\$ 1.13	—	—	(1,833,516)	\$ 1.30	(426,373)	\$ 0.78
Outstanding at June 30, 2024	14,759,277	\$ 1.20	9.88	—	18,141,758	\$ 1.08	4,630,603	\$ 0.83
Vested and expected to vest, June 30, 2024	14,759,277	\$ 1.20	9.88	—	18,141,758	\$ 1.08	—	\$ —
Exercisable and vested at June 30, 2024	13,265,785	\$ 1.18	10.48	—	—	—	—	—

As of June 30, 2024, there was \$0.4 million of unrecognized stock-based compensation expense related to unvested stock options, which is expected to be recognized over a weighted-average period of 1.33 years.

RSUs granted under the Company's equity incentive plans typically vest over a one to 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 total fair value of RSUs and PSUs is determined based upon the stock price on the date of grant. As of June 30, 2024, unrecognized compensation costs related to unvested RSUs of \$12.4 million is expected to be recognized over a remaining weighted average period of 2.23 years. As of June 30, 2024, unrecognized compensation costs related to unvested PSUs of \$3.4 million is expected to be recognized over a remaining weighted average period of 1.01 years.

Note 16. Stockholders' Equity

Common Stock

As of June 30, 2024, the Company was 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 June 30, 2024 and December 31, 2023, there were 248,554,855 and 245,081,497 shares of Class A common stock issued and outstanding, respectively.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of preferred stock with a par value of \$0.0001 per share. At June 30, 2024 and December 31, 2023, no preferred stock was issued and outstanding, respectively.

Warrants

At June 30, 2024 and December 31, 2023, there were 11,013,665 Public Warrants and 8,014,500 Private Placement Warrants, for a total of 19,028,165 warrants outstanding. At June 30, 2024 and December 31, 2023, there were 170,048 Ardour Warrants outstanding.

Note 17. 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.

Hyzon Motors USA Inc., a subsidiary of the Company, entered into a Second Amendment (the "Second Amendment") to the Horizon IP Agreement. The Second Amendment was effective September 22, 2023. Under the terms of the Second Amendment, the parties have agreed to certain amendments to the Horizon IP Agreement pertaining to their rights in and to hydrogen fuel cell intellectual property. The parties have also agreed to a term for the Horizon IP Agreement that shall expire on the seven-year anniversary of the effective date of the Second Amendment.

Sponsorship of Stockholm Hearts Equestrian Show Jumping Team

As part of the Company's strategic marketing plan, the Company contracted to sponsor the Stockholm Hearts, a professional equestrian show jumping team (the "Team"). The annual sponsorship fee is €100,000 (approximately \$107,000 in USD) for a one-year sponsorship. The Company paid the sponsorship fee in April 2024. Mr. Erik Anderson, the Company's Chairman, owns a minority interest in the Team. The Company's sponsorship was approved by the Company's Board of Directors prior to execution.

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 June 30, 2024, the remaining deposit balance was \$0.5 million and included within Prepaid expenses and other current assets in the unaudited interim Consolidated Balance Sheets.

As of June 30, 2024, the related party payable, net to Horizon and its subsidiaries is \$0.6 million. The related party payable, net from Horizon and its subsidiaries was \$0.3 million as of December 31, 2023.

Note 18. 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss attributable to Hyzon	\$ (50,790)	\$ (60,248)	\$ (85,015)	\$ (90,496)
Weighted average shares outstanding:				
Basic	246,788	244,628	247,293	244,585
Effect of dilutive securities	—	—	—	—
Diluted	246,788	244,628	247,293	244,585
Net loss per share attributable to Hyzon:				
Basic	\$ (0.21)	\$ (0.25)	\$ (0.34)	\$ (0.37)
Diluted	\$ (0.21)	\$ (0.25)	\$ (0.34)	\$ (0.37)

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Restricted stock units	18,142	11,173	18,142	11,173
Performance stock units	4,631	2,850	4,631	2,850
Stock options with service conditions	12,987	11,857	12,987	11,857
Stock options for former CTO	1,772	1,772	1,772	1,772
Stock options with market and performance conditions	—	5,538	—	5,538
Private placement warrants	8,015	8,015	8,015	8,015
Public warrants	11,014	11,014	11,014	11,014
Earnout shares	23,250	23,250	23,250	23,250
Hongyun warrants	31	31	31	31
Ardour warrants	170	170	170	170

Note 19. Subsequent Events

Securities Purchase Agreement

On July 22, 2024, the Company closed an offering pursuant to a securities purchase agreement (the “Purchase Agreement”) entered into with certain investors (the “Purchasers”). Pursuant to the Purchase Agreement, the Company issued in a registered direct offering (the “Offering”) an aggregate of (i) 22,500,000 shares of the Company’s Class A common stock, and (ii) warrants to purchase up to 22,500,000 shares of Class A common stock. The offering price per share of Class A common stock and accompanying warrant was \$0.20 per share, and the net proceeds to the Company from the Offering was approximately \$3.9 million. The warrants are immediately exercisable at an exercise price of \$0.30 per share and will expire on the five years anniversary of the date of issuance. The warrants also contain a reset of the exercise price to a price equal to the lesser of (i) the then exercise price and (ii) the lowest volume weighted average price for the five trading days immediately following the date we effect a reverse stock split. In no event will the exercise price of the warrants with respect to the reset of the exercise price be reduced below a floor price of \$0.057. Upon such a reset, there will also be a proportionate adjustment to the number of shares underlying the warrants such that the aggregate exercise price payable under the warrants, after taking into account the decrease in the exercise price, will be equal to the aggregate exercise price prior to such adjustment.

Strategic Realignment

In June 2024, the Company announced that it had started realigning its strategic priorities to focus on the Company’s North American Class 8 and refuse truck markets and as a part of these efforts, the Company announced in July 2024 that it would wind down its operations in the Netherlands and Australia.

Regarding the wind down of the Netherlands, in July 2024, Hyzon Europe began negotiating directly with creditors in its effort to seek a consensual liquidation. The Company seeks to settle all creditors’ claims and complete the wind down process before the end of 2024.

Regarding the wind down of the Australian business, on July 10, 2024, Hyzon Australia appointed an administrator to oversee the entity’s liquidation process. The administrator has developed a proposal for resolving creditors’ claims under various scenarios (the “Proposal”). The Proposal will be reviewed at a meeting of creditors on August 14, 2024, and if approved, the liquidation process will proceed with all claims settled thereafter. Based on the facts and circumstances, the Company reasonably anticipates that the wind down process will be completed before the end of 2024.

Authorized Share Increase

On July 18, 2024, the Company filed a Certificate of Amendment to its Second Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware increasing the number of authorized shares of Class A common stock, par value \$0.0001 per share from 400,000,000 to 1,000,000,000 shares. The Certificate of Amendment became effective upon filing with the Secretary of State.

Nasdaq Minimum Bid Price Requirement

On January 23, 2024, the Company received a letter (the “Notice”) from the listing qualifications staff (the “Staff”) of The Nasdaq Stock Market LLC (“Nasdaq”) notifying the Company that it was not in compliance with the minimum bid price requirement set forth in Nasdaq Listing Rules 5550(a)(2) (the “Bid Price Rule”) for continued listing. The Bid Price Rule requires listed securities to maintain a minimum bid price of \$1.00 per share, and Nasdaq Listing Rule 5810(c)(3)(A) (the “Compliance Period Rule”) provides that a failure to meet the minimum bid price requirement exists if the deficiency continues for a period of 30 consecutive business days. The Notice had no immediate effect on the listing of the Company’s Class A common stock, which has traded on The Nasdaq Global Select Market, and effective July 25, 2024 on the the Nasdaq Capital Market, under the symbol “HYZN.”

In accordance with the Compliance Period Rule, the Company had 180 calendar days to regain compliance. If, at any time before the end of this 180-day period, or through July 22, 2024, the closing bid price of the Class A common stock closed at or above \$1.00 per share for a minimum of 10 consecutive business days, subject to the Staff’s discretion to extend this period pursuant to Nasdaq Listing Rule 5810(c)(3)(H), the Staff would have provided written notification that the Company had achieved compliance with the Bid Price Rule.

As of July 22, 2024, the Company did not achieve compliance with the Bid Price Rule. As previously reported, pursuant to NASDAQ Marketplace Rule 4450(i), on July 5, 2024, the Company applied to transfer the listing of its Class A common stock from The Nasdaq Global Select Market to The Nasdaq Capital Market.

On July 23, 2024, the Company received a letter from the Staff approving the Company’s application to transfer its listing to the Nasdaq Capital Market from the Global Select Market, and indicating that the Company is eligible for a second 180 calendar day extension of time to January 21, 2025 to regain compliance with the Bid Price Rule. In connection with this listing transfer and second 180 calendar day extension, the Company provided Nasdaq with its written intention to cure the bid price deficiency during this second compliance period, by effecting a reverse stock split, if necessary. The Class A common stock and public warrants were transferred to the Nasdaq Capital Market at the opening of business on July 25, 2024.

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 2023 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

We are headquartered in Bolingbrook, Illinois, with operations in the United States and China. Hyzon is a global supplier of high-performance hydrogen fuel cell systems focused on providing zero-emission power to decarbonize the most demanding industries. 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 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 reduce our capital requirements, lower production costs, and ultimately lower total cost of ownership (“TCO”) for 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 construction, mining, material handling and port equipment manufacturers and operators. Our 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 expect these opportunities to increase with the technological advances in hydrogen fuel cells and continuing 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 and dispensing. 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.

Results of Operations

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Revenue	\$ 313	\$ —	\$ 313	NM	\$ 10,296	\$ —	\$ 10,296	NM
Operating expense:								
Cost of revenue	18,415	2,410	16,005	664	26,231	3,248	22,983	708
Research and development	9,817	12,597	(2,780)	(22)	20,646	21,937	(1,291)	(6)
Selling, general, and administrative	25,516	49,098	(23,582)	(48)	47,044	79,955	(32,911)	(41)
Restructuring and related charges	2,663	—	2,663	NM	3,164	—	3,164	—
Total operating expenses	56,411	64,105	(7,694)	(12)	97,085	105,140	(8,055)	(8)
Loss from operations	(56,098)	(64,105)	8,007	(12)	(86,789)	(105,140)	18,351	(17)
Other income (expense):								
Change in fair value of private placement warrant liability	481	160	321	201	—	801	(801)	(100)
Change in fair value of earnout liability	4,231	916	3,315	362	404	7,336	(6,932)	(94)
Foreign currency exchange gain (loss) and other expense, net	(156)	280	(436)	(156)	(683)	1,430	(2,113)	(148)
Investment income and interest income, net	752	2,494	(1,742)	(70)	1,976	5,060	(3,084)	(61)
Total other income (expense)	5,308	3,850	1,458	38	1,697	14,627	(12,930)	(88)
Loss before income taxes	\$ (50,790)	\$ (60,255)	\$ 9,465	(16)%	\$ (85,092)	\$ (90,513)	\$ 5,421	(6)%
Income tax expense	—	—	—	NM	—	—	—	NM
Net loss	\$ (50,790)	\$ (60,255)	\$ 9,465	(16)%	\$ (85,092)	\$ (90,513)	\$ 5,421	(6)%
Less: Net loss attributable to noncontrolling interest	—	(7)	7	(100)%	(77)	(17)	(60)	353
Net loss attributable to Hyzon	\$ (50,790)	\$ (60,248)	\$ 9,458	(16)%	\$ (85,015)	\$ (90,496)	\$ 5,481	(6)%

NM Not meaningful

Three Months Ended June 30, 2024 and 2023

We generated \$0.3 million of revenue for the three months ended June 30, 2024, from the sales of our products and services. We did not generate any revenue for the three months ended June 30, 2023.

Operating expenses for the three months ended June 30, 2024 were \$56.4 million compared to \$64.1 million for the three months ended June 30, 2023.

Cost of revenue for the three months ended June 30, 2024 totaled \$18.4 million primarily related to \$17.3 million in inventory write-downs and \$0.8 million in cost provisions accrued for customer contract activities in Europe. Cost of revenue for the three months ended June 30, 2023 totaled \$2.4 million primarily related to cost provisions accrued for customer contract activities and inventory write-downs in Europe.

Research and development expenses were \$9.8 million and \$12.6 million for the three months ended June 30, 2024 and 2023, respectively. The decrease was primarily due to \$3.2 million in lower material costs used in research and development. The decrease was partially offset by an increase of \$0.4 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.

Selling, general, and administrative expenses were \$25.5 million and \$49.1 million for the three months ended June 30, 2024 and 2023, respectively. The decrease was primarily due to \$27.1 million in lower legal, accounting, and consulting fees related to SEC and regulatory investigations and other litigation. Of this decrease \$22.0 million was related to the legal loss contingency accrual for the SEC investigation in 2023. The decrease was partially offset by an increase of \$2.8 million in stock-based compensation expense and \$2.5 million related to the write-down of certain supplier deposits that are not expected to be recovered.

Restructuring and related charges were \$2.7 million for the three months ended June 30, 2024, which was primarily driven by asset and employee-related expenses. We did not have any restructuring and related charges for the three months ended June 30, 2023. See Note 4. Restructuring and Related Charges in the accompanying unaudited interim consolidated financial statements of this Quarterly Report on Form 10-Q.

Changes in estimated fair values of private placement warrant liability and earnout liability for the three months ended June 30, 2024 were \$0.5 million and \$4.2 million, respectively. Changes in estimated fair values of private placement warrant liability, and earnout liability for the three months ended June 30, 2023 were \$0.2 million and \$0.9 million respectively. The decrease in the estimated fair values of the private placement warrant liability and earnout liability for the three months ended June 30, 2024 were affected by a significant increase in the expected volatility over the remaining term of the instruments based on current market information and the decrease in the Company's share price. The decrease in the estimated fair values of the private placement warrant liability and earnout liability for the three months ended June 30, 2023 were affected by fluctuation in the Company's share price.

Investment and interest income, net was \$0.8 million for the three months ended June 30, 2024, compared to \$2.5 million for the three months ended June 30, 2023. Investment and interest income relates to realized gains on short-term investments and interest income on our cash and cash equivalents. The decrease in

investment and interest income was due to a significant decrease in the amount of funds invested.

Six Months Ended June 30, 2024 and 2023

We generated \$10.3 million of revenue for the six months ended June 30, 2024, majority of which is from FCEV sales in Australia, China and the U.S. The majority of the FCEV sales relate to vehicle deployments that occurred in periods prior to the six months ended June 30, 2024. We did not generate any revenue for the six months ended June 30, 2023.

Operating expenses for the six months ended June 30, 2024 were \$97.1 million compared to \$105.1 million for the six months ended June 30, 2023.

Cost of revenue for the six months ended June 30, 2024 totaled \$26.2 million primarily related to \$18.4 million in inventory write-downs and \$7.4 million in direct materials, labor costs and estimated warranty costs associated with FCEV sales in Australia and the U.S. Costs associated with China FCEV sales were recognized in prior periods. Additionally, there was \$1.4 million related to cost provisions accrued for customer contract activities in Europe. The increase was partially offset by \$1.2 million in recoveries from inventory liquidation auction process. Cost of revenue for the six months ended June 30, 2023 totaled \$3.2 million primarily related to cost provisions accrued for customer contract activities and inventory write-downs in Europe.

Research and development expenses were \$20.6 million and \$21.9 million for the six months ended June 30, 2024 and 2023, respectively. The decrease was primarily due to \$3.5 million in lower material costs used in research and development. The decrease was partially offset by an increase of \$2.2 million in higher personnel costs primarily related to higher stock-compensation expense, which were incurred in order to enhance our research and development expertise in vehicle design, vehicle software, fuel cell systems, and electric powertrain.

Selling, general, and administrative expenses were \$47.0 million and \$80.0 million for the six months ended June 30, 2024 and 2023, respectively. The decrease was primarily due to \$38.9 million in lower legal, accounting, and consulting fees related to SEC and regulatory investigations and other litigation. Of this decrease \$22.0 million was related to the legal loss contingency accrual for the SEC investigation in 2023. The decrease was partially offset by an increase of \$3.9 million in stock-based compensation expense and \$2.5 million related the write-down of certain supplier deposits that are not expected to be recovered.

Restructuring and related charges were \$3.2 million for the six months ended June 30, 2024, which was primarily driven by asset and employee-related expenses. We did not have any restructuring and related charges for the six months ended June 30, 2023. See Note 4. Restructuring and Related Charges in the accompanying unaudited interim consolidated financial statements of this Quarterly Report on Form 10-Q.

The change in estimated fair value of earnout liability for the six months ended June 30, 2024 was \$0.4 million compared to \$7.3 million for the six months ended June 30, 2023. The change in estimated fair value of earnout liability for the six months ended June 30, 2023 reflects a significant increase in the expected volatility over the remaining term of the instrument based on the then current market information and the decrease in the Company's share price.

There was no change in fair value of private placement warrant liability for the six months ended June 30, 2024 compared to \$0.8 million for the six months ended June 30, 2023. The change in estimated fair value of the private placement warrant liability for the three months ended June 30, 2023 reflects fluctuation in the Company's share price.

Investment and interest income, net was \$2.0 million for the six months ended June 30, 2024, compared to \$5.1 million for the six months ended June 30, 2023. Investment and interest income relates to realized gains on short-term investments and interest income on our cash and cash equivalents. The decrease in investment and interest income was due to a significant decrease in the amount of funds invested.

Liquidity and Going Concern

The unaudited interim consolidated financial statements included in this Quarterly Report on Form 10-Q 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. Such unaudited interim consolidated financial statements do not include any adjustments that may result from the outcome of the uncertainties described below.

In accordance with ASC 205-40, *Presentation of Financial Statements - Going Concern* (“ASC 205-40”), the Company evaluates whether there are certain conditions and events, considered in the aggregate, which raise substantial doubt about the Company’s ability to continue as a going concern. In accordance with ASC 205-40, the Company’s analysis can only include the potential mitigating impact of the plans that have not been fully implemented as of the issuance date of the unaudited interim consolidated financial statements if (a) it is probable that these plans will be effectively implemented within one year after the date that the financial statements are issued, and (b) it is probable that the plans, when implemented, will alleviate the relevant conditions or events that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are issued.

The Company incurred net losses of \$50.8 million and \$60.3 million for the three and six months ended June 30, 2024 and 2023, respectively. Net cash used in operating activities was \$56.7 million and \$82.1 million for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, we had \$34.7 million in unrestricted cash and cash equivalents, \$20.4 million in short-term investments, and positive net working capital of \$33.5 million.

The Company has concluded that at the time of this filing, substantial doubt exists about its ability to continue as a going concern as the Company believes that its financial resources, existing cash resources, and additional sources of liquidity are insufficient to support planned operations beyond the next 12 months. We are also continuing to evaluate the need to pursue bankruptcy protection or other in-court relief if our financing efforts or other strategic alternatives are not successful.

In order to reduce the cash used in operating activities, the Company implemented certain cost savings initiatives, including a restructuring plan in July 2023, as further discussed in our Annual Report filed on Form 10-K for the year ended December 31, 2023. Additionally, in June 2024, the Company announced that it had started realigning its strategic priorities to focus on the Company’s North American Class 8 and refuse truck markets and as a part of these efforts, the Company announced in July 2024 that it would wind down its operations in the Netherlands and Australia. While these plans are anticipated to reduce cash outflows when compared to prior periods, the Company’s continued existence is primarily dependent upon its ability to obtain additional financing, as well as to attain and maintain profitable operations by entering into profitable sales or service contracts and generating sufficient cash flow to meet its obligations on a timely basis. The Company’s business will require significant additional funding to execute its long-term business plans notwithstanding its requirements for additional current funding. If the Company fails to raise additional funding in time or in a sufficient amount to meet its requirements, the Company may be required or compelled to pursue additional restructuring initiatives to preserve cash, working capital, and optionality, including pursuing bankruptcy protection or other in-court relief.

Further, on July 22, 2024, the Company closed an offering pursuant to a securities purchase agreement (the “Purchase Agreement”) entered into with certain investors (the “Purchasers”). Pursuant to the Purchase Agreement, the Company issued in a registered direct offering (the “Offering”) an aggregate of (i) 22,500,000 shares of the Company’s Class A common stock, and (ii) warrants to purchase up to 22,500,000 shares of Class A common stock. The offering price per share of Class A common stock and accompanying warrant was \$0.20 per share, and the net proceeds to the Company from the Offering was approximately \$3.9 million. The warrants are immediately exercisable at an exercise price of \$0.30 per share and will expire on the five-year anniversary of the date of issuance. The warrants also contain a reset of the exercise price to a price equal to the lesser of (i) the then exercise price and (ii) the lowest volume weighted average price for the five trading days immediately following the date we effect a reverse stock split. In no event will the exercise price of the warrants with respect to the reset of the exercise price be reduced below a floor price of \$0.057. Upon such a reset, there will also be a proportionate adjustment to the number of shares underlying the warrants such that the aggregate exercise price payable under the warrants, after taking into account the decrease in the exercise price, will be equal to the aggregate exercise price prior to such adjustment.

The Company’s business will require significant additional funding to execute its long-term business plans, notwithstanding its requirements for additional current funding. If the Company fails to raise additional funding in time or in a sufficient amount to meet its requirements, the Company may be required or compelled to pursue additional restructuring initiatives to preserve cash, working capital, and optionality, including pursuing bankruptcy protection or other in-court relief.

The Company plans to improve its liquidity through a combination of equity and/or debt financing, alliances or other partnership agreements with entities interested in our technologies, and the liquidation of certain inventory balances. If the Company raises funds in the future by issuing equity securities, dilution to stockholders will occur and may be substantial. Any equity securities issued may also provide for rights, preferences, or privileges senior to those of common stockholders. If the Company raises funds in the future by issuing debt securities, these debt securities could have rights, preferences, and privileges senior to those of common stockholders. The terms of any debt securities or borrowings could impose significant restrictions on the Company’s operations. The capital markets have experienced in the past, and may experience in the future, periods of uncertainty that could impact the availability and cost of equity and debt financing. In addition, federal fund rates set by the Federal Reserve, which serve as a benchmark for rates on borrowing, will continue to impact the cost of debt financing.

There can be no assurance that any such financing can be realized by the Company, or if realized, what the terms thereof may be, or that any amount that the Company is able to raise will be adequate to support the Company’s ongoing operations, working capital requirements, and/or fuel cell technology advancement. If the Company cannot raise additional funds when needed or on acceptable terms, the financial condition, business, prospects, and results of operations could be materially adversely affected, and we may be required to pursue bankruptcy protection or other in-court relief. 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 14. Commitments and Contingencies, to our unaudited interim consolidated financial statements of this Quarterly Report on Form 10-Q, 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, which may not be covered in full or in part by insurance.

Liquidity Requirements

Our recent uses of cash have been funding operations and investing in capital expenditures. Our future capital requirements will depend on many factors, including revenue growth rate, achieving profitability on our revenue contracts, the timing and the amount of cash received from customers, capital expenditures associated with our capacity expansion, and the continuing market adoption of our products. Our business requires significant funding in the near term to sustain operations and we will require significant additional funding thereafter to execute our long-term business plans.

Given the challenging capital market environment that exists today, we implemented certain cost savings initiatives, particularly, in July 2023, the board of directors approved a restructuring program and, in July 2024, the Company began realigning its strategic priorities so as to focus on the Company's core North American markets and the refuse industry. While our plans intend to reduce cash outflows when compared to prior periods, our continued existence is primarily dependent upon our ability to obtain additional financing. The timing and magnitude of such required financing will be influenced by our ability to attain and maintain profitable operations and to generate sufficient operating cash flow to meet our obligations on a timely basis. However, actual results could vary materially and negatively as a result of a number of factors, including but not limited to:

- our ability to manage the costs of manufacturing and servicing the FCEVs;
- revenue received from sales of our FCEVs and 200kW single stack fuel cell systems, and providing upfit services;
- the costs of expanding and maintaining our fuel cell manufacturing facility and equipment;
- availability of hydrogen infrastructure and the cost of hydrogen fuel;
- our warranty claims expense 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 200kW 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 200kW 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; and
- other risks discussed in our 2023 Annual Report filed on Form 10-K in the section entitled "*Risk Factors*".

Cash Flows

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

	Six Months Ended June 30,	
	2024	2023
Net cash used in operating activities	\$ (56,712)	\$ (82,058)
Net cash provided by (used in) investing activities	(19,445)	160,648
Net cash used in financing activities	(889)	(348)

Cash Flows for Six Months Ended June 30, 2024 and June 30, 2023

Cash Flows from Operating Activities

Net cash used in operating activities was \$56.7 million for the six months ended June 30, 2024, as compared to \$82.1 million for the six months ended June 30, 2023. The cash flows used in operating activities for the six months ended June 30, 2024 was primarily driven by a net loss of \$85.1 million and adjustments for certain non-cash items and changes in operating assets and liabilities. Non-cash charges and expense primarily consisted of \$18.4 million for the write-down of inventory, \$7.6 million of stock-based compensation expense, \$1.9 million in depreciation and amortization, \$1.3 million impairment of property and equipment and ROU asset, \$0.5 million of foreign currency transaction loss, and the change in estimated fair value of earnout liability of \$0.4 million. Changes in operating assets and liabilities were primarily driven by increases of \$1.5 million in accounts payable and \$0.2 million in accounts receivable, and decreases of \$6.2 million in accrued liabilities, \$5.8 million in contract liabilities, \$5.2 million in prepaid expenses, \$2.7 million in inventory balances, and \$1.5 million in unbilled receivables.

Net cash used in operating activities was \$82.1 million for the six months ended June 30, 2023. The cash flows used in operating activities for the six months ended June 30, 2023 was primarily driven by a net loss of \$90.5 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 \$0.8 million, earnout liability of \$7.3 million, foreign currency transaction gain of \$1.6 million, and accretion of discount on available-for-sale debt securities of \$1.4 million. These non-cash gain adjustments were partially offset by \$3.0 million of stock-based compensation expense, \$2.2 million in depreciation and amortization, \$2.1 million for the write-down of inventory, and \$1.1 million for impairment of property and equipment. Changes in operating assets and liabilities were primarily driven by increases of \$14.9 million in other liabilities, \$10.5 million in inventory balances, \$6.0 million in net related party payables, \$2.7 million in contract liabilities, and \$0.9 million in accounts receivable and decreases of \$6.8 million in prepaid expenses and other current assets, \$6.0 million in accounts payable,

\$2.0 million in accrued liabilities, and \$0.3 million in other assets.

Cash Flows from Investing Activities

Net cash used in investing activities was \$19.4 million for the six months ended June 30, 2024, as compared to \$160.6 million of cash provided by investing activities for the six months ended June 30, 2023. The cash flows used in investing activities for the six months ended June 30, 2024 were primarily driven by \$30.0 million cash paid to purchase short-term investments, and \$2.3 million cash paid for property and equipment, partially offset by \$10.0 million of proceeds from maturities of short-term investments and \$2.9 million of net proceeds from sale of the Rochester facility. The cash flows provided by investing activities for the six months ended June 30, 2023 were primarily driven by \$129.9 million of proceeds from maturities of short-term investments, offset by \$16.6 million cash paid to purchase short-term investments, and \$2.7 million cash paid for property and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities was \$0.9 million for the six months ended June 30, 2024, as compared to \$0.3 million for the six months ended June 30, 2023. The cash flows used in financing activities for the six months ended June 30, 2024 were driven by \$0.9 million for the net share settlement of equity awards. The cash flows used in financing activities for the six months ended June 30, 2023 were driven primarily by a \$0.2 million payment towards finance lease liability.

Contractual Obligations and Commitments

For the six months ended June 30, 2024, 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, 2023.

Critical Accounting Policies and Estimates

There have been no substantial changes to these estimates, or the policies related to them for the six months ended June 30, 2024. 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, 2023.

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 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, December 31, 2025 (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.

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

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer to allow timely decisions regarding required disclosures.

Our Chief Executive Officer and Chief Financial Officer, in coordination with Company senior management, have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2024 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 June 30, 2024, 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. generally accepted accounting principles.

(b) Material Weaknesses in Internal Control over Financial Reporting

Our management concluded that the following material weaknesses in internal control over financial reporting as disclosed in our Annual Report filed on Form 10-K for the year ended December 31, 2023 are not fully remediated as of June 30, 2024:

- 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.

(c) Remediation Plan and Status

With oversight from the Audit Committee and input from the Board of Directors, management continues to remediate these material weaknesses. Our remedial actions taken to date include:

- strengthened the executive management team in a newly integrated global organization including the appointment of a Chief Financial Officer and Chief Technology Officer;
- hired additional finance and accounting personnel over time to augment our accounting staff, as well as 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, responsibilities, and approval authorities for formal review and sign off process;
- implemented a formal regional general manager consolidated financial statement review and certification process for each SEC filing;
- implemented the finance, inventory and procurement modules of the enterprise resource planning system we use in the U.S.;
- established a centralized training function and deployed various training programs globally, including but not limited to global revenue recognition training, SOX awareness training, and SOX Section 302 certification training; and
- expanded automated workflow functionality that enables compliance with Company policies governing required approvals for purchase requisitions, purchase order change management, invoices, journal entries, payment processing, and vendor master data.

- completed ethics training globally and in addition, provided 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; and
- strengthened program change management, restricted user access to our internal systems used for financial reporting and enhanced the retention of contemporaneous documentation of reviews over IT general controls.

In addition to the remedial actions taken to date, the Company is taking, or plans to take, the following actions:

- 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;
- strengthening IT governance and designing effective IT general controls including restricting user access to our remaining internal systems used for financial reporting.

(d) Changes in Internal Control over Financial Reporting

Except for the remediation efforts related to the material weakness described above, there have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2024, 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 14. Commitments 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

There have not been any material changes to the risk factors described in our Annual Report filed on Form 10-K for the year ended December 31, 2023 except as noted below.

We may be required to seek bankruptcy protection or other in-court relief or restructuring in the near future.

While we continue to pursue efforts to raise capital and restructure our operations to reduce our cash spend, there is no assurance that we will succeed. Without further sources of funding, the Company anticipates that its existing cash resources will be depleted by the end of fiscal year 2024. If we fail in our efforts to raise necessary additional capital (whether through the sale of equity or assets, the issuance of debt, the entry into strategic partnerships or otherwise) sufficiently in advance of the end of the fiscal year, as we determine to be appropriate under the circumstances, then we may need to seek bankruptcy protection or other in-court relief in the near future, which could have a material negative impact on our stockholders. In the event of an insolvency proceeding, or restructuring of our capital structure, holders of the Company's Class A common stock could suffer a total loss of their investment. An investment in our Class A common stock is highly speculative and there can be no assurance if or when we might take any of these actions.

Changes in our business strategy or restructuring of our businesses may increase our costs or otherwise affect our businesses.

We continually review our operations with a view toward reducing our cost structure, including, but not limited to, reducing our labor cost-to-revenue ratio, improving process and system efficiencies and increasing our revenues and operating margins. Despite these efforts, we have needed and may continue to need to adjust our business strategies to meet these changes, or we may otherwise find it necessary to restructure our operations or particular businesses or assets. When these changes or events occur, we may incur costs to change our business strategy and may need to write down the value of assets or sell certain assets. Additionally, any of these events could result in disruptions or adversely impact our relationships with our workforce, suppliers and customers. In any of these events our costs may increase, and we may have significant charges or losses associated with the write-down or divestiture of assets and our business may be materially and adversely affected.

We may be required to curtail production, shut down facilities, restructure operations or dispose of assets of our business.

We are continuously seeking the most cost-effective means and structure to serve our customers and to respond to changes in the markets in which we operate. Accordingly, from time to time, we may curtail production, indefinitely or permanently shut-down facilities, sell core or non-core assets and otherwise restructure operations, which could be in or out of court. As a result, restructuring and divestiture costs may be a recurring component of our operating expenses, and may vary significantly from year to year depending on the scope of such activities. Divestitures and restructuring may also result in significant financial charges for the impairment of assets, including intangible assets. Furthermore, such activities may divert the attention of management, disrupt our ordinary operations, or result in a reduction in the volume of products produced and sold. There is no guarantee that any such activities will achieve their goals, and we cannot successfully manage the associated risks, our financial condition and results of operations could be adversely affected.

We may not fully realize the anticipated benefits from our restructuring efforts.

In regard to our realigned strategy and exploration of strategic alternatives, we may not achieve the expected benefits of such activities. Our ability to achieve the anticipated cost savings and other benefits from our restructuring, divestiture, or other efforts within expected time frames is subject to many estimates and assumptions, and may vary materially based on factors such as market conditions and the effect of our efforts on our work force. These estimates and assumptions are subject to significant economic, competitive and other uncertainties, some of which are beyond our control. There can be no assurance that we will fully realize the anticipated positive impacts to our operations, liquidity or future financial results from our current or future efforts. If our estimates and assumptions are incorrect or if other unforeseen events occur, we may not achieve the cost savings expected from such strategic alternative efforts, and our business and results of operations could be adversely affected.

We may be delisted from Nasdaq, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

We may be delisted from the Nasdaq Capital Market, where our Class A common stock and public warrants currently trade, as a result of our current stock price.

On January 23, 2024, the Company received a new letter from the Nasdaq Stock Market notifying the Company that it no longer complied with the Bid Price Rule for continued listing on the Nasdaq Global Select Market. The Bid Price Rule requires listed securities to maintain a minimum bid price of \$1.00 per share, and Nasdaq's Compliance Period Rule 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 accordance with the Compliance Period Rule, the Company had 180 calendar days, or until July 22, 2024, to regain compliance. If, at any time before the end of this 180-day period, or through July 22, 2024, the closing bid price of the Class A common stock closed at or above \$1.00 per share for a minimum of 10 consecutive business days, subject to the Staff's discretion to extend this period pursuant to Nasdaq Listing Rule 5810(c)(3)(H), the Staff would provide written notification that the Company has achieved compliance with the Bid Price Rule. If the Company did not regain compliance during this 180-day period, then the

Staff may grant the Company a second 180 calendar day period to regain compliance. However, we were advised by the Staff that, in order to be eligible to receive the second 180 calendar day period to regain compliance, we were required to file an application to transfer our listing from the Nasdaq Global Select Market to the Nasdaq Capital Market. In connection with such application, we would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement. In addition, the Company would be required to notify Nasdaq of its intent to cure the minimum bid price deficiency during the second compliance period, which may include, if necessary, implementing a reverse stock split. On July 29, 2024, the Company mailed its definitive proxy statement for its 2024 annual meeting of stockholders where the Company asked, among others, for its stockholders to approve a reverse stock split range and for the Company's board of directors to effect a reverse stock split, if necessary. If the Company's stockholders do not approve the reverse stock split and the Company fails to satisfy Nasdaq's listing requirements and is subsequently unable to regain compliance before January 21, 2025, Nasdaq may suspend trading and commence delisting proceedings.

On July 5, 2024, the Company filed an application with Nasdaq to transfer from the Nasdaq Global Select Market to the Nasdaq Capital Market. Nasdaq has the ability to shorten the second 180-day cure period under certain circumstances, including if a security has a closing bid price of \$0.10 or less for ten consecutive trading days. On July 23, 2024, Nasdaq approved the transfer of our listing from the Nasdaq Global Select Market to the Nasdaq Capital Market beginning with the opening of trading on July 25, 2024. We were also granted a second 180-day extension, which will expire on January 21, 2025.

If Nasdaq delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A Common Stock is a “penny stock” which will require brokers trading in our Class A common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as “covered securities.” Because our Class A common stock and public warrants were previously listed on the Nasdaq Global Select Market and are currently listed on the Nasdaq Capital Market, our Class A common stock and public warrants qualify as covered securities. Although the states are preempted from regulating the sale of our securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. Further, if we are no longer listed on the Nasdaq Capital Market, our securities would not be covered securities, and we would be subject to regulation in each state in which we offer our securities.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

There were no sales of equity securities for the six months ended June 30, 2024 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

During the quarter ended June 30, 2024, no director or Section 16 officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Description
3.1	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on July 18, 2024)
4.1	Form of Warrant (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on July 19, 2024)
10.1	Form of Securities Purchase Agreement, dated as of July 19, 2024, by and among the Company and the Purchasers listed therein (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on July 19, 2024)**
10.2	Placement Agency Agreement, dated as of July 19, 2024, by and between the Company and Roth Capital Partners, LLC (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on July 19, 2024)
10.3	Form of Retention Incentive Agreement#
10.4	Sales Agreement, dated as of June 6, 2024, by and among the Company, Roth Capital Partners, LLC and BTIG, LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on June 6, 2024)
10.5	Employee Agreement, dated as of May 27, 2024, by and between the Company and John Waldron (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on May 30, 2024)#
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)
31.2	Certification of 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 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 of the exhibits and schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its 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: August 13, 2024

By: /s/ Parker Meeks
Name: Parker Meeks
Title: Chief Executive Officer
(Principal Executive Officer)

Date: August 13, 2024

By: /s/ Stephen Weiland
Name: Stephen Weiland
Title: Chief Financial Officer
(Principal Financial Officer)

July 22, 2024

Re: Employee Retention Plan

Dear [EMPLOYEE NAME]:

In recognition of your continuing key role at, and services on behalf of, Hyzon Motors Inc. (the "Company"), you will be eligible to earn a retention payment of \$[●] (the "Retention Amount"), less any required tax withholding, subject to your compliance with the terms and conditions set forth in this letter (this "Agreement"). Terms not otherwise defined herein shall have the meanings ascribed to them in your employment agreement with the Company, or, in the absence of such agreement or the defined term in such agreement, the Company's 2021 Equity Incentive Plan (the "Equity Plan").

Provided that you execute and deliver this Agreement to the Company by July 22, 2024, your Retention Amount will be paid to you on July 26, 2024. You agree that if you resign your employment (other than in the circumstances described in the following paragraph), or if your employment is terminated with Cause, prior to the first to occur of (i) January 24, 2025, and (ii) the sixtieth (60th) calendar day after the consummation of a Change in Control, then you will repay to the Company, within ten (10) calendar days of your employment termination date, the entire Retention Amount (less applicable tax and other deductions withheld by the Company). If you fail timely to repay the Retention Amount, the Company may recover the Retention Amount by offsetting any other compensation or benefits due to you, subject to applicable law, and you will be obligated to pay the Company for legal expenses or other costs incurred by the Company in its attempts to recover the Retention Amount.

If (i) your employment is terminated without Cause, or due to your death or Disability, or (ii) you resign with Good Reason on account of a material diminution by the Company in your Base Salary or Target Bonus (but not, for the avoidance of doubt, on account of any other event, condition or circumstance constituting Good Reason) then you will not be obligated to repay the Retention Amount regardless of your date of termination, subject to timely execution and non-revocation of a release of claims in a form provided by the Company.

This Agreement is not assignable except by you upon death, or by the Company to any successor of the Company (including an acquiror of substantially all of its assets). This Agreement is governed by the laws of the State of Delaware, without regard to principles of conflicts of laws, and sets forth the entire understanding of the Company and you regarding the subject matter hereof. This Agreement may be executed in counterparts (including electronic), each of which shall be deemed an original and all of which together shall constitute the same Agreement. This Agreement may only be amended by written agreement between you and the Company.

[Signature page follows.]

To accept this Agreement, please sign where indicated below, and return on or before July 22, 2024 in a confidential envelope to Ofelia Carbajal, Attn: Human Resources, 559 S. Schmidt Rd., Bolingbrook, IL 60440, or to [•]@hyzonmotors.com.

Sincerely,
HYZON MOTORS INC.

By: Parker Meeks
Title: Chief Executive Officer

ACCEPTED AND AGREED AS OF THE
DATE FIRST SET FORTH ABOVE:

By: [EMPLOYEE NAME]

**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 period ended June 30, 2024 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: August 13, 2024

/s/ Parker Meeks

Parker Meeks
Chief Executive Officer
(Principal Executive Officer)

**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, Stephen Weiland, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2024 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: August 13, 2024

/s/ Stephen Weiland

Stephen Weiland
Chief Financial Officer
(Principal Financial Officer)

**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 June 30, 2024, 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 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: August 13, 2024

/s/ Parker Meeks

Parker Meeks
Chief Executive Officer
(Principal Executive Officer)

**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 June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen Weiland, 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: August 13, 2024

/s/ Stephen Weiland

Stephen Weiland
Chief Financial Officer
(Principal Financial Officer)