

HYDROG(E)NICS
Advanced Hydrogen Solutions

Energy Storage



Fuel Cell Power



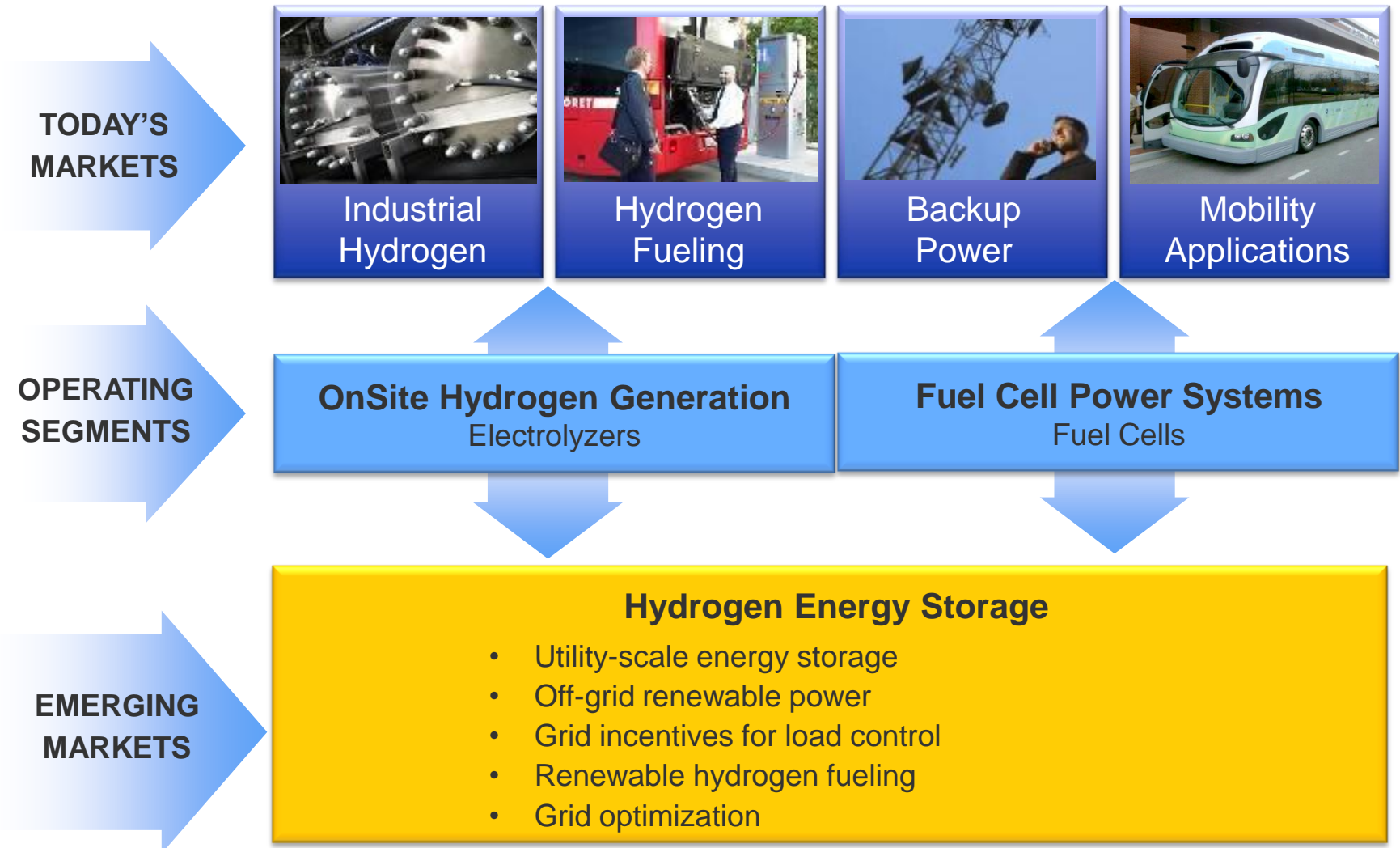
Hydrogen Generation



Safe Harbor Statement

This presentation contains forward-looking statements about our achievements, future results, goals, levels of activity, performance, and other future events. We believe the expectations reflected in our forward-looking statements are reasonable, although we cannot guarantee achievements, future results, levels of activity, performance, or other future events. These statements are based on management's current expectations and actual results may differ from these forward-looking statements due to numerous factors, including risks related to our ability to raise additional capital, liquidity, revenue growth, operating results, industry, technology and products. You should not place undue reliance on these forward-looking statements. Investors are encouraged to review the section captioned "Risk Factors" in our regulatory filings with the Canadian securities regulatory authorities and the United States Securities and Exchange Commission for a more complete discussion of factors that could affect our future performance. Furthermore, the forward-looking statements contained herein are made as of the date of this presentation, and we undertake no obligation to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this presentation, unless otherwise required by law. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

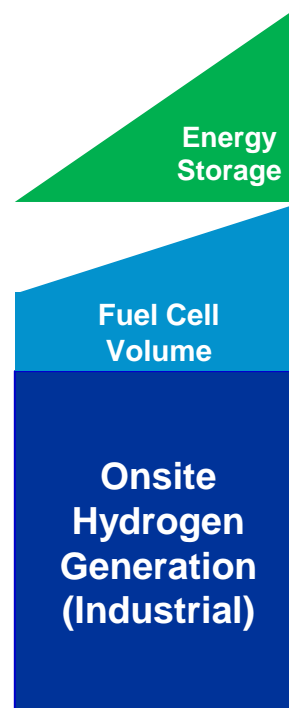
Hydrogenics' Lines of Business



Our Growth Story is Building Advanced Hydrogen Solutions



Technology
Foundation
Building



Inflection &
Transition



Multiple platforms
For Significant Growth



Global Leadership

CommScope Fuel Cell Cabinet Configuration Options



5kW or 8kW



5kW or 8kW
+ integrated Radios
+ DC Rectifier
+ Battery String



10kW or 16kW

COMMScope®

HYDRO(E)NICS

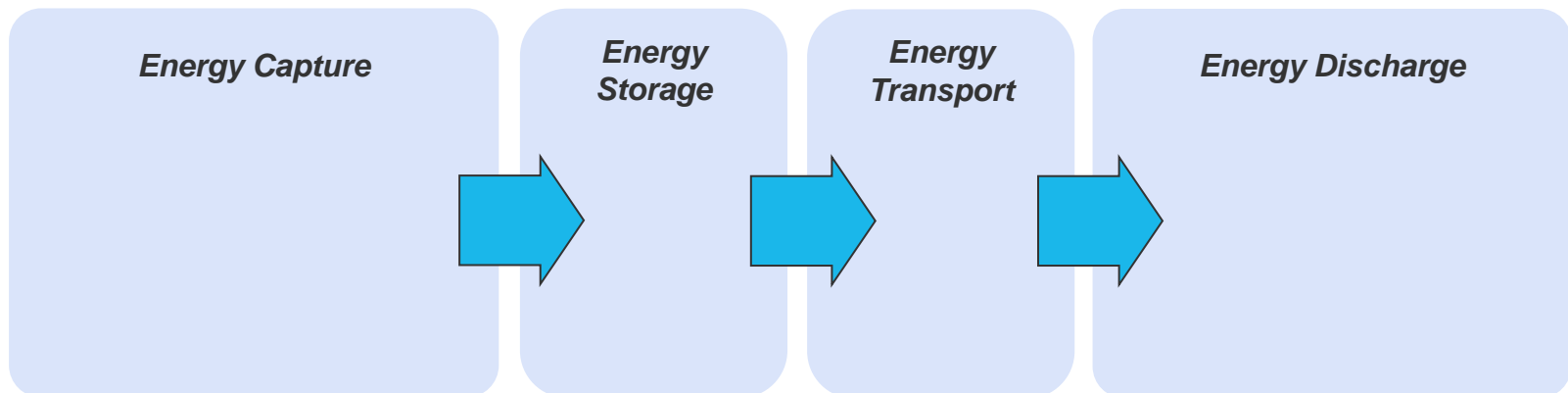
Advanced Hydrogen Solutions



Power-to-Gas

- a) Enables renewable generation through storage & stabilization
- b) Introduces “Energy Banking” services
- c) Leverages existing natural gas infrastructure
- d) Delivers Flexibility – electricity, heat, fuel, industrial

Power-to-Gas Hybrid Solution



Hydrogen Energy Storage

Why is this an important story for us?

Energy Theme Alignment

Multiple Place, Project, Players

Mature Technology Platform

The Right Partners

Other “solutions” are not delivering

Recent Highlights

- On April 20, 2012, announced CA\$5.0 million equity investment by Enbridge Inc. to develop hydrogen energy storage “Power-to-Gas” opportunity.
- During the first quarter, secured \$1.8 million of orders for industrial gas and fuel cell applications and ended the quarter with a backlog of \$25.2 million.
- Announced the award of a development project for HYPM HD-90 rail application in conjunction with NRC-CTT of Ontario.
- Ended the first quarter with \$8.4 million of cash and restricted cash, reflecting: \$2.2 million of cash used in operations; and (ii) \$0.2 million of capital expenditures, partially offset by; (iii) \$0.7 million of operating borrowings. After the end of the quarter, received CA\$5.0 million of cash from Enbridge as a result of their equity investment in Hydrogenics.

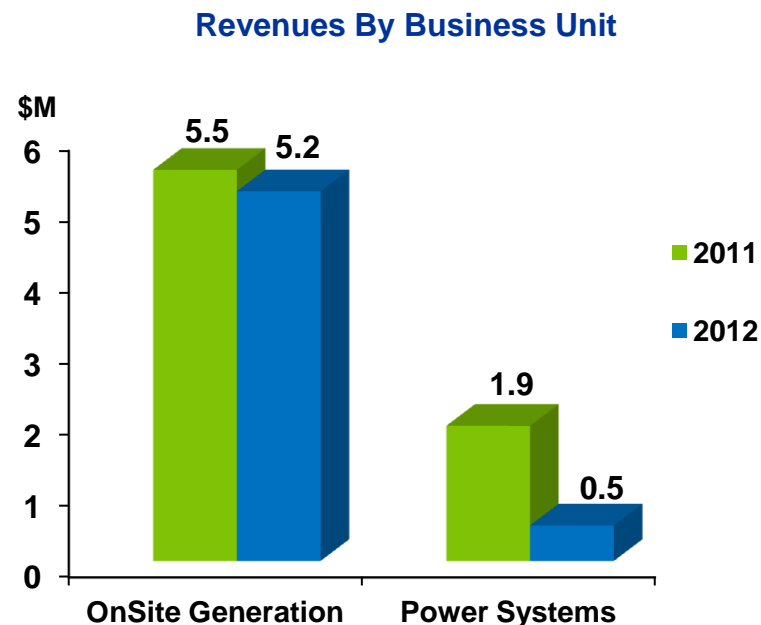
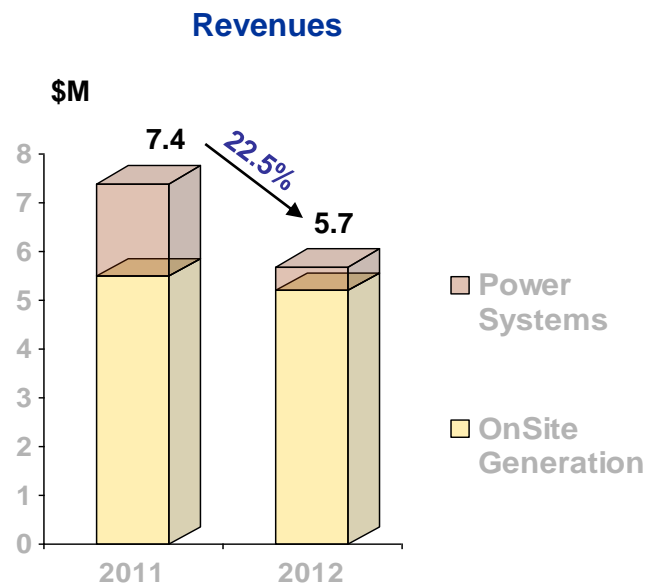


Growth Story

- Agreement with Enbridge to develop MW-scale “Power-to-Gas” energy storage in North America
 - Gas & electric utilities recognizing the value of MW- scale “Power-to-Gas” energy storage: *we have the technology*
 - Already over \$20M in “Power-to-Gas” sales and funded project opportunities in the sales funnel
- Ready for production launch on commercial orders for CommScope cell phone tower back-up opportunity
- Overall company sales funnel in best condition ever. Fully expect recovery in orders during coming quarters

Revenues

Three months ended March 31, 2012



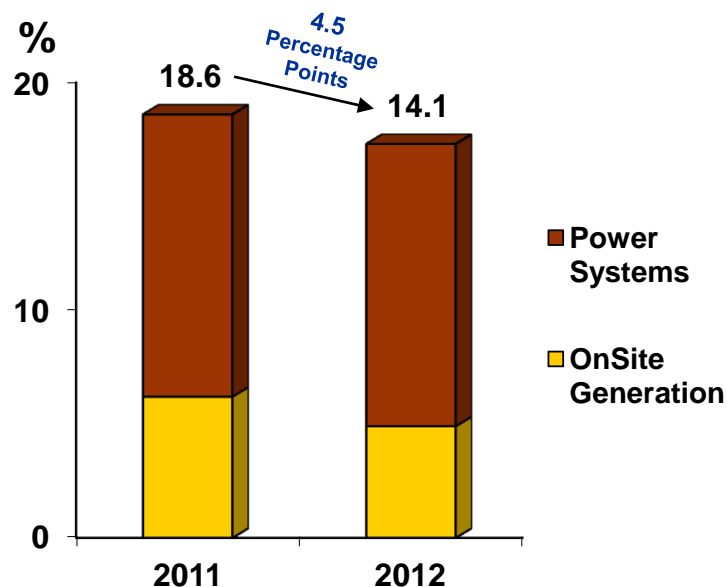
Notes

Revenues decreased \$1.7 million, or 22.5%, primarily reflecting lower revenues in Power Systems as a result of timing of receipt and delivery of orders.

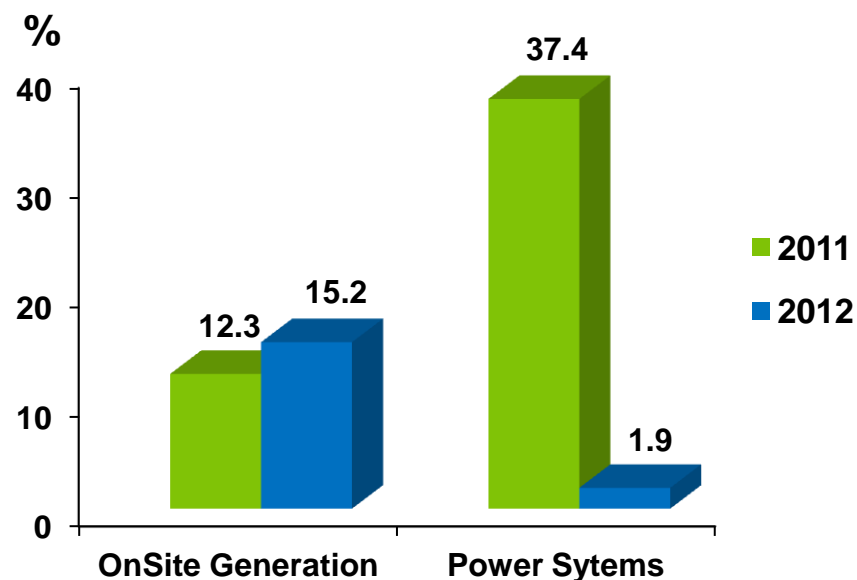
Gross Profit

Three months ended March 31, 2012

Gross Profit



Gross Profit By Business Unit

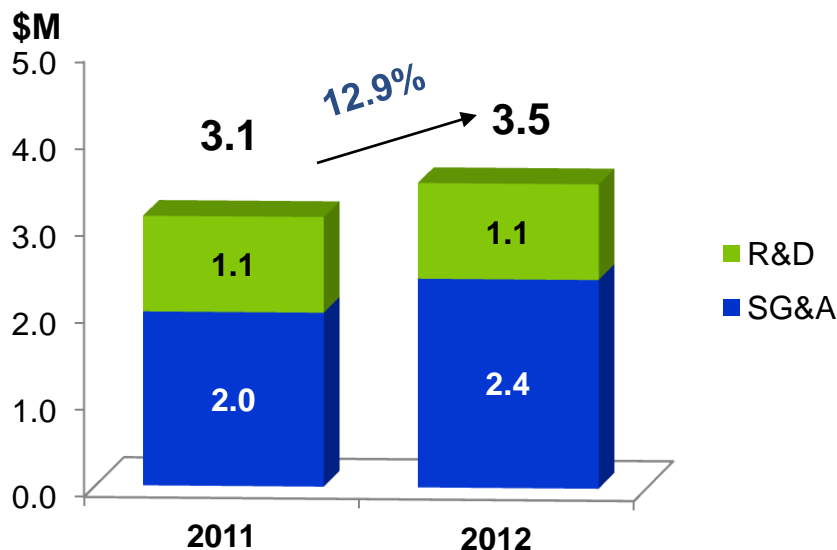


Notes

Gross profit was 14.1%, reflecting; a 4.5 percentage point decrease as a result of: (i) lower overhead absorption resulting from lower revenues in our Power Systems business and; (ii) variation in product mix in our Power Systems business.

Cash Operating Costs

Three months ended March 31, 2012



Notes

- Cash operating costs were \$3.5 million, a 12.9% increase primarily reflecting increased selling activities.
- Cash operating costs are defined as the sum of selling, general and administrative expenses (“SG&A”) and research and product development (“R&D”), less amortization and depreciation, and stock-based compensation expense inclusive of compensation costs indexed to our share price. This is a non-IFRS measure and may not be comparable to similar measures used by other companies. Management uses this measure as a rough estimate of the amount of fixed costs to operate the Corporation and believes this is a useful measure for investors for the same purpose. Refer to slide 13 for a reconciliation of this measure to loss from operations.

Q1 Results (in \$ millions)

	Three months ended March 31		Change	
	2012	2011	\$	%
Revenues	\$ 5.7	\$ 7.4	(1.7)	23.0
Gross Profit (excluding amortization and depreciation)	0.8	1.4	(0.6)	(42.9)
<i>% of Revenues</i>	14.1	18.9		
Operating Expenses				
Selling, general and administrative (excluding amortization and depreciation)	2.8	3.2	(0.4)	(12.5)
Research and product development	1.1	1.1	-	-
EBITDA	(3.1)	(2.9)	(0.2)	(6.9)

Notes

- EBITDA is defined as net loss excluding finance income, net, other losses, depreciation and amortization. EBITDA is a non-IFRS measure and may not be comparable to similar measures used by other companies.
- Management uses EBITDA as a useful measure of cash flows. Refer to slide 14 for a reconciliation of this measure to net loss.

Order Backlog

As at March 31, 2012

(\$M)

	Dec. 31/11 Backlog	Orders Received	Orders Delivered	Mar. 31/12 Backlog
OnSite Generation	\$ 27.2	\$ 0.8	\$ 5.2	\$ 22.8
Power Systems	1.9	1.0	0.5	2.4
Total	\$ 29.1	\$ 1.8	\$ 5.7	\$ 25.2

Balance Sheet Highlights

(\$M)

	Mar. 31 2012	Dec. 31 2011	Change	
			\$	%
Cash and cash equivalents, and restricted cash	\$ 8.4	\$ 10.0	(1.6)	(16.0)
Trade, other and grants receivable	3.1	4.3	(1.2)	(27.9)
Inventories	11.0	9.3	1.7	18.3
Operating borrowings	0.7	-	0.7	100.0
Trade and other payables	10.4	10.0	0.4	4.0
Warrants	1.4	1.5	(0.1)	(6.7)

Reconciliation of Non-GAAP Measures

Cash Operating Costs

(\$M)

	Three months ended March 31, 2012	Three months ended March 31, 2011
Cash Operating Costs	\$ 3.5	\$ 3.1
Less: Gross profit	(0.8)	(1.4)
Add: Stock-based compensation	0.2	0.5
Add: Deferred compensation plans indexed to share price	0.2	0.8
Add: Other gains and losses (net)	-	-
Add: Amortization	0.2	0.2
Loss from Operations	\$ 3.3	\$ 3.2

Reconciliation of Non-GAAP Measures

EBITDA

(\$M)	Three months ended March 31, 2012	Three months ended March 31, 2011
EBITDA loss	\$ 3.1	\$ 2.9
Add: Amortization	0.2	0.2
Add: Finance loss, net	(0.1)	1.6
Net Loss	\$ 3.2	\$ 4.7

WE'RE
READY