

# Green Bond Framework

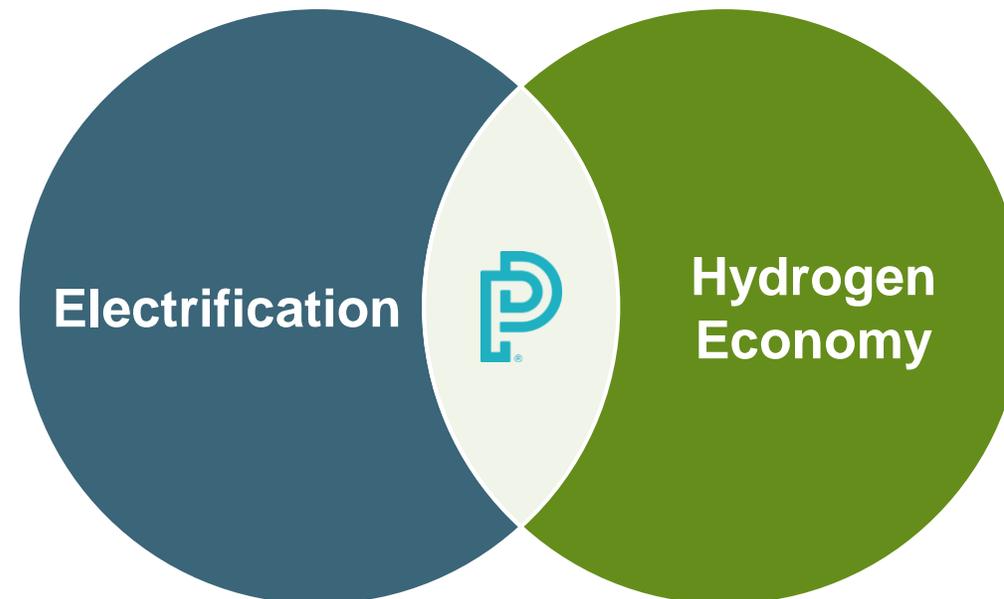
May 2020

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- Plug Power is a Delaware corporation headquartered in Latham, New York
- Listed on The NASDAQ Stock Market, Plug Power is a member of several benchmarks, including the Russell 2000 Index, NASDAQ Composite Index, the NASDAQ Clean Edge Green Energy Index and the S&P Global Clean Energy Index
- As a leading provider of comprehensive hydrogen fuel cell turnkey solutions, Plug Power is seeking to build a green hydrogen economy
- The Company is focused on hydrogen and fuel cell systems that are used to power electric motors primarily in the markets for electric mobility and large stationary power, given the ongoing paradigm shift in the power, energy, and transportation industries to address climate change, energy security, and meet sustainability goals



## Key Performance Characteristics



1<sup>st</sup> to create a market for HFC technology



Strong patent portfolio and proprietary know-how



44 trademarks



~70% blue chip customer base



300MM+ operating hours (1Bn+ miles)



Significant runway available in core forklift market



Future applications represent tremendous addressable markets

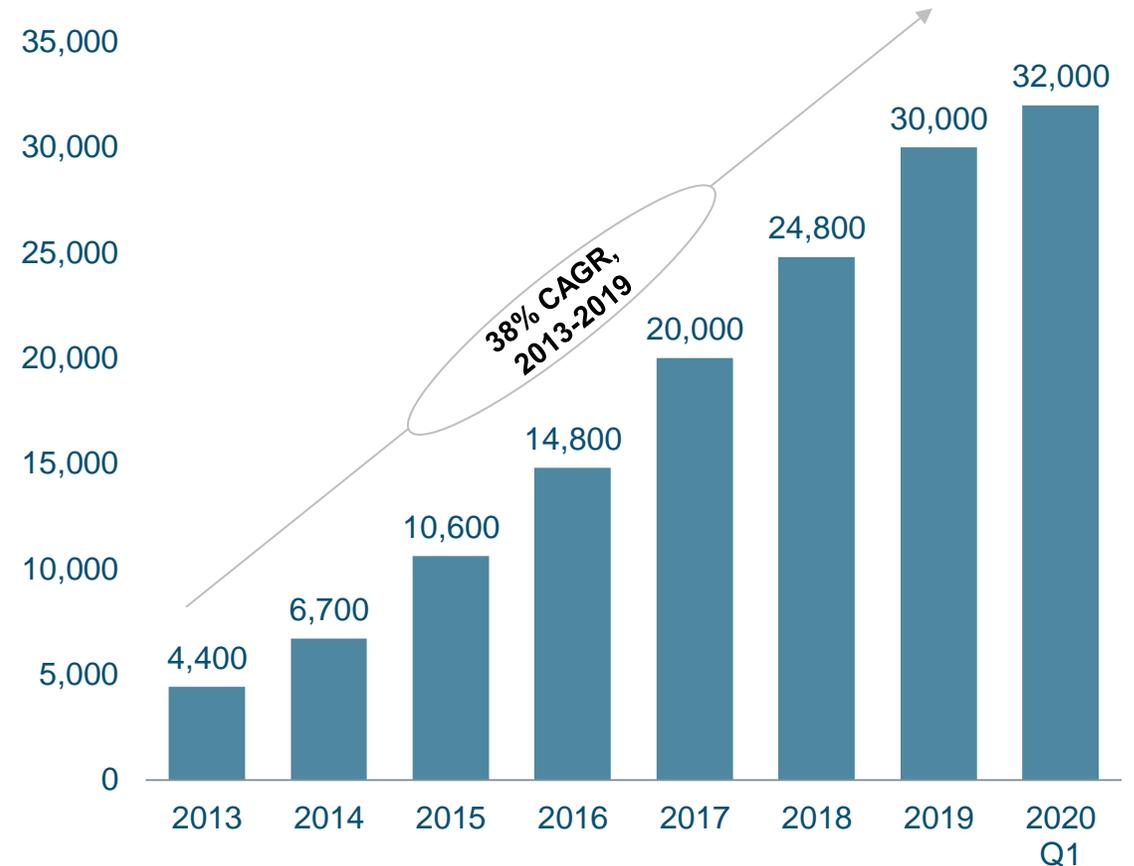


27.9MM+ fuelings; 27T+ liquid H<sub>2</sub> used daily



Installed base creates foundation for recurring revenue

## Cumulative Hybrid Fuel Cell Units Installed <sup>(1)</sup>



Growing the Installed Base and Hydrogen Consumption → Future Recurring Revenue

Note:

1. Rounded figures, excludes stationary units

## GENKEY

Complete Turnkey Solution

Fuel Cell Technology

### GENSURE

#### Fuel Cells for Stationary Applications

- 10,000+ units in the field worldwide
- High reliability with 99.6% uptime
- Environmentally hardened from – 20°F to 120°F



### GENDRIVE

#### Hybrid Fuel Cell Solutions for Forklifts

- ~32,000 units in the field
- Drop-in replacement
- 300MM+ operating hours



### PROGEN

#### Fuel Cell Stacks and Systems

- High-power, air-cooled, and liquid-cooled designs
- Lower cost / higher performance
- 28+ years of Plug Power IP



### GENFUEL

#### Fueling Infrastructure and Delivery



- 80+ installed sites
- 300+ hydrogen dispensers
- 27.9MM+ fuelings; 27T+ liquid H<sub>2</sub> used daily

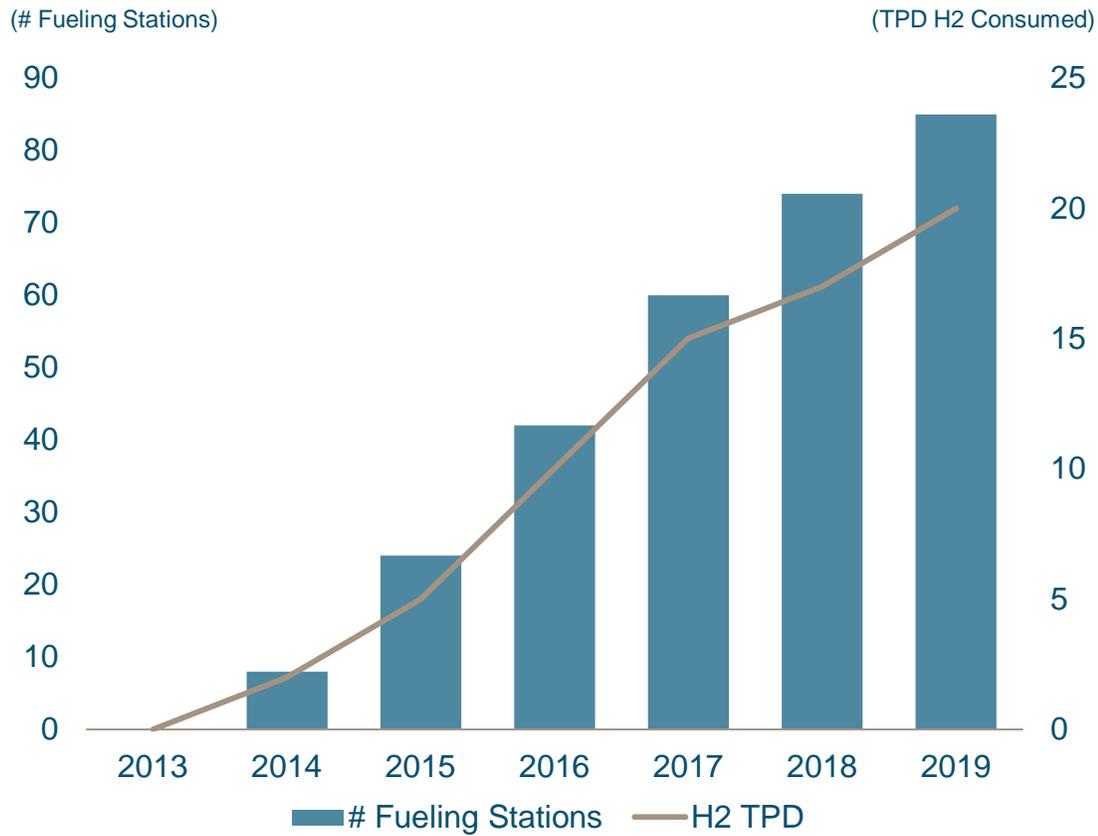
### GENCARE

#### Complete Service and Maintenance

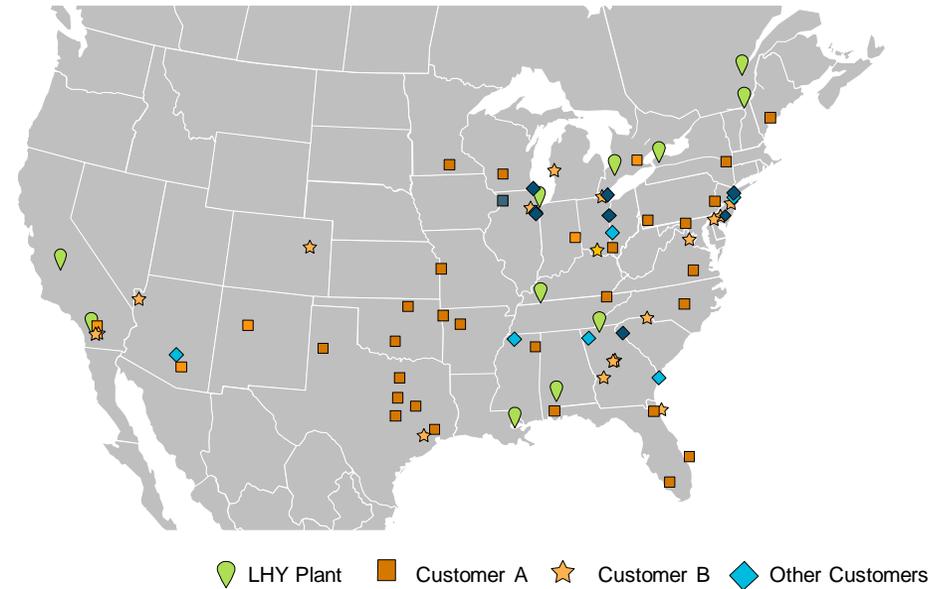


- 98+% uptime performance
- IoT data collection, monitoring and control driving efficiency and uptime

## Hydrogen Infrastructure and Fuel Consumption: 2013 - 2019



## Hydrogen Infrastructure Footprint: To Date

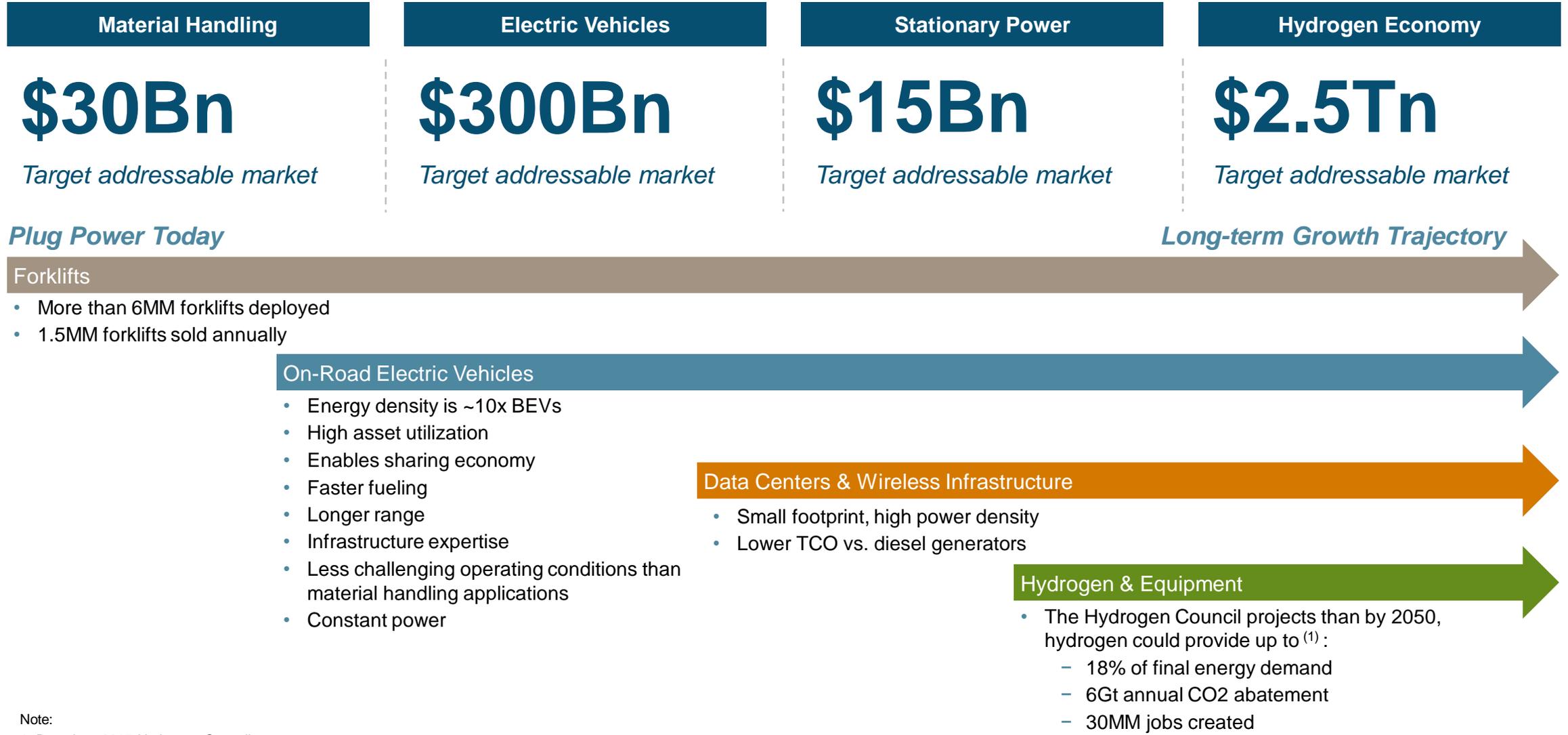


**80+** fueling stations in operation

**Largest user** of liquid hydrogen (27T+ used daily)

**16.8MM+** kgs dispensed (cumulative)

**27.9MM+** fills on GenFuel systems (cumulative)



Note:  
1. Based on 2017 Hydrogen Council report



◆ Multi-site Customer

Plug Power will use the proceeds for strategic initiatives, general corporate purposes, and a portion to refinance the existing 5.5% convertible notes due 2023.

## Plug's strategic initiatives this Green Bond will help fund include:

- Investing in our **green hydrogen strategy**, including acquisitions and further developments to achieve target of **50% green hydrogen by 2024**
- Growing the global **material handling, electric vehicle, and broader power markets** for PEM fuel cells – these markets are large and enable our pathway to the targeted **\$1B in sales annually by 2024**
- Enhancing our fuel cell technology platform with **more efficient and higher power density fuel cells**
- Expanding our GenFuel solutions including **hydrogen generation, liquefaction, & distribution capabilities** in addition to **onsite generation**

## Plug intends to also use the new funding to refinance a portion of the existing 5.5% convertible notes issued in 2018:

- The Company received net proceeds of ~\$53.5MM from the issuance of convertible senior notes (\$100MM gross proceeds less \$43.5MM used to purchase a capped call and a common stock forward and fund transaction expenses). The net proceeds were deployed for strategic initiatives including acquisitions and development initiatives, and general corporate purposes
- During the last two years since completing this funding, the Company has:
  - Invested in working capital and technology enhancements to help deploy over **12,000 fuel cell units at 25+ sites**
  - Acquired **membrane technology and developed metal plate stack technology** enabling the Company to enhance performance and lower costs
  - Acquired **small scale fuel cell capabilities and internally developed large scale fuel cell products** enabling the Company to provide solutions from sub KW to MW scale products
  - Initiated partnerships and invested in product launches enabling the Company to **expand its addressable market opportunities**

- Annually, the executive team presents a plan to the Board of Directors for the forth coming fiscal year including proposed capital expenditures and incremental resource investments. These plans correlate to ongoing key strategies and actions to further the Company's mission.
- In the course of the year, ongoing expenditures are evaluated by the executive team and approved by Plug's CEO. In addition, during the year expenditures of size are specifically approved by the Board and the management team keeps the Board routinely apprised of ongoing financial progress and expenditures.
- Strategic projects are tied to the strategic initiatives as previously outlined.
- In addition to strategic projects for new markets and capabilities as previous discussed, eligible projects may include investments that advance Plug's operating strategy such as:
  - Expansion of system reliability and improvement of the Company's service and post-sales support experience
  - Reduction in the costs for deployment and ongoing uptime maintenance
  - Enhancement of hydrogen storage and distribution systems to improve efficiency

- Plug Power Executive and Finance teams will track the allocation of proceeds to eligible green projects
- Plug Power intends to allocate the proceeds from the Green Convertible Bonds consistent with the use of proceeds criteria and evaluation and selection process presented above
- The majority of the capital will be deployed during 2020 and into 2021 as Plug executes its expansion plans which include acquisitions, capital expenditures, and new development resources
- Any proceeds that have not been allocated may be held temporarily in Plug's cash investment accounts, in cash or other short term and liquid instruments, or used to pay back a portion of its outstanding indebtedness
- The Company will strive to maintain a level of overall capital allocation that matches or exceeds the total net proceeds from its outstanding Green Convertible Bonds for the Company's initiatives outlined above

- Plug Power intends to keep investors and other stakeholders updated on the allocation of proceeds in accordance with the Internal Capital Markets Association ICMA Green Bond Principles
- During the term of the Notes, we will report discrete expenditures like acquisitions, capex and other specific development investments
  - Additional items we will report on include the quantity of fuel cells deployed, quantity of hydrogen stations deployed, and hydrogen fuel consumed by our GenKey / GenFuel fleet
- We will publish annual updates on our website detailing, at a minimum, the allocation of the net proceeds from this offering to specific Eligible Green Projects
- Within the allocation report, Plug Power will provide a breakdown on the allocation of the proceeds of the Green Convertible Bond including, but not limited to:
  - Allocated Proceeds (% , \$)
  - Unallocated Proceeds (% , \$)
  - Amount or percentage of new financing and refinancing (% , \$)
- Our updates will be accompanied by the following:
  - an assertion by management that the net proceeds from this offering were invested in qualifying Eligible Green Projects; and
  - a report from an independent accountant in respect of the independent accountant's examination of management's assertion conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants

<b>Project Evaluation and Selection</b>	<ul style="list-style-type: none"><li>• Annually, the executive team presents a plan to the Board of Directors for the forthcoming fiscal year including proposed capital expenditures and incremental resource investments. These plans correlate to ongoing key strategies and actions to further the Company's mission.</li></ul>
<b>Management of Proceeds</b>	<ul style="list-style-type: none"><li>• Plug Power Executive and Finance teams will track the allocation of proceeds to eligible green projects</li><li>• Plug Power intends to allocate the proceeds from the Green Convertible Bonds consistent with the use of proceeds criteria and evaluation and selection process outlined that support its green hydrogen strategy</li></ul>
<b>Reporting and External Review</b>	<ul style="list-style-type: none"><li>• Plug Power has obtained a Second Party Opinion from Sustainalytics on this Green Bond Framework</li><li>• Plug Power intends to keep investors and other stakeholders updated on the allocation of proceeds in accordance with the International Capital Markets Association ("ICMA") Green Bond Principles</li><li>• During the term of the Notes, Company will publish annual updates on Plug Power website detailing, at a minimum, the allocation of the net proceeds from this offering to specific eligible projects</li></ul>
<b>Time Horizon</b>	<ul style="list-style-type: none"><li>• The majority of the capital will be deployed during 2020 and into 2021 as Plug executes its expansion plans, including acquisitions and capital investments</li></ul>

## Cautionary Note on Forward Looking Statements



This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve significant risks and uncertainties about Plug Power, including but not limited to statements about Plug Power’s expectations regarding full-year 2019 results, its five-year growth plan, future growth in revenue, gross billings, gross margin, operating income, Adjusted EBITDA, annual system shipments, hydrogen fuel sales and fueling stations, market size for products, total GenDrive deployments, customer base and systems for delivery vans, expansion into new markets, expansion with existing customers, reductions in material costs and operating expenses, increased fuel cell stack life, reductions in stack cost, size and weight, and increased utilization of manufacturing capacity. You are cautioned that such statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times that, or by which, such performance or results will have been achieved. Such statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in these statements. In particular, the risks and uncertainties include, among other things, the risk that we continue to incur losses and might never achieve or maintain profitability; the risk that we will need to raise additional capital to fund our operations and such capital may not be available to us; the risk of dilution to our stockholders and/or stock price should we need to raise additional capital; the risk that our lack of extensive experience in manufacturing and marketing products may impact our ability to manufacture and market products on a profitable and large-scale commercial basis; the risk that unit orders may not ship, be installed and/or converted to revenue, in whole or in part; the risk that a loss of one or more of our major customers, or the delay or inability of such customers to pay us, could have a material adverse effect on our financial condition; the risk that a sale of a significant number of shares of stock could depress the market price of our common stock; the risk that our convertible senior notes, if settled in cash, could have a material effect on our financial results; the risk that our convertible note hedges may affect the value of our convertible senior notes and our common stock; the risk that negative publicity related to our business or stock could result in a negative impact on our stock value and profitability; the risk of potential losses related to any product liability claims or contract disputes; the risk of loss related to an inability to maintain an effective system of internal controls; our ability to attract and maintain key personnel; the risks related to the use of flammable fuels in our products; the risk that pending orders may not convert to purchase orders, in whole or in part; the cost and timing of developing, marketing and selling our products; the risks of delays in or not completing our product development goals; our ability to obtain financing arrangements to support the sale or leasing of our products and services to customers; our ability to achieve the forecasted gross margin on the sale of our products; the cost and availability of fuel and fueling infrastructures for our products; the risks, liabilities, and costs related to environmental, health and safety matters; the risk of elimination of government subsidies and economic incentives for alternative energy products; market acceptance of our products and services, including GenDrive, GenSure and GenKey systems; our ability to establish and maintain relationships with third parties with respect to product development, manufacturing, distribution and servicing, and the supply of key product components; the cost and availability of components and parts for our products; the risk that possible new tariffs could have a material adverse effect on our business; our ability to develop commercially viable products; our ability to reduce product and manufacturing costs; our ability to successfully market, distribute and service our products and services internationally; our ability to improve system reliability for our products; competitive factors, such as price competition and competition from other traditional and alternative energy companies; our ability to protect our intellectual property; the risk of dependency on information technology on our operations and the failure of such technology; the cost of complying with current and future federal, state and international governmental regulations; our subjectivity to legal proceedings and legal compliance; the risks associated with past and potential future acquisitions; the volatility of our stock price; the risks associated with volatility in the economy, market trends and other conditions affecting the probability and financial stability of our customers; the impact of the COVID-19 pandemic on our business, including the impact on our third-party suppliers and customers and our ability to continue to attract and retain customers; and other risks and uncertainties referenced in our prospectus supplement as well as public filings with the SEC. For additional disclosure regarding these and other risks faced by Plug Power, see disclosures contained in our public filings with the SEC including, the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2019 as such risk factors may be updated from time to time in Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings Plug Power makes with the SEC. You should consider these factors in evaluating the forward-looking statements included in this presentation and not place undue reliance on such statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. Actual results will vary and those variations may be material. The forward-looking statements are made as of the date hereof, and Plug Power undertakes no obligation to update such statements as a result of new information.



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