



HYDROGENICS

Changing power ...Powering change



Changing Power Powering Change



Welcome to Hydrogenics,
a world leader in fuel cell
and hydrogen technologies



Safe Harbor Statement

This presentation may contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of factors discussed in today's press release, in the management discussion and analysis section of our interim and most recent annual financial statement or in other reports and filings with the Securities and Exchange Commission and applicable Canadian securities regulations. We do not undertake any duty to update any forward looking statements.



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Strategic Overview

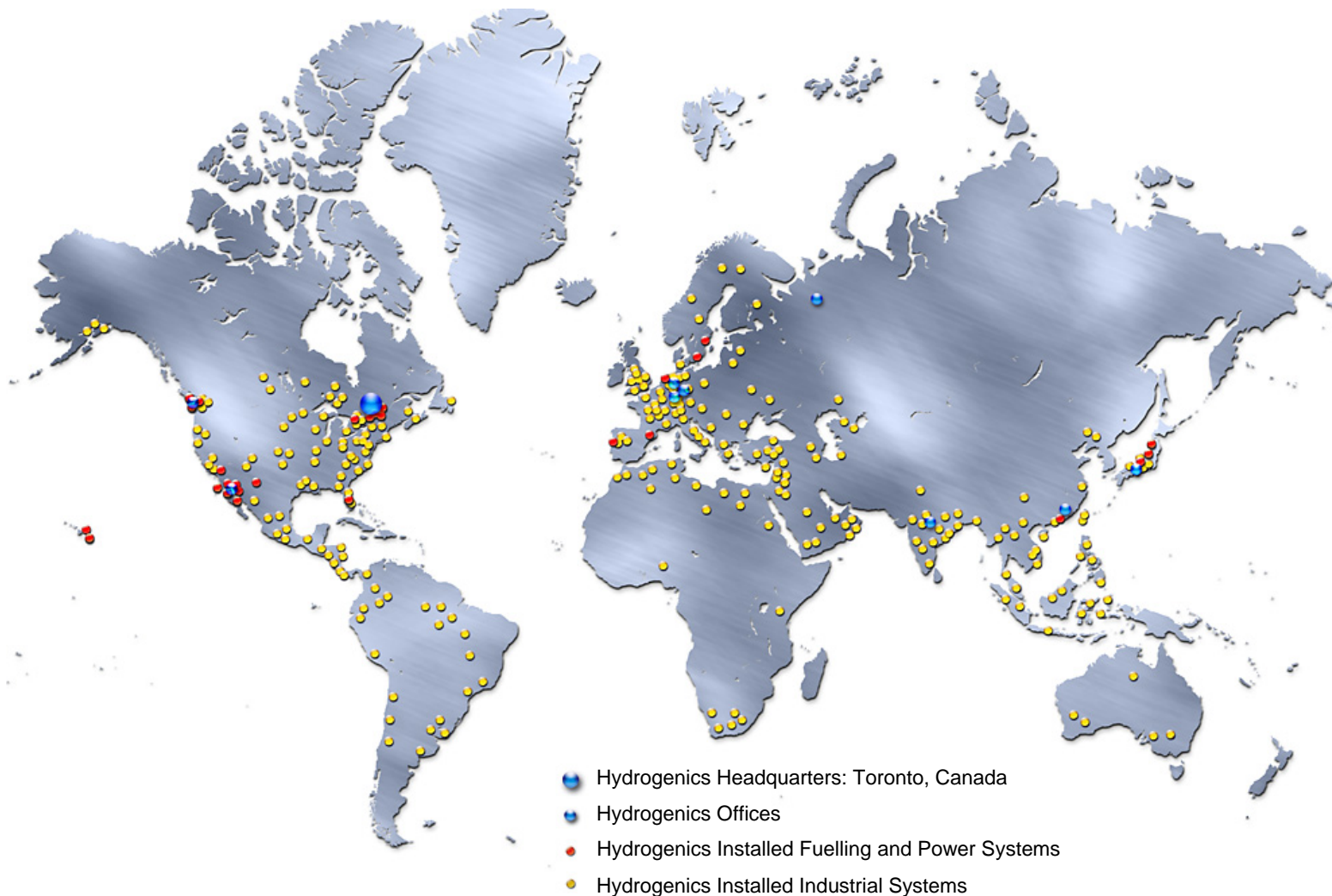


Hydrogenics Profile

- (NASDAQ: HYGS TSX: HYG)
- Developer of hydrogen products and infrastructure
 - **OnSite Generation**
 - **Power Systems**
 - **Test Systems**
- World leader in hydrogen infrastructure solutions
 - **Stuart Energy acquired in January 2005**
- World leader in fuel cell test systems (Greenlight Power)
- 1,600 + hydrogen products deployed worldwide since 1948
- 84 patents held and 459 patents filed
- Approximately 300 employees worldwide
- Headquarters in Toronto, Canada



Global Reach





Hydrogenics Business Strategy

- Initially address premium power markets for commercial markets
- Reduce exposure to single market, product, or adoption rate
- Expand strategic partnerships
- Target large, diverse markets – mobility & stationary
- Align burn rate with market adoption rate



Be first in our space to achieve breakeven operating cash flow



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Business Units

Strategic Business Units

OnSite Generation

- H₂ Production & Refueling
 - Alkaline electrolysis
 - PEM electrolysis
 - NG reforming



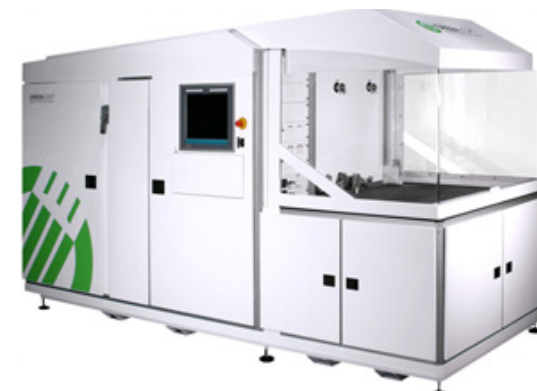
Power Systems

- Fuel Cell Products
 - Stationary
 - Motive



Test Systems

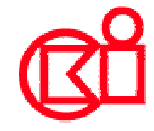
- Equipment
- Services
- Diagnostics





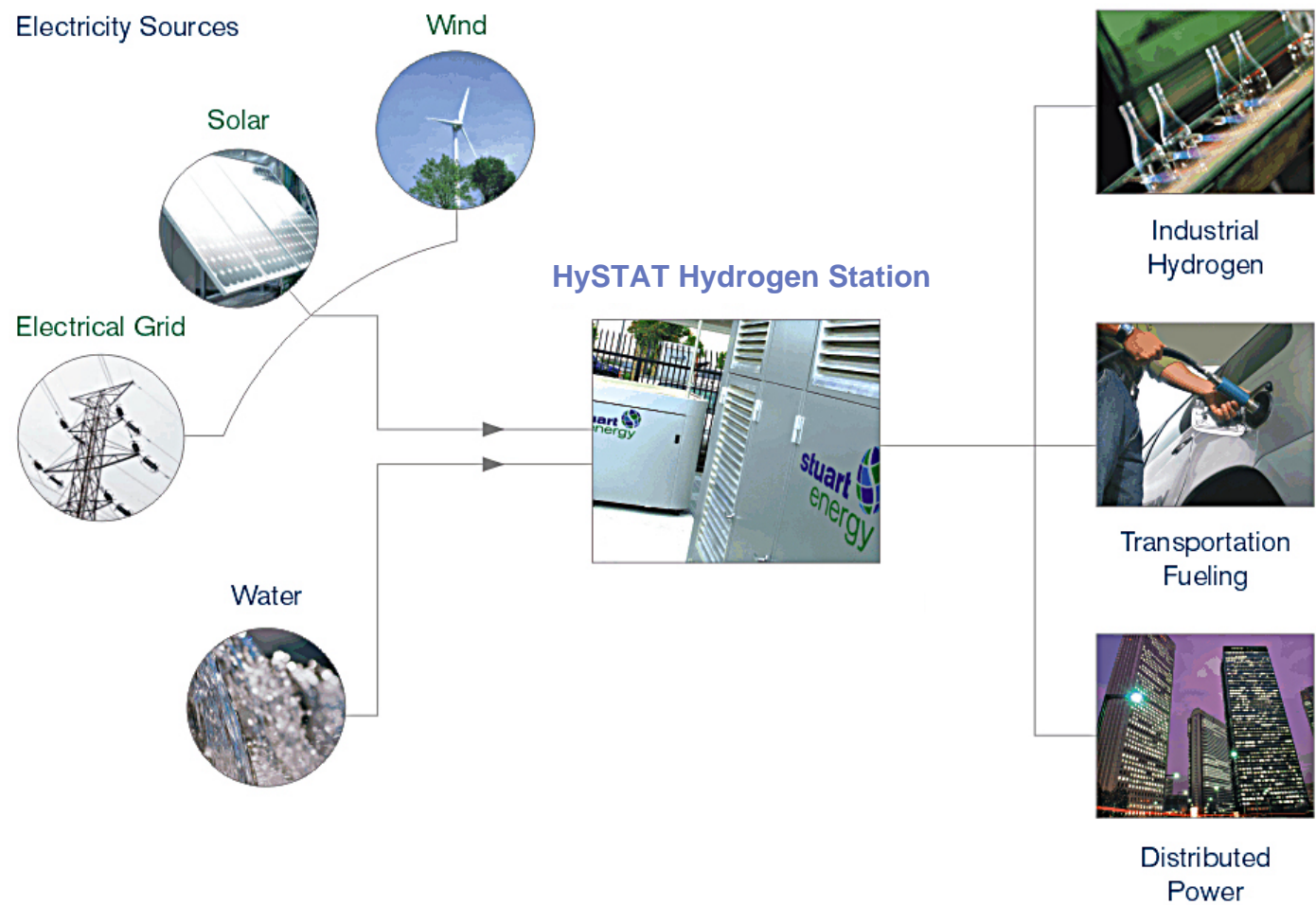
Blue Chip Customer Base

- Over 100 + customers worldwide





Leadership in Hydrogen Infrastructure





HyPM[®] Power Module

One module....many early adopting applications

- Delivery vehicles
- Material Handling
- Backup Power
- APU, Range Extenders
- Urban Buses
- Underground Mining
- Marine
- Airport Ground Support
- Off-road vehicles



Performance Without Compromise





Forklift Power Package

- Fuel cell hybrid power solution replaces battery pack in Hyster™ Class 1 – 5,000lbs forklift
 - Fits within existing battery space
 - Refueling time of <2 minutes
 - 1.7 shifts (8 hour shift) per fill
- 2 forklifts completed pilot project at GM Oshawa automotive assembly plant - Phase Two now underway at FedEx facility
- Partners include NACCO, Deere, GM, FedEx





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Financial Overview

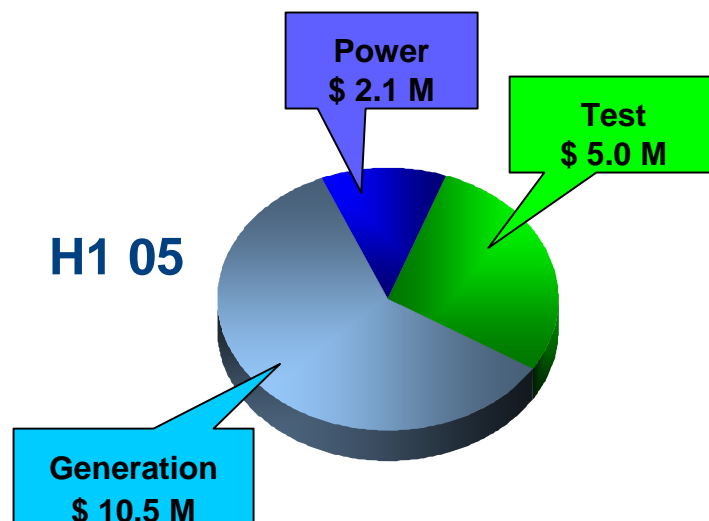
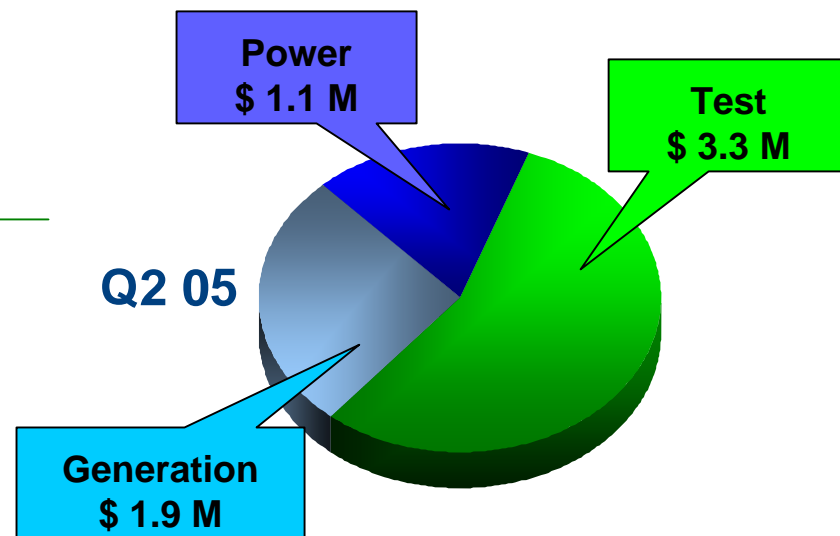
Second Quarter 2005



Revenues

Highlights

- \$6.3 M revenues in Q2 FY05 (YoY 76 % ↑)
- \$17.6 M revenues in H1 FY05 (YoY 130% ↑)
- 3% organic growth in H1 FY05





Order Backlog at June 30, 2005

(in \$ millions)

	Orders			
	Q1 Backlog	Received	Delivered	Q2 Backlog
Generation	11.0	3.0	1.7	12.3
Power	2.6	-	1.1	1.5
Test	4.9	3.9	3.5	5.3
Total	18.5	6.9	6.3	19.1

Highlights

- We expect to substantially deliver this order backlog in 2005.



Balance Sheet Highlights

Highlights

- \$97.7 million in cash and cash equivalents and short-term investments as at June 30, 2005
- \$8.1 million sequential quarterly decrease in cash and cash equivalents and short-term investments attributable to:
 - our loss before interest, taxes, depreciation, and integration costs of \$6.2 million
 - integration and severance costs of \$0.3 million
 - net changes in non-cash working capital of \$1.5 million
 - capital expenditures of \$0.1 million



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