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"ZKB Hydrogen Equity Basket"

January 2021

The future is blue

The new Tracker Certificate combines 27 shares, selected by ZKB Asset Management, with exposure to hydrogen. The composition of the basket aims for a risk-diversified and efficient representation of a topic with excellent future prospects. The dynamic management ensures a continuous review of the positions.

Hydrogen is at a turning point towards a positive development. The Paris Climate Agreement and a high level of political support, as well as technological advances, are driving the development. Increased demand enables the industrialisation of production and thus lower costs. Some projects are still in the research and development phase and the first pilot projects are emerging. The first vehicles, mainly trucks, with climate-friendly hydrogen propulsion are being produced. Hydrogen offers numerous investment opportunities along the value chain - from speculative "pure plays" to broadly diversified companies. This Certificate enables participation in this dynamically developing, sustainable theme. The certificate contains partly speculative, but also long-standing equities and is particularly suitable for risk-taking investors.

The new basket in detail

The Certificate will include 27 thoroughly selected stocks with equal weighting at the initial fixing date. The broad diversification via "pure plays" and broadly positioned companies whose business activities are currently only partly focused on hydrogen offers participation in a potential megatrend with risk diversification.

There are no distributions to the investor. The net dividends distributed by the underlying components flow entirely to the structured product for reinvestment.

Tracker Certificate Dynamic on a Hydrogen Equity Basket

- Diversification through large, mid and small capitalisations
- Without maturity ("Open End")
- ZKB Asset Management acts as Investment Manager

Key data

ZKB Tracker Certificate Dynamic

Underlying	"Hydrogen Equity Basket"
Currency	CHF
Trading unit	1 structured product
Issue price	CHF 100.00
Subscription	until 27 January 2021, 16:00 CET
Initial fixing	28 January 2021
Value date	03 February 2021
Final Fixing	Open End
CH Sec Code	56'679'555

ZKB Hydrogen Equity Basket

Stock	Weight	Bloomberg Ticker
Air Liquide	3.70%	AI FP
Air Products & Chemicals	3.70%	APD UN
Alstom	3.70%	ALO FP
Ballard Power Systems	3.70%	BLDP CT
Burckhardt Compression	3.70%	BCHN SE
Chart Industries	3.70%	GTLS UW
CIMC Enric	3.70%	3899 HK
Cummins	3.70%	CMI UN
Daimler	3.70%	DAI GY
Doosan Fuel Cell	3.70%	336260 KP
Enagas	3.70%	ENG SQ
ENEL	3.70%	ENEL IM
Faurecia	3.70%	EO FP
Hexagon Purus	3.70%	HPUR NO
Hyundai Motor	3.70%	005380 KP

ZKB Hydrogen Equity Basket

Stock	Weight	Bloomberg Ticker
Iberdrola	3.70%	IBE SQ
ITM Power	3.70%	ITM LN
Linde	3.70%	LIN GY
NEL ASA	3.70%	NEL NO
Nikola Corporation	3.70%	NKLA UW
Orsted	3.70%	ORSTED DC
Plastic Omnium	3.70%	POM FP
Plug Power	3.70%	PLUG UN
Siemens Energy	3.70%	ENR GY
SNAM	3.70%	SRG IM
Stadler Rail	3.70%	SRAIL SE
Toyota Motor	3.70%	7203 JT

Overview over the selected stocks

The stocks contained in the basket and their exposure to hydrogen are briefly described below.

Air Liquide

In addition to producing and selling industrial gases, Air Liquide is also a producer of hydrogen.

Air Products & Chemicals

Air Products & Chemicals produces various gases - including hydrogen.

Alstom

Alstom's activities include developing the first prototypes of hydrogen trains.

Ballard Power Systems

Ballard is one of the most established fuel cell manufacturers. The company specialises in PEM fuel cells for heavy-duty transport (trucks, buses and ships). Ballard's main customers include Wright Bus and Weichai.

Burckhardt Compression

Burckhardt Compression manufactures, among other things, compressor systems for the production of high-pressure hydrogen to supply filling stations for refuelling vehicles. The company should therefore benefit significantly from the expansion of the hydrogen infrastructure.

Chart Industries

Chart Industries specialize in fuel cell infrastructure: it acts as developers and manufacturers of electrolyser plants and hydrogen storage systems.

CIMC Enric

Fuel cell infrastructure: Manufacturer of equipment for the storage of hydrogen.

Cummins

Fuel cell infrastructure: Multi-layered approach that invests in the entire hydrogen landscape, from production and storage to fuel cell and powertrain development. The company has many partnerships: Alstom, NPROXX, Navistar, Werner trucks and Sinopec. Expects larger PEM electrolyser projects (50-60 MW range) to enter the market.

Daimler

Within the second half of this decade, Daimler plans to launch a hydrogen truck with a range of 1,000 km. Although hydrogen is part of the electrification strategy, battery-powered vehicles are likely to be the main focus for passenger cars in the coming years.

Doosan Fuel Cell

Doosan Fuel Cell is a leading manufacturer of large, stationary fuel cell systems for electricity generation.

Enagas

Enagas is a gas supplier with initial pilot projects for the transport of hydrogen. The aim is to test whether and in what concentrations hydrogen could be transported by pipeline.

ENEL

ENEL is the world's largest developer of renewable energy generation plants.

Faurecia

Faurecia is a French automotive supplier that aims to become a leader in hydrogen mobility. Faurecia manufactures hydrogen tanks itself and has a joint venture with Michelin for fuel cell systems for commercial vehicles.

Hexagon Purus

Hexagon Purus is a manufacturer of hydrogen tanks.

Hyundai Motor

Hyundai Motor is one of the world's leading manufacturers of hydrogen vehicles (cars, trucks, forklifts).

Iberdrola

Iberdrola is the world's second largest developer of renewable energy plants, which are essential for the production of green hydrogen and will account for about 80% of the cost.

ITM Power

ITM Power develops and manufactures integrated hydrogen energy systems for energy storage. The joint venture with Linde allows the company to strengthen development and sales.

Linde

Among other things, Linde is active as a manufacturer of hydrogen, hydrogen trucks and forklifts.

NEL

NEL is a leading manufacturer of electrolysis equipment for the production of hydrogen. The company was originally part of Norsk Hydro and has a proven track record in its field.

Nikola

Nikola, together with partners, plans to produce and sell heavy-duty hydrogen trucks from 2023 (or a battery version from 2021) for the North American market. The company is also working with NEL to build hydrogen refuelling stations.

Orsted

Orsted is a leading developer of offshore wind turbines for the production of renewable energy, for which hydrogen is an interesting storage option.

Plastic Omnium

Plastic Omnium has solid market positions in its existing business areas, albeit with limited development potential. Therefore, the increased focus on hydrogen (tanks and fuel cells) offers promising growth opportunities, which are linked to corresponding market share ambitions (e.g. 25% market share for hydrogen tanks by 2030).

Plug Power

Plug Power is one of the best quality companies in the fuel cell sector. The company already has an established technology in forklifts and now wants to roll it out in trucks. Amazon, Walmart and Home Depot are key customers of Plug Power. The strong growth of the hydrogen industry should enable Plug Power to break even in the near future.

Siemens Energy

Fuel cell infrastructure: Siemens Energy has a portfolio that covers all aspects of the H2 value chain from production to use. From the production of green hydrogen, the ability to provide the infrastructure for transport and then the technology to make it usable either as fuel cells in heavy-duty transport or as fuel in industrial gas turbines.

SNAM

SNAM is a gas supplier with initial pilot projects for the transport of hydrogen. The aim is to test whether and in what concentrations hydrogen could be transported by pipeline.

Stadler Rail

Stadler Rail is a manufacturer of rail vehicles and has already received an order to build a hydrogen train from the USA some time ago. A hydrogen-powered train makes sense especially where electrification is not available or possible.

Toyota Motor

Toyota's Mirai is a hydrogen-powered passenger car that will be of little importance to the company in terms of sales volumes in the coming years. Nevertheless, it reflects the company's leading position in this field.

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