

**POWERING INNOVATION. ENERGIZING TOMORROW.** 

**Clean energy to power** future industries



## Integrated report 2024

## HydrogenPro



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# About us: This is HydrogenPro

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## **Key Achievements**



#### New equity from strategic investors

In April 2024, we received a strategic investment of NOK 82.7 million from ANDRITZ AG. By the end of 2024, we announced another NOK 70 million through a private placement with our esteemed shareholders, ANDRITZ AG and Mitsubishi Heavy Industries, Ltd. Additionally, we secured a NOK 70 million conditional investment agreement and strategic cooperation with LONGi Hydrogen Technology (Xi'an) Co., Ltd.



#### **New strategic** partnership

For green hydrogen projects in the range of 5-50 MW in Germany, Austria and Benelux, we have entered in a new partnership with J.H.K., an established industrial plant construction and engineering company. This enables us to offer a complete solution that integrates state-of-the-art electrolyzers into a complete EPC solution.



#### 365+ days without lost-time accidents

This accomplishment means that we have successfully cultivated a strong safety culture where safety protocols are diligently followed. It indicates that we are effectively identifying and mitigating potential hazards, ensuring compliance with industry safety standards and regulations. This milestone also reflects our commitment to continuous improvement in safety practices and procedures.



#### Delivering 2 of the 10 largest renewable projects in the world (excl. China)



#### Pilot testing of 3rd generation technology

The pilot testing of our new 3rd generation technology has commenced with a detailed validation process that started on November 1st 2024. The pilot has been refurbished, and additional instrumentation has been installed, including individual cell voltage measurements and a Coriolis instrument to accurately measure the production rate. The pilot has successfully been in operation for 1000 hours testing our last generation of electrodes. Next step is to proceed with fullstack validation through a joint full-scale validation program with Andritz in Q1 2025. Here also some recent improvements of the electrolyzer to increase efficiency will be validated. HydrogenPro has strengthened its modelling capacity enabling more rapid development as well as preparing for more rapid prototyping and upscaling with increased small and medium sized piloting capacity.



#### Start up of 350 MW manufacturing capacity of 3rd generation technology

HydrogenPro ASA has, over a long period of time, developed a unique Gen3 electrode technology that enables electrolyzers to produce with industry-leading efficiency while reducing the Levelized Cost of Hydrogen. In June 2024, HydrogenPro decided to invest in a new production line for its Gen3 electrodes. The new line has an annual production capacity of 350 MW of large electrodes. In Q1 2025, the new line started up. It was delivered on time and below budget (up to NOK 70 million).



#### Awarded grants for further increase in manufacturing capacity

Early preparations for a new large-scale factory, which will leverage the experience from the full-scale production line, are ongoing. This initiative will lead to the creation of a cutting-edge large-scale electrode production facility, marking a significant milestone for Denmark's green H2 technology sector and supporting the growth of the Danish PtX industry. The factory is expected to have a total capacity of at least 500 MW, with the potential for significant scaling to meet growth in customer demand. HydrogenPro has been awarded a grant from the EU Innovation Fund of EUR 16.5 and a grant of DKK 35 million by the Export and Investment Fund of Denmark. The expansion is subject to a final investment decision by HydrogenPro.

The European Hydrogen Bank introduced new terms where prospective projects will not be allowed to source more than 25 percent of electrolyzer stacks - covering surface treatment, cell unit production, and stack assembly-from China. We are continuously optimizing our operations. This includes our electrode production in Denmark, assembly at the site of our cooperation and EPC partner ANDRITZ AG in Germany, and manufacturing in China, as we will ensure to comply with all regulations of the European Hydrogen Bank.



In 2024 we manufactured the main components for the 100 MW green steel Project SALCOS in Germany and we delivered all electrolyzer stacks and gas separators to the 220 MW project in ACES (USA).



#### **Compliant with European** Hydrogen Bank regulations

## **Highlights 2024**





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## **CEO** Letter

HydrogenPro has a distinct and significantly leaner setup compared to most other European players. Additionally, we have invested less capital per megawatt of annual capacity.

#### Dear Stakeholders.

In 2024, HydrogenPro made significant strides in advancing green hydrogen technology. We enhanced our products, expanded production, and adapted to market dynamics while working closely with partners to accelerate hydrogen adoption across sectors. Notably, we achieved zero lost-time incidents, reflecting our commitment to safety. Together with our partners, we continue to drive progress towards global sustainability goals.

#### **Delivering World-Class Hydrogen Projects**

We are proud to be delivering equipment to two of the world's ten largest hydrogen projects: the Salzgitter project in Germany and the Advanced Clean Energy Storage (ACES) project in Utah, USA, The Salzgitter project involves the delivery of a 100 MW electrolysis plant in cooperation with Andritz, to Salzgitter AG, one of Europe's largest steel producers. This project is part of Salzgitter AG's SALCOS® program, which aims to achieve nearly CO2-free steel production. The 220 MW ACES project is one of the world's largest clean hydrogen hub, and is a Joint Venture between Chevron USA and Mitsubishi Power.

The electrolyzers in this project are designed to produce, store, and deliver green hydrogen, with the capacity to convert and store up to 100 metric tons of clean hydrogen per day. The hydrogen will be stored in two large salt caverns, each with a capacity of 150 gigawatt-hours (GWh) of energy, for dispatch back to the grid when needed.

#### **Navigating Market Shifts and Strengthening Our Position**

2024 was marked by a prolonged slowdown in order intake, a challenge not unique to HydrogenPro but one faced across the hydrogen industry. While the U.S. was previously considered the driving force in renewables, we have observed an increasing shift in focus toward Europe. In response, we have strategically positioned ourselves and adjusted our supply chain. In Germany, we have established a new assembly plant in collaboration with

Andritz, ensuring full compliance with European Hydrogen Bank funding requirements for European projects.

Additionally, we have seen a shift in project sizes. With delays in several large-scale projects, the market is moving toward smaller, more feasible projects. Companies are now starting with 20 MW projects, scaling up to 50-100 MW as the market matures. To meet this demand, we have adjusted our offerings and entered a new partnership with J.H.K., an industrial plant construction and engineering company. This collaboration will focus on green hydrogen projects ranging from 5-50 MW in Europe.

#### **Strengthening Financial Stability**

Despite market challenges, we successfully secured a strategic NOK 82.7 million investment from Andritz in April, reinforcing our financial position and enabling further innovation. In December, we secured an additional NOK 70 million from existing investors, Mitsubishi Heavy Industries (MHI) and Andritz combined. We are deeply grateful for the trust and confidence placed in us by our two largest industrial shareholders. This investment further strengthens our collaboration in technology and market development. Additionally, we secured a conditional NOK 70 million investment from LONGi, accompanied by a cooperation agreement. This investment is currently pending approval from Chinese authorities. These financial commitments have solidified our position, ensuring operational continuity and future growth.

#### **Advancing Technology and Innovation**

Technology development is at the core of HydrogenPro. Over the past year, we have made significant progress in enhancing our products, utilizing minimal scarce natural resources and no noble metals in our processes. We continue to invest in R&D and are establishing a full-scale production line at our R&D center in Denmark. This facility will support the large-scale production of next-generation electrode technology, with an annual capacity of 350 MW. This advancement enables our well-established, high-pressure

In October 2024, we were awarded a EUR 16.5 million grant from the EU Innovation Fund to support the largescale production of next-generation electrode technology. Additionally, in May 2024, we secured DKK 35 million from the Export and Investment Fund of Denmark, reinforcing our commitment to pioneering hydrogen solutions. Combined, these grants represent more than 50% of the total investment scope for the project.

**Commitment to Safety and Sustainability** Safety is our license to operate, and I am delighted to share that we have achieved more than 365 consecutive days without any lost-time accidents. At HydrogenPro, QHSE is not just a priority-it is a core principle. By prioritizing QHSE management, we are building a sustainable, efficient, and responsible business that positively impacts our employees, customers, and the planet.

**Looking Ahead** With numerous potential projects in the pipeline for the coming year, HydrogenPro has an optimistic view of the future as a leading supplier of large-scale hydrogen plants. We are making substantial investments in our technology to ensure we deliver state-of-the-art performance for the long term.

I am pleased to affirm that HydrogenPro remains a key player in the energy transition. Thank you for your continued trust and support.



alkaline electrolyzers to achieve industry-leading efficiency and further reduce the Levelized Cost of Hydrogen.

The full-scale production line serves as the foundation for our newest initiative, H2-GIGA. This large-scale factory is planned to be built on the experience gained from the production line and will be designed to deliver an additional 500 MW capacity, with significant scalability to meet future customer demands.

#### **Investing in People and Organization**

At HydrogenPro, it is our employees who make the difference-at every level. Together, we have strengthened our organization and nurtured our company culture. We have also initiated a new strategic planning process, actively involving our employees. In 2024, we expanded our leadership team with the addition of a Chief Technology Officer, Chief Operations Officer, General Manager North America, QHSE Director, and other key roles. Additionally, a new board was elected, chaired by Dag J. Opedal.

**Jarle Dragvik** Chief Executive Officer *HydrogenPro* 

## **Global Outlook for Green Hydrogen**

The year 2024 has been both challenging and promising for the green hydrogen market. Green hydrogen remains a crucial contributor in the global energy transition, primarily through decarbonizing hard to abate industries, which is essential for meeting the 2030 targets.

19 countries published new hydrogen strategies according to IEA, mostly in emerging markets and developing countries (EMDEs), bringing the total to 60 countries. These strategies now encompass countries responsible for over 84% of global energyrelated CO<sub>2</sub> emissions.

Many projects faced delays and cancellations, endangering a substantial portion of the project pipeline. This was due to a lack of offtake commitments, financing challenges, postponed incentives, and regulatory ambiguities. Long-term price setting in an immature and unregulated market has also been challenging—a key prerequisite for financial models leading to a final investment decision (FID). However, production and steel manufacturing reached FID last year. These committed projects could drive demand for 1.5 Mtpa of low-emissions hydrogen by 2030—three times the current level, according to the International Energy Agency (IEA).

We are on track with our 100 MW SALCOS project in Salzgitter, having delivered most of the main components to Andritz, where the stacks will be assembled, and electrodes being produced and delivered from our site in Aarhus, Denmark during 2025.

Public subsidies were the most common policy instrument in developed markets, while tax incentives were prevalent across emerging markets and developing economies (EMDEs). Competitive bidding was employed in countries such as Egypt, Europe, India, and Oman to facilitate market formation, price discovery, and competition.

Nine countries introduced incentives for electrolyzer manufacturing, though only six have policies currently in force.

Despite the challenges, global electrolyzer capacity is projected to rise significantly, driving down costs and improving efficiency. Technological advancements are making electrolyzers more efficient and cost-effective. Growing international demand, particularly in Europe and the Middle East, is driving exports and creating new market opportunities, supported by various countries' policies and incentives.

#### **European Union Initiatives**

**Clean Hydrogen Partnership**: The EU has allocated EUR 178 million to back 31 new projects spanning 28 countries. These initiatives encompass the entire hydrogen value chain, from cutting-edge electrolysis technologies to large-scale hydrogen storage, liquid hydrogen refueling stations, and multi-megawatt fuel cells for maritime use.

**Hydrogen Valleys**: Four new Hydrogen Valleys projects have been initiated with a combined funding of EUR 47 million. These projects, situated in France, Denmark, and Portugal, aim to establish comprehensive hydrogen ecosystems.

**European Hydrogen Bank**: The European Hydrogen Bank held two auctions in 2024. The first auction started in November 2023 and ended in February 2024, awarding nearly 720 million euros to seven projects for the production of renewable hydrogen. The second auction opened in December 2024, offering up to 1.2 billion euros in support for renewable hydrogen producers.

**EU Hydrogen Strategy**: As part of the EU Green Deal, this strategy outlines a plan for developing renewable hydrogen with specific production targets. By 2024, the aim is to have at least 6 GW of renewable hydrogen electrolyzers in the EU, generating 1 million tonnes of renewable hydrogen. Unfortunately, the reality is different and the current installed size is 0.5 GW.



#### **United States advancements**

In spring 2024, the U.S. Department of Energy (DOE) announced \$750 million for 52 projects across 24 states to reduce the cost of clean hydrogen and strengthen American leadership in the hydrogen industry. These projects will advance electrolysis technologies and improve manufacturing and recycling capabilities.

This funding is part of the Bipartisan Infrastructure Law, which allocates \$1 billion for reducing the cost of hydrogen production via electrolysis and \$500 million for improving manufacturing and recycling processes. The projects will create over 1 500 new jobs and support 32 disadvantaged communities.

Together with the Regional Clean Hydrogen Hubs (H2Hubs), tax incentives from the Inflation Reduction Act, and ongoing DOE research, these investments aim to achieve the Hydrogen Shot goal of producing clean hydrogen at \$1 per kilogram and support the longterm viability of H2Hubs and other commercial-scale deployments.

Additionally, the finalized 45V tax credit rules, released by the U.S. Department of the Treasury and IRS, provide significant changes and flexibilities to support clean hydrogen production with up to \$3 per kilogram.

## About HydrogenPro ASA

HydrogenPro, established in 2013, specializes in pioneering green hydrogen technology solutions in partnership with global collaborators and suppliers. Our core products are high-pressure alkaline electrolyzers and gas separation unit, featuring some of the most advanced technology available.

## Vision

Become #1 provider of large-scale green hydrogen technology & systems

## Mission

Accelerate global decarbonization with world-class sustainable green hydrogen solutions

#### **Business model and value proposition**

Our aim is to deliver to large-scale projects, and we are proud to be contributing to two of the world's ten largest projects. Many projects are starting up at smaller scale, to be scaled up at a later stage as the value chain is being developed. Companies are now starting with 20 MW projects and scaling up to 50-100 MW as the market matures. To meet this demand, we are adapting our offerings accordingly.

Our team consists of 151 highly skilled professionals, including key experts in green hydrogen solutions. Currently, we operate R&D, sales, and manufacturing facilities across Denmark, Germany, the US, and China, with plans for further

global expansion as the demand is growing.

Headquartered at Herøya in Norway, with a full-scale test facility, our proudest achievement lies in developing cutting-edge high-pressure alkaline electrolyzers. This includes proprietary electrode technology that enhances our global competitiveness. Designed for scalability with renewable energy inputs, our electrolyzers provide cost-effective solutions crucial for enhancing sectors like wind, solar, and other renewables in the energy transition. In collaboration with our partners, we are continuously testing and refining our production to meet customer needs.

Through unique properties as an energy carrier, we believe that green hydrogen will be key in the great energy transition. We are committed to leading the green hydrogen industry, confident that our technology and expertise will help drive the world toward a more sustainable future.

Values

Courage

Integrity

Collaboration

Innovation

#### Strategy

HydrogenPro is a key player in the energy transition, using a minimum of scarce natural resources and no noble metals in the process. We deliver high-pressure alkaline electrolyzers with industry-leading efficiency and reduced levelized cost of hydrogen. To achieve this, the company has identified four strategic pillars: technology leadership, global footprint, scalability, and lifecycle partner. Part of our strategy is also to develop partnership with industrial players to serve larger part of project scope.

A global footprint is crucial, positioning us closer to our customers and key markets. This approach not only strengthens sales and local expertise but also allows us to qualify for various regional incentive programs introduced in recent years. Local manufacturing reduces the need for raw material transportation, minimizes logistics costs, and mitigates geopolitical risks.

In 2024, we enhanced our strategic focus on the European market. In collaboration with Andritz, we established a product line in Erfurt for assembling our electrolyzers, complementing our new full-scale production line in Denmark.

For the Asian market, we entered a partnership with LONGi. However,



HydrogenPro complies with the European Hydrogen Bank's funding regulations, enabling our customers to apply for financial support.

Technology leadership is crucial to succeeding as a global electrolyzer supplier. Our high-pressure design enables electrolyzers to be turned on and off as needed, making them ideal for fluctuating renewable energy sources such as wind and solar. Additionally, we do not rely on rare precious metals, reducing the risk of raw material shortages.

The electrolyzer market will be driven by operational costs, with the most efficient electrolyzers prevailing in the long run. Low energy losses will be essential for green hydrogen companies to succeed. HydrogenPro is already highly competitive in terms of efficiency, but we are constantly developing the design



of the electrolyzer to improve energy efficiency. We have a strong commitment to technology verification and documentation and regularly test our improvements and new designs. Examples include our full-size small-scale stack test facilities and the full-size full-scale stack at our test center at Herøya.

A full-scale production line is currently being installed at our R&D center in Denmark and is expected to be operational by end of Q1 2025, with an annual capacity of 350 MW.

This is part of a larger project for which HydrogenPro was awarded a grant from the EU Innovation Fund of EUR 16.5 million in October. The grant is a key component in financing this project and comes in addition to the DKK 35 million awarded in May by the Export and Investment Fund of Denmark. Combined, these grants represent more than 50% of the total investment scope for the project.

HydrogenPro provides comprehensive solutions and services covering the entire lifecycle of our equipment-from design and installation to operation and maintenance. This ensures recurring revenue from our installed base and reduces risk in our business model.

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## **Stakeholder dialogue**

HydrogenPro engages with a wide range of stakeholders, including both where we operate today and where we seek to build strategic relationships for the future. As a fast-growing company in a major industry, we strive to meet rising stakeholder expectations and maintain transparency across our value chain.

Our stakeholders' contributions remain an integral part of our company's development. Their views and interests are considered when defining our key focus areas and material topics, as well as assessing potential economic, environmental, and social impacts. Equally important is ensuring that our stakeholders understand our company's plans, circumstances, and constraints.

We continuously evaluate and take action to address potential negative impacts. In 2023, we identified and prioritized key topics in our assessment, with further strategic initiatives proposed for execution. Some of these actions

included our ISO audit and cultural journey in 2024.

#### **Employees**

Employees are at the core of HydrogenPro's value creation, and we strive to build a strong company culture that aligns with our vision and values. To achieve our strategy, it is essential to attract, develop, and retain talent.

Our employees are onboarded and trained according to the requirements of their roles and receive regular follow-ups from their respective managers. We foster engagement through regular town hall meetings, active internal social media channels, individual followups, and an annual employee survey.

#### Investors

HydrogenPro emphasizes the responsibility of creating longterm sustainable shareholder value and as part of our shareholder communication we engage with both current and potential shareholders by holding meetings with analysts and retail brokers.

Our shareholders can influence our operations through Annual and Extraordinary General Meetings. We treat all shareholders equally and ensure that material information is disclosed to the market by publishing stock exchange notices in accordance with local regulatory requirements.

#### Customers

HydrogenPro aims to establish long-term, mutually beneficial relationships with our customers. They purchase our products and solutions either directly or indirectly through our partners.

We engage with customers through our Project and Commerical team, providing support for both specific project deliveries and general needs. Customer involvement and feedback are essential to optimizing our operations, as we continuously strive to develop and deliver products that exceed expectations.

#### **Suppliers**

Suppliers provide HydrogenPro with a wide range of services and commodities, where cost, quality, and reliable delivery are key priorities in our selection process.

We work to enhance sustainability in our supply chain over time through initiatives such as local sourcing of materials and products, emission reduction plans, and the use of renewable energy. Supply chain involvement, screening, and qualification processes are continuously monitored and adjusted as needed.

We work closely with our suppliers to ensure that our company standards are met throughout project deliveries and strive to maintain long-term relationships with those aligned with our growth objectives.

#### Governments

Governments establish the industry standards for certifications and procedures. HydrogenPro engages in regular dialogue regarding engineering, manufacturing, assembly facilities, and projects to ensure that all qualifications are met by different governments. Additionally, industry bodies work towards the development of the industry, and grants are provided for certain projects.

#### Organizations

HydrogenPro is a member of some selected associations, including Hydrogen Europe, Norwegian Hydrogen Forum, Confederation of Norwegian Enterprise (NHO), NBA China and Powered by Telemark. These organizations have different focus, ranging from local to multinational. We believe that joint efforts will be key to achieving industry goals, and HydrogenPro values the commitment from its industry peers and the importance of collaboration.

#### **Selected memberships include:**



Furthermore, through our presence in these arenas, HydrogenPro is able to build strategic relationships, promote our business and technology, and advocate for favorable regulations and legislation to support industry growth.

#### Local communities and stakeholders

HydrogenPro operates within local communities where we aim to have a positive social and environmental impact, aligning with the company's core objectives. Local Executive Management evaluates and initiates local stakeholder engagement, reporting back to the Board of Directors.

We engage in dialogue and collaboration with local universities and institutions, utilizing local talent and suppliers when suitable and possible. In Denmark, our connection with Aarhus University's Department of Biological & Chemical Engineering is a mutually beneficial collaboration. Students work at HydrogenPro for training and education, while contributing to our research, development, and operations. The university provides feedback and insights into the expertise required for our operations, and HydrogenPro supports the development of local academics.



# 02 Our Impact

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## Introduction

Preserving the planet is the fundament of our business model. At HydrogenPro we deliver large-scale green hydrogen technology & systems. We target the hard-to-abate sectors where our industry-leading solutions are perfectly suited to play a significant role in accelerating the energy transition to reduce global carbon emissions. With global reach comes global responsibility. As a company operating on a global scale, HydrogenPro recognizes the importance of taking responsibility for our impact on the environment and society.

Throughout 2024, HydrogenPro has remained dedicated to our ESG commitments, ensuring that our sustainability priorities evolve alongside our operations. We have continued to focus on social sustainability and governance, building on the progress we made in 2023. As our business continues to evolve, we have ensured that our efforts remain impactful and fully aligned with our goals.

Supporting the "Social" pillar of ESG, we have continued to improve our supplier screening processes by setting even stricter requirements for each supplier this year. We have prioritized our employees' well-being by addressing the findings from last

year's work environment survey. We provided comprehensive training for the company in 2024, with a substantial improvement in both quality and quantity. Through initiatives like group discussions, action lists and collaborative efforts, we are actively addressing key issues to create a better and supportive workplace organizational culture. This work will continue in 2025.

In 2024, we continued to prioritize "Governance" by implementing mandatory antibribery and corruption training for all employees globally. Additionally, we introduced an ethics course featuring nanolearning lessons to further enhance our commitment to ethical practices. This builds on the updates we made last year to our Code of Conduct and Supplier Code of Conduct

as well as the risk assessment conducted in the supply chain. In 2024, we have built upon these initiatives by further enhancing our policies and ensuring compliance at every level of the organization. Additionally, we updated our Whistleblower Policy and introduced a new whistleblowing channel. Building on last year's progress, we also made significant improvements in our ESG reporting, enhancing data quality and availability.

HydrogenPro is still at the start of its sustainability journey. This involves trial and error and adjusting to our evolving operations. Nevertheless, sustainability is an integrated part of our DNA, and we strive to ensure that there are both big and small improvements every year.

## Material ESG (environment, social and governance) topics

The concept of materiality is the backbone of a company's environmental, social and governance (ESG) work as well as reporting. A materiality assessment identifies which ESG topics will influence a company's ability to create value in a long-term perspective, as well as how the company impacts its surroundings through its activities and business relationships.

#### Process

HydrogenPro conducted a thorough stakeholder analysis and materiality assessment in 2022 and subsequently revised it in 2023. The materiality assessment was carried out with two perspectives in mind:

- How are specific environmental, social and governance topics impacting HydrogenPro's long term value creation (financial materiality), and
- How are HydrogenPro's business activities impacting the environment and society around the company (environmental and social materiality)?



Potential opportunities and risks arising from the relevant ESG topics were identified and further quantified during the materiality assessment.

To identify and rank material ESG topics we engaged a range of internal and external stakeholders, including investors, customers, suppliers, employees, and financial market participants. Through interviews, we gained valuable insights into their perspectives on HydrogenPro's ESG challenges and opportunities, as well as areas where the company can drive the most significant impact. With the insights gathered through stakeholder dialogue, the company's management and Board of Directors prioritized material ESG topics based on potential impact on the company's long-term value creation.

To ensure the materiality assessment serves its purpose as the backbone of a company's sustainability efforts, it is essential to treat it as a dynamic tool that adapts to new information and evolving circumstances. In 2024, we have continued this work by maintaining our commitments and ensuring it remains aligned with our evolving priorities and stakeholder expectations. The process confirmed that the four material topics identified in the 2022 and 2023 analysis remain highly relevant to our company, providing us with even deeper insights into their significance for HydrogenPro. It was previously estimated that HydrogenPro would have to report in line with the Corporate Sustainability Reporting Directive (CSRD) for the financial year 2025, with reporting in 2026. However, due to updated threshold values for the application of the CSRD in Norway, as well as the EU's recent proposal to simplify sustainability reporting, we have decided to delay the start of our CSRD readiness journey. As a result, our report will, for the time being, continue to align with the GRI (Global Reporting Initiative) Standards. We will also maintain our current material sustainability topics, which we believe accurately reflect the company's priorities.

#### **Material topics**

The ESG topics material to HydrogenPro are a result of the company's business model, the activities we carry out, as well as where and how these specific activities are executed. Our industry-leading technology is ideally suited to play a significant role in accelerating the energy transition, reduce global carbon emissions, transform society, and facilitate the adoption of green energy solutions. To manufacture our electrolyzers, HydrogenPro uses input factors such as materials, energy, and water, combined with our core technologies and the passion and knowledge of our employees.

This is the main business activity of the company, and the material topics are all related to this value chain. As a result of the company's business model, business activities and stakeholder assessment, the environmental, social, and government topics considered material to HydrogenPro are as follows: 1 Efficient technology and scalability (read more on page 14) HydrogenPro's most material

impact on our surroundings stems directly from our business model. Through the products we sell, we contribute to mitigating climate change and support the green transition of the industries we serve. The magnitude of our positive environmental impact is therefore determined by our ability to get our product into the market. To succeed at this, HydrogenPro must have a leading technology making our product attractive for the enduser and the ability to scale up production of electrolyzers to meet customer demands.

- 2 Sustainable manufacturing and supply chains (read more on page 17) HydrogenPro's main business activity, the manufacturing of our electrolyzer systems, has however also a significant social and environmental impact on our surroundings. Therefore, ensuring sustainable manufacturing and supply chain is considered material for HydrogenPro. This is a broad topic containing several subtopics, such as GHG emissions in production, energy and water consumption, waste disposal, emissions, and supply chain management, including human rights and work conditions along the product value chain.
- 3 Innovative product design (read more on page 20) At HydrogenPro we focus on technology leadership and R&D, which contributes to both higher efficiency and safer products. We work to establish product designs where expectations of functionality, as well as circular and Ecodesign principles,

are top of mind. The product design determines the materials needed to manufacture the electrolyzers, as well as how often the different parts need to be overhauled, renovated, or changed. Therefore, the design of our electrolyzers is a material ESG topic for HydrogenPro and we strive to reduce material use, prolong the lifetime of our electrolyzer, and reduce disposable waste.

- **4** A safe and attractive place to work (read more on page 21) At the center of our value creation are our people. To be able to deliver on the strategic priorities of the company, HydrogenPro needs to be a safe and attractive place to work. Therefore, this is a material topic for us as it enables us to attract and retain the best candidates. This is a broad topic containing several subtopics, including health and safety, training and personal development, diversity, and inclusion corporate culture, etc.
- **5** Governance and ethical business conduct (read more from page 25) In 2023, HydrogenPro recognized the importance of governance as fundamental to both our operations and sustainability work. For us, good governance means upholding high ethical standards and preventing all forms of corruption across our business activities. Throughout 2024, we prioritized initiatives to further support this commitment to ensure that governance remains a central focus of our sustainability efforts.



## Agenda 2030: UN Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) are at the heart of Agenda 2030, the United Nations' blueprint for peace and prosperity for people and the planet, now and into the future. While the SDGs were formally adopted by UN member states to address challenges at international and national levels, many businesses align their sustainability strategies to support these goals. By doing so, we ensure that we are all working towards the same objectives.

HydrogenPro respects and supports all 17 Sustainable Development Goals. We have identified four SDGs that are particularly relevant to our business model and activities, where we believe we can make the greatest impact. These four goals are aligned with HydrogenPro's material ESG topics, and we work strategically to contribute positively towards fulfilling these SDGs.







## Sustainability targets

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Justaman	inty targets							
a 2021, HydrogenPro formulat et of ambitions for our sustair vork, along with correspondin argets to reach higher and tra ur progress. Over the followir ears, we have continuously w owards these goals. In 2023, vere revised to better reflect of naterial topics and overall stra nd in 2024 we have continue ur efforts to deliver on the pdated targets.	eed a Our ambition for the ability "Social" is to be a s g attractive place to ck times. In 2024, we g for overall sick leav orked locations with the they Tianjin. We also act our target of zero Lost tegy accidents and worl d health in all location We have maintaine Health, Safety, and	e ESG pillar afe and work at all met our target re in all our exception of hieved our Time Injury k-related ill ns. ed our focus on Environment	(HSE) by setting a target for the annual completion rate of HSE training in 2024. Additionally, we continued with our targets for participation in the work environment survey and overall employee satisfaction. The work environment survey was initially introduced in Norway in 2022, expanded to Germany in 2023, and extended to all legal entities in 2024.	Our environmental targets to date have mostly been based on the positive contribution of our electrolyzers in terms of reduced CO <sub>2</sub> emissions and making our electrolyzers more energy and cost efficient, as well as more scalable. Despite efficiency and scalability remaining central to our strategy, we acknowledge the necessity of having an environmental policy that addresses the potential negative	impacts Hydrogen through its operation work that requires analyze our operation an ESG lens, and diverse areas are the most for us to focus on in In 2024, we strated decided not to rend environmental targ the year as an opport strengthen the four our sustainability e	Pro may have ons. This is a us to carefully ions through lefine which important in the future. gically ew our three ets, using ortunity to indations of fforts and	redefine our ambitions for a more impactful future. In 2025, we will set climate goals for our own emissions based on recognized standards and frameworks to meet stakeholder expectations as a green company driving positive change. This will be done on the basis of improved climate data that we have been working on over the past few years.	
Ambition	2024 Targets		Status 2023	Status 2024		Read more on page	Footnotes:	
Be a safe and attractive blace to work at all times	Overall sick leave less than 3% (annually)	1	Global: 1.43% Norway: 1.1% Denmark: 1.1% Germany: 0.8% Tianjin: 1.7% Shanghai: 0%	Global: 2.99% Norway: 2.3% Denmark: 1.7% Germany: 3.0% China: 3.3%		<u>p. 21</u>	1 The target for sick leave is not set at a lower level to avoid sending a wrong message to the employees and encourage them to avoid sick leave when they need it.	
	Zero accidents and work-related ill health, measured in Total Recordable Injury Frequency Rate (TRIFR)		<ul> <li>Norway: 0</li> <li>Denmark: 0</li> <li>Germany: 0</li> <li>Tianjin: 8</li> <li>Shanghai: 0</li> </ul>	Norway: 1 Denmark: 0 Germany: 0 China: 0	<ul> <li>Norway: 1</li> <li>Denmark: 0</li> <li>Germany: 0</li> <li>China: 0</li> </ul> Total HydrogenPro TRIFR <sup>2</sup> : 0.664 (avg US manufacturing = 3.5)		<ul> <li>Calculated per200 000 hours worked. (As opposed to the common calculation of accidents per million work hours)</li> <li>Because of less than 10 employees in Germany and USA, it can't be anonymously participated</li> </ul>	
			Total HydrogenPro TRIFR²: 3.22 (avg US manufacturing = 3.5)	Total HydrogenPro TRIFR²: 0.664 (avg US manufacturing = 3.5)				
	Completion rate for HSE training globally (annually): 100% TQM 100% First aid 100% Information Security Awarene Work Environment Council re 100% (Norway) HSE training required for man 100% Norway Targets based on target groups	ing ess 100% equired training – nagers –	<ul> <li>TQM: 89%</li> <li>First aid: aid: 100%</li> <li>Information Security Awareness: 89%</li> </ul>	<ul> <li>TQM: 100%</li> <li>First aid: 100%</li> <li>Information Security Awareness:</li> <li>Work Environment Council require</li> <li>HSE training required for manage</li> </ul>	41% ed training: 100% rs: 100%	<u>p. 23</u>	- paracipatea.	
	Participation to the work envir (annually) Norway 80% Denmark 80% Germany 80% China:80% USA: 80%	ronment survey	Norway and Germany: 80% (Not carried out in any other location)	<ul> <li>Global: 86%<sup>3</sup></li> <li>Norway: 88%</li> <li>China: 97%</li> <li>Denmark: 82%</li> </ul>		<u>p. 22</u>	_	
	Percentage of employees that HydrogenPro is a great place Norway: 70% Denmark: 70% Germany: 65% China: 70% USA: 65%	t believe to work (annually):	<ul> <li>Norway and Germany aggregated: 70% (Not carried out in any other location)</li> </ul>	<ul> <li>Global: 80%<sup>3</sup></li> <li>Norway: 54%</li> <li>China: 90%</li> <li>Denmark: 67%</li> </ul>		<u>p. 22</u>	_	

## Efficient technology and scalability

The Hydrogen Council estimates that the deployment of 75 million metric tonnes (Mt) of clean hydrogen by 2030 and 660 Mt by 2050 will be needed to meet the commitments of the Paris Agreement and limit global warming to well below 2 degrees above pre-industrial levels, while pursuing efforts to limit it to 1.5 degrees.<sup>1,2</sup> The transformation to a net zero society by 2050 depends on the development of efficient and scalable solutions to produce green hydrogen. HydrogenPro aims to meet the growing demand for energy-efficient hydrogen production equipment by being a key player in the global deployment of electrolyzers. A significant part of our environmental contribution is determined by our ability to bring our products to market. To meet the rising global demand, we must develop competitive technology and expand our production capabilities. Additionally, collaborating with other market players will be essential to accelerate the adoption and implementation of green hydrogen solutions worldwide.

HydrogenPro is a recognized leading original equipment manufacturer (OEM) of large-scale green hydrogen technologies and solutions. Our core technologies include electrolyzers comprising cell stacks and gas separators, along with their respective controls. Together with our partners we are continuing to optimize the

product design and selected materials to further increase performance for green hydrogen production.

The electrolyzer system delivered by HydrogenPro is energy efficient, flexible, and well proven. Our technology is known as a high-pressure alkaline system which delivers the hydrogen and oxygen gas with pressure directly from the cell stack at 15 bar. The highpressure alkaline technology is well-suited for renewable energy input, and the electrolyzer size we deliver is perfectly suited for large-scale industrial applications such as power-togas, ammonia production, and steel manufacturing.

#### Global provider of large-scale green hydrogen technology & systems



Source: Hydrogen for Net-Zero Hydrogen Council, McKinsey & Company, 2021 Hydrogen-for-Net-Zero.pdf (hydrogencouncil.com) 1

2



#### Making a positive impact through our projects

Avoided GHG (greenhouse gas) emissions and energy security Through our current projects we are contributing positively to the environment, by supporting the global society to reach a decarbonized energy system. With a staggering electrolyzer capacity of 220 MW, the ACES-project (see fact box) is expected by the US Department of Energy to prevent approximately 127 000 tonnes of CO from reaching the atmosphere annually<sup>3</sup>. This calculation is based on the difference in emission profiles of using natural gas versus green hydrogen as fuels. In 2023, HydrogenPro announced a new industrial partnership with Austrian industrial giant ANDRITZ Group (see fact box).

ANDRITZ is expecting phase 1 alone of the Salzgitter project to reduce CO emissions from their standard steel production process by 30%. They expect a reduction of 220 000 tonnes CO per year will be enabled by green hydrogen<sup>4</sup>.

HydrogenPro is the sole supplier of electrolyzer systems to these projects, alongside several other suppliers of different equipment and services. In 2023 and 2024, HydrogenPro's own CO₂ emissions were 36 501 tonnes and 15 390 tonnes. We decarbonize the planet - one electrolyzer at a time.

In addition to directly reducing greenhouse gas emissions,

green hydrogen plays a crucial role in enabling a decentralized and resilient energy system that can be completely based on renewable sources. Hydrogen can be produced and stored domestically, thereby reducing reliance on foreign energy sources and decreasing society's vulnerability to energy supply shortages. Hydrogen provides a clean energy storage option that can effectively buffer intermittent renewable energy sources and stabilize the grid at both local and regional levels. Hydrogen is playing a key role in advancing the green transition, supporting the development of an energy system powered by largescale renewable energy from diverse sources.

Source: US Department of Energy https://www.energy.gov/lpo/advanced-clean-energy-storage

Source: ANDRITZ https://salcos.salzgitter-ag.com/en/salcos.html#c141552 and internal presentation



#### ACES - Delivered the world's largest renewable energy hub

The Advanced Clean Energy Storage (ACES) project<sup>1</sup> is one of the world's largest renewable energy storage hub. The facility in Utah combines a 220 megawatt bank of alkaline electrolyzers delivered from HydrogenPro and has a storage capacity of 4.5 million barrels in on-site salt caverns to store clean hydrogen. ACES: One of the World's Largest Green Hydrogen Energy Hubs is a system designed to take

renewable energy during peak production periods, and convert into hydrogen, and store it for later use. For the first phase of ACES, the stored hydrogen will be used as fuel in a combined natural gas and hydrogen power plant to generate electricity for the Western United States. The scale of deployed electrolyzers and the use of salt caverns to store hydrogen are both significant innovations. HydrogenPro

completed the manufacturing of the fleet of 40 electrolyzer systems in 2023. On site installments and commissioning will take place in 2025. HydrogenPro has also signed a 10-year service and support agreement.

#### Salzgitter - Industrial partnership with immediate results

The Salzgitter project<sup>2</sup> is a collaboration, announced in 2023, that brings together the manufacturing and assembly proficiency of ANDRITZ with HydrogenPro's specialization in high-pressure alkaline electrolyzers. The partnership yielded positive results for both parties in a short span of time, as HydrogenPro secured a 100MW order from ANDRITZ for the Salzgitter Flachstahl GmbH facility. The order involved the use of 18 of HydrogenPro's 5.5 MWs stack.

#### **Scalability**

The most significant way we can contribute positively to the environment is by bringing our product out on the market. By successfully deploying the HydrogenPro electrolyzer, we can enable customers worldwide to operate large-scale hydrogen production facilities that can store renewable energy and replace fossil fuels. This can be achieved with much lower energy consumption compared to other technologies. In 2023, HydrogenPro increased production capacity in our manufacturing facilities in Tianjin, outside of Beijing in China, from 300 MW to 500 MW per year. The investment

#### **Energy efficiency**

The number one metric for electrolyzer manufacturers is energy efficiency. It is measured by the electrolyzers ability to produce hydrogen gas at a certain level of input energy. The validation of HydrogenPro's next gen electrolyzer design confirms its ability to generate 1050 Nm<sup>3</sup>/h of hydrogen at a normal current density, which equals ~95 kg of pure and pressurized green hydrogen per hour. This means that the world's largest high-pressure alkaline electrolyzer is validated with 80% energy efficiency, setting a new global standard for large-scale production of green hydrogen.

was carried out to deliver on the large ACES project and build capacity to take on other large projects in the near future. We are establishing a solid foundation for sustainable growth by prioritizing financial stability and creating a responsible, resilient organization and value chain aligned with our growth strategy.

Given the recent market changes combined with the need for further regulatory developments in the US, the previously announced plan to establish a manufacturing facility in Texas is being put on hold as both the location and manufacturing model are being assessed, along with the local supply chain. This does not change HydrogenPro's

The improved electrode efficiency is obtained through HydrogenPro ApS, utilizing our proprietary electrode activation process. We are constantly working towards improving energy efficiency of our electrolyzers. This includes continuously optimizing the product design and selecting materials to further increase performance. An example is that in 2024, we improved the interior design of the electrolyzer stack to reduce shunt currents and thereby increasing the current efficiency several percent.

In fall 2024, HydrogenPro announced that its Danish

commitment to the North American market, where several promising projects are underway. The company remains focused on building a strong OEM presence near key customers. In 2022, the European Commission launched the European Hydrogen Bank with the aim of ensuring both European and global renewable hydrogen production. The European Hydrogen Bank serves as a financing instrument, providing investment security and fostering business opportunities. HydrogenPro maintains an ongoing dialogue with the European Hydrogen Bank to ensure full compliance with all requirements and regulations.

subsidiary, HydrogenPro ApS, had been awarded a EUR 16.5 million grant from the EU Innovation Fund. The funding will support large-scale production of next-generation electrode technology, enhancing the efficiency of HydrogenPro's highpressure alkaline electrolyzers and further reducing the Levelized Cost of Hydrogen. This EU grant is pivotal in financing the H2-GIGA project and follows a previous award of DKK 35 million from Denmark's Export and Investment Fund in spring 2024.

Source: https://www.energy.gov/lpo/advanced-clean-energy-storage (+ Key achievements + Q2 and Q3 report)

Source: https://www.s aest-areen-hvdroaen-plants-fromandritz-21046.htm



In Aarhus, Denmark, expanded its R&D portfolio in 2023 with three R&D projects, enabling R&D in new electrode activation processes and flow management. This is supported experimentally and theoretically by neutron imaging. Additionally, we are increasing our capacity to produce the latest generation of high-performance electrodes in Aarhus.

**3rd generation technology** 

In addition to optimizing our existing high-pressure alkaline technology, we are continuously making progress towards establishing what we call 3rd generation electrodes. HydrogenPro in Aarhus, Denmark, is currently developing a third generation electrode coating to be applied in the existing high-pressure alkaline system. Recent tests confirm that the 3rd generation electrode technology can deliver a significantly improved energy efficiency from today's technology. The efficiency gain is due to improved performance obtained through a surface

coating on the electrodes. This implies that the splitting of water molecules into oxygen and hydrogen is done in a more efficient manner lowering the overvoltage for hydrogen and oxygen formation. Additionally, research and development activities are underway to improve the performance even further by combining modelling with the optimization of the porosity of the applied electrodes including diaphragm characterization. Testing have continued in 2024 and will be ongoing in 2025.

One of the commonly cited critiques of a hydrogen-based economy is the high energy consumption involved in the conversion of electricity into hydrogen. The energy efficiency that HydrogenPro can offer with the 3rd generation electrode technology will potentially be a game changer for global deployment of hydrogen as a clean energy carrier. It means that we can mitigate climate change and replace hydrocarbons with significantly higher energy efficiency lower energy usage and corresponding economic burden than what today's solutions are capable of. Another benefit of our technology is that it will reduce the need for cooling water by up to 75% since less energy is needed, implying that less heat will be produced. This means that our technology is limiting water withdrawal – making it suitable also in regions of the world where water is a scarce natural resource.

The 3rd generation electrodes will reduce end-customers' operational costs of electrolysis significantly. As electricity costs are around 75% of the levelized cost of hydrogen production, a significant reduction of electricity needed over a 30-year lifetime is a significant cost saving. The 3rd generation electrodes represent a sustainable technology enabling the green hydrogen transition.

#### Global reach and global responsibility

The growth of a new hydrogen economy will require use of natural resources, inevitably impacting the environment. Our climate and resource footprint will grow hand in hand with the upscaling of our company, and our customers will depend on renewable energy in order to enable the production of green hydrogen based on our technology. There are potential nature related impacts associated with hydrogen production that we want to approach with awareness and precautionary measures. Our mission is to ensure a green footprint aligned with our goal of producing green hydrogen, while avoiding any negative environmental impact.

#### Land use and biodiversity

Large-scale green hydrogen production is based on renewable energy infrastructure such as wind turbines or solar panels that may require vast amounts of land. This can lead to displacement of wildlife habitats and potentially harm biodiversity. We recognize that we are part of an industry quickly evolving, and that we need to collaborate closely with partners and industry peers to ensure that biodiversity and wildlife habitats are taken into the equation. We will strive to promote the most sustainable solutions both for today and the years to come for development of new renewable power production. HydrogenPro aims to minimise impact on land use and biodiversity by utilizing existing buildings for expansion rather than constructing new factories.

#### Water consumption

To produce green hydrogen, the electrolysis process uses renewable electricity to split water molecules into hydrogen and oxygen. This process requires large amounts of water and can be challenging in regions where water is scarce. In addition to the water used in the electrolysis process, we are dependent on cooling water to keep the electrolyzer at the right temperature in steadystate production. Regional considerations are therefore important when planning for green hydrogen production and where water scarcity is evident, we will use closed circuit air coolers to reduce water usage.

In the future, the use of our 3rd generation electrolyzer will significantly reduce the demand for cooling water by up to 75% by minimizing energy consumption and heat production. This will reduce water withdrawal, making the technology suitable for regions where water is scarce. When working with areas that have limited water resources, it is crucial to prioritize a comprehensive evaluation of the advantages and disadvantages for the local community.

# Sustainable manufacturing and supply chain

Even though HydrogenPro positively contributes to the environment through the products we sell, it is undeniable that manufacturing electrolyzers also has an environmental and a social impact on our surroundings. We are committed to maintaining a responsible role in our supply chain by continuously taking proactive measures to minimize any potential negative impacts from both our operations and those within our supply chain.

HydrogenPro's electrolyzers are manufactured in Tianjin, outside of Beijing in China, where we have a manufacturing capacity of 500 megawatt per year. The manufacturing activities in Tianjin have been established through the second half of 2022, and 2023 was therefore the first year with full production. This also means that in 2023 and 2024 we gained a deeper understanding of our operations, assessed our environmental impact, and identified areas for improvement.

In 2023 we laid the foundations for the environmental work by hiring a HSE Manager and a Quality Systems Manager in our Chinese operations. This year, we built on last year's progress by successfully re-certifying our ISO 14001 certification for Environmental Management Systems, ISO 9001 certification for Quality Management Systems, and ISO 45001 certification for Occupational Health and Safety Management Systems, ensuring our continued commitment to excellence in these areas.

While working to strengthen our environmental efforts to address the material areas of our operations, we have also prioritized making office life more sustainable across all locations. This includes measures to increase water, energy, and resource savings, such as installing automatic sensors to regulate lighting in our buildings and implementing electronic approval systems to limit printing. When moving office in Oslo in 2024, we bought all our office equipment second-hand and focused on improving recycling systems both in our offices and in our test center. Furthermore, we have enhanced recycling systems across all our office locations to support our sustainability goals.

#### GHG emissions in manufacturing

Steel usage remains one of the major contributors to HydrogenPro's carbon footprint, as steel production is a carbon-intensive process with significant greenhouse gas emissions across various stages of production. To mitigate this impact in the short term, we have prioritized sourcing steel from suppliers with strong sustainability commitments and focus on minimizing scrap during the manufacturing of our electrolyzers. We have maintained our collaboration with a steel supplier that proactively integrates ESG considerations into its corporate strategy and is committed to a low-carbon transition, including transparent reporting on its progress. At the same time, we continuously seek new suppliers that align with our sustainability ambitions, both to



diversify supply chain risks and to engage with industry leaders driving down GHG emissions. By doing so, we actively encourage our suppliers to accelerate the development of lower-carbon solutions, fostering continuous improvement and greater environmental responsibility across our supply chain.

In 2024, we continued to make progress in optimizing our manufacturing processes to reduce steel waste and minimize associated carbon emissions. A key initiative has been the refinement of our material utilization strategy, where steel scrap from production is now categorized into two distinct types: corner offcuts, which are waste, and central sections, which remain intact and are returned to the steel mill for repurposing. These reusable materials can then be supplied to other customers for various applications, reinforcing resource efficiency and supporting circular economy principles. Additionally,

in Denmark, all nickel scrap from our production is sold to a Danish specialized metal recycling company for reuse, ensuring valuable materials are kept within the production cycle and further reducing resource waste.

We have also taken steps to lower emissions from transportation by streamlining the steel recycling process. By outsourcing certain stages of steel handling directly to the steel mill, we ensure that only near-final components are transported to our facilities, optimizing logistics and reducing our overall carbon footprint. In 2025, we will explore solutions to further reduce material use by optimizing our product design and sourcing from suppliers closer to our operations. Through these measures, we actively contribute to emissions reduction across the value chain while promoting responsible resource management. HydrogenPro's absolute greenhouse gas emissions are expected to

increase in the short term as operations in Denmark commence. While this expansion contributes to a temporary rise in emissions, it is a necessary step in strengthening our production capabilities and supporting the demand for energy-efficient hydrogen solutions. By maintaining a strong focus on operational efficiency and leveraging economies of scale, we aim to reduce the carbon emission intensity of our products over time. Currently, the emission intensity of our products stands at 0.0777 kg CO<sub>2</sub>/NOK<sup>1</sup>, while the energy intensity is 0.0062 kWh/NOK<sup>2</sup>.

This is a slight increase since last year, when the emission intensity of our products was 0.0643 kg CO<sub>2</sub>/NOK, and the energy intensity of our products was 0.0048 kWh/NOK. This change is attributed to lower revenues in 2024. The full greenhouse gas emissions accounting can be found in the Sustainability factbook on page 80.

#### Water management

In the manufacturing process of electrolyzers for green hydrogen production, relatively small amounts of water are needed. Our location in China does not use water in the manufacturing process, while our test center in Denmark has a water recycling facility that can recycle over 90% of the water used. In Norway, industrial cooling water is used for testing electrolyzers. None of our sites operate in regions with water scarcity.

#### **Pollution prevention**

Since all facilities only use electricity as an energy source in the manufacturing process, the emission to air at the manufacturing sites is limited. The manufacturing process at our site in China emits particle dust from a welding machine. However, an exhaust treatment system was installed in 2023, and four dust collection units are in operation with positive results. All chemical waste is collected and handled by specialized companies, releasing no pollutants into air or water. The manufacturing site in China is located at a government-owned industry park, with strict regulations when it comes to spill-protection and environmental safety. To prevent any leakages and discharge into water, the floors are designed without connection to the sewage system.

#### Waste management

We can contribute to reduced depletion of natural resources by reducing waste from our manufacturing process. Our main waste fractions are steel scrap and chemicals (alkaline water, mineral oils and cutting fluids). In

addition, we have office waste and packaging materials that are sorted and recycled according to local legislations and property owner procedures (paper, plastic, food waste, and residual waste).

When it comes to hazardous waste, HydrogenPro signs disposal agreements with qualified third-party hazardous waste suppliers and, in accordance with local environmental regulations, obtains approval from government environmental regulatory authorities to dispose of hazardous waste. A dedicated storage warehouse for hazardous waste (cutting fluid and containers for the cutting fluid) has been established in 2023 in our Tianjin factory, and an entry and exit ledger has been installed to record the quantity of hazardous waste entering and exiting the warehouse.

The steel used in the manufacturing process is of high quality and the steel cut off is therefore of high value. Despite having notably reduced the quantity of steel scrap on site by outsourcing major parts of the process to our steel supplier, we still have steel scrap from further manufacturing and refining of



1 Emission intensity measured as our total GHG emissions divided by our revenues for 2024. The number provided includes all GHG gases, in the form of CO<sup>a</sup> equivalents. The value for scope 1 emissions alone is 0.0003 kg CO<sup>2</sup>/NOK, scope 2 emissions alone 0.0018 kg CO<sup>2</sup>/NOK and scope 3 0.0756 kg CO<sup>2</sup>/NOK.

the steel components. This is handled by qualified professional recycling suppliers that can recycle up to 100% of the steel to new material.

#### **Supplier engagement**

Our daily efforts are dedicated to building a strong and resilient supplier network that meets our material quality standards, delivery timelines, and capacity requirements to support our ongoing growth and operations. As an industrial company with advanced technology, we rely on suppliers that can consistently meet our technical specifications and high-performance standards. Sourcing from a new supplier is a meticulous process that involves in-depth assessments, close collaboration with supplier management, and on-site visits to evaluate their manufacturing capabilities. Whether engaging with new suppliers or reassessing existing ones, ESG considerations have remained a key priority in 2024. We are committed to fostering positive change not only within our own operations but also across our supply chain. By working closely with our suppliers, we strive to enhance sustainability practices and drive improvements in

<sup>2</sup> Energy intensity is measured as the total energy use for our own operations (including fuel, electricity, heating, steam) divided by our revenues for 2024.



environmental and social responsibility where possible.

In 2023, we took a significant step in strengthening our supply chain by rolling out our supplier management process across the entire company. This process focuses on quality, certifications, capacity, company reputation, and transparent communication, ensuring a structured and consistent approach to supplier evaluation. Building on this foundation, we have continued to develop our supplier qualification process in 2024, reinforcing our commitment to responsible sourcing and sustainability. A robust supplier qualification process remains central to our approach, involving collaboration across multiple departments, regular communication with supplier management, and onsite audits to ensure compliance with our high standards. ESG factors play a critical role in this process, with ESG criteria holding veto power in our sourcing decisions.

HydrogenPro aims to collect accurate and comprehensive emissions data from all our major suppliers, allowing us to integrate this information into our procurement strategy. We use emissions data as a critical

factor in procurement decisions, prioritizing partnerships with suppliers who demonstrate a commitment to reducing their carbon footprint. To support this goal, in 2024, we began implementing the Ignite software application and introduced it to our main suppliers, enabling them to measure and report emissions. Through Ignite, suppliers can submit their emissions data, contributing to greater transparency and alignment with our long-term sustainability objectives.

This past year, we onboarded 13 new suppliers, all of whom were thoroughly screened using both environmental and social criteria. During this process, one supplier was identified as lacking a required environmental certification. To address this, we engaged closely with them, and they successfully obtained the necessary certification, demonstrating the impact of our qualification process in driving positive change among our suppliers. Additionally, in 2025 we aim to support suppliers in building their capabilities to measure and report emissions by providing training, tools, and technical assistance, ensuring they can meet evolving environmental expectations. This proactive engagement reflects our commitment to integrating sustainability into our supply chain practices.

The HydrogenPro supplier policy is based on the Supplier Code of Conduct that was developed in the beginning of 2023. The Supplier Code of Conduct was then added to the standard documents that all new suppliers sign when entering into a relationship with HydrogenPro. This means that all new suppliers since the start of last year have read and accepted the terms in the Supplier Code of Conduct. The document has also been shared with all the existing suppliers through the yearly supplier assessment system, and we are actively following up with all the suppliers to ensure full compliance. The Supplier Code of Conduct defines the mandatory requirements we expect all suppliers and business partners to adhere to concerning their responsibilities, their stakeholders and the environment.

Regarding societal aspects, the policy covers topics such as anti-corruption and bribery, human and labor rights including working conditions, working hours and wages, non-discrimination, prohibition of child labor and forced labor, use of conflict minerals and health and safety of employees. Regarding environmental aspects, the policy covers topics such as environmental management systems, pollution prevention and environmental protection. It is important for us to meet our suppliers in person, to get to know them and to build a foundation for trust. This is a crucial aspect for us to innovate together with our suppliers on technology development, material use, and sustainability aspects of our shared value chain. The updated supplier qualification process involves

factory inspections and audits for prioritized suppliers as well as non-performing suppliers. This contributes to building trust and a good collaboration environment, and it is necessary to make sure that requirements are followed. We maintain an ongoing dialogue with preferred suppliers and potential new ones for the main sourcing categories, discussing strategic procurement and supply chain topics, such as electrolyzer technology and requirements, product development, partnership agreements, supply chain risks and efficiency, global production capacity, customer support services, quality, manufacturing processes and certification.

While in 2022 the focus of our Chinese operations was to establish the production facility in Tianjin, 2023 was the first full year of operations as well as the year where the ground was laid for further work with ESG topics both in our own operations and in the supply chain. The newly formed Environment Health and Safety team in China worked closely with the procurement team to implement the new supplier chain management process and ensure adequate ESG screening of suppliers. To strengthen our ESG supplier assessment capabilities, we engaged sustainability procurement consultants from KPMG to provide comprehensive training for our employees.

This initiative included multiple training sessions in 2023 and 2024, equipping our teams with the necessary skills to evaluate suppliers based on environmental and social criteria.

In 2023, KPMG conducted an ESG supplier assessment training attended by 18 participants, focusing on identifying critical risk areas, engaging suppliers effectively, and recognizing potential gaps in social and environmental standards. Building on this, a practical ESG on-site audit training took place in 2024, also led by KPMG, where six participants gained hands-on experience in conducting ESG audits in real supplier environments. The training culminated in an on-site visit to one of our suppliers, where KPMG provided field training on applying ESG audit methodologies in practice. Six HydrogenPro representatives from the EHS department, Quality Control, and Procurement

participated in the visit. Additionally, in 2024, our ESG representative in China conducted a Basic ESG Procurement Training for 20 employees, further strengthening awareness and understanding of ESG principles and supplier engagement across our workforce. Through these structured training sessions, we continue to enhance ESG competency within HydrogenPro, ensuring our teams are well-equipped to conduct thorough supplier audits, integrate ESG considerations, and drive sustainability improvements across our supply chain.

#### **Transparency Act**

The supplier qualification process is also undergoing adaptions related to the Norwegian Transparency Act ("Åpenhetsloven"). This legislation establishes requirements for Norwegian enterprises to carry out due diligence of fundamental human rights and decent working conditions in own operations, in the supply chain and among business partners, and to report on the due diligence activities they have carried out. HydrogenPro published the first Transparency Act report in June 2023 and an updated report in 2024.

## Innovative product design

#### HydrogenPro and Andritz unite to enhance sustainable hydrogen production

Based on our core technology, we collaborate with Andritz, combining our technological expertise and experience to create the best basis for efficient and sustainable hydrogen production. Andritz has a large and talented engineering team with substantial capacity, which greatly benefits our collaboration. This partnership has resulted in groundbreaking production simulations, providing us with valuable insights for further design improvements. Additionally, we have gained the opportunity to acquire greater expertise across the entire production plant, enhancing our understanding of how our equipment works jointly with the rest of the production line and how to optimize it for energy and cost efficiency.

## HydrogenPro enters partnership with LONGi Hydrogen

On 23 December 2024, HydrogenPro entered into an Investment Agreement with LONGi Hydrogen, a prominent player in the green hydrogen sector<sup>1</sup>. LONGi is the world's largest supplier of PV panels, as well as a leading hydrogen electrolyzer supplier in China, with a strong focus on customer-driven innovation in the energy transition. Sustainability is at the heart of LONGi's strategy, and at HydrogenPro we aspire to learn from their practices as we aim to integrate these principles into our own operations.

#### **Design for circularity**

At HydrogenPro, we are committed to continuous technological advancements and process improvements. As a dynamic player in the hydrogen sector, we are working day by day to realize a circular economy. Our aim to develop a product design process that balances customer expectations for functionality with circular design principles. Our longterm goal is that all components and parts in our electrolyzers easily can be dismantled, repaired, and reused—or, at the very least, recycled.

When developing our 3rd generation electrodes, it has been important for us to create plugand-play technologies that allow the new electrodes to easily be installed in old cell stack designs during overhaul. We also design the electrolyzers so that the bipolar steel plates can be easily dismantled, returned, and replaced. Today, our service agreements with customers cover repair and refurbishment of 40% of the bipolar plates after 10 years, and additional 60% of the

plates after 20 years. All other steel parts in the electrolyzer, that is end plates, mid plate, and bolts, are reused. Refurbishment can be done if the steel components meet the quality requirements, which can be up to 30 years.

#### Ecodesign

To meet the requirements of the Ecodesign for Sustainable Products Regulation from EU, HydrogenPro has implemented a comprehensive system to ensure quality and traceability for all parts. Every item manufactured is tagged with i.e., a QR code during production, and all assembled parts have drawing numbers with references down to each supplier, ensuring traceability throughout the entire production process. This system has been established to maintain strict control over the products delivered and ensuring everything is in order, while also meeting customer demands.

A new initiative for this year involves the standardization of drawings on a shared platform, SolidWorks, which builds on the Ecodesign initiative. This has resulted in a more robust and transparent system for managing the same drawings across our operations in Europe and China. All parts produced in China are registered and filed at the single element level, as well as for finished products comprising thousands of parts. Sourcing is thoroughly specified with material specifications, dimensions, and tolerances. Each delivery comes with a certificate that HydrogenPro checks and traces for all parts produced.

#### Valuable materials

All raw materials are valuable resources that should be spent wisely and with moderation. We select raw materials with care, considering the environmental footprint following from extraction, processing, and disposal of the raw material.

We are continuously balancing material performance and customer requirements with the aim to reduce spent resources.

There is a limited number of input materials needed to produce HydrogenPro's electrolyzers. Our main material inputs are steel, polymers, and nickel in addition to some chemicals and lye. Our electrode technology does not rely on any noble metals or rare-earth



elements. PFAS are found in some valves, pumps, and instruments as well as in the cell stack gaskets.

Since last year we have verified and concluded that reducing the nickel coating thickness on our steel components is possible while keeping consistent high quality. In 2023 we reached important results in this process, and we have reduced the amount of nickel coating by 50%. This indirectly contributes to reduced land use, energy consumption, and local pollution.

Steel is the major material input in the manufacturing of HydrogenPro electrolyzers. The steel plates that we purchase are not delivered in the exact shapes and sizes that we need for our electrolyzers. This leads to a considerable quantity of steel scrap, which has attracted significant attention within our technology department. We continuously work to establish new relationships to sub-suppliers with advanced manufacturing methods for goods and parts that would reduce base metals waste significantly. As they will need to invest in new equipment to deliver new shapes, the crucial factor is when we will be able to commit to sourcing enough steel plates in the right dimension. This requires that we reach a certain company size and that we have sufficient financial predictability and backing. For further details on how we approach our steel usage, see chapter on Sustainable manufacturing and supply chain on page 17.

**Customer engagement** 

To increase circularity and minimize waste throughout the entire value chain, close collaboration with both our suppliers and customers is crucial. Empowering customers to take wise decisions during operations greatly enhances the lifespan of the equipment. Therefore, we ensure that our customers receive comprehensive guidance on how to operate the electrolyzer, handling its various components, and conducting regular preventive maintenance procedures.

Our goal is to provide thoroughly documented equipment complete with information on the origin of all material used. To ensure full traceability of all raw materials and components, we include sourcing and quality documentation. This is an ongoing and evolving process that we are committed to optimize.



## A safe and attractive place to work

The foundation of our success lies in our people – their skills, engagement and well-being. Attracting and retaining the right employees is essential to achieving our strategic priorities. We are committed to being a safe and attractive workplace, fostering an environment where our employees can thrive, innovate, and contribute to our shared goals.

HydrogenPro provides technology, engineering, manufacturing, research & development (R&D) and assembly services. With a diverse team spanning five countries across three continents, ensuring a safe and attractive workplace presents both challenges and opportunities. The safety and well-being of our employees remain non-negotiable priorities. To sustain and enhance this commitment, we place a strong focus on occupational health and safety, continuous training and development, fostering diversity, and promoting openness and equal opportunities for all.

#### **Our People**

HydrogenPro's mission to accelerate global decarbonization with world-class green hydrogen solutions that set the gold standard for safety, reliability, and enduring service life. Our commitment to drive the energy transition is fueled by the passion and dedication of our global team. In 2024, we were thrilled to welcome a total of 28 new team members across all locations, including two employees at the newly established US branch. In total, HydrogenPro counted 151 employees at year-end.

As we move forward, HydrogenPro continues to build a strong, global team defined by our values: courage, integrity, collaboration, and innovation. Together, guided by our shared values, we decarbonize the planet, one electrolyzer at a time. It is the employees who make the difference, on all levels. We are energy givers, constantly looking for greener ideas, better materials, smarter methods. By powering innovation, we are energizing tomorrow.



#### Norway

In 2024, HydrogenPro Norway welcomed 12 new employees to our offices in Porsgrunn and Oslo. This includes two key appointments in executive management: Chief Technology Officer and Chief Operations Officer. Additionally, we welcomed our new QHSE Director, reinforcing our commitment to maintaining the high standards of quality, health, safety, and environment alongside continuous improvements. These strategic recruitments, alongside the appointment of our Chief People & Culture Officer in 2023, demonstrate our ongoing focus on fostering a safe and attractive place to work that attracts top talent and supports sustainable growth.

At year-end we counted 39 employees at our Norwegian offices. Sick leave for 2024 was 2.3% - somewhat higher than 2023, but well below our ambitious company target of 3%.



#### Denmark

In Denmark, HydrogenPro has a team of dedicated researchers involved in the development of our electrodes, as well as production of electrodes. Following the development of our third-generation electrodes, a new production line is under construction, significantly increasing the production capacity. With the expansion of production, HydrogenPro has employed several production technicians, and more will be joining the team in 2025. At year-end, HydrogenPro Denmark was a total of 13 full-time employees, and 13 students working part-time. Sick leave ended at 1.7%, well below the company target of 3%.

In spring of 2024, General Manager of the Danish entity sadly passed away. This has presented both mourning and some challenges. The team has risen to the challenge with support from HydrogenPro ASA, and both R&D and operations are well on track.

In 2024, we continued the research projects started in 2022-2023 and started one new research project. We look forward to seeing the results of these projects in the years to come.



#### China

Going into 2024, HydrogenPro operated with two entities in China; a manufacturing facility in Tianjin, and an office in Shanghai, mainly involved with supply chain. In November 2024, the employees in Shanghai were transferred to the Tianjin operations. Throughout the year we right sized the organization, totaling 94 employees at year-end. Sick leave for the Chinese operations ended at 3.3%.



#### Germany

The German Branch was established in 2023, and the successful etablishment and build-up continued. By year-end, our team consisted of three employees.



#### US

In 2024, HydrogenPro celebrated the successful start-up of HydrogenPro Inc, by employing two key personnel. This marks a significant milestone in our expansion efforts, and we look forward to continued growth in 2024.

To date the German and US entities are small in number of employees, yet strategically important to the further growth of HydrogenPro, as they are close in proximity to major customers and potential projects.



Employee Survey and Cultural Assessment HydrogenPro launched its first employee survey in 2022, establishing it as an annual practice to monitor and improve the working environment. Now, conducted for the third time, the survey provides valuable insights into the development of our working environment.

In 2024, all entities participated for the first time, responding to 61 statements measuring trust, credibility, respect, fairness, pride, and camaraderie. Conducted in November 2024, the survey achieved a response rate of 86% our highest to date and well above industry benchmarks.

The Global Trust Index yielded a score of 80%, a significant increase from previous years, with 61% and 67% in 2023 and 2022 respectively. In 2024, the National Trust Index, and average of all companies in Norway, was 78%. This confirms the importance of working to further improve the working environment effort a continuous effort going forward.

Globally, the 2024 employee survey yielded notable results, with credibility at 73%, respect at 72%, fairness and pride both at 78%, and camaraderie at 80%. These improvements highlight the positive impact of the action plan following the 2023 employee survey. However, as we are striving for improvements in all units, departments and company-wide, a closer look at each entity reveals areas with rooms for improvement. This holds especially true for the Norwegian organization. Following a detailed assessment and discussions across departments and at management level, an

updated action plan with defined goals and key priority areas will be developed and implemented throughout 2025.

#### Cultural assessment - Culture Journey

The corporate values Courage, Integrity, Collaboration and Innovation were defined to clarify the meaning of these values in HydrogenPro. Using a digital platform and tool, we were also able to both map current culture in the global organization and to define the organizational culture needed to deliver on strategy and goals The culture mapping revealed a gap between the current corporate culture and the aspired culture, and plans were developed and implemented to foster a culture closer to the aspired culture. This is a long-term work that will continue in 2025.



#### **Employee Rights** and Compliance

At HydrogenPro, none of our employees are covered by collective bargaining agreements. Regardless, we respect and support the right of employees to participate in unions in all the countries where we operate. Comprehensive information about employee rights is outlined in our employee handbook, ensuring transparency and awareness across our organization. In cases of operational changes, we ensure strict compliance with local laws, providing timely notice and ensuring fair treatment for all employees. HydrogenPro complies with the Norwegian Working Environment Act and adheres to relevant legislation in all other operating countries. Since 2022, HydrogenPro has been a member of The Federation of Norwegian Industries (Norsk Industri), the largest association within the overall Confederation of Norwegian Enterprises (NHO). This partnership continues to strengthen our commitment to responsible business practices and employee welfare.

#### **Fostering Diversity** and Inclusion

At HydrogenPro, we prioritize team diversity, reflected in our inclusive and strategically aligned recruitment policies. As outlined in our 2021 Annual Report, we set an ambitious target to achieve a minimum of 25% female representation across all entities by 2025. After a notable increase from 15% in 2021 to 24% by year-end 2022, our 2023 representation declined to 19%, highlighting the ongoing needs for focused efforts to foster diversity. By the close of 2024, we are proud to have surpassed our goal with a female representation of 26%. While this marks a significant milestone, our commitment to advancing diversity initiatives remains steadfast.

Beyond gender diversity, we are dedicated to cultivating other forms of diversity across all locations. Our global workforce represents numerous nationalities, as well as diversity in cultural background and other aspects of diversity. The diverse workforce reflects our belief that diverse perspectives drive innovation and growth. Ensuring psychological safety, inclusion, and value for all employees remains a core priority.

Aligned with governance and compensation policies, HydrogenPro maintains a zero-tolerance approach to discrimination and upholds equal pay for equal work. Our average compensation exceeds minimum

wage requirements in all locations, positioning us competitively to attract and retain top talent while fostering an equitable and inclusive workplace.

In 2024, the remuneration ratio of women to men was 0.77 for our Norwegian operations, excluding CEO, and 0.80 and 0.87 for Denmark and China respectively. The remuneration ratio has not been adjusted for any parameters. The remuneration gap is due to a male dominated work force, especially in the higher salaried positions including management. We are striving to increase the female representaion and increased this to 26% in 2024 from 19% in 2023.

Further details can be found in the Sustainability Factbook on page 80.

#### **Occupational Health** and Safety

The safety and well-being of our employees are of utmost importance at HydrogenPro, where our people are our greatest resource. Our strong believe is: Safety is our license to operate. We are dedicated to achieving our strategic goal of zero accidents and work-related injuries. In December 2024, we proudly celebrated 365 consecutive days without any accidents or

work-related injuries at our Tianjin facility. In 2024, we had one injury in Norway, but no lost-time injuries at HydrogenPro. The TRIFR was 0.664. This marks a significant improvement compared to 2023, when eight incidents were reported company wide.

Following the incidents in 2023, we implemented robust corrective measures to enhance safety standards. These included expediting the approval of standard operating procedures (SOPs), optimizing lifting hole designs for workpieces, providing enhanced crane operator training, adjusting spacing in the fining areas, and strengthening our safety training programs to include examinations and emergency preparedness. Additionally, regular daily hazard investigations have been integrated as a cornerstone of our proactive safety measures.

In 2024, we developed and introduced HydrogenPro's Golden Rules of Safety, which have been implemented throughout the global organization. Additionally, all Town Hall meetings now begin with an HSE moment. Our unwavering commitment to achieving zero accidents and work-related injuries remains a top priority. We will

continue to prioritize and refine our safety initiatives, striving for another year of accidents-free operations in 2025 and beyond.

In 2024, no cases of occupational ill-health were reported across any entities, maintaining the positive records from previous years. This achievement underscores the success of our comprehensive measures to identify, mitigate, and manage potential occupational hazards, reflecting our unwavering commitment to fostering a safe and healthy working environment.

HydrogenPro Tianjin achieved ISO 45001 certification in 2023, aligning with HydrogenPro Norway, which has maintained this certification for its occupational health and safety management system. In December 2024, HydrogenPro Norway was recertified in ISO 9001, ISO 14001 and ISO 45001, demonstrating our dedication to s risk identification, assessment, and continuous improvement of safety standards.

Occupational health services are available to all employees across all locations. In Norway, these services are represented in the Work Environment Committee (WEC), governed by the Norwegian Working

Environment Act. The WEC includes equal representation from employees and employers, holding quarterly meetings with additional sessions when needed. All information about the committee, including its mandate, meeting minutes, and responsibilities, is accessible via internal quality management systems.

As HydrogenPro Denmark continues to grow, we have established a Work Environment Organization (WEO) to ensure a proactive approach to workplace health and safety. Employees have elected a Work Environment Representative (WER), who will collaborate closely with the General Manager, the QHSE Director, and the Chief People & Culture Officer to address workrelated health and safety concerns. Key responsibilities of the WEO include conducting a comprehensive Workplace Evaluation (WPE) to document employee feedback and concerns. Based on the WPE findings, an action plan is developed, complete with specific actions and a defined timeline for implementation. To ensure transparency and compliance, all WEO documentation, including the WPE and action plan, will be accessible to employees via SharePoint and TQM when completed.

In China, HydrogenPro conducts annual occupational hazard testing and occupational disease examinations for relevant employees. Evaluation results and hazard detection reports are transparently shared with employees to ensure awareness and engagement.

All occupational health and safety (OHS) information is consolidated in HydrogenPro's HSE handbook and addressed regularly in WEC meetings. Safety awareness is further reinforced through dedicated "HSE Moments" included in Town Hall Meetings, an all-company meeting arena. The Safety Delegate, representing employees, actively contributes to discussions and initiatives to enhance workplace safety.

HydrogenPro adheres strictly to GDPR regulations, ensuring all personal health-related information is securely managed. The use of employee health data for discriminatory or unfair treatment is explicitly prohibited, and no such incidents were reported in 2024.

HydrogenPro maintains a zerotolerance policy for discrimination. Employees are encouraged to report any incidents through established channels, with no cases of discrimination reported in 2024.

By upholding these practices and continuously improving our processes, HydrogenPro demonstrates a steadfast commitment to the health, safety, and well-being of all employees while fostering an inclusive and secure workplace environment.

#### Sick leave

For 2024, we adjusted our Company goal of sick leave from below 4%, down to ambitious 3%. The total sick leave for the year was 2.99%. Sick leave for each entity is mentioned in the respective sections.

#### **Training and** development

In 2024, HydrogenPro dedicated 5 339.3 hours to training across all entities, averaging 33.7 hours per employee, underscoring our commitment to developing a skilled, safe, and sustainable workforce.

Training has included areas like HSE for managers, first aid, onboarding curriculum, IT security, ethics, work environment council HSE training, TQM and profession specific training.

HydrogenPro recognizes that ongoing development is crucial for maintaining a sustainable and welleducated workforce. As our team continues to grow across various

locations, we have implemented a systematic approach to optimize training and personal development opportunities. Employees receive training on both general and taskspecific topics, fostering a unified company culture and ensuring compliance with local regulations, including occupational health service functions.

Employee development is an integral part of the annual People Dialogue process, which includes setting both business and personal development goals. All managers are expected to hold these dialogue meetings with their team members, in addition to semi-annual follow-ups to track progress and ensure alignment with organizational objectives.

HydrogenPro places significant emphasis on supporting employees during transitions such as onboarding, internal career development. retirements, and terminations. Transitioning employees are invited to a dialogue with their immediate leader and are provided with support throughout the process.

Through these collected efforts, HydrogenPro aims to empower its workforce, promote safety, and build a culture of continuous learning and development.



#### **People Governance** and Whistleblower Mechanisms

At HydrogenPro, we are committed to maintaining an open business culture with high ethical standards, where safety and respect for all who work together with or on behalf of HydrogenPro are central. In 2024, an external third-party whistleblowing channel was set up.

In order to maintain an open business culture and social environment, we prioritize providing employees with clear structures to guide responsible business conduct. Two primary resources, the Total Quality Management (TQM) system and the employee handbook integrated within the TQM system - empower employees to navigate internal policies effectively. Together with the ISO 9001 certification. these resources form the backbone of our organizational framework.

Employees are introduced to our governance and whistleblower mechanisms through onboarding sessions, team meetings, individual manager dialogues, and HydrogenPro's internal communication platforms. To ensure a comprehensive understanding of our Code of Conduct and Anti-Bribery and Corruption policy, an annual global training program for employees is conducted. The training consists of 11 digital nanolearning modules, and received 100% completion rate.

Our Whistleblowing policy, implemented in 2023, provides clear instructions on escalating critical issues to executive and board levels, emphasizing the value of incident reporting in improving our organizational culture, performance, and processes. In 2024 we established a digital whistleblowing channel available to all employees where any reports are automatically addressed to and by an external law firm. Notably,

no incidents of concerns were reported in 2024.

All internal and external stakeholders are encouraged to report via this channel if one becomes aware of any misconduct, criminal activities, serious risks affecting individuals,



our organization, society, or the environment, or actions contrary to internal guidelines, international or national laws.



# 03

# Governance

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## **Board of Directors' report**

#### HIGHLIGHTS 1

2024 was a year of strategic consolidation for HydrogenPro. We are delivering to two of the world's ten largest green hydrogen projects: the Salzgitter project in Germany and the ACES project in Utah, USA. In collaboration with our partners, we made significant advancements in green hydrogen technology, enhancing our products, expanding production capacity, and adapting to evolving market conditions. Through close partnerships, we worked to accelerate hydrogen adoption across various sectors. Strategic investments strengthened our financial position, making us a strong player in the market. Notably, our achievement of zero lost-time incidents underscores our unwavering commitment to safety.

Strategic Investments During the spring of 2024, HydrogenPro secured a strategic NOK 82.7 million investment from ANDRITZ, strengthening our financial position and enabling further innovation. Furthermore, in December, we announced an additional investment of NOK 70 million from both Mitsubishi and ANDRITZ, along with a conditional NOK 70 million investment from a new strategic partner, LONGi Hydrogen, pending ODI approval. These investments affirm our partners' confidence in our technology and further strengthen the solid collaboration in technology and market development.

#### **Partnerships**

LONGi Hydrogen joined HydrogenPro as a strategic partner, bringing first-class industrial and technical expertise. The Cooperation Agreement entails collaboration on relevant projects, broadening the scope of projects HydrogenPro and LONGi Hydrogen can bid on, enhancing the quality of products and services delivered. This partnership will also optimize HydrogenPro and LONGi Hydrogen's supply chain organizations.

Additionally, HydrogenPro established a new partnership with J.H.K., an industrial plant construction and engineering company, to target green hydrogen projects in the 5-50 MW size range.

Our collaboration with our wellestablished partners, ANDRITZ and Mitsubishi, remain grounded in trust and a clear focus on our daily operations, confirming and strengthening our market position.



#### **Product Development**

Research and development is the foundation to lead the market with the best technology, bringing the levelized cost of hydrogen down.

We received a grant from the EU Innovation Fund of EUR 16.5 million for large-scale production of nextgeneration electrode technology. Additionally, we were awarded DKK 35 million in May 2024 by the Export and Investment Fund of Denmark.

The further development of our electrodes is the basis for these grants. With the large-scale production of the next generation of electrode technology, we enable our established and efficient alkaline high-pressure electrolyzers to produce green hydrogen with industry-leading efficiency and further reduce the cost of electricity for hydrogen.

#### **Organizational Strength**

In 2024 we have strengthened the team with a Chief Technology Officer, Chief Operations Officer, General Manager in North

#### Income statement

NOK MILLION	2024	2023
Revenue from contracts with customers	196	568
Direct materials	147	331
GROSS PROFIT	49	237
GROSS PROFIT MARGIN	25%	42%
Personnel expenses	144	120
Other operating expenses	109	154
EBITDA	-204	-36
Depreciation and amortization expenses	23	22
EBIT	-227	-58
Net financial income and expenses	-27	5
Profit/(loss) before income tax	-200	-63
ncome tax expense	-	-
PROFIT/(LOSS)	-200	-63



America, HSE Director, and others. In April 2024 a new board was elected, chaired by Dag J. Opedal.

Opedal has an extensive career in industrial companies such as Orkla ASA and has held numerous board positions. He currently serves on various boards, including as Vice Chair of Elkem ASA and Chair of O. Kavli and the Knut Kavli Trust.

**Project Updates** 

**QHSE** Achievements

The installation of the ACES project is completed, and the delivery to the SALCOS project is on track. Numerous potential projects are in the pipeline for the coming year, enhancing HydrogenPro's reputation as a leading supplier of large-scale plants. We are investing heavily in our technology to ensure stateof-the-art performance in the long-term, with a commitment to sustainability and low environmental impact solutions.

We have achieved more than 365 consecutive days without any lost-time accidents. QHSE is about building a sustainable, efficient, and responsible business. By prioritizing QHSE management at HydrogenPro, we can achieve long-term success and make a

positive impact on our employees, customers, and the planet.

In conclusion, HydrogenPro's strategic initiatives and partnerships in 2024 have positioned us as one leader in the green hydrogen industry, ready to meet the challenges and opportunities of the future.

Together with our partners, we continue to drive progress towards global sustainability goals.

#### **Financials**

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors confirms that the accounts have been prepared on a going concern basis and that the going concern assumption applies. Pursuant to Section 3-9 of the Norwegian Accounting Act, HydrogenPro prepares consolidated annual accounts in accordance with IFRS® Accounting Standards as adopted by the EU. The statutory accounts of HydrogenPro ASA have been prepared in accordance with the Norwegian regulations concerning annual accounts.

HydrogenPro generated revenues of NOK 196 million in 2024 (NOK 568 million in 2023) which was mainly related to the purchase order from ANDRITZ for the SALCOS project.

Direct materials amounted to NOK 147 million (NOK 331 million in 2023), mainly related to purchase orders from ANDRITZ and additional costs related to delivery on the ACES project in Utah, USA.

Personnel expenses increased from NOK 120 million in 2023 to 144 million in 2024 as the Company has had a need to strengthen competence within certain areas. Due to the current low market demand, the Company has implemented several cost measures, including downsizing in Europe and China which will have

a gradually larger savings impact during 2025.

Other operating expenses amounted to 109 million (NOK 154 million in 2023), as the overall project delivery activity decreased vs. the previous year.

Depreciation & amortization expenses of NOK 23 million (NOK 22 million in 2023).

Operating profit was NOK -227 million in 2024 vs. NOK - 58 million in 2023.

Total assets as of 31 December 2024 were NOK 582 million, where of NOK 382 million in current assets (NOK 191 million in cash and deposits, NOK 163 million in total debtors and NOK 27 million in inventories) and NOK 200 million in non-current assets, whereof NOK 56 million in intangible assets, NOK

89 million in tangible assets and NOK 55 million in financial fixed assets.

The development in property, plant and equipment are mainly driven by investments in a new advanced electrode production line incurred as part of the expansion of the manufacturing capacity in Aarhus, Denmark. See note 3.1 and 3.2 in the consolidated financial statement.

#### Cash flow statement

NOK MILLION	2024	2023
Cash balance start of period	161	257
Net cash flow from operating activities	-22	-187
Net cash flow from investing activities	-25	-20
Net cash flow from financing activities	78	110
Total changes in cash	31	-96
Cash balance end of period	191	161

Net cash flow from operating activities was NOK -22 million, compared to -187 million in 2023. The increase is mainly due to positive movements in working capital.

Net cash flow from investing activities in 2024 of NOK -25 million which is mainly related to investment in the

expansion of the manufacturing capacity in Aarhus, Denmark. The corresponding amount for 2023 was NOK -20, which was mainly related to investment in the expansion of the manufacturing capacity in Tianjin.

For more details on investments, refer to note 3.1, and 3.2 in the financial statements.



#### Net financial items

NOK MILLION	2024	2023
Interest gain/-expense	4	4
Net foreign exchange gains/losses	26	-8
Impairment of financial assets	-2	0
Other finance income/-expense	-1	-1
NET FINANCIAL ITEMS	27	-5

Net financial items amounted to NOK 27 million (compared to net loss of NOK 5 million in 2023), which consisted of NOK 31 million (NOK 4 million in 2023) as financial income and NOK 4 million (NOK 9 million

in 2023) as financial expenses. The financial income is mainly driven by strengthened USD and EUR vs NOK.

Tax on ordinary result was NOK 0 million (NOK 0 million in 2023).

Annual net loss for the year ended at NOK -200 million (NOK -63 million in 2023) and will be transferred to other equity.

#### Balance sheet

NOK MILLION	31/12/2024	31/12/2023
ASSETS		
Intangible assets	56	58
Property plant and equipment	89	68
Financial fixed assets	55	56
Total Fixed Assets	200	182
Current operating assets	190	301
Cash and deposits	191	161
Total Current Assets	382	462
Total Assets	582	644
EQUITY AND LIABILITIES		
Total equity	348	453
Non-Current liabilities	22	18
Current liabilities	211	172
Total liabilities	233	190
Total equity and liabilities	582	644

Total equity amounted to NOK 348 million and total liabilities of NOK 233 million, whereof NOK 211 million in short-term liabilities and NOK 22 million in long-term liabilities/ provisions.

The equity ratio as of 31 December 2024 was 59.9 %.

Net cash flows from financing activities were NOK 78 million in 2024 (NOK 110 million in 2023), whereof NOK 84 million (NOK 122 million in 2023) was related to the issue of new capital.

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	2024	2023
Number of employees (year-end)	151	231
Sick leave/overall leave is less than country average of our locations (annually):		
Norway	2.3 %	1.1 %
Denmark	1.7 %	1.1 %
Germany	3.0 %	0.8 %
Tianjin, China	3.4 %	1.7%
Shanghai, China	0.1 %	0.0 %

#### Zero accidents and work-related ill health (annually):

_		
Norway	1	C
Denmark	0	C
Germany	0	C
Tianjin, China	0	8
Shanghai, China	0	C

#### Total HydrogenPro TRIFR4: 0.664 (average) US manufacturing = 3.5

TQM	100 %	89 %
First aid	100 %	100 %
Information Security Awareness	100 %	89 %
Ethics in HydrogenPro	100 %	

1. Target for sick leave changed to 3 % in 2024 from 4 % in 2023.

2. Calculated per 200,000 hours worked (as opposed to the common calculation of accidents per million work hours.

#### 2 RISKS

The company recognizes the importance of having sound risk management processes underpinning strategy-setting and business decisions.

In January 2024, to further its work towards strong risk awareness, the Board commissioned Deloitte to assist in the facilitation of a holistic risk identification and evaluation exercise. The exercise took a topdown approach in identification and ranking (likelihood, consequence) of the Company's most critical risks. This analysis is an important building block towards establishing an enterprise-wide view of risks and associated management framework and creates a solid foundation for the Company's future risk work.

The Company's Audit and Risk Committee is a sub-committee of the Board. The purpose of

the Committee is to serve as a preparatory body in support of the Board's supervisory function, particularly regarding financial reporting, the effectiveness of the Company's internal control system, and engagement with the external auditor. This includes reviewing audit reports and assessing auditor independence to ensure audit integrity and objectivity. The Committee meets regularly to fulfill its responsibilities. In 2024, the Audit and Risk Committee held ten ordinary meetings, all of which were attended by the external auditors.

Through its ordinary operating activities, the Company is exposed to various types of risk. As the Company continues to grow and enters new markets, the risk landscape evolves, with recent evolution focusing on geopolitical changes and uncertainties including

threats from evolving protectionism. Despite the Company proactively working to identify risks and taking risk-mitigating initiatives to the best extent practicable, there may be instances where the Company's control activities do not fully mitigate the risk exposure. With the risk landscape changing, additional risks may arise, and perceived risk severities and sensitivities may change. The information herein should therefore be read carefully and be understood to represent the risk exposures at the time of writing.

Below follows a description of the Company's main risks and uncertainties.

#### Strategy and business risk

The market for services related to green hydrogen production is still in development and market sentiment may be volatile. Client expectations

on the Company continue to evolve with the maturity of the industry, and failures to sufficiently document own technology and performance, standup local presence in key markets, and meet customer expectations on financial, operational and environmental dimensions may put contractual agreements at risk.

The Company is currently building a log of performance data from its operational electrolyzers installed in partnership with Mitsubishi Power and through increased testing activity in own facilities. This data will further strengthen the market position of the Company and mitigate contractual risks. Furthermore, the experience of going through a full delivery and installation further mitigates future delivery and contractual risks as management leverages prior experience.

The company is aligning its R&D efforts with its commercial objectives to further improve competiveness.

The Company is particularly exposed to political factors. A reduction in government support for green hydrogen could affect both the Company's ability to operate and its ability to expand its business through dampening of customer demand. Furthermore, a development towards protectionist sentiment in key markets may cause the Company to face increased local content and delivery demands in the future. To mitigate this risk, the Company is currently undertaking a mapping of its supplier landscape.

To further reduce business risks, the Company has developed a set of Business Norms that will assess contract opportunities across a set of financial and operational elements and associated thresholds putting further rigor and opportunity-related risk analysis into the contract acceptance process.

#### **Financial risk**

The Company is exposed to several financial risks.

Fluctuation in commodity prices of steel and nickel may also impact the Company financially. The Company has not yet undertaken any hedging activity and may experience both upside and down- side risks from these positions.

However, the Company seeks to partly hedge price risk through agreements with suppliers or agents and minimize the commodity price exposure through sourcing steel raw material with already formed shaped, thus reducing quantity of the raw material and correspondingly reduce the impact of price fluctuation. The latter also reduces the carbon footprint.

Further financial risks include counterparty risk, specifically customers' failure to fulfil contractual payment obligations. Given the size of projects compared to the size of the Company, this is a potential significant risk. The Company reviews the customers' credit standing thoroughly before entering into a contract.

The potential failure to obtain necessary funding and/or financial guarantees may hamper the Company's ability to pursue contractual negotiations and pursue strategic priorities. This could result in the loss of potential business opportunities and negatively impact financial performance. The Company continuously assesses and diversifies its financing options to mitigate this risk.

The Group's Finance department is led by the Chief Financial Officer ("CFO"), headquartered in Norway. The CFO formally reports to the CEO and frequently liaises with the Audit and Risk Committee. The committee was established in the autumn of 2022, with a mandate given by the Board of Directors. Head of Group Accounting leads the

accounting department and reports to the CFO. In addition, the Finance department includes Business Controlling, Project Controlling and Treasury resources. The subsidiaries in the Group report company financials to the accounting department on a frequent basis.

#### **People risk**

As the company grows and works to meet the expectations of a publicly traded company, there is persistent pressure on staff and leadership. Key person and staff turnover pose a significant risk to maintaining growth. To mitigate this risk, the company is establishing more developed governance structures and strengthening operations and control mechanisms.

To increase staff feeling of inclusion and bridge diverging work practices, the Company has undertaken significant work in establishing the underlying principles and values of the company culture. This was rolled out in 2024.

#### **ESG risk**

Failure to fulfill regulatory requirements and market expectations across all dimensions of ESG could increase costs or harm the reputation of the Company. Ensuring compliance and responsible behavior from the end-to- end supply chain is a significant undertaking which creates a risk of compliance with the Norwegian Transparency Act and going forward - CSRD. To reduce this risk, the Company has implemented a program of third-party supplier audits to gain assurance on the operations and processes undertaken by its suppliers.

The Company publishes Transparency Act Report within 30 June each year. In accordance with applicable laws and regulations, efforts are made to cease actual and potential adverse impacts on human rights and decent working conditions in the supply chain. Further ESG-associated risks are set out in the report which is available on the Company's website.

**Directors' and Officers'** 

The Company maintains a Directors

and Officers Liability Insurance

on behalf of the members of the

Board of Directors and CEO. The

insurance additionally covers any

employee acting in a managerial

owned with more than 50%. The

members of HydrogenPro ASA

made by the company.

capacity and includes subsidiaries

insurance is worldwide. The purpose

is to prevent employees and board

(incl. subsidiaries) from being held

personally responsible for decisions

Liability Insurance

#### **Operational risk**

Disruptions in deliveries by the Company's suppliers may increase operating costs, lead to delays to customers and adversely impact operations. Today the Company's supply chain is heavily concentrated in China, and a certain volume of single-source suppliers in combination with political risk may potentially affecting customs and tariff levels, and makes the supply chain vulnerable to disruption.

The Company is in the process of mitigating this risk through the rollout of third-party driven supplier audits as well as examination of alternative suppliers to ensure business continuity in case of disruption.

The Company uses information technology systems to conduct its business. Disruption, systemfailure or security breaches of these systems can materially and adversely affect its business and results of operations. To reflect the IT Technology risks, the Company faces and puts increased structure around their management, a Chief Technology Officer joined the leadership team on 1 March 2024.

#### Health, environmental and safety risk

The Company faces health, environmental and safety risks in the Company's operations. These risks are typically mitigated through established processes and procedures, with special emphasis

on the work at the manufacturing site in Tianjin, China, the plating facility and R&D center in Aarhus, Denmark, and the test center in Porsgrunn, Norway. The Company has been awarded the relevant ISO certifications to comply with high standards.

#### **Shares and dividend**

HydrogenPro is listed on Oslo Stock Exchange under the ticker "HYPRO". As of 31 December 2024, the number of shares outstanding was 70 121 680 each with a par value of NOK 0.02/share. All shares are of the same class and with equal voting and dividend rights. The market capitalization as of yearend 2024 was NOK 358 million vs NOK 1039 million as of year-end 2023. Given the Company's early stage of development and strategic ambitions, the Board of Directors does not recommend a dividend for the year 2024.

#### **3 SUSTAINABILITY**

The Board is responsible for the Company's sustainability strategy and reporting, while the day-to-day responsibility for managing impacts like financial, environmental and social, is delegated to the Executive Management. The Board is regularly informed about the progress in implementing HydrogenPro's sustainability strategy. Further, the Board is responsible for reviewing and approving the integrated report.

Our sustainability efforts and corporate social responsibility work are thoroughly described in this report. We elaborate on our impact on the environment and social factors, and topics such as work environment (including work related injuries and sick leave), nondiscrimination (including diversity and inclusion), and human rights are covered. Anti-bribery and corruption in the supply chain is described, as well as our internal work on ethical business conduct. The Company reports annually in accordance with the Transparency Act, and an updated report will be published on the Company's web site during the first half of 2024. In the reporting year, HydrogenPro has focused entirely on regulatory sustainability and reporting when working to advance the collective knowledge, skills, and experience of the Board of Directors on sustainable development. However, a delay in the enforcement of the Corporate Sustainability Reporting Directive will allow us to focus more on strategic sustainability going forward, and this will be reflected in the way we work for increasing the knowledge of our Management and Board of Directors when it comes to sustainability going forward.

#### Climate risk

The Board of Directors considers ESG risks as a part of the risk management process, with a particular focus on climate risk and opportunities.

#### Physical risk and water access

Physical risks involve risks caused by climate change. This will include risks to facilities and infrastructure, impact on operations, water and raw material availability and supply chain disruptions. HydrogenPro is exposed to different types of physical climate risks. In the shortterm, we see water availability being the greatest physical climate risk to our operations. Green hydrogen production needs water, both as an input factor in the production and as cooling agent to reduce the electrolyzer temperature during production. In areas where water is a scarce resource following climate changes, this may reduce the attractiveness of our products as water may be reserved for other purposes.

Water consumption from production of hydrogen is the same, independent of electrolysis manufacturer, as it takes one water molecule (H2O) to produce one hydrogen gas molecule (H2). However, the need for cooling water differs between the different electrolyzers in the market. We aim to reduce the need for cooling water in our electrolyzer by developing 3rd generation electrodes technology, where the cooling water need is significantly reduced due to higher energy efficiency and lower power consumption. On the longer horizon, HydrogenPro's facilities could be at risk for extreme weather events because of climate change. All our facilities are located in established industry parks with flood and fire protection, etc. We take this risk into consideration when deciding on establishing new offices and manufacturing facilities.

#### **Transition risk**

Transition risks typically refer to risks associated with transition to a low carbon economy. This transition can entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate changes that might impact our ability to do business. HydrogenPro is exposed to several types of transition risks in the short-, medium- and long-term.

In the short-term, we are facing the risk of moving too fast or too slow to meet customer demands and potentially becoming an early mover with no customers, or a follower that is too slow to catch up. This risk is a result of the rapid and unclear development of the green hydrogen space, where customer demand and competition composition evolve continuously. The regulatory landscape and incentive programs in Europe and the US are to a large extent driving the evolution of the new hydrogen economy. Our response to this is to follow the market closely and seek to maintain a flexible cost structure while at the same time optimize our supply chain set.up.

On a medium-term outlook, HydrogenPro is exposed to the risk that green hydrogen's importance in a low-carbon society could change significantly, and by that, the customer demand for electrolyzers could fall. This could follow from technological breakthroughs for other low-carbon hydrogen solutions, such as blue hydrogen using carbon capture and storage, or alternatives to hydrogen, such as batteries for deep-sea shipping and long-haul transportation. This is not something HydrogenPro works to mitigate, as these technologies would be important steps to mitigate climate change and reach the 2050 net zero targets. Instead, we aim to diversify our customer base to reduce the potential impact of such technological breakthroughs by being a relevant supplier for several types of end-users. As an example, our high-pressure alkaline electrolyzers are a perfect fit for clean energy storage, where excess renewable energy is captured when it is most abundant and stored as hydrogen. As the world depends on renewable energy to reach the Paris agreement, we believe this is a market where green hydrogen will be of high importance.

A final transition risk that has become of higher relevance lately is the risk of reduced development of renewable energy due to environmental considerations besides climate change. This could result in less hydropower to preserve rivers or fewer wind farms to preserve land and biodiversity. Social considerations can also play an important role, as seen in cases where renewable energy infrastructure has been constructed in areas belonging to indigenous communities, threatening in that way their right to practice their culture. HydrogenPro does not develop renewable energy, our customers are dependent on renewable energy as a critical input factor to produce green hydrogen. Therefore, we consider this a risk to our business model. Mitigating efforts are hard to implement. However, we recognize that we are part of an industry quickly evolving, and that we need to collaborate closely with partners and industry peers to ensure that environmental and social considerations are taken into the equation. We will strive to find the most sustainable solutions both for today and the years to come for development of new renewable power production.

#### **4 OUTLOOK**

With numerous potential projects in the pipeline for the coming year, HydrogenPro has an optimistic view on the coming years as a leading supplier of large-scale hydrogen plants. We are making substantial investments in our technology to ensure we deliver stateof-the-art performance for the long term.

The hydrogen market continues to evolve amid shifting global dynamics. While largescale projects have faced delays, there is increasing momentum for smaller, scalable projects that align with current infrastructure and investment trends. Europe is emerging as a key driver of hydrogen adoption, supported by policy incentives and a growing demand for decarbonization solutions. While the U.S. was previously the primary market for renewable energy expansion, attention is gradually shifting toward Europe, though the transition will require time to establish necessary infrastructure and off-take agreements.

Despite temporary setbacks, the long-term outlook for green hydrogen remains positive. Several large projects that were previously delayed are progressing toward Final Investment Decisions (FID), signaling renewed confidence in the sector. However, challenges related to funding, rising capital costs, and uncertainty around incentive programs continue to impact investment timelines.

HydrogenPro is well-positioned to leverage these market trends through its established expertise, advanced technology, and strategic partnerships. Key developments include:

HydrogenPro remains a proven supplier for major hydrogen initiatives based on its deliveries to 2 of the ten largest projects outside of China. The company's involvement in delivering 42 electrolyzers (plus two reserves) for the ACES project and 20 electrolyzers for Salzgitter reinforces its credibility in large-scale hydrogen infrastructure as well as having some of the few documented operational projects as reference.

The company is progressing toward full-scale testing of its next generation electrolyzer at Herøya, Norway. It is currently in a startup phase, and the test marks an important milestone in HydrogenPro's efforts to enhance efficiency and performance in hydrogen production.

Several hydrogen projects are advancing through key phases, increasing the likelihood of investment approvals. While some may proceed with revised scopes due to financial constraints, HydrogenPro remains focused on securing firm purchase orders to ensure continued growth and cash flow stability.

HydrogenPro's collaborations with Andritz in Europe, Mitsubishi in America, and latest LONGi in China provide strong market positioning in key regions. These partnerships enhance the company's ability to address varying regulatory and commercial requirements across different markets.

As HydrogenPro is well positioned through partnership on three continents USA, Europe and East Asia, the energy transition and development of Hydrogen value chain is emerging in India and the Middle East and HydrogenPro is actively pursing projects in these areas.

European regulatory requirements, particularly those set by the European Hydrogen Bank, are shaping investment decisions. HydrogenPro is compliant with these regulations, leveraging a supply chain model that integrates key processing steps like electrode production in Aarhus and assembly in Erfurt while still sourcing some key components from China. This ensures that customers qualify for available financial incentives.

However, rising trade barriers and protectionist policies in certain regions could increase costs for European hydrogen projects, potentially slowing adoption. HydrogenPro continues to advocate for efficiency-driven cost reductions rather than restrictive trade measures to accelerate the energy transition.

While market conditions remain fluid, HydrogenPro is well-positioned to navigate challenges, drive innovation, and support the long-term growth of the green hydrogen sector.



## **NUES Corporate Governance Report**

#### 1 Implementation and reporting on corporate governance

HydrogenPro and its subsidiaries (the "Company" or "HydrogenPro") aim to become a world-leading provider of high-pressure alkaline electrolyzer technologies & solutions that meet the highest standards for safety, reliability, and long service life. HydrogenPro is committed to high standards relating to working environment and personnel welfare, environmental impact, and business practices. We endeavor to comply with principles of corporate responsibility in our daily operations that demonstrate integrity and transparency. HydrogenPro reports and has policy commitments for a responsible business conduct in accordance with the Norwegian Accounting Act § 3-3b, c, OECD guidelines for Multinational Enterprises, sustainability, human rights, employee rights and social

matters including prevention of corruption, labor violations, harassment, and discrimination. The Corporate Governance addresses the framework of guidelines and principles regulating the interaction between the Company's shareholders, the Board of Directors (the "Board"), the Chief Executive Officer (the "CEO") and the Company's executive management team. As a listed Company, HydrogenPro will comply with applicable laws and regulations including the Norwegian Securities Trading Act, the Market Abuse Regulation (MAR), the Continuing obligations for companies listed on Oslo Stock Exchange, and the Norwegian Private Limited Liability Companies Act. The Company is working closely with suppliers to ensure the same integrity,

transparency and compliance as expected of HydrogenPro.

HydrogenPro's Board and executive management is committed to follow the recommendation for corporate governance issued by the Norwegian Corporate Governance Board ("NUES") and will provide explanations of any non-compliance with the guideline. The corporate governance document for HydrogenPro covers all sections of NUES and is available in the Annual report and on the Company website www. hydrogenpro.com. For the reporting period of 2024, HydrogenPro provides an integrated financial and sustainability report addressing topics according to the Global Reporting Initiative ("GRI") core standards.

#### 2 The business

HydrogenPro was established in 2013 with a mission to design and deliver green hydrogen technology solutions in collaboration with global partners and suppliers. The Company's core product is high-pressure alkaline electrolyzers, including one of the most advanced technologies in the industry. HydrogenPro employed 151 highly skilled and experienced people at year-end 2024, including key personnel with leading global hydrogen expertise. The Company

#### **3** Equity and dividends

The Board aims to ensure that the Company has a capital structure that is appropriate for the Company's objective, strategy, and risk profile, to ensure an appropriate balance between equity and other sources of financing, where relevant. The Board will continuously assess the Company's capital requirements related to the Company's objective, is currently present in Denmark, Germany, the US, and China with operations that include R&D, sales offices and production, and aims to grow the global presence further in the years to come. Headquarters and test facility are located at Herøya, Norway. In 2020, HydrogenPro was listed on Euronext Growth, and in October 2022, the Company was uplisted to the main list of the Oslo Stock Exchange. With a technology that is easy to scale

strategy, and risk profile. The Company is committed to creating long-term value for its shareholders. The Company intends to retain future earnings and cash to finance future growth and therefore does not anticipate paying any cash dividends in the foreseeable future. The background for any proposal to the general meeting to approve

# <image>

#### 4 Equal treatment of shareholders

HydrogenPro treats its shareholders and potential investors equally. HydrogenPro has implemented a process for handling sensitive information to ensure that the Company, its employees, and representatives fulfil their obligations regarding the handling and publication of sensitive information. There is only one class of shares in the Company and all shares carry equal rights. All shareholders will be treated on an equal basis unless there is a just cause for treating them differently in accordance with applicable laws and regulations.

In the event of an increase in the share capital of the Company through the issuance of new shares, a decision to waive the existing shareholders' preemptive rights to subscribe for shares will be justified. If the Board resolves to issue new shares and waives the preemptive rights of existing shareholders pursuant to a Board authorisation granted by the general meeting, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the shares issue. The reasons for any deviation from equal treatment of all shareholders in capital transactions will be included in the stock exchange announcement made in connection with the transaction.

Any transactions carried out by the Company in the Company's own shares will be carried out through Oslo Stock Exchange and in any case at prevailing stock exchange prices. In the event that there is limited liquidity depending on the input energy from renewables, HydrogenPro's largescale electrolyzers and cost-effective technology have the potential to both enable and strengthen other segments in the energy transition, whether it be wind, solar and other renewable power sources. Through its unique properties as an energy carrier, hydrogen will be key in facilitating the green energy transition.

the distribution of dividends will be explained. General authorisations for the Board to increase the share capital and buy own shares will normally be restricted to defined purposes and will, in general, be limited in time to no later than the date of the next annual general meeting of the Company.

in the Company's shares, the Company will consider other ways to ensure equal treatment of shareholders. Any transactions in own shares will be evaluated in relation to the rules on the duty of disclosure as well as in relation to the prohibition against illegal insider trading and market manipulation, the requirement for equal treatment of all shareholders, and the prohibition of unreasonable business methods.

## 5 Shares and negotiability

All shares in HydrogenPro carry one vote and are freely transferable. The Company will not limit any party's ability to own, trade or vote for shares in the Company. The Company will provide an account of any restrictions on owning, trading, or voting for shares in the Company.

#### 6 General Meetings

All shareholders have the right to participate in the general meetings of the Company, which exercise the highest authority of the Company. The annual general meeting will normally be held before 30 June each year. The general meeting shall handle the matters set out in the Norwegian Public Limited Liability Companies Act, in addition to those laid down in the Company's articles of association, including, among others: approval of annual accounts and annual report, distribution of dividends, if applicable, amendments of the articles of association, share issues, election of auditor and board members and board remuneration. The full notice for general meetings shall be sent to shareholders no later than 21 calendar days prior to the meeting. The notices for such meetings shall include documents providing the shareholders with comprehensive, specific, and sufficient details for the shareholders to form a view of all the cases to be considered as well as all relevant information regarding procedures of attendance and voting. The notice and the documents may be sent to or made available to the shareholders through electronic communication and any deadline for shareholders' notice of their intention to attend the meeting shall be set as close to the date of the meeting as possible. The Board shall ensure that the Chair of the Board and the Chair of



the nomination committee attend the general meetings. The general meeting will normally be chaired by the Chair of the Board or an individual appointed by the Chair of the Board. Having the Chair of the Board or a person appointed by same chairing the general meetings simplify the preparations for the general meetings significantly. In the Company's experience, its procedures for the chairmanship and execution of general meetings have proven satisfactory. The Company's auditor will normally also be present.

Notices for general meetings shall provide information on the procedures to be observed by shareholders in order to participate in and vote at the general meeting. The notices will also set out: (i) the procedure for representation at the meeting through a proxy, including a form to appoint a proxy, and (ii) the right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting. Shareholders shall have the right to attend by electronic means unless the Board has sufficient cause to refuse electronic participation. In addition, the shareholders have the right to vote during a specific period in advance of the general meeting to the extent allowed in the Company's article of association. Shareholders in the Company will be able to vote on each individual matter including on each individual candidate nominated for election. Shareholders who cannot attend the meeting will be given the opportunity to vote. The Company will design the form for the appointment of a proxy to make voting on each individual matter possible and will nominate a person who can act as a proxy for shareholders.

#### 7 Nomination Committee

The Company has a nomination committee. The general meeting shall stipulate guidelines for the duties of the nomination committee, elect the chairperson and members of the nomination committee, and determine the committee's remuneration. The members of the nomination committee shall be elected to consider the interests of shareholders in general, and the majority of the nomination committee members shall be independent of the Board and the executive management team. Members of the Board and the executive management team shall not be members of the nomination committee. Instructions for the nomination committee shall be approved by the Company's general meeting. The nomination committee's duties shall be to



propose candidates for election to the Board and the nomination committee. The nomination committee shall have contact with the shareholders, the Board, and the company's executive personnel as part of its work on proposing candidates for election to the Board, Furthermore, the nomination committee shall justify separately why it is proposing each candidate. The Company shall provide information on the members of the committee and any deadline for proposing candidates. Information regarding the nomination committee is publicly available on HydrogenPro's website.

Management and staff from HydrogenPro on top of Herøya Industrial Park in Porsgrunn (Norway).

#### 8 Board of Directors composition and independence

The board members, including the Chair of the Board, are elected by the General Meeting. The composition of the Board is structured to represent the interests of all shareholders, meet the Company's need for expertise, capacity, balanced decisionmaking, diversity, and to navigate the Company in a sustainable manner. Pursuant to Article 5 of the Articles of Association, the Board of Directors shall consist of 3-7 members elected by the General Meeting. The current Board of Directors consists of six members. two women and four men. All members are elected for a term of two years and may be re-elected.

Board members are encouraged to own shares in HydrogenPro and an overview of shareholdings by each board member is included in the notes in the Annual Report. According to the development and evolving nature of the Company, the Board intends to be an independent function of the Company. It is of utmost importance to the Board to be compliant with prevailing laws, regulatory frameworks, and legislations regarding transactions, impartiality, instructions, and the work of the Board. The Board functions as an effective collegiate body through frequent board meetings handling of relevant and strategically important matters. The Board operates independently of



any special interests. An overview of the Board can be found on the Company's website.

arrangements between the Group and the Company's shareholders, members of the Board, members of the executive management team or close associates of any such parties may only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall, where relevant, comply with the procedures set out in the Norwegian Public Limited Liability Companies Act.

The Board shall, in principle, arrange for a valuation to be obtained from an independent third party for transactions with related parties,

#### 10 Risk management and internal control

Risk management and internal controls are important to HydrogenPro and enables the Company to achieve its strategic objectives in a sustainable, safe, and quality-oriented manner. Risk management is an integral part of the Board's and executive management's decision-making processes, organizational structure, and internal procedures and systems. Risk management and internal control requirements are frequently, and at least

including agreements that are considered immaterial or covered by section 3-16 of the Norwegian Public Limited Liability Companies Act. The Company's financial statements shall provide further information about transactions with related parties in accordance with applicable accounting principles. The Company may engage in business activities with or in cooperation with its shareholders. Such activities shall be handled at Board level with a view to securing a foreseeable and consistent practice which prevents potential conflict of interest situations, arm's-length treatment, and sound governance. Board members shall immediately

annually, evaluated by the Board of Directors and the executive management, implementing risk-reducing initiatives and establishing appropriate procedures. HydrogenPro ASA, the Norwegian part of the company, has a management system, which includes routines, descriptions, and procedures which all employees have access to and are trained in. The same management system, ISO9001, has also been implemented at the Group's

notify the Board, and members of the executive management

#### 9 The work of the board of directors

The Board of Directors ensures that the Company's business is properly organized with its purpose, values, objectives, strategies and policies developed and managed and that plans and budgets are prepared. The Board's rules of procedure and board meeting agenda address any material interests pertaining to e.g. the Company's financial position, business and asset management, accounts subject to controls, tax governance and sustainability topics including health and safety, quality, human rights, and environmental topics. This work includes management of material environmental topics, potential risks and opportunities and the Company's potential impact on the economy, environment, and social dimension. Evaluation and initiatives required to address the impact of material topics are delegated to the executive management at HydrogenPro, led by the CEO. The CEO, or any person in which the delegation is given, has the responsibility of reporting back to the Board in a timely and frequent manner, ensuring information,

transparency, and management of the topic at the highest governmental level.

The Board of Directors has issued instructions for its own work and for the executive management with emphasis on their responsibilities and duties. The instructions state how the Board and executive management should handle agreements with related parties, including whether an independent valuation must be obtained. In accordance with Norwegian law, the Board is responsible for among other things supervising the general and day-to-day management of the Company's business. This includes ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts, and assets management are subject to adequate controls and investigations necessary to perform its duties. The Board is responsible for controlling and approving the financial and ESG reports. In the event of impartiality matters, especially considering the Chair of

the Board, such matters are chaired by any other member of the Board.

The Board evaluates its composition, collective knowledge, and Board work at least once per year. The evaluation may also cover the way in which the Board functions, at both individual and group level, in relation to the objectives that have been set for its work, including financial and non-financial matters like sustainability, diversity, human rights and environmental issues. Board matters for decision are informed about and handled in accordance with the Norwegian Private Limited Liability Companies Act and potential incapacity. When identifying a potential conflict of interest, the Board maps the extent and potential impact of the conflict of interest and implements measures to avoid this. In situations where the conflict of interest is resolved by a board member not participating in the consideration and decision that has an impact on his or her own part or related parties, this board member is excluded. Any transactions, agreements or

team shall immediately notify the CEO (who, where relevant, will notify the Board) if they have any material direct or indirect interest in any transaction entered by the Company.

manufacturing site in Tianjin, China. It is of strategic importance that employees or stakeholders in general report any non-compliance, critical concerns or grievances. All concerns reported are managed according to established routines, making sure the Board is involved accordingly. Health, safety and risk mitigation is a mandatory topic in board, management, and operational meetings with learning processes to increase knowledge and make

revisions of existing procedures. In the situation of any negative impact, the Board is committed and responsible for cooperation in the process of remediation of the impact and addressing the grievances in an appropriate manner. HydrogenPro's regular business activities and operations entail exposure to various types of risks and actions to remedy the risks experienced. The Company intends to be compliant with applicable laws and regulations. The process of identifying,

evaluating and implementing riskreducing initiatives in relation to financials, tax, financial implications and other risks and opportunities due to climate change, health and safety, environmental issues, operations and suppliers assessed for risks related to corruption, child and forced labor, and the freedom of association and collective bargaining is open, transparent and regulated in the management system. The Board is responsible for monitoring the process and the management of the risks assessed.

The Company also engages with external expertise to ensure tax compliance in the countries where it operates.

The Audit and Risk committee supports the Board of Directors with quality assurance of guidelines, policies, and other governing instruments of the Company. This committee also supports the Board of Directors ensuring that the Company has sound management and control over financial and ESG reporting.

#### 11 Remuneration of the board of directors and executive personnel

website. The remuneration for

consists of fixed salary, short-

related salary and a longterm

retention scheme consisting

of a share option programme

Remuneration of executive

and operational goals while

awarded based on performance.

management is a strategic tool for

the Group to achieve its financial

staying within its risk appetite to

maximise shareholder value. The

evaluation process covered by

these guidelines relates to fixed

cash salary, variable cash salary,

option incentive program.

The Board has established a

Remuneration Committee which

directors. The quorum necessary

for the transaction of business

shall be three. The chair and the

members of the Committee shall

be appointed by the Company's

shall review and recommend

to the Board the remuneration

Board of Directors. The Committee

policies/framework for the Group's

shall be comprised of at least three

benefits, and participation in stock

the executive management

term variable performance-

The remuneration of the members of the Board comprises a fixed annual amount which will be proposed by the Nomination Committee and be approved by the annual general meeting.

HydrogenPro has a remuneration policy established in accordance with the Norwegian Public Limited Liability Companies Act (the "Companies Act") Section 6-16a and related regulations for remuneration of executive management. The policy has been prepared by the Board of Directors of HydrogenPro. The principles in this policy apply for the executive management of the Group as defined in Section 6-16a of the Companies Act, as well as the members of the Board of Directors. The executive management currently consists of the CEO, CFO, CTO, CLO, CCO, COO and CPCO of the Group.

The Board has taken an active role in establishing, reviewing, and executing these guidelines. The Board shall prepare a proposal for guidelines for resolution by the general meeting at least every fourth year. The general meeting shall decide on such proposals. Resolved guidelines may also be amended by way of resolution of

subsequent general meetings. executive/senior management, The guidelines approved by as follows: the general meeting shall be published on the Company's

- Review and recommend for the Board's approval the terms of employment contracts and other benefits/compensation arrangements.
- Review and recommend for the Board's approval the structure and terms of any executive/ senior management incentive programmes, including any performance-related bonus schemes, pension plans and share-incentive plans.
- Review and report to the Board on the performance of executive/senior management against the targets set by the Committee and/or the Board.
- Review and recommend for the Board's approval each year whether bonuses or share awards are to be awarded to executive/senior management and, if so, the amount of such bonuses and share awards.

When preparing recommendations on benefits/ compensation arrangements, the Committee shall take into account all factors which it deems necessary. The objective shall be to ensure that executive/ senior management are provided

with appropriate incentives to encourage enhanced performance and are being rewarded in a fair and responsible manner for their individual contributions to the success of the Group. Further, due consideration shall be taken to the Group's

#### 12 Information and communications

HydrogenPro complies with all applicable disclosure laws and practices, seeks transparency, and is committed to providing its shareholders with precise and relevant information to ensure that the Company's share price reflects its true value and prospects. The Board of Directors has established guidelines for the Company's reporting of legal, financial, environmental, social, and governance-related information based on transparency and the

requirement for equal treatment of all participants in the securities market. The Investor Relations ("IR") activities are conducted by the IR team with delegated responsibility from the Board. The IR team consists of the CFO as well as other personnel appointed by the team. The IR team act as spokespersons on behalf of the Company. The Company has implemented a process for handling sensitive information to ensure that the Company, its employees, and representatives

reputation. No director or manager shall be involved in any decisions as to their own remuneration. The Committee shall consider such other matters as may be requested by the Board.

fulfil their obligations regarding the handling and publication of sensitive information. HydrogenPro's financial calendar, press releases and stock exchange notices are published on Oslo Børs' platform Newsweb and is made available on the Company website. The insider lists are maintained by the CFO or a person the CFO appoints.

#### **13** Take overs

In a take-over process, should it occur, the Board and the executive management team each have an individual responsibility to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board has a particular responsibility in ensuring to the extent possible that the shareholders have sufficient information and time to assess the offer. In the event of a take-over process, it shall be ensured that:

- the Board will not seek to hinder or obstruct any takeover bid for the Company's operations or shares unless there are particular reasons for doing so.
- the Board will not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company.

#### **14** Auditor

HYDROGENPRO

HydrogenPro's auditor is PwC AS. The partners of PwC AS are members of The Norwegian Institute of Public Accountants (Nw.: "Den Norske Revisorforeningen"). The auditor provides a statement each year confirming its independence (see "Independent Auditor's Report"). The fee payable to the auditor is specified in the notes on the financial statement. The sustainability report is not subject to assurance/audit for the reporting period of 2024. The auditor attends the Board meeting at which the annual financial statements are approved.

- the Board will not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders.
- the Board shall be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a take-over bid, the Board will in addition to complying with relevant legislation and regulations seek to comply with the recommendations in NUES unless there are particular reasons not to. This includes obtaining a valuation from an independent expert. On this basis, the Board will seek to make a recommendation as to whether the shareholders should accept the bid. Any transaction that is in effect a disposal of the Company's activities shall be decided by a general meeting.

The auditor presents plans to ARC and the Board. The Board has adopted guidelines on the management's use of the auditor for services other than auditing. ARC reviews the Company's internal control procedures with on behalf of the Board, including weaknesses identified by the auditor and proposals for improvement.



## **Ethical Business Conduct**

Business and workplace ethics is the backbone of the company. In order to foster a cohesive business and social environment, two primary structures empower employees: the Total Quality Management (TQM) system and the employee handbook. The employee handbook is included in the TQM. Further, the TQM encompasses all policies, such as:

- Health & Safety Policy
- Quality Policy available
- Environmental Policy
- Information Security Policy
- Anti-Corruption and Bribery Policy
- Code of Conduct
- Supplier Code of Conduct
- Whistleblower Policy

The Company's Code of Conduct describes our commitment to responsible business conduct and covers the following topics: Health & Safety, Anti-Corruption, Conflicts of interest, Anti Money Laundering, Fair Competition, Sanctions and Export, Control, Human Rights, Diversity, Equal Opportunities and Inclusion, Environment, Property, Assets and IT systems, Confidential information, Alcohol and drug abuse, Information provided to media or other external parties.

We believe that this is an important framework for a safe work environment. The company ensures that all employees have read, understood, and agreed to follow the Code of Conduct and this is part of the onboarding procedure as well as the aforementioned training program.

Facilitating the raising of critical concerns is imperative to both a sound business system and a safe workplace. Critical concerns may be raised through various channels and the Chair of the Board is the highest governance body to handle such concerns. This is covered in both the

Code of Conduct and the Whistleblower policy. Concerns may be raised anonymously through the whistleblower channel available on the Company's website. No such

concerns were raised in 2024.

The Code of Conduct explicitly states that HydrogenPro is committed to respecting internationally recognized human rights in the Company's operations as well as in the supply chain and other collaborating parties. HydrogenPro supports the following international policies and principles, which also form the base for our Code of Conduct:

- The International Bill of Human Rights
- The United Nations Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises
- The core conventions of the International Labor Organization (ILO)

Some of HydrogenPro's operations are in geographical areas that have traditionally had a higher risk of human and labor rights violations. To mitigate the increased risk of human and labor rights violations, additional attention is placed on the due diligence assessment in these areas. In situations where the law or its implementation does not provide for adequate protection of human rights,

HydrogenPro will adhere to the international policies and principles listed above, to ensure that fundamental human rights are protected.

All the above-mentioned policies are approved by either the CEO or the Board of Directors who in turn are the highest governing bodies of the company. All policies mentioned are included in our business operations, and hence all our business relationships, such as customers and vendors. The policies are communicated to all employees through department meetings, written internal communications and training. The policies are also communicated in the onboarding process of new employees. Our processes to remediate negative impacts are described in each policy. No such cases are noted in 2024.

In order to ensure our Code of Conduct and Anti-Bribery and Corruption Policy are known and understood by all employees, a training program has been implemented globally for all English-speaking employees. This training consists of 11 digital learning modules and was implemented in Norway, Denmark, Germany, USA and China (office-based employees) with a completion rate of 100%. Further, our Code of Conduct and Supplier Code of Conduct were reviewed and a risk assessment in the supply chain completed. Also, our policy, board documents

and governance in general were reviewed. An external third-party channel for whistle blowing was implemented in 2024.

In 2024, the corporate governance and governing documents were revised. This includes revision of the HydrogenPro Code of Conduct and the authorization and monetary matrix. To further strengthen the importance of our antibribery and anticorruption, a risk assessment and forensic audit of the supply chain was completed. We ensure implementation of our policy commitments throughout our business activities both internally (e.g. Code of Conduct and Anti-Bribery and Corruption Policy) as well as externally (e.g. Supplier Code of Conduct, supply chain risk assessments and standard terms & conditions).




## Board of Directors<sup>1</sup>



Dag J. Opedal Chair

Dag J. Opedal has served as Chair of HydrogenPro's Board of Directors since April 2024. He has extensive managerial experience from previous positions in several public and private companies. He is a former CEO of Orkla ASA and Treschow - Fritzøe AS, EVP at Norgesgruppen ASA, President of Ferd Capital and managing director at Stabburet AS.

Throughout his career, Opedal has held numerous board positions, including with companies such as Telenor, Jotun, Carlsberg, Sapa/Alcoa, REC and Bertel O. Steen. He currently serves on various boards, including as Vice Chair of Elkem ASA and Chair of O. Kavli and the Knut Kavli Trust. Opedal holds a degree in Economics and Business Administration (Siviløkonom) from the Norwegian School of Economics (NHH), Norway and an MBA from INSEAD business school, France. He is a Norwegian national and is independent of the Company's executive management, main shareholders, and material business contacts.



**Jarle Tautra** Board Member

Jarle Tautra has been a member of HydrogenPro's Board of Directors since October 2021. He has held several executive management positions in energy-related industries, including serving as CEO of Eureka Pumps, a Norwegian supplier to the oil & gas and marine sectors. Additionally, Tautra has held prominent roles such as **Executive Vice President for Process** and Construction and Energy, Development, and Services at Aker Solutions, as well as Executive Vice President for Aker Kvaerner E&C Europe. He also served as Executive Vice President for Aker Oil & Gas at Aker Maritime ASA.

Before joining the Aker Group, Tautra worked in various capacities at Norsk Hydro ASA. Tautra holds a master's degree in chemical engineering from the Norwegian Institute of Technology (NTNU). He is a Norwegian national, non-executive, and independent, and he currently serves as chairperson for two other Norwegian companies.



Asta Ellingsen Stenhagen **Board Member** 

Asta Ellingsen Stenhagen has served on HydrogenPro's Board of Directors since May 2023. Stenhagen brings over 20 years of experience as a general counsel from Morrow Batteries (battery manufacturer), TietoEvry (technology) and legal counsel of the Wilh. Wilhelmsen group (logistics, shipping and maritime service delivery). She has experience from funding, stock market listings and business transfers, including leading a finance department for rightsizing, and had managing responsibilities also including risk, compliance, quality and security departments.

Stenhagen has a law degree from the University of Oslo, with partial exams also from the University of Aarhus. Stenhagen is a Norwegian national, non-executive and currently holds board positions in three (3) global technology companies.



**Geir Bredo Larsen** Board Member

Geir Bredo Larsen has served on HydrogenPro's Board of Directors since April 2024. He is currently the Chairman of the Board for RPR Technologies AS and Evjeklinikken Holding AS, while also holding CEO positions at Aurora Borealis Invest AS and Gezina AS.

Larsen brings extensive managerial experience, having previously served on the board of Bergshav Shipholding AS for 18 years and Puro Hotell Holding AS for 10 years. He has also been a member of several publicly listed boards across the shipping, industry, banking, and insurance sectors. Larsen holds a degree in Economics

and Business Administration (Siviløkonom) from the Norwegian School of Economics (NHH), Norway. He is a Norwegian national and is independent of the Company's executive management, main shareholders, and material business contacts.



**Marianne Mithassel Aamodt Board Member** 

Marianne Mithassel Aamodt has 35 years of experience in leadership roles within large Norwegian publicly traded companies. Over the past 15 years, she has served as Senior Vice President, responsible for Financial and ESG reporting at Aker Solutions. Previously, she had a significant career at Hydro, where she held positions such as plant manager, strategic communications manager, and was responsible for financial reporting at Hydro Aluminium. Aamodt is also an executive board member for several Aker companies. She holds a Bachelor of Science in Business (BSB) and a Master of Business Administration (MBA) from the University of Minnesota, USA.

The Board was consisting of three women and four men during 2024, however it was subsequently reduced as Vivian Espeseth resigned on 25 February 2025.



**Bjørn Hansen Board Member** 

Bjørn Hansen has served on HydrogenPro's Board of Directors since April 2024. He is currently Vice President and Head of the Pulp & Paper Commercial Sales Department, a global function at Andritz AG, within the company's main business area of Pulp & Paper Technologies. Since 2002, Hansen has managed the Pulp & Paper Commercial Sales Department, reporting directly to the board of directors of the Andritz Group. His responsibilities include overseeing sales projects, handling large contracts, and managing several other leadership and management functions within the company. Hansen holds a degree in economics and business administration from the Norwegian School of Economics (NHH). He is independent of the Company's executive management and material business contacts.



## **Executive Management**



**Jarle Dragvik** Chief Executive Officer

Jarle Dragvik began his role as CEO in August 2023. He is wellacquainted with HydrogenPro, having served on the Board from September 2021 until May 2023 and chaired the company's Chinese operations for several years. Prior to joining HydrogenPro, Dragvik was the CEO of TM Holding AS, a major shareholder in HydrogenPro ASA. He brings extensive experience from senior international management positions and board memberships in companies such as Norske Skog, Norsk Hydro, and Sapa AS. Additionally, Dragvik has spent five years each in China, USA and Austria, further demonstrating his global expertise. Dragvik holds a master's degree in management & marketing from BI Norwegian Business School and has completed several management programs, including the Orkla Top Management Program in Oslo/Shanghai, the IMD **Global Strategy Execution** Program in Lausanne, and the IFL Management Program in Stockholm.



**Martin Thanem Holtet** Chief Financial Officer

Martin Thanem Holtet joined HydrogenPro as CFO in March 2021. He came from a position as VP, Head of Treasury and IR in Hurtigruten. Prior to this, he worked with strategy and M&A in Yara International and Corporate Finance in Carnegie. Holtet holds a Master of Science in Economics and **Business Administration** from Norwegian School of Economics (NHH).



**Cathrin Bretzeg** Chief People & Culture Officer

Cathrin Bretzeg became part of HydrogenPro in June 2023, bringing over 20 years of experience in senior management roles. She previously held the position as People, Communications, and Sustainability at Glitre Nett, following her role as EVP HR, Communications, and Sustainability at Glitre Energi. Her prior experience also includes serving as SVP of Human Resources at Magseis Fairfield ASA and SVP of Global HR & HSE at Kongsberg Oil & Gas Technologies and Kongsberg Digital. Bretzeg holds a Bachelor of Science in Business Administration from Pacific Lutheran University, USA.



Tormod Kløve Chief Legal Officer

Tormod Kløve joined HydrogenPro as CLO in November 2022. He transitioned from his role as Senior Legal Counsel at PGS and previously served as Senior Lawyer at the law firm Wikborg Rein. Kløve has extensive international experience, having worked in numerous countries, including three years in Japan. He began his career as a Junior Research Fellow at the University of Oslo and has also served as a Deputy Judge at the district court level in Norway. He holds a Master of Laws degree from the Univ



**Odd-Arne Lorentsen** Chief Technology Officer

Odd-Arne Lorentsen joined HydrogenPro as CTO in March 2024. He has more than 20 years of experience from leading positions at Elkem, Yara and Hydro, and most recently as Chief Technology Officer at Gen2 Energy. Lorentsen holds a PhD in technical electrochemistry from Norwegian Institute of Technology (NTNU). He has also been an adjunct professor in Electrolysis Technology at NTNU.

**Erik Chr. Bolstad** Chief Commercial Officer Erik Chr. Bolstad became part of HydrogenPro as CCO in September 2021. He brings over 20 years of experience in various management roles, including positions within ABB and other organizations. Bolstad has extensive expertise in commercial, sales, and marketing functions, particularly in B2B operations within the global shipping and shipbuilding industries. He holds a Bachelor of Science in Electronic Engineering from the University of South-Eastern Norway.





**Jon Backer Chief Operations Officer** 

Jon Backer joined HydrogenPro as COO in April 2024. He previously held the position of Project Director at NEL Hydrogen. Backer's extensive experience includes project management, procurement, and operations roles at companies such as FMC Technologies, Hæhre Entreprenør, Invitrogen Dynal, Aker Solutions, and Norske Skog. He holds a Master of Science in Engineering from the Norwegian Institute of Technology (NTNU) and an Executive Master of **Business Administration from** the Norwegian School of Economics (NHH).



04

# Financial Statements

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# Consolidated Statement of Comprehensive Income

NOK '000
Operating income and operating expenses
Revenue from contracts with customers
Total revenue
Direct materials
Personnel expenses
Other operating expenses
EBITDA
Depreciation and amortisation expense
EBIT
Financial income
Financial expenses
Net financial income and expenses
Profit/(loss) before income tax
Income tax expense
Profit/(loss) for the year
Profit/(loss) attributable to:
Equity holders of the parent company
Non-controlling interest
Other comprehensive income:
Items that may be reclassified to profit or loss:
Exchange difference on translation of foreign operations
Net Other comprehensive income
Total comprehensive profit/(loss) for the year
Total comprehensive profit (loss) for the year attributable to:
Equity holders of the parent company
Non-controlling interest

Basic earning pr share Diluted earnings pr share

Note	2024	2023
2.2	195 688	568 233
	195 688	568 233
2.3, 8.1	146 967	330 860
2.4, 2.5, 7.1, 8.1	144 005	119 763
2.6, 8.1	108 900	153 621
	-204 185	-36 010
3.1, 3.2, 3.3	23 265	22 281
	-227 449	-58 292
27	30.985	4 223
2.7	3 673	8 868
2,7	27 312	-4 645
	-200 138	-62 936
2.8	-	-
	-200 138	-62 936
	-196 061	-64 513
	-4 076	1 576
	7 027	-729
	7 027	-729
	-193 109	-63 665
	-189 033	-65 243
	-4 076	1 576
6.4	-2 87	-1 09
6.4	-2 87	-1 09

# Consolidated Statement of Financial Position

as of 31 December

NOK '000	Note	2024	2023
ACCETC			
ASSETS			
Non-current assets			
Intangible assets	3.1	56 295	57 932
Property plant and equipment	3.2	88 811	68 157
Right of use assets	3.3	17 283	20 455
Financial investments	3.4	34 060	30 517
Other non-current receivables	3.4	3 500	4 804
Total non-current assets		199 949	181 865
Current assets			
Inventories	5.1	27 509	14 554
Trade receivables	5.2	115 292	179 184
Contract assets	5.3	15 272	65 836
Other receivables	5.2, 6.1	32 405	41 665
Cash and bank deposits	6.2	191 216	160 531
Total current assets		381 694	461 770
TOTAL ASSETS		581 643	643 634

# Consolidated Statement of Financial Position

as of 31 December

NOK '000	Note	2024	2023
EQUITY			
Share capital	6.3	1 402	1 266
Share premium account		775 875	691 796
Other equity contributed	2.4	42 596	38 558
Other equity		-480 275	-284 221
Currency translation difference		6 402	-625
Equity attributable to HydrogenPros shareholders		346 000	446 774
Non-controlling interest		2 362	6 438
TOTAL EQUITY		348 362	453 212
LIABILITIES			
Non-current lease liabilities	3.3	12 305	11 428
Non-current liabilities	5.4	9 538	6 785
Total non-current liabilities		21 843	18 213
CURRENT LIABILITIES			
Current lease liabilities	3.3	5 651	8 933
Trade creditors		59 361	39 170
Contract liabilities	5.3	916	49 641
Public duties payable		8 558	6 128
Other current liabilities	5.4	136 952	68 338
Total current liabilities		211 438	172 209
TOTAL LIABILITIES		233 281	190 422
TOTAL EQUITY AND LIABILITIES		581 643	643 634

Porsgrunn/Oslo 27 March 2025 (All signatures electronically signed)

Dag J. Opedal	Jarle Tautra	Geir B
Chair	Board member	Board
Marianne Mithassel Aamodt	Bjørn Hansen	Jarle D
Board member	Board Member	CEO

 Bredo Larsen
 Asta Stenhagen

 member
 Board member

Dragvik

# Consolidated Statement of Changes In Equity

Equity attributable to HydrogenPro's shareholders

NOK '000	Note	Share capital	Share premium account	Other equity contrib.	Currency translat. difference	Other equity	Equity attrib. to share- holders	Non controlling interest	Total equity
Equity as at 31 12 2022		1 161	575 039	34 162	-588	-219 117	390 657	4 963	395 620
Total comprehensive income					-729	-64 513	-65 241	1 576	-63 665
Reclassification					692	-591	101	-101	-
Issue of share capital		105	121 797				121 902		121 902
Transaction cost on issue of shares			-5 040				-5 040		-5 040
Cost of share-based payment	2.4			4 396			4 396		4 396
Equity as at 31 12 2023		1 266	691 796	38 558	-625	-284 221	446 775	6 438	453 212
Total comprehensive income					7 027	-196 060	-189 033	-4 076	-193 109
Issue of share capital		136	1 508				1 644		1 644
Private placement			82 571				82 571		82 571
Cost of share-based payment	2.4			4 038		6	4 044		4 044
Equity as at 31 12 2024		1 402	775 875	42 596	6 402	-480 275	346 000	2 362	348 362

# Consolidated Statement of Cash Flows

NOK '000
Cash flows from operating activities
Net Income / (Loss) before tax
Depreciation & amortisation
Interest expensed on lease liabilities
Loss on disposals on property plant and equipment
Option cost no cash effect
Change in trade receivable and contract assets
Change in inventory
Change in trade payable and contract liabilities
Impairment of financial assets
Effect of foreign currency translation
Change in other accruals
Net cash flows from operating activities
Cash flows from investing activities
Purchases of tangible assets
Net cash flows from investing activities
Cash flows from financing activities
Principal Repayments of Lease Liabilities
Interest paid on lease liabilities
Proceeds from Equity Issue

Transaction cost on issue of shares	
Net cash flows from financing activities	
Cash balance start of period	

Net change in cash
Cash balance end of period
Cash balance end of period

2023	2024	Note
-62 936	-200 138	
22 281	23 265	3.1, 3.2, 3.3
899	1 036	3.3
-	5 549	3,2
3 312	4 391	2.4
-206 607	119 870	5.2
21 207	-12 954	5.1
2 542	-28 533	5.3
-	1 839	
1 778	-14 169	
30 889	77 987	5.2, 5.3
-186 634	-21 857	
-19 886	-25 124	3.2
-19 886	-25 124	
-5 933	-5 514	3.3
-899	-1 036	3.3
121 902	84 214	
-5 040		6.3
110 030	77 664	
257 022	160 531	
-96 491	30 685	
160 531	191 216	

#### **NOTE 1.1 CORPORATE INFORMATION**

HydrogenPro ASA ("the Company") is a public limited company, incorporated in Norway, headquartered in Porsgrunn and listed on Oslo Stock Exchange, Address headquarters: Hydrovegen 55, 3936 Porsgrunn, Norway.

HydrogenPro ASA specializes in designing and supplying large-scale hydrogen production plants in collaboration with global partners and suppliers. The company's core technology is the alkaline highpressure electrolyzer, enabling efficient and scalable green hydrogen production.

Established in 2013 by industry veterans with expertise in electrolysis, HydrogenPro has built a highly skilled engineering team comprising leading industry experts. Leveraging decades of experience in hydrogen and renewable energy, we are committed to delivering innovative and sustainable solutions to drive the global energy transition.

Our advanced electrode technology enables us to increase the efficiency of each unit by 14%, hence reducing electricity cost with 14%. This is a significant step forward as the cost of electric power, depending on market prices, amounts to 70-90% of the total cost of producing hydrogen. The value of such increased

efficiency equals approximately the investment cost.

Unlike traditional alkaline systems, our high-pressure units (up to 30 bar) save compression cost and are superbly suited for variable loads from solar panels and wind turbines. Thus, we compare favourably to alternative technologies. We are able to produce hydrogen at a lower cost, without using noble or scarce metals, while using renewable energy sources.

HydrogenPro ASA is listed on Oslo Stock Ex-change under the ticker "HYPRO". The consolidated financial statements of HydrogenPro ASA for the fiscal year 2024 were approved in the board meeting at 27.03.2025.

## NOTE 1.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with IFRS, and the application of the chosen accounting policies, require management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and associated assumptions are based on historical experience and other factors deemed reasonable under the circumstances. Actual results may differ from these

estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The accounting policies applied by management, which involve significant estimates, assumptions, or judgments that may have a substantial impact on the amounts recognized in the financial statements, are summarized below:

 Revenue recognition from contracts with customers (Note 2.2)

#### NOTE 1.4 GENERAL ACCOUNTING POLICIES

HydrogenPro has adopted a presentation format where accounting policies, estimates, assumptions, and key judgments are disclosed within the relevant accounting policy note. If not included there, they are provided in the specific notes related to the respective policies.

A comprehensive summary of the Group's general accounting policies, not covered in the specific notes, is presented below:

#### Consolidation

Subsidiaries are all entities over which the Group has control. Control of an entity exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.All intra-group assets, liabilities, equity,

income, expenses, and cash flows arising from transactions between Group entities are fully eliminated upon consolidation. Where necessary, adjustments are made to subsidiary financial statements to align their accounting policies with those of the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities and other components of equity while any transaction gain or loss is recognised in statement of comprehensive income.

#### Non-Controlling Interest

Non-controlling Interest arises when less than 100% of the interest in an entity is acquired. Non-controlling interest is recognized and measured at the proportional share of net identifiable assets.

#### NOTE 1.2 BASIS OF PREPARATION

The consolidated financial statements of HydrogenPro ASA and its subsidiaries (collectively "the Group", or "HydrogenPro") comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and related notes.

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, as adopted by the EU and the additional requirements of the Norwegian Accounting Act as of 31 December 2024.

The consolidated financial statements have been prepared on a historical cost basis and in accordance with the going concern assumption.

The consolidated financial statements are presented in Norwegian kroner ("NOK"). For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. HydrogenPro ASA has Norwegian krone ("NOK") as its functional currency.

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date.

Items within total comprehensive income are translated from functional currency to presentation currency by applying monthly average exchange rates. The resulting translation differences are recognized in other comprehensive income.

All values are rounded to the nearest thousand, unless stated otherwise. Due to rounding differences, some numbers or percentages may not sum precisely to the total.

- Estimating fair value for sharebased payment transactions (Note 2.4)
- Value-in-use calculation related to impairment testing of goodwill (Note 3.1)

A detailed description of these significant estimates and assumptions is included in the individual notes referenced above.

#### **Transactions and Balances in Foreign Currency**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in profit or loss.

#### Leases

The group recognises right-of-use assets and lease liabilities for all lease contracts, except leases that are considered short-term (lease term of 12 months or less), or for which underlying assets are of low value when new.

#### Right-of-Use Assets

The group recognises right-of-use assets at the lease commencement date. The right-of-use assets are initially measured at cost, which

comprises the initial amount of the lease liabilities, adjusted for any lease payments made at or before the commencement date, and adjusted for initial direct costs and lease incentives received. The right-of-use assets are subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. In addition, the right-of-use assets are reduced by any impairment charges and adjusted for certain remeasurements of the lease liabilities.

#### Lease Liabilities

The group recognises a lease liability at the lease commencement date. The lease liabilities are measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the group's incremental borrowing rate.

HydrogenPro utilises the incremental borrowing rate as the discount rate for virtually all lease agreements. Lease payments included in the measurement of the lease liabilities comprise the following:

- Fixed lease payments, less any lease incentives received.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect

adjustments in lease payments due to changes in an index or rate.

The group presents its lease liabilities as separate line items in the consolidated statement of financial position.

The group does not act as a lessor. See Note 3.3 for more information.

#### **Share-based Payments**

Share-based compensation benefits are provided to employees via the share option plan. Information relating to the options scheme is set out in Note 2.4.

The employee option plan is regarded as equity-settled share-based payments. The fair value of options granted under the share option plan is recognised as an employee benefits expense or other operating cost (if it is given to external consultants), with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest, based on the non-market vesting and service conditions. It recognises the impact of the revision to the original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

For further information, refer to Note 2.4 (Personnel Expenses).

#### Income Tax

The tax expense in the consolidated statement of comprehensive income consists of the tax payable and

changes to deferred tax. Deferred tax assets and liabilities are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

- Temporary differences linked to goodwill that are not tax deductible.
- Temporary differences related to investments in subsidiaries, associates, or joint ventures, where the Group controls when the temporary differences are to be reversed, and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognised when it is probable that the company will have sufficient profit in the future to utilise the deferred tax asset. The company recognises previously unrecognised deferred tax assets to the extent that it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that it no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured based on the expected future tax rates applicable to the companies in the Group where temporary differences have arisen. Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current assets and/or current liabilities in the consolidated statement of financial position.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Deferred tax liabilities and assets are offset if:

- The entity has a legally enforceable right to set off current tax liabilities and assets; and
- The deferred tax liabilities and assets relate to income taxes levied by the same authority on either the same taxable entity or on different taxable entities, but these entities intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

See Note 2.8 for tax.

#### **Property, Plant, and Equipment**

Property, plant, and equipment are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognised, and any gain or loss is recognised in the statement of comprehensive income.

The depreciation period and method are assessed each year.

#### Assets Under Construction Assets under construction are classified as non-current assets and recognised at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is brought into use.

#### **Intangible Assets** Goodwill

Goodwill acquired through business combinations is included in intangible assets. Goodwill is recorded at cost less accumulated impairment losses and is subject to annual impairment testing, or more frequently if events

or changes in circumstances indicate that it might be impaired.

#### Research and Development

Research costs related to internal projects are recognised in profit or loss as incurred. Development costs are capitalised only if the expenditure attributable to the intangible asset can be measured reliably and there is an intention and ability to complete and make the intangible asset commercially available for sale or for own use, which will generate probable future economic benefits.

If the conditions for capitalisation are not met, the costs are recognised in profit or loss as incurred. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### Patents, Licenses, and Technology

Patents, licenses, and technology acquired are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### Amortisation Methods

Refer to Note 3.1 for details about amortisation methods.

#### **Government Grants**

Government grants are recognised when it is reasonably certain that the group will meet the conditions stipulated for the grants and that the grants will be received.

Government grants related to the construction of an asset are recognised as a reduction of the acquisition cost.

Grants related to R&D projects that are expended are recognised as a reduction of cost.

#### **Financial Instruments**

The Group's financial instruments include a range of assets and liabilities that arise from its operational and investment activities.

Financial assets primarily consist of other non-current receivables, trade receivables, cash, and bank deposits, while financial liabilities include noncurrent lease liabilities, trade and other payables, and current lease liabilities.

Financial investments classified at amortized cost is entirely related to the convertible loan to DG Fuel (See Note 3.4). These financial instruments are recognized in the statement of financial position when the Group enters into the contractual terms of the instrument.

Financial assets are initially recognized at fair value and subsequently measured based on their classification, with trade receivables subject to an expected credit loss assessment. Financial liabilities are recorded at amortized cost unless designated otherwise.

Further details on the carrying amounts, valuation methods, and key risk exposures, including credit, liquidity, and market risks, are provided in Note 6.1 (Financial Instruments).

#### Measurement of Financial Instruments

Financial instruments are measured either at amortized cost or at fair value through profit or loss, depending on the Group's business model and the characteristics of the financial asset.

Financial investments are classified at amortized cost when the Group's objective is to hold the assets to collect contractual cash flows, provided these cash flows consist solely of principal and interest. If these criteria are not met, the investments are measured at fair value through profit or loss.

For financial investments measured at fair value through profit or loss, valuation follows the fair value hierarchy:

- Level 1: Valuation based on quoted market prices in active markets for identical financial instruments.
- Level 2: Valuation derived from observable inputs, such as comparable asset prices or market interest rates, when quoted prices are not available.
- Level 3: Valuation based on unobservable inputs, including internal models or assumptions when market data is limited or unavailable.

The classification of the Group's financial investments within this hierarchy is detailed in Note 3.4. Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, ensuring a systematic allocation of transaction costs and interest expenses over the liability's term.

#### **Cash and Bank Deposits**

Cash includes cash on hand and at the bank. Cash equivalents are shortterm liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

#### Equity

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities. Interest, dividends, gains, and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments classified as equity will be recorded directly in equity.

#### Cost of Equity Transactions

Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

#### Translation Differences

Translation differences arise in connection with exchange rate differences of consolidated foreign entities. Exchange rate differences in monetary amounts (liabilities or receivables) that are, in effect, part

of a company's net investment in a foreign entity are also included as translation differences.

#### **Provisions**

The Group recognises a provision when it has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. If some or all of a provision is expected to be reimbursed, such as under an insurance contract or due to recourse from a supplier, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. When the effect of the time value of money is material, provisions are measured at the present value of the expected future cash outflows, discounted using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount due to the passage of time is recognised in the statement of profit or loss as an interest expense.

#### **Onerous Contracts**

An onerous contract is defined as a contract where the unavoidable costs of meeting the contractual obligations (i.e., the lower of the cost of fulfilling the contract or the costs arising from failing to fulfil it) exceed the economic benefits expected to be received. For contracts identified as onerous, the present obligation under the contract

is recognised as a provision and measured accordingly

#### **Social Security Share Options**

The provision for social security stock options in Norway is calculated based on the intrinsic value at the reporting date. The provision fluctuates with factors such as the number of active options, the timing of their exercise, and the share price. For further details regarding the share option program, refer to Note 2.4.

#### **Going Concern**

have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS). As of the date of this report, the Group has assessed its financial position and determined that it has adequate working capital to meet its obligations and support its planned business activities for the foreseeable future, covering at least the next twelve months.

The consolidated financial statements

FINANCIAL STATEMENTS

#### **NOTE 2.1 OPERATIONAL SEGMENTS**

Operating segments are identified based on the internal reports regularly reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess segment

performance. The CODM is defined as the executive management group.

For the HydrogenPro Group, the business is considered a single

operating segment. This treatment is consistent with the internal reporting provided to the CODM and reflects the Group's integrated approach to managing its operations.

#### Intangible assets, property plant and equipment and and right of use assets by geography

#### 2024

NOK '000	Intangible assets	Property pland and equipment	Right of use assets
Norway	4 697	11 132	5 986
Europe	27 564	39 486	1114
Asia Pacific	24 034	38 193	10 183
Carrying amount at 31 12 2024	56 295	88 811	17 283

2023

NOK '000	Intangible assets	Property pland and equipment	Right of use assets
Norway	7 046	3 900	914
Europe	28 952	19 533	2124
Asia Pacific	21 934	44 724	17 417
Carrying amount at 31 12 2023	57 932	68 157	20 455

## NOTE 2.2 REVENUE FROM CONTRACTS WITH CUSTOMERS

#### **Revenue Recognition**

The revenue in HydrogenPro is from the sale of both hydrogen electrolyzer systems and engineering services, including installation, commissioning, and long-term service agreements.

The group's revenues result from the sale of goods or services and reflect the consideration to which the group is, and expects to be, entitled. IFRS 15 requires the group to assess revenue recognition based on a five-step model. For its customer contracts, the group identifies the performance obligations (goods or services), determines the transaction price, allocates the contract transaction price to the performance

obligations, and recognizes the revenue when (or as) the performance obligations are satisfied.

Revenue recognition is determined on a contract-by-contract basis by evaluating the terms and performance obligations specified in each contract. Based on the specific contract and its obligations, revenue under IFRS 15 is either recognized at a point in time or over time.

Revenue is recognized over time using the method that best depicts the pattern of the transfer of control. The method applied is the cost-tocost input method to determine the

percentage of completion. Contract costs are expensed as incurred.

The Group applied the following judgments, which significantly affect the determination of the timing of revenue recognition and the amounts of revenue in contracts with customers:

- - reflecting the transfer of value to the customer. Engineering, Procurement, and Construction (EPC) Services: HydrogenPro provides

Performance Obligations

Under IFRS 15 Revenue from

HydrogenPro ASA identifies the

following distinct performance

obligations in its contracts with

Sale of Hydrogen Electrolyzer

electrolyzers for large-scale

hydrogen production. Control

of the electrolyzers transfers

to the customer upon delivery

or as specified in the contract

site acceptance). Revenue is

the customer obtains control.

(FEED) Services: HydrogenPro

system design, and feasibility

assessments. These services

are typically classified as distinct

performance obligations under

IFRS 15. When FEED services are

delivered as part of a structured

project, revenue is recognized

over time using the cost-to-cost

input method, reflecting project

progress. For contracts where

FEED services are billed on an

hour-by-hour basis, revenue is

recognized over time, based on

actual hours delivered. Each FEED

contract is assessed to determine

recognition method, ensuring

compliance with IFRS 15 and

the appropriate revenue

provides FEED services, assisting

customers with project planning,

Front-End Engineering Design

(e.g., FOB shipping point or upon

recognized at a point in time when

Systems: HydrogenPro commits to

delivering high-pressure alkaline

Contracts with Customers,

customers:

engineering, installation, and commissioning services as part of turnkey projects. These services are combined with the sale of electrolyzers as a bundled contract. Revenue is recognized over time using the percentage-ofcompletion method if the services create or enhance an asset the customer controls. Percentage of completion is calculated using the cost-to-cost input method. This method includes adjustments for time and goods delivered to the customer. Contract costs are expensed as incurred.

■ Long-Term Service Agreements *Contracts:* HydrogenPro offers long-term maintenance, operational support, and spare parts supply for installed electrolyzers. Revenue is recognized over time as services are performed, typically on a straight-line basis or based on usage metrics.

#### Variable Consideration

Some contracts with customers include performance-based incentives, such as efficiency guarantees, as well as penalties, such as liquidated damages (LDs) for delays or underperformance. These elements create variable consideration, which must be estimated to ensure accurate revenue recognition.

HydrogenPro ASA estimates variable consideration using the most likely amount method. This estimation is subject to a constraint to ensure that revenue is only recognized to the extent that it is highly probable that no significant reversal will occur when uncertainties are resolved.

Performance-Based Incentives: If a contract includes incentives for meeting specific performance targets (e.g., efficiency, uptime, or production capacity), the expected revenue is

adjusted based on the likelihood of achieving these targets.

#### Liquidated Damages (LDs)

LDs are pre-defined penalties imposed for breaches of contract, most commonly related to delays in project completion. In contracts with customers, LDs typically arise when project milestones or deadlines are not met.

In contracts that include liquidated damages (LDs), the fixed transaction price is initially determined by the maximum possible LD amount. Any amounts exceeding this fixed price represent variable consideration. Variable consideration from LDs can only be included in the transaction price if it is highly probable that the amount will not result in a significant revenue reversal once the uncertainty is resolved.

The assessment of variable consideration is judgmental and based on factors such as historical data, contractual obligations, client relationships, and the status of ongoing negotiations.

#### Timing of revenue recognition

NOK '000	2024	2023
Revenue recognised over time	-744	565.081
Revenue recognised at point in time	196 432	3 152
Total revenue	195 688	568 233

In 2024, negative revenue recognition was impacted by the reversal of NOK 21 million in revenue recognized in the first quarter, related to a customer contract. The project adheres to the percentage of completion (POC) accounting principle, where revenue recognition is based on incurred versus estimated costs. The reversal reflects additional estimated costs associated with the replacement of delivered components, resulting in a lower POC.

#### Major Products and Services

The group generates revenue from customer contracts from three principal sources: i) *Hydrogen Electrolyzer Systems*, ii) *FEED Services* and iii) *Long-Term Service Agreements Contracts*. The hydrogen electrolyzer systems sales are generated from both sales of standalone equipment and as part of larger EPC contracts.

NOK '000	2024	2023
Revenue from sale of electrolyzer system	192 799	-
Revenue from EPC Contracts	-6 930	555 158
Revenue from sale of Feed and case-studies	6 186	9 923
Other revenue	3 633	3 152
Total revenue	195 688	568 233

The group has not recognized revenue from Long-Term Service Agreements Contracts in 2024 or 2023.

#### Major Customer

The Group's revenue for 2024 is significantly concentrated with one major customer, Andritz AG, which accounted for 99 % of the revenue in 2024. Previous year revenue was similarly concentrated with one major customer, Mitsubishi Power America Inc., which accounted for 95% of total revenue in 2023.

This reliance on a single customer represents a concentration of credit and market risk, which is monitored by the Group as part of its risk management practices.

#### Primary geographical markets

NOK '000	2024	2023
Norway	-	3 280
Europe	196 853	7 295
America	-5 551	538 499
Asia Pacific	4 386	19 159
Total	195 688	568 233

#### Performance Bonds

As part of its contractual agreements, the Group is required to provide guarantees or bonds to customers to secure contractual milestones. During 2024, HydrogenPro issued an irrevocable and unconditional performance bond amounting to

EUR 1.9 million (NOK 22.5 million) in relation to one of its contracts. The bond was issued under a bond facility provided by Atradius. As of 31 December 2024, no drawings have been made against the bond.

The Group monitors its exposure under these guarantees as part of its ongoing risk assessment processes.

#### Order Backlog

The performance obligations in the Group's contracts with customers vary in duration, with some contracts having performance obligations that are expected to be completed within a few months, while others, such as maintenance contracts, can extend up to ten years. These varying contract durations reflect the nature of the services and products provided by the Group, with longer-term obligations typically associated with maintenance and ongoing service agreements. The order backlog as of December 31, 2024, was NOK 305 million (2023: NOK 422 million).

The order backlog in delivery of electrolyzer systems and long-term service agreements contracts is NOK 85.9 million and NOK 219.1 million, respectively. The transaction price allocated to the remaining performance obligations is illustrated in table below:

#### As of 31.12.2024

NOK '000	2025	2026	2027 or later	Total Backlog
Partly unsatisfied performance obligations	85 923	-	-	85 923
Unsatisfied performance obligations	-	21 912	197 209	219 121
Total Backlog	85 923	21 912	197 209	305 044

The unsatisfied performance obligation as of December 2024 is exclusively linked one Long-Term Service Agreement Contract.

As of 31.12.2023					
2024	2025	2026 or later	Total Backlog		
15 702	-	-	15 702		
158 495	71 803	176 695	406 993		
174 197	71 803	176 695	422 695		
	2024 15 702 158 495 174 197	2024         2025           15 702         -           158 495         71 803           174 197         71 803	2024         2025         2026 or later           15 702         -         -           158 495         71 803         176 695           174 197         71 803         176 695		

#### NOTE 2.3 DIRECT MATERIAL

Direct material consists of raw materials and components for project delivery. Direct materials are recognized as inventories when they are purchased and held for future use. They are measured initially at cost, which includes the purchase price (including import duties, taxes, and freight costs) and handling and other costs directly attributable to bringing the materials to their current location and condition. When these materials are used in production or project delivery and revenue is recognized, the cost of these materials is matched with revenue in the period in which they contribute to the revenue generation.

NOK '000	2024	2023
Direct materials	145 915	325 314
Handling and freight expense	1 052	3 300
Other consumables	-	2 246
Total direct materials	146 967	330 860

#### NOTE 2.4 PERSONNEL EXPENSES

NOK '000	2024	2023
Salaries	116 297	97 817
Social security tax	8 941	7 981
Option expenses	3 863	3 943
Pension expenses defined contribution plans	7 766	7 456
Other personnel expenses	7138	2 566
Total salaries and personnel expenses	144 005	119 763

The figures for 2023 are adjusted. Please refer to Note 8.1 for details of this adjustment and justification.

Option cost related to hired personnel are expensed as other operating expenses.

#### Average number of full time employees

	2024	2023
Norway	38.7	39.8
Europe	13.7	10.5
China	104.1	171.8
America	2.0	-
Total	158.5	221.1

#### **Shareholder Option Plan**

The Company has a share option program that covers certain employees in senior positions, some other employees, board members, and guarantors. Under the plan, granted options generally vest over a period of three years according to a predetermined schedule.

Once vested, these options can be exercised, with a deadline for exercise set at four years from the grant date. The vesting of options is contingent upon continued employment or association with the Company during the vesting period.

The purpose of the Company's share option program is to attract and retain key personnel. The fair value and annual costs of the options are determined using the Black-Scholes model and are expensed over the vesting period.

For the year 2024, the fair value calculation of the options, based on the Black-Scholes model, includes input factors such as the risk-free interest rate, volatility factor, and share price at the grant date. The calculated fair value of the individual options at grant date is then recognized and distributed over the vesting period in accordance with the vesting schedule.

Social security tax provisions are accrued on a quarterly basis and become payable upon exercise of the options. These provisions are estimated based on the intrinsic value of the options, multiplied by the relevant social security tax rate.

The total expense recognized for the share-based programs in 2024, excluding social security, amounted to NOK 3.7 million (2023: NOK 4.4 million). The total social security provisions at the end of the year were NOK 0 as of 31 December 2024, the total accumulated cost related to share-based payments, including both option-related expenses and social security provisions, was NOK 42.6 million (2023: NOK 38.6 million).

#### Options to leading employees and Board of Directors

NOK'000	Quantity 01.01.24	Granted in period	Terminated in period	Exercised in period	Quantity 31.12.24	Cost for the period
Name						
Jarle Dragvik	400 000	-	-	-	400 000	1 705
Erik Christian Bolstad	100 000	-	-	-	100 000	18
Martin Thanem Holtet	150 000	-	-	-	150 000	8
Cathrin Brezeg	50 000	-	-	-	50 000	223
Tormod Kløve	50 000	-	-	-	50 000	212
TM Holding (Terje Mikalsen)	163 005	-	-	-	163 005	192

NOK'000	Quantity 01.01.23	Granted in period	Terminated in period	Exercised in period	Quantity 31.12.23	Cost for the period
Name						
TM Holding (Terje Mikalsen)	163 005	-	-	-	163 005	78
Jarle Dragvik	-	400 000	-	-	400 000	354
Elling Nygaard	206 250	-	-	-	206 250	-
Erik Christian Bolstad	100 000	-	-	-	100 000	103
Karoline Aafos	57 396	-	-	-21 875	35 521	9
Martin Thanem Holtet	150 000	-	-	-	150 000	307
Cathrin Brezeg	-	50 000	-	-	50 000	265
Tormod Kløve	50 000	-	-	-	50 000	869
Sindre Utne	68 750	-	-	-	68 750	-
Tarjei Johansen	400 000	-	-400 000	-	-	-234
Ellen Hanetho 1)	2 143 170	-	-101 148	-	2 042 022	1 257

1) 1 490 000 of Ellen Hanetho's options are held by Opulentia Invest AS, which is owned 100% by Ellen Hantho.

#### Total costs and Social Security Provisions

NOK (000	
Total cost	
Total Social security provision	

2023	2024	_
4 395	3 710	
-7 550	-	

#### Granted instruments

NOK '000	2024	2023
Instrument	Option	Option
Quantity 31 12 (instruments)	-	486 000
Quantity 31 12 (shares) and Board of Directors	-	486 000
Contractual life *	-	5.65
Strike price *	-	21.38
Share price *	-	22.24
Expected lifetime *	-	3.72
Volatility *	-	61.01%
Interest rate *	-	4.01%
Dividend *	-	-
FV per instrument *	-	9.68

\* Weighted average parameters at grant of instrument

## Quantity and weighted average prices

	01.01.2024 - 31.12.2024		01.01.2023 - 31.12	.2023
	Number of instruments	Weighted aver. strike price	Number of instruments	Weighted aver. strike price
Activity				
Outstanding OB	5 085 637	13.64	5 402 811	14.41
Granted	-	0.00	486 000	21.38
Exercised	216 000	7.00	271 875	7.00
Released	-	-	-	-
Adjusted	-	-	-	-
Performance Adjusted	-	-	-	-
Cancelled	-	-	13 456	26.15
Terminated	-	-	517 843	32.12
Expired	-	-	-	-
Outstanding CB	4 869 637	13.93	5 085 637	13.64
Vested CB	4 456 723	13.27	4 506 570	12.69

#### Outstanding Instruments Overview

2024		Outstanding Instruments	ents Vested Instruments		
Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2024	Weighted Average Strike Price
7.00	2 745 383	0.66	7.00	2 745 383	7.00
16.80	206 250	0.84	16.80	206 250	16.80
17.00	36 000	2.17	17.00	21 000	17.00
17.16	50 000	1.17	17.16	46 877	17.16
17.24	251 745	0.80	17.24	251 745	17.24
17.66	159 584	0.75	17.66	159 584	17.66
18.20	50 000	1.87	18.20	38 542	18.20
18.78	150 000	0.17	18.78	150 000	18.78
20.65	100 000	0.67	20.65	100 000	20.65
20.95	400 000	4.61	20.95	41 666	20.95
26.15	526 925	0.39	26.15	526 925	26.15
28.00	50 000	2.50	28.00	25 001	28.00
32.45	68 750	0.34	32.45	68 750	32.45
66.00	75 000	0.09	66.00	75 000	66.00
	4 869 637			4 456 723	

2023		<b>Outstanding Instruments</b>	s Vested Instruments		
Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2024	Weighted Average Strike Price
7.00	2 961 383	1.16	7.00	2 961 383	7.00
16.80	206 250	1.84	16.80	206 250	16.80
17.00	36 000	3.17	17.00	9 000	17.00
17.16	50 000	2.17	17.16	34 377	17.16
17.24	251 745	1.80	17.24	251 745	17.24
17.66	159 584	1.75	17.66	129 376	17.66
18.20	50 000	2.87	18.20	26 042	18.20
18.78	150 000	1.17	18.78	131 250	18.78
20.65	100 000	1.67	20.65	81 252	20.65
20.95	400 000	5.60	20.95	-	-
26.15	526 925	1.38	26.15	526 925	26.15
28.00	50 000	3.50	28.00	8 334	28.00
32.45	68 750	1.34	32.45	68 750	32.45
66.00	75 000	1.09	66.00	71 886	66.00
	5 085 637			4 506 570	

### NOTE 2.5 PENSIONS

#### **Pension Plans**

The Group's Norwegian companies operate defined contribution pension plans in accordance with the Pension Act of Norway. These plans cover all employees earning between 0G and 12G of the Norwegian National Insurance base amount (G), with contributions set at 7% of the employee's salary.

Employees have the ability to influence the investment management of their pensions through an agreement with Giensidige AS. Pension contributions are expensed as incurred, and the Group has no further obligation once the contributions are paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in future payments is available. As of 31 December 2024, the total expense recognized for the Norwegian defined contribution plans during the year was NOK 2.9 million (2023: NOK 2.7 million).

The parent company operates pension plans that comply with statutory requirements in Norway. Foreign subsidiaries maintain pension plans that meet the legal and regulatory requirements of their respective countries. These pension plans are defined contribution in nature and are accounted for in accordance with IAS 19.

For all defined contribution plans, the Group recognizes expenses in the period the contributions are made, with no additional obligations.

NOK '000	2024	202
Employees covered by the scheme	138	223
Contribution recognised as expense	7 766	5 77
Contribution to CEO	110	14

## NOTE 2.6 OTHER OPERATING EXPENSES

#### Other operating expenses

NOK '000	2024	2023
Rental and leasing expenses	8 995	15 869
Repair and maintenance expenses	19 993	43 560
Consultancy fees and external personnel	52 973	52 068
Travel expenses	10 659	7 849
Provision bad debts	236	-
Waranties	5 509	16 962
Reversal of provisions	-5 603	-
Grants	-8 232	-9 287
Other operating costs	24 371	26 600
Total operating expenses	108 900	153 621

The figures for 2023 are adjusted. Please refer to Note 8.1 for details of this adjustment and justification.

#### **Reversal of Provision**

The reversal of a provision is related to the Rapid Validation Project (RVP). The provision, originally recorded in 2023, amounted to NOK 5.6 million and was fully reversed in the third quarter of 2024 due to change in circumstances. This reversal is reflected in the financial statements as a reduction in provisions and has been appropriately adjusted in the current period.

#### **Grant Income**

The Company has received grants for its research and development activities during the year. In accordance with IAS 20, grant income is recognized as a reduction in the related research and development expenses. The amount of grant income recognized for the year is NOK 8.2 million (2023: NOK 9.3 millon), which has been deducted from the related R&D expenses in the statement of profit or loss.

#### Fees to the group auditors

## NOK '000 Statutory audit Other assurance services Other non-assurance services Total Fees to other auditors elected by subsidiaries

NOK '000	2024	2023
Statutory audit	900	328
Other assurance services	166	-
Other non-assurance services	93	-
Tax consultant services	15	-
Total	1174	328

#### NOTE 2.7 FINANCIAL INCOME AND EXPENSES

NOK '000	2024	2023
Interest income	4 379	3 473
Net foreign exchange gain	26 122	-
Other financial income	484	750
Total financial income	30 985	4 223
Other interest expenses		200
Interest expense lease liabilities	1 036	899
Net foreign exchange loss	-	7 569
Impairment of financial assets	1 839	-
Other financial expenses	726	200
Total financial expenses	3 673	8 868

mpairment of financial assets
Other financial expenses

2023	2024	
2 056	3 335	
384	50	
174	63	
2 614	3 448	

## NOTE 2.8 INCOME TAX

#### Income tax expense for the year

NOK '000	2024	2023
Income tax payable	0	-
Changes in deferred tax	-	
Total income tax expense	0	-

#### Basis for income tax expense

NOK '000	2024	2023
Loss hefore taxes	-200 138	-62 937
Non-deductible expenses	17 486	4 728
Transaction cost related to issue of shares	-	-5 040
Currency translation and other differences	-	-4 162
Changes in temporary differences	-199 700	-52 605
Basis for tax payable	-382 352	-120 015

#### Reconciliation of tax expense to Norwegian nominal statutory tax rate

NOK '000	2024	2023
Loss before taxes	-200 138	-62 937
Tax income benefit (expense) at the Company's domestic tax rate (22%)	-44 030	-13 846
Tax effect of:		
Non-deductible expenses	3 847	1 040
Transaction cost related to issue of shares	-	-1 109
Effect of Norwegian vs Foreign tax rates	-549	-1 825
Change in not recognised deferred tax assets	40 732	15 740
Tax expense	0	
Effective tax rate	0%	0%

#### Overview temporary differences – basis for deferred tax asset

NOK '000	2024	2023	Change
Intangible assets	24 487	28 951	-4 465
Property Plant and Equipment	-1 399	-546	-853
Right of use assets	17 283	23 031	-5 748
Other receivables	-2 243	-1 145	-1 098
Financial investments	4 622	3 388	1 234
Production contracts	-10 939	94 087	-105 025
Lease liability	-17 956	-23 469	5 514
Provisions	-88 153	-33 680	-54 473
Inventories	-5 979	-5 371	-609
Amortized Start-Up Costs - United States	-8 724	-595	-8 129
Tax loss carry forwards	-387 752	-361 705	-26 047
Total	-476 754	-277 054	-199 700

At the end of 2024, the Company has capitalized start-up costs amounting to USD 768,392 (equivalent to NOK 8.7 million as of 31.12.2024) for its operations in the United States. These costs are treated as deferred tax assets as it is expected that that they will be deductible for tax purposes.

Under US tax regulations, these start-up costs are not deductible in the year incurred but are amortized over a 15-year period once the Company has commenced active trade or business with the intent to generate a profit. Until such time, these costs remain deferred and are carried forward for future tax deduction.

#### Tax effects of temporary differences

NOK '000	2024	2023	Change
Intangible assets	5 387	6 369	-982
Property Plant and Equipment	-308	-120	-188
Right of use assets	3 802	5 067	-1 265
Other receivables	-494	-252	-242
Financial investments	1 017	745	271
Production contracts	-2 406	20 699	-23 106
Lease liability	-3 950	-5 163	1 213
Provisions	-19 394	-7 410	-11 984
Inventories	-1 315	-1 182	-134
Amortized Start-Up Costs - United States	-1 919	-131	-1 788
Tax loss carry forwards	-85 306	-79 575	-5 730
Total	-104 886	-60 952	-43 934

#### NOK '000

Deferred tax in the Statement of financial position	
Deferred tax not recognised in the Statement of financial position	
Deferred tax assets	
Temporary differences not recognised as deferred tax assets/liabilities	

_	2024	2023	Change
	-5 387	-6 369	982
	110 273	67 321	42 952
_	110 273	67 321	42 952
	-	-	-

The majority of the deferred tax asset is related to loss carry forward. As of 31 December 2024, it is considered not likely that the tax loss carry forward will be utilised in the near future, therefore the deferred tax assets is not capitalised.

#### Tax losses carry forward by country

NOK '000	2024	2023
Norway	-299 625	-320 370
Denmark	-61 920	-40 045
China	-26 209	-1 290
Balance as of 31.12	-387 752	-361 705

At the end of 2024, HydrogenPro had tax loss carry forwards of NOK 388 million (2023: NOK 362 million), of which NOK 362 million (2023: NOK 360 million) has no expiration date. The remaining tax loss carried forward, which have an expiration date, will expire after 2029.

The Group operates in jurisdictions that have enacted new global minimum top-up tax legislation. Following an assessment of potential exposure, the Group does not expect a material impact from this legislation. HydrogenPro has applied the temporary mandatory relief from deferred tax accounting for the impact of the top-up tax, meaning the Group does not recognize or disclose deferred tax assets or liabilities related to the global minimum tax.

#### NOTE 3.1 INTANGIBLE ASSETS

NOK '000	Technology	Development Cost	Goodwill	2024 Total
Accumulated cost 01.01.2024	41 366	11 741	21 935	75 043
Exchange differences	4 574	-	2 099	6 673
Accumulated cost 31.12.2024	45 940	11 741	24 034	81 716
Accumulated amortization 01.01.2024	12 414	4 697	-	17 111
Amortization for the year	4 527	2 348	-	6 875
Exchange differences	1 436	-	-	1 436
Carrying amount at 31.12.2024	27 564	4 697	24 034	56 295
Expected useful life	10 years	5 years		
Amortization method	Linear	Linear		

NOK '000	Technology	Development Cost	Goodwill	2023 Total
Accumulated cost 01.01.2023	41 366	11 741	21 935	75 043
Additions	-	-	-	-
Accumulated cost 31.12.2023	41 366	11 741	21 935	74 043
Accumulated amortization 01.01.2023	8 279	2 348	-	10 627
Amortization for the year	4 135	2 348	-	6 483
Exchange differences		-		-
Carrying amount at 31.12.2023	28 952	7 045	21 935	57 932
Expected useful life	10 years	5 years		

Linear

l inear

#### Goodwill

For the purposes of impairment testing, goodwill has been allocated to the following cash-generating units ("CGUs"):

NOK '000	2024	2023
HydrogenPro Tianjin CO Ltd	24 034	21 935
Total	24 034	21 935

The CGUs to which goodwill has been allocated are tested for impairment at least annually, or more frequently if there are indicators of potential impairment. Impairment testing is performed using the value-in-use approach, determined by discounting expected future cash flows of the CGUs.

Impairment losses are recognized for assets in CGUs where the recoverable amount (the higher of fair value less costs to sell and value-in-use) is lower than the carrying amount of the CGU.

The discounted cash flow analysis is based on management's forecasts for the period 2025 to 2029, incorporating revenue from signed contracts, identified prospects, and other expected future income sources.

Management has identified the following key assumptions as the most sensitive in the value-in-use calculation; EBITDA margin, Discount rate, Revenue growth.

Estimated future cash flows are discounted to their present value using a discount rate derived using the Capital Asset Pricing Model (CAPM). The asset beta is based on industry data, while the risk-free rate is based on a Chinese 10-year government bond.

The discount rate is applied without adjustment for lease liabilities. An effective tax rate of 25% is applied in the discounted cash flow calculation.

In estimating revenue growth and EBITDA margins, management has utilized forecasts based on existing contracts, expected future income from a qualified pipeline, and current production capacity.

Several sensitivity analyses have been performed on the key assumptions used in the value-in-use calculation. These analyses include changing various assumptions to reflect alternative market conditions. The sensitivity analysis focuses on the impact of changes in the EBITDA margin, discount rate, and revenue growth.

The recoverable amounts resulting from all sensitivity analysis scenarios exceed the carrying amounts for the CGUs.

The Weighted Average Cost of Capital (WACC) used in the impairment testing of goodwill is as follows:

#### CGU

HydrogenPro (Tianjin) Co Ltd

HydrogenPro Tianjin Co. Ltd. is assumed to achieve a steady state in 2029, with a long-term growth rate of 2.0%.

HydrogenPro has performed its annual impairment test as of December 2024. The recoverable amounts of the CGU exceed the book values in the goodwill impairment testing, and, as a result, no impairment losses have been recognized for the year 2024.

Amortization method

2023	2024	
19.4%	20.6 %	_

#### Technology

The Technology cost corresponds to the acquisition of the subsidiary HydrogenPro Aps (formerly Advance Surface Plating ApS). The useful lifetime of the asset is expected to be 10 years. The acquisition date was 22nd December 2020, and depreciation commenced from January 2021. The Group has assessed the carrying value of the development costs as of 31st December 2024 and has concluded that the carrying value remains intact. This conclusion is based on the following factors:

- Technical feasibility: The Group has assessed the technical feasibility of developing the product for sale and has determined its intention and ability to complete and sell the product.
- The Group has invested in a new production line which is expected to expand the existing production capacity significantly. This is the second production line since the acquisition in 2020.
- The Group has sufficient resources available to continue the development of the technology. This includes both technical expertise and allocated research funds for large-scale testing.
- The Group has performed calculations based on expected earnings for HydrogenPro Aps to support the carrying value.

Research costs were expensed as incurred, as only development costs that meet the criteria in IAS 38 are capitalized. The total research costs expensed in 2024 amount to NOK 15.4 million (2023: NOK 21.8 million).

#### **Capitalized Development Cost**

As of 31st December 2024, the Group has capitalized NOK 11.7 million related to the development of structured ITB (Invitation to Bid) documentation. This documentation serves as a strategic tool in HydrogenPro's supply chain strategy, supporting the procurement of electrolyzer components. The ITB documentation facilitates competitive supplier bidding on key sub-supply packages.

The ITB documentation process was initiated in the second half of 2020 and completed by the end of 2021, establishing a framework for future projects. The related costs were capitalized in accordance with IAS 38 as they met the recognition criteria for intangible assets, including the demonstration of probable future economic benefits and the ability to reliably measure the expenditure. The asset has an expected useful life of five years, with amortization commencing from January 2022, leading to full amortization by the end of December 2026.

The Group has assessed the carrying value of the capitalized costs and determined that no impairment is required as of 31st December 2024.

#### NOTE 3.2 PROPERTY, PLANT AND EQUIPMENT

NOK '000	Plant and machinery	Moveables	Machinery and plant in progress	2024 Total
Accumulated cost 01.01.2024	75 714	5 625	543	81 882
Additions	800	466	29 338	30 604
From Machinery and plant in progress	590	-	-590	-
Disposals	-6 302	-81	-	-6383
Exchange differences	5 170	390	100	5660
Accumulated cost 31.12.2024	75 972	6 399	29 391	111 762
Accumulated depreciation 01.01.2024	12 267	1 457	-	13 724
Depreciation for the year	8 018	1 201	-	9 220
Disposals	-835	-	-	-835
Exchange differences	720	122	-	842
Carrying amount at 31.12.2024	55 802	3 619	29 391	88 811
Expected useful life	5-10 years	5-10 years		

Linear

l inear

	machinery
Accumulated cost 01.01.2023	55 503
Additions	18 644
From Machinery and plant in progress	636
Disposals	-193
Exchange differences	1124
Accumulated cost 31.12.2023	75 714
Accumulated depreciation 01.01.2023	4 618

ccumulated depreciation 01.01.2023	4 618	
epreciation for the year	7 682	
xchange differences	-33	
arrying amount at 31.12.2023		
xpected useful life	5-10 years	

#### Technology Centre at Herøya

Depreciation method

NOK '000

The Technology Centre at Herøya comprises two containers located near the headquarters of HydrogenPro in Porsgrunn. The containers are categorized as Plant and Machinery and subject to a 5-year straight-line depreciation. Investments in 2024 amounting to NOK 8.4 million in plant and machinery in progress.

Linear

Plant and

#### **Advanced Surface Plating Line**

In 2024, investments in a new Advanced Surface Plating Line amounted to NOK 20.9 million in plant and machinery in progress. These costs were incurred as part of the expansion of the manufacturing capacity in Aarhus.

The Company has contractual commitments totaling approximately NOK 60 million in connection with the expansion project. As of the end of 2024, NOK 20.9 million of these commitments have been delivered, with the remaining balance expected to be delivered during the first quarter of 2025.

#### HydrogenPro Tianjin Co. Ltd.

In 2024, additions to HydrogenPro Tianjin Co. Ltd. amounted to NOK 0.6 million in plant and machinery. These costs were incurred in the production plant facility in Tianjin.

#### NOTE 3.3 RIGHT OF USE ASSETS

#### The Group as a Lessee

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group applies the definition of a lease as outlined in IFRS 16.

As a result of these assessments, the Group has identified leases for the rental contract for office space as leases in accordance with IFRS 16.

The leases do not impose any restrictions on the Group's dividend policy or financing activities. Additionally, the Group does not have significant residual value guarantees associated with its leases that would require disclosure.

The total lease expenses recognized in profit and loss for the period amounted to NOK 8.9 million (2023: NOK 7.6 million). For further details, please refer to Note 2.6.

Depreciation method

2023 Total	Machinery and plant in progress	Moveables
60 786	597	4 686
19 886	543	699
-	-636	-
-193	-	-
1403	39	240
81 882	543	5 625
5 248	-	630
8 520	-	838
-43	-	-10
68 157		

5-10	years
l	Linear

NOK '000	Buildings	Vehicles	2024 Total
Accumulated cost 01.01.2024	31 039	334	31 373
Additions	7 610	-	7 610
Disposals	-12 887	-334	-13 221
Exchange differences	1 427	-	1 427
Accumulated cost 31.12.2024	27 189	-	27 189
Accumulated depreciation 01.01.2024	10 584	334	10 918
Depreciation for the year	6 525	-	6 525
Disposals	-7 615	-334	-7 949
Exchange differences	412	-	412
Carrying amount at 31.12.2024	17 283	-	17 283

Expected useful life	2-5 years	
Depreciation method	Linear	

NOK '000	Buildings	Vehicles	2023 Total
Accumulated cost 01.01.2023	21 071	334	21 405
Additions	12 345		12 345
Remeasurements	-2 554		-2 554
Exchange differences	177		177
Accumulated cost 31.12.2023	31 039	334	31 373
Accumulated depreciation 01.01.2023	3 472	308	3 780
Depreciation for the year	7 251	26	7 277
Exchange differences	-139		-139
Carrying amount at 31.12.2023	20 455		20 455

Expected useful life	2-6 years
Depreciation method	Linear

#### Lease liabilities

NOK '000	2024	2023
Balance as of 01.01.	20 361	16 456
Additions	2 088	9 968
Lease payments	-6 550	-6 832
Accretions of interest	1 036	899
Exchange differences	1 021	-130
Carrying amount at 31.12.	17 956	20 361

#### Undiscounted Lease Liabilities and Maturity of Cash Outflows

Total lease liabilities as of 31.12.	17 956	20 361
4-5 years	2 112	1 278
1-3 years	10 193	10 150
Less than 1 year	5 651	8 933

#### Variable Lease Payments

In addition to the lease liabilities above, the Group is committed to paying variable lease payments for certain leases. These variable lease payments are recognized as expenses as incurred.

#### Short-term Leases and Leases of Low-Value Assets

The Group has elected to apply the practical expedient provided by IFRS 16, treating short-term leases and leases of low-value assets outside the scope of IFRS 16. These leases are not included in the lease liabilities recognized on the balance sheet.

## NOTE 3.4 OTHER NON-CURRENT RECEIVABLES

NOK '000	2024	2023
Receivables from associated companies	2 725	4 257
Other receivables	775	547
Financial investment	34 060	30 517
Carrying amount at 31.12	37 560	35 321

Financial Investments		
NOK '000	2024	2023
Opening balance 1. January	30 517	29 572
Translation effect	3 543	945
Balance at 31 December	34 060	30 517

In October 2021, the Company entered into a Convertible Promissory Note Purchase Agreement with DG Fuels, LLC ("DG Fuels") and purchased a convertible promissory note with a principal balance of \$3.0 million / NOK 34.1 million (the "DG Fuels Note").

The maturity date of each DG Fuels Note is the earlier of; (i) thirty (30) days after a demand for payment is made by the holder of such Note at any time on or after January 1, 2025, (ii) January 1, 2027, (iii) five (5) days following a Financial Close, or (iv) upon an event of Default, as determined at the discretion of the holder of the Note.

The DG Fuels Note carries an annual interest rate of 10% and, under certain conditions, may be converted into a variable number of equity instruments at a future date.

The derivative financial instrument related to the DG Fuels Note is recorded as a non-current asset in the consolidated balance sheet. The Group has performed a fair value assessment and consider the initial investment of USD 3 million as the best estimate of fair value as of 31 December 2024

#### Level 3 Fair Value Measurement:

The Company has classified the measurement of this financial instrument as Level 3 in the fair value hierarchy, defined as:

Value measurements of assets or liabilities that are not based on observable market data.

At the end of 2024, the Company has determined that the cost remains the best estimate of the fair value for the DG Fuels Note.

For the reconciliation of financial instruments, see Note 6.1.

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#### NOTE 4.1 OVERVIEW OF GROUP

Company	Country of incorporation	Main operations	Ownership interest 2024	Voting power 2024	Ownership interest 2023	Voting power 2023
HydrogenPro ApS	Denmark	Technology industries	100%	100%	100%	100%
HydrogenPro Tianjin CO Ltd	China	Technology industries	75%	75%	75%	75%
HydrogenPro Shanghai CO Ltd	China	Technology industries	100%	100%	100%	100%
Kvina Energy AS	Norway	Technology industries	50%	50%	50%	50%
HydrogenPro Inc	USA	Technology industries	100%	100%	100%	100%
HydrogenPro France	France	Technology industries	100%	100%	100%	100%
HydrogenPro GmbH	Germany	Technology industries	100%	100%		

#### NOTE 4.2 BUSINESS COMBINATION

The company had no significant business combinations during the year.

#### NOTE 5.1 INVENTORY

As of 31 December 2024, inventories comprise purchased raw materials, work in progress (semi-finished goods) and finished good. The raw materials include parts that are integrated into the final finished goods. Work in progress represents partially completed products awaiting further processing. Finished goods are completed products that are ready for sale but for which control remains with the Group until the product is sold or transferred.

NOK '000	20	24 2023
Finished goods	63	
Work in progress	15 6	
Raw material	5 5	58 14 554
Balance as of 31.12	27 5	09 14 554

#### **Measurement and Costing Method**

Inventories are measured at the lower of cost and net realizable value, in compliance with IAS 2 – Inventories. The cost of inventory includes all purchase, conversion, and other costs incurred to bring the inventory to its present location and condition. Net realizable value represents the estimated selling price in the ordinary course of business, less completion and sale costs.

Raw materials inventory is measured using the weighted average cost method, where the cost is determined by averaging the costs of all units available during the reporting period. Any write-downs to net realizable value are recognized as an expense.

#### **Obsolescence**

Obsolescence of inventories is assessed regularly, and provisions are made for any inventories that have declined in value or are no longer expected to be sold. As of 31 December 2024, no write-down has been recognized for obsolete goods. Inventory write-down in 2023 was NOK 5.7 million.

#### NOTE 5.2 TRADE AND OTHER RECEIVABLES

Trade receivables		
NOK '000	2024	2023
Total trade receivables (Gross)	115 292	180 329
Allowance for expected credit losses	-	1 145
Balance as of 31.12	115 292	179 184
Other short terms receivables		
NOK '000	2024	2023

NOK '000	2024	2023
Pre-paid costs	4 342	5 211
Pre-paid raw material	1 581	1 568
Pre-paid tangible assets	-	45
VAT net receivables	17 857	23 444
Other current receivables	8 625	11 397
Balance as of 31.12	32 405	41 665

## NOTE 5.3 CONTRACT ASSETS AND LIABILITIES

#### **Contract Balances**

HydrogenPro's equipment contracts with customers typically include milestone-based payments with variable structures. Payments are invoiced when specific criteria are met, such as contract acceptance, major supplier purchases, delivery/ shipment, and installation/commissioning.

The payment structure of the contracts typically results in advance payments and progress billings exceeding the satisfaction of performance obligations in progress, resulting in a net contract liability. On the other hand, if the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### **Contract Assets**

A contract asset represents the Group's right to consideration for goods or services transferred to a customer before payment is received or due. When performance obligations are met before invoicing, the earned but conditional consideration is recognized as a contract asset.

At each balance sheet date, the cumulative costs incurred and recognized profit/losses on contracts are compared to advances and progress billings:

- If cumulative costs plus recognized profits exceed advances and billings, the balance is recorded as "contract assets" (due from customers on construction contracts).
- When the contract asset becomes an unconditional right to payment, it is reclassified as trade receivables, typically upon invoicing.

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#### Contract assets

NOK '000	2024	2023
Balances as of 01.01	65 836	19828
Transfers from contract assets recognised at the beginning of the period to receivables	-51 442	-19828
Impairment of contract assets	-1 380	-
Increases due to measure of progress in the period	2 258	65 836
Balances as of 31.12	15 272	65 836

#### **Contract Liabilities**

A contract liability is the Group's obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group performs under the contract. Where advances and progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "contract liabilities"

#### Contract liabilities

NOK '000	2024	2023
Balances as of 01.01	49 641	65 691
Revenue from amounts included in contract liabilities at the beginning of the period	-49 641	-65 691
Billing and advances received not recognised as revenue in the period	916	49 641
Balances as of 31.12	916	49 641

#### **NOTE 5.4 OTHER CURRENT LIABILITIES**

NOK '000	2024	2023
Warranties	14 308	10 177
Project related liabillities	78 890	21 972
Other liabilities	43 754	36 188
Balance as of 31.12	136 952	68 338

#### **Provision for warranty**

The Group's warranty to customers is limited to the provision of replacement parts and services and generally expires two years from the date of delivery or contract completion. The warranty period generally does not exceed 24 months. However, some contracts may include extended warranty periods of up to 3 years. The Group's warranty obligation arises both from contractual commitments and from liabilities under applicable laws.

Estimated warranty obligations are recognized in the period in which related revenue is recognized. The Group estimates and records a provision for warranty-related costs, primarily based on industry benchmarks, projected failure rates, and expected material and labor costs. While historical data is limited, the Group has used external industry data, including data from comparable peers, to estimate warranty costs. These estimates take into account the expected timing of warranty claims, with approximately 60% of claims expected within 12 months and 40% anticipated beyond 12 months. Non-current warranty provision of NOK 9.5 million (2023: NOK 6.8 million) is included in non-current liabilities.

Accounting for warranties requires the Group to make assumptions and apply judgment in estimating the product failure rates and the expected material and labor costs. The Group adjusts the warranty accruals as new warranty claim data becomes available, including changes in failure rates or repair costs. If actual warranty claims differ from these assumptions and judgements, such as higher failure rates or unforeseen repair costs, the Group may be exposed to material gains or losses.

The Group will continue to assess the adequacy of the warranty provision as more data becomes available and may adjust the provision accordingly.

2024	2023
16 962	-
5 509	16 962
-	-
-	-
1 376	-
23 846	16 962
9 538	6785
14 308	10 177
	2024 16 962 5 509 - - 1 376 23 846 9 538 14 308

## NOTE 6.1 OVERVIEW OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### **Overview**

Through its activities, the Group is exposed to various types of financial risks, including market risk, credit risk, and liquidity risk. This note provides information on the Group's exposure to these risks, as well as its objectives, policies, and procedures for risk management. It also outlines the Group's approach to capital management. Additional quantitative information is included in these consolidated financial statements.

The Group's overarching risk management objective is to ensure sufficient liquidity at all times, enabling it to meet its obligations as they fall due. The Group does not have any external bank borrowings and, consequently, is not subject to any financial covenants related to such borrowings.

Risk management is overseen by the Group's operational executives, including the CEO and CFO, in collaboration with the Board of Directors. Their responsibilities include identifying, assessing, mitigating, and reporting financial risks in close coordination with the various operating units. Risk management policies and procedures are reviewed regularly to account for changes in market conditions and the Group's business activities.

#### **Capital Management**

The Group's primary objective is to maximize shareholder value while ensuring its ability to sustain operations. To achieve this, the Group aims to maintain a capital structure that optimally balances financial flexibility with market conditions. The Group continuously assesses its financial position and future outlook in the short to medium term, making necessary adjustments to its capital structure as required. This approach ensures the Group remains well-positioned to support its strategic objectives and operational needs.

#### Financial instruments by category

#### 2024

NOK '000	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial Investment measured at fair value throgh profit and loss	Total carrying amount 31.12.2024
Other non-current receivables	3 499			3 499
Financial investment			34 060	34 060
Trade receivable	115 292			115 292
Cash and cash deposits	191 216			191 216
Total financial assets	310 008		34 060	344 067
Non-current lease liabilities		12 305		12 305
Trade and other payables		59 361		59 361
Current lease liabilities		5 651		5 651
Total financial liabilities		77 317		77 317

#### Maturity Analysis of financial liabilities - 2024

NOK '000	Due within 1 year	Due between 1 and 3 years	Due later than 3 year	Total
Non-current lease liabilities	-	10 193	2 112	12 305
Trade and other payables	59 361	-	-	59 361
Current lease liabilities	5 651	-	-	5 651
Total financial liabilities	65 012	10 193	2 112	77 317

#### 2023

NOK '000	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial Investment measured at fair value throgh profit and loss	Total carrying amount 31.12.2023
Other non-current receivables	4 804			4 804
Financial investment			30 517	30 517
Trade receivable	179 184			179 184
Cash and cash deposits	160 531			160 531
Total financial assets	344 518		30 517	375 035
Non-current lease liabilities		11 428		11 428
Trade and other payables		39 170		39 170
Current lease liabilities		8 933		8 933
Total financial liabilities		59 531		59 531

#### Maturity Analysis of financial liabilities - 2023

NOK '000	Due within 1 year	Due between 1 and 3 years	Due later than 3 year	Total
Non-current lease liabilities	-	10 150	1 278	11 428
Trade and other payables	39 170	-	-	39 170
Current lease liabilities	8 933	-	-	8 933
Total financial liabilities	48 103	10 150	1 278	59 531

Financial investment details are presented in note 3.4

#### **Financial Risk Management**

The Group takes a proactive approach to identifying risks and implementing risk-mitigation measures where practical and appropriate.

Below is a description of the Group's key financial risks:

#### Credit Risk

Credit risk is the risk that a counterparty to a financial instrument may fail to meet its obligations, resulting in a financial loss for the Group.

The Group is exposed to credit risk in the course of its ordinary business activities, primarily in relation to trade receivables and cash and cash equivalents. However, as the Group's customer base primarily consists of large industrial companies, the credit risk associated with trade receivables is considered limited.

The following table provides information about the exposure to credit risk for trade receivables from customers as of 31st of December:

	2024		2023		
NOK '000	Gross carrying Amount	Provision bad debt	Gross carrying Amount	Provision bad debt	
Current (not past due)	60	-	46 481	-	
1-30 days past due	921	-	118 526	-	
31-60 days past due	3 468	-	1 985	-	
60-260 days past due	8 132	-	12 157	-	
More than one year past due	102 711	-	1 180	1 145	
Total	115 292	-	180 329	1 145	

About 95% of the trade receivables past due are related to one customer. HydrogenPro does not consider the receivable as uncertain despite the age, as it is due from a counterparty with a strong financial position, and it is expected that, subject to contractual discussions in connection with project completion, the entire amount will be paid.

#### Liquidity Risk

Liquidity risk refers to the risk that the Group may encounter difficulties in meeting its financial obligations as they fall due, requiring cash or other financial assets for settlement.

The Group manages its liquidity prudently, implementing policies and controls to ensure that sufficient cash and cash equivalents are available to meet both short- and long-term financial commitments. Liquidity forecasts are regularly reviewed against the contractual maturities of financial liabilities, including lease obligations. Further details on financial liabilities are provided in Note 5.4, with all liabilities due within one year.

#### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Group's primary market risks include foreign exchange risk and raw material price risk.

#### **Foreign Exchange Risk**

The Group's functional currency is NOK. However, as the Group operates globally, it is exposed to currency fluctuations, primarily related to USD, EUR, and CNY. This risk is further amplified by the long-term nature of customer contracts. While the Company closely monitors its currency exposure, it has not yet entered into financial instruments to hedge against foreign exchange risk.

The Group's exposure to foreign currency risk arises from:

- Revenue transactions in USD and EUR.
- Expenses denominated in CNY, EUR, USD, NOK, and DKK, impacting the Group's cost structure and margins.
- Monetary assets and liabilities denominated in foreign currencies, leading to potential exchange rate gains or losses.

A sensitivity analysis has been conducted to assess the potential impact of exchange rate fluctuations on the Group's financial statements. The analysis considers a reasonable change in the exchange rates of the key foreign currencies against NOK, with all other variables held constant.

The estimated impact on profit or loss for the year is as follows:

- A 10% appreciation of NOK against EUR would result in a decrease in revenue and net profit of approximately NOK 20 million.
- A 10% depreciation of NOK against EUR would result in an increase in revenue and net profit of approximately NOK. 20 million.

Similar movements in USD, CNY, and DKK would impact both revenues and expenses, leading to fluctuations in the Group's operating results.

As the Group does not apply hedging instruments to mitigate foreign currency risk, it actively monitors exchange rate developments and considers adjustments to its pricing strategy and cost management approach to manage the impact of foreign currency fluctuations. Additionally, the Group evaluates the potential benefits of implementing risk management strategies in the future.

Given the significance of foreign currency risk to the Group's financial performance, management continuously assesses the risk and evaluates potential measures, including natural hedging strategies or financial instruments, to mitigate adverse exchange rate fluctuations in the future.

#### **Raw Material Risk**

Fluctuations in commodity prices, particularly for steel and nickel, may have a financial impact on the Group. Although the Group has not yet implemented financial hedging strategies, it seeks to partially mitigate price risk through agreements with suppliers or agents.

## NOTE 6.2 CASH AND BANK DEPOSITS

NOK '000	2024	2023
Cash		
Short-term bank deposits	191 216	160 531
Total cash and bank deposits	191 216	160 531

For the purpose of the statement of cash flows, cash and cash deposits comprise the following at 31 December:

The Group has no credit facilities.

Restricted bank deposit

#### NOTE 6.3 SHARE CAPITAL AND SHAREHOLDERS

The 20 main shareholders at 31.12.24 are:

Shareholder	Number of shares	Ownership interest
Clearstream Banking S A	12 588 249	17.95%
Richard Espeseth	11 257 458	16.05%
UniCredit Bank Austria AG	9 644 036	13.75%
TM Holding AS	9 635 182	13.74%
Mitsubishi heavy Industries Ltd	5 381 165	7.67%
Vivian Espeseth	3 090 238	4.41%
Avanza Bank AB	1 999 601	2.85%
Enern Invest AS	1 408 433	2.01%
Nordnet Bank AB	1 377 507	1.96%
Tor Danielsen	1 303 872	1.86%
Nordea Bank Abp	748 358	1.07%
BNP Paribas	702 314	1.00%
Arild Hansen	525 000	0.75%
Morgan Stanley & Co Int Plc	518 454	0.74%
Caceis Bank	472 937	0.67%
KBC Bank NV	472 097	0.67%
Saxo Bank A/S	465 948	0.66%
Skandinaviska Enskilda Banken AB	453 822	0.65%
Jan Fredrik Garvik	415 000	0.59%
LJM As	385 000	0.55%
	62 844 671	89.62%
Total other shareholders	7 277 009	10.38%
Total number of shares	70 121 680	100.00%

As of December 31, 2024, the Group's share capital was NOK 1.402 million (2023: NOK 1.266 million), consisting of 70 121 680 (2023: 63 300 046) shares, each with a nominal value of NOK 0.02 (2023: 0.02).

_	1201	5010
	4 281	3 816

### NOTE 6.4 EARNINGS PER SHARE

Earnings per share (EPS) is calculated by dividing the profit or loss for the year attributable to equity holders of the parent company by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share considers the same calculation as basic EPS but includes the effect of all potential shares with a dilutive impact that were outstanding during the period. Potential shares typically arise from instruments or agreements that confer the right to issue additional shares in the future, such as share options. Share options are excluded from the diluted EPS calculation if their inclusion would have an anti-dilutive effect.

NOK '000	2024	2023
Basic earnings per share		
Profit/(loss) for the the year attributable to ordinary shares	-196 061	-64 513
Issued shares as of 1 January	63 300 046	58 028 171
Share issued	6 821 634	5 271 875
Issued ordinary shares at 31 December	70 121 680	63 300 046
Effect of weighting	-1 843 179	-3 364 904
Weighted average number of shares outstanding for the purpose of basic earnings per share	68 278 501	59 935 142
Basic earnings per share for income attributable to the equity holder of the parent company	-2.87	-1.09
Diluted earnings per share		
Weighted average number of shares outstanding for the purpose of diluted earnings per share	68 278 501	59 935 142
Diluted earnings per share for income attributable to the equity holder of the parent company	-2.87	-1.09

#### NOTE 7.1 REMUNERATION AND BOARD MANAGEMENT

Executive management remuneration

2024

NOK '000	Salary	Bonus	Benefits in kind	Pension expense	Total remuneration	Number of shares	Ownership Interest
Jarle Dragvik (CEO)	3 539	-	146	102	3 787	41 033	0.06%
Martin Thanem Holtet (CFO)	2 325	351	17	103	2 796	1 500	0.00%
Erik Chr Bolstad (CCO)	2 107	297	45	107	2 556	-	0.00%
Cathrin Bretzeg (CPCO)	2 065	149	35	108	2 357	-	0.00%
Tormod Kløve (CLO)	2 175	250	22	103	2 550	-	0.00%
Odd-Arne Lorentsen (CTO) 1)	1 717	-	31	90	1 838	-	0.00%
Jon Backer (COO) 2)	1 473	-	26	81	1 580	-	0.00%

1. Lorentsen started 01.03.2024

2. Backer started 01.04.2024

#### 2023

NOK '000	Salary	Bonus	Benefits in kind	Pension expense	Total remuneration	Number of shares	Ownership Interest
Jarle Dragvik (CEO) 1)	1 476	-	57	40	1 572	41 033	0 06%
Tarjei johansen (CEO) 2)	3 360	-	134	104	3 599	-	0.00%
Elling Nygaard (CEO) 3)	1 265	-	-	-	1 265	10	0.00%
Richard Espeseth (CBDO) 4)	2 513	-	16	97	2 626	11 257 458	17.78%
Martin Thanem Holtet (CFO)	1 832	468	16	95	2 411	1 500	0.00%
Erik Chr Bolstad (CCO)	1 549	363	16	97	2 025	-	0.00%
Marc Jedamzik (CPO) 5)	154	-	7	-	161	-	0.00%
Karoline Aafos (CPO) 6)	1 449	-	269	86	1 804	-	0.00%
Sindre Utne (CPO) 7)	222	-	-	-	222	4 270	0.01%
Cathrin Bretzeg (CPCO) 8)	1 028	-	12	57	1 097	-	0.00%
Tormod Kløve (CLO)	1 510	-	23	110	1 643		0.00%

#### 1. Dragvik started 08.08.2023

- 2. Johansen started 01.12.2022 and resigned 08.08.2023. He ended his employment 30.11.2023.
- 3. Nygaard resigned 21.6.22 and ended employment 30.09.2022. He received severance pay included the month of June 2023.
- 4. Espeseth served as CBDO from 01.12.2022 to 01.12.2023.
- 5. Marc Jedamzik started as CPO 01.12.2023

6. Aafos started 15.08.2023 and ended employment 30.11.2023. Benefits in kind includes net gain of exercise 21.875 options with strike NOK 7/sale of shares NOK thousand 249

- 7. Utne started 01.05.2021 and ended 30.04.2022. He received severance pay including the month of January 2023.
- 8. Bretzeg started 01.06.2023

#### Board of Directors remuneration

2024

NOK '000	Board fee	Audit and risk commitee	Compensation and staff committee	Nomination committee	Board and comittee fees 2023 1)	Taxable income execution of options	Total remuneration
Dag Opedal (Chair) 2)	564	-	75	-	-	-	639
Terje Mikalsen (ex Chair) 3)	272	-	-	-	14	-	286
Ellen Hanetho (ex Chair) 4)	-	-	-	-	69	1 166	1 235
Asta Stenshagen (member)	453	99	-	-	83	-	635
Jarle Tautra (member)	453	31	62	-	44	-	590
Marianne Aamodt (member)	453	106	-	-	174	-	733
Geir Bredo Larsen (member)	308	62	-	-	-	-	370
Bjørn Hansen (member)	308	-	62	-	-	-	370
Arild S Frick (Chair nom Commitee)	-	-	-	200	102	-	303
Bjørn G Reed (member nom commitee)	-	-	-	50	8	-	59

1. Includes remuneration regarding the year 2023 not included in provision as of 01.01.2024

2. Opedal was elected as Chair 23.04.2024.

3. Mikaelsen served as Chair from the 04.10. 2023 to 23.04.2024.

4. Hanetho served as a board member in the period 2019 until 04.10.2023

2023

NOK '000	Consultant fees	Board fee	Audit and risk commitee	Nomination committee	Total remuneration
Terje Mikalsen (Chair) 1)		-	-	27	27
Ellen Hanetho (ex Chair) 2)	28	953	108	-	1 089
Richard Espeseth (member)	-	-	-	-	-
Asta Stenshagen (member)	-	-	-	-	263
Jarle Tautra (member)	248	400	36	-	684
Jarle Dragvik (ex member)	-	600	36	8	644
Donna Rennemo (ex member)	-	286	-	-	286
Arild S Frick (Chair nom Commitee)	-	-	-	32	32
Bjørn G Reed (member nom commitee)	-	-	-	27	27

1. Mikaelsen served on the board in the period 2014-2021. He was re-elected 14.05.2023 and started as Chair 04.10.2023

2. Hanetho has been Chair of the board since 2019. She resigned the board 04.10.2023.

#### Shares held by Board of Directors

	202	24	2023		
	Number of shares	Ownership Interest	Number of shares	Ownership Interest	
Dag Opedal (Chair)	-	-	-	-	
Terje Mikalsen (ex Chair) 1)	9 653 182	13.74%	9 653 182	15.22%	
Ellen Hanetho (ex Chair)	-	-	-	-	
Asta Stenshagen (member)	-	-	-	-	
Jarle Tautra (member)	1 000	0.00%	1 000	0.00%	
Marianne Aamodt (member)	-	-	-	-	
Geir Bredo Larsen (member)	-	-	-	-	
Bjørn Hansen (member)	-	-	-	-	
Vivian Y Chen Espeseth (ex member)	3 090 238	4.41%	3 090 238	4.88%	
Jarle Dragvik (ex member)	41 033	0.06%	41 033	0.06%	
Richard Espeseth (ex member)	11 257 458	16.05%	11 257 458	17.78%	
Arild S Frick (Chair nom Commitee)	-	-	-	-	
Bjørn G Reed (member nom commitee)	-	-	-	-	

1. Mikaelsen served as Chair from the 04.10. 2023 to 23.04.2024. Shares are hold by TM Holding AS.

## NOTE 8.1 CHANGE IN PRESENTATION OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HydrogenPro modified the presentation of the Consolidated Statement of Comprehensive Income. In prior years, the statement presented Cost of Goods Sold, which included personnel and other operating expenses in addition to the cost of direct materials. From the financial year 2024, statement has been modified to present Direct Material Costs only. Personnel and other operating expenses directly related to project deliveries are no longer reported together with direct materials as cost of goods sold but are instead reported separately together with personnel and other operating expenses not directly related to project deliveries action of the direct material costs on the direct materials as cost of goods sold but are instead reported separately together with personnel and other operating expenses not directly related to project delivery. This change provides a clearer view of the direct material margin.

Prior period figures have been reclassified to ensure consistency and comparability. The following illustrates the adjustments which have been made to 2023 figures:

NOK '000		2023	Adjustment	2023 Adjusted
Description in 2023 Integrated Report	New description			
Cost of Goods Sold	Direct Material	447 442	-116 582	330 860
Personnel expenses	Personnel expenses	85 205	34 558	119 763
Other operating expenses	Other operating expenses	71 596	82 024	153 621
		604 244	_	604 244

This reclassification does not impact operating loss, net loss, or other key financial results in 2023.

## NOTE 8.2 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

#### **Capital injection**

On 23 December 2024, HydrogenPro announced a NOK 70 million capital raise through a private placement of new shares directed at its existing shareholders, ANDRITZ AG and Mitsubishi Heavy Industries Ltd. (MHI). Additionally, the company entered into an investment agreement with LONGi Hydrogen Technology Co., Ltd., involving a conditional equity investment of approximately NOK 70 million, along with a cooperation agreement.

A share capital increase related to the investment from ANDRITZ AG and Mitsubishi Heavy Industries Ltd. (MHI) was registered on 13 January 2025.

The capital injection of NOK 70 million from LONGi is expected to be registered and paid in the second quarter of 2025.

#### ANDRITZ to order 100 MW electrolyzer unit from HydrogenPro for project in Germany

On 3 March 2025, ANDRITZ announced the receipt of an order for the engineering of a 100 MW green hydrogen plant located in Rostock, Germany. The contract is contingent upon the final investment decision by the customer. Should the customer proceed with the investment, ANDRITZ expects to receive a formal notice to proceed with the supply of the plant.

Upon receiving the notice to proceed, ANDRITZ plans to execute the project on an Engineering, Procurement, and Construction (EPC) basis.

The plant will utilize HydrogenPro's pressurized alkaline technology for the electrolysis process.

# Financial Statements and Notes for the Parent Company

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# Statement of Profit and Loss

NOK '000	
Revenue	
Total revenue	
Direct material	
Personnel expenses	
Depreciation and amortisation expense	
Other operating expenses	
Operating profit/(loss)	
Financial income	
Financial expenses	
Net financial income and expenses	
· · · · · · · · · · · · · · · · · · ·	
Profit/(loss) before income tax	
Income tax expense	
Profit/(loss) for the year	
-	
To/(from) other equity	
Total allocated and equity transfers	

2023	2024	Note
612 744	191 592	
612 744	191 592	2
495 833	204 909	3, 20
70 703	81 025	4, 20
3 877	3 958	9
88 958	77 131	6, 20
-46 629	-175 431	
4 267	30 887	7
7 383	2 380	7
-3 116	28 507	
-49 745	-146 924	
-49 745	-146 924	
-49 745	-146 924	
-49 745	-146 924	

# Statement of Financial Position

as of 31 December

NOK '000	Note	2024	2023
ASSETS			
Non-current assets			
Intangible assets	9	4 697	7 045
Property plant and equipment	9	11 132	3 900
Investments in subsidiaries	10	160 721	137 597
Loan to group companies	10	53 386	25 722
Investment in shares		1	1
Financial investment	11	34 060	30 517
Other receivables	12	2 423	4 891
Total non-current assets		266 421	209 673
Current assets			
Inventories	13	1 082	7 349
Trade receivables	14	151 973	226 044
Contract assets	15	15 272	65 836
Other receivables	12	9 025	5 249
Cash and bank deposits	16	156 767	146 914
Total current assets		334 120	451 392
TOTAL ASSETS		600 540	661 065

# Statement of Financial Position

as of 31 December

NOK '000	Note	2024	2023
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	1 402	1 266
Share premium account	17	775 875	691 796
Other equity contributed	18	42 596	38 558
Other equity	17	-382 085	-235 161
TOTAL EQUITY		437 788	496 459
LIABILITIES			
Non-current liabilities	19	9 538	6 785
Total non-current liabilities		9 538	6 785
Current liabilities			
Trade creditors	19	29 474	57 142
Contract liabilites	15	916	49 641
Public duties payable	19	6 020	6 128
Other current liabilities	19	116 804	44 910
Total current liabilities		153 214	157 821
TOTAL LIABILITIES		162 752	164 606
TOTAL EQUITY AND LIABILITIES		600 540	661 065

Porsgrunn/Oslo 27 March 2025

(All signatures electronically signed)

		<b>.</b>
Dag J. Opedal	Jarle Tautra	Geir l
Chair	Board member	Board
Marianne Mithassel Aamodt	Bjørn Hansen	Jarle
Board member	Board Member	CEO

Asta Stenhagen

r Bredo Larsen

Asta Stenhager Board member

e Dragvik

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# Statement of Changes in Equity

		Attributab	le to equity holder	s of the parent co	mpany	
NOK '000	Share capital	Share premium account	Other equity contributed	Uncovered loss	Total other equity	Total equity
Equity as at 01 01 2023	1 161	575 039	34 162	-185 417	-185 417	424 945
Profit for the period				-49 744	-49 744	-49 744
Issue of share capital	105	116 758				116 863
Cost of share-based payment			4 395			4 395
Equity as at 31 12 2023	1 266	691 797	38 557	-235 161	-235 161	496 459
Equity as at 01 01 2024	1 266	691 797	38 557	-235 161	-235 161	496 459
Profit for the period				-146 924	-146 924	-146 924
Issue of share capital	136	84 078				84 215
Cost of share-based payment			4 039			4 039
Equity as at 31 12 2024	1 402	775 875	42 596	-382 085	-382 085	437 788

# Statement of Cash Flows

#### NOK '000

Cash flows from operating activities	
Net Income / (Loss) before tax	
Depreciation amortisation & impairment	
Option cost no cash effect	
Change in inventory	
Change in trade receivable	
Change in trade creditors	
Effect of foreign currency translation	
Change in other accruals	
Net cash flows from operating activities	

#### Cash flows from investing activities

Net cash flows from investing activities
Change in other investing activities
Acquisition of subsidiary net of cash acquired
Purchases of plant and machinery

#### Cash flows from financing activities

Increase of loan to subsidiaries	
Transaction not recognized over P&L	
Proceeds from Equity Issue	
Net cash flows from financing activities	
Cash balance start of period	
Net change in cash	
Cash balance end of period	

2023	2024	Note
-49 744	-146 924	
3 877	3 958	9
4 396	4 039	
6 151	6 267	
-207 467	130 048	11
44 444	-76 393	16
-946	-9 452	
15 070	73 230	12
-184 219	-15 228	
-64	-8 842	9
-20 502	-22 628	
-125	-	
-20 691	-31 470	
-12 671	-27 664	10
-5 040	-	
121 903	84 214	
104 192	56 550	
247 632	146 914	
-100 718	9 852	
146 914	156 767	

FINANCIAL STATEMENTS

#### NOTE 1 GENERAL ACCOUNTING PRINCIPLES

Hydrogenpro ASA is a public limited company, incorporated in Norway, headquartered in Porsgrunn and listed on Oslo Stock Exchange, Address headquarters: Hydrovegen 55, 3936 Porsgrunn, Norway.

HydrogenPro ASA designs and supplies large scale hydrogen production plants in cooperation with global partners and suppliers. Our core product is the alkaline highpressure electrolyzer. The company was founded in 2013 by individuals with background from the electrolysis industry. We are an experienced engineering team of leading industry experts, drawing upon unparalleled experience and expertise in the hydrogen and renewable energy industry.

Our advanced electrode technology enables us to increase the efficiency of each unit by 14%., hence reducing electricity cost with 14%. This is a significant step forward as the cost of electric power, depending on market prices, amounts to 70-90% of the total cost of producing hydrogen. The value of such increased efficiency equals approximately the investment cost for the entire plan in a Total cost of Operation perspective.

Unlike traditional alkaline systems, our high-pressure units (up to 30 bar) save compression cost and are superbly suited for variable loads from solar panels and wind turbines. Thus, we compare favourable to alternative technologies. We are able to produce hydrogen at a lower cost, without using noble or scarce metals, while using renewable energy sources.

HydrogenPro ASA is listed o at Oslo Stock Exchange under the ticker "HYPRO".

The financial statements of Hydrogenpro ASA for the fiscal year 2024 were approved in the board meeting at 27.03.2025.

#### **Basis for preparation of the** annual accounts

The Hydrogenpro AS's financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles (NGAAP).

The financial statements are based on historical cost.

The financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

#### **Functional currency and** presentation currency. The Company's presentation and functional currency is NOK.

Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognised continuously in the accounting period.

The use of estimates and assessment of accounting policies when preparing the annual accounts

#### **Estimates and assumptions**

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities. This particularly applies to the depreciation of property, plant and equipment, intangible assets, sharebased payments and evaluations related to acquisitions. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Changes in accounting estimates are recognised during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods.

#### Judgments

The management has, when preparing the financial statements; made certain significant assessments based on critical judgment when it comes to application of the accounting principles. The following notes include the Company's assessments regarding:

- Revenue recognition, note 2
- axes, note 8 Assets cost and
- depreciation note 9
- Contract assets and contract liabilities – note 15
- Share-based payment, note 18

#### **Current versus non-current** classification

The presents assets and liabilities in the statement of financial position as either current or non-current.

The Company classifies an asset as current when it:

- Expects to realise the asset, or intends to sell or consume it, in its normal operating cycle
- Holds the asset primarily for the
- purpose of trading
- Expects to realise the asset within twelve months after the reporting period Or
- The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent, including deferred tax assets. The Company classifies a liability as current when it:

- Expects to settle the liability in its normal operating cycle
- Holds the liability primarily for the purpose of trading
- Is due to be settled within twelve months after the reporting period Or
- It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current, including deferred tax liabilities.

#### **Revenue from contracts** with customers

The revenue in HydrogenPro is from the sale of both hydrogen electrolyzer systems and engineering services, including installation, commissioning, and long-term service agreements. Contracts that long term fixed-price contracts are valued to the percentage of completion method. The degree of completion is calculated as expenses incurred as a percentage of estimated total expense. Total expenses are reviewed on a regular basis. If projects

are expected to result in losses, the total estimated loss is recognised immediately.

Revenue from Contract for sale of standalone systems are recognised when control is transferred to the customer upon delivery or as specified in the contract (e.g., FOB shipping point or upon site acceptance). Revenue from provision of Front-End Engineering Design (FEED) Services which are delivered as part of a structured project, is recognized percentage of completion method. The degree of completion is calculated as expenses incurred as a percentage of estimated total expense. For contracts where FEED services are billed on an hour-by-hour basis, revenue is recognized when the hours are delivered.

#### Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/ tax assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

temporary differences related to investments in subsidiaries, associates, or joint ventures when the Company controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The company recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce

a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates.

Deferred tax and deferred tax as- sets are recognised at their nominal value and classified as non-current asset investments (long-term liabili- ties) in the balance sheet.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

#### **Research and development**

Expenses relating to research activities are recognised in the statement of comprehensive income as they incur. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable and the Company has sufficient resources to complete the development work. Expenses that are capitalised include the costs of materials, direct wage costs and a share of the directly attributable common expenses. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses.

#### Property, plant and equipment

Property, plant and equipment are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the statement of profit and loss.

The depreciation period and method are assessed each year.

Assets under construction are classified as non-current assets and recognised at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

#### **Patents and licenses**

Amounts paid for patents and licenses are capitalised and amortised in a straight line over the expected useful life. The expected useful life of patents and licenses varies from 5 til 10 years.

#### **Government grants**

Government grants are recognised when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognised systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalised and recognised systematically over the asset's useful life. Investment grants are recognised either as deferred income or as a deduction of the asset's carrying amount.

#### **Financial assets**

The Company's financial assets are: Loans to group companies, investements in shares, investments in subsidiaries, financial investment, trade receivable and cash and bank deposits.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus. in the case of a financial asset not at fair value through profit or loss, transaction costs.

#### **Financial liabilities**

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate. Loans, borrowings, and payables are recognised at fair value net of directly attributable transaction costs.

#### Inventories

The company have recognized inventory in 2024. These are measured and valued at the lower of cost or net realisable value. Net realisable value is the estimated future sales price of the product the company expect to realise when the product is processed and sold, less estimated cost to complete production an bring the product to sale.

#### Subsidiaries and investment in associated companies

Subsidiaries are entities controlled by HydrogenPro ASA. Subsidiaries and investment in associated companies are accounted for using the cost method and are recognised as cost less impairment.

#### **Cash and bank deposits**

Cash includes cash in hand and at bank. Cash equivalents are shortterm liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

#### **Employee benefits**

Wages, salaries, bonuses, pension, and social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Company. The Company has pension plans for employees that are classified as defined contribution plans. Contributions to defined contribution schemes are recognised in the statement of profit or loss in the period in which the contribution amounts are earned by the employees.

#### Share based payments

The Company has an option-program, including employees, board members and Guarantors. The programs are measured at fair value at the date of the grant, using an appropriate valuation model. That cost is recognised in personnel expenses, together with

a corresponding increase in equity

over the vesting period. Granted options are generally vested or earned during a

period of three years according to a predetermined schedule. Options vested or earned can be exercised at any time and must be exercised latest four years after award. The vesting requires continued employment or association with the company.

Social security tax on options is recorded as a liability and is recognised over the estimated vesting period.

For further information refer note 4 (salary and benefit) and 18 (share option plan).

#### **Contingent liabilities and assets**

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be received by the Company.

#### Statement of cash flow

The cash flow statement is prepared using the indirect method.

#### **Going concern**

The financial statement is presented on the going concern assumption. As per the date of this report HydrogenPro ASA has sufficient working capital for its planned

business activities over the next twelvemonth period.

The Board of Directors confirmed on this basis that the going concern assumption is valid, and that financial statements are prepared in accordance with this assumption.

#### **Events after the reporting period**

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period, but which will affect the company's financial position in the future are disclosed if significant.

#### NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's revenue from contracts with customers has been disaggregated and presented in the tables below:

#### Geographical region

NOK '000	2024	2023
Norway	-	3280
Europe	196 954	7295
America	-5 442	538 499
Asia Pacific	80	63 670
Total revenue	191 592	612 744

#### Major products/service lines

NOK '000	2024	2023
Revenue from sale of electrolyzer system	185 396	557 040
Revenue form sale of Feed and case-studies	6 061	8 694
Revenue from sale of sub-components intercompany	-	47 010
Other revenue	135	-
Total revenue	191 592	612 744

HydrogenPro's revenue from contracts with customers arises from two principal sources:

1. Sale of Electrolyzer Systems: Revenue is recognised when control of the system is transferred to the customer, typically at delivery or installation, depending on the contract terms. When HydrogenPro enters into contracts for sales of electrolyzer systems bundled with provision of engineering, installation, and commissioning services as part of turnkey projects, revenue is recognized using the percentage of completion method. The degree of completion is calculated as expenses incurred as a percentage of estimated total expense. Total expenses are reviewed on a regular basis. If projects are expected to result in losses, the total estimated loss is recognised immediately.

2. Sale of Engineering Services: Revenue is recognised either in combination with electrolyzer system sales or as a standalone service, such as in FEED (Front-End Engineering Design) studies.

#### **Liquidation Damages**

Liquidated damages are pre-defined penalties imposed for breaches of contract, most commonly related to delays in project completion. In contracts with customers, LDs typically arise when project milestones or deadlines are not met.

As the payment related to LDs does not correspond to a distinct good or service provided to HydrogenPro, it must be accounted for as a reduction in revenue. Specifically, if a project does not meet the defined milestones or other contract terms, HydrogenPro will establish a provision to reduce the transaction price. This provision is recognized unless it is highly probable that LDs will not be imposed.

Contracts that include clauses for Liquidation Damages are reviewed on an ongoing basis. If it becomes probable that Liquidation Damages will be incurred, the estimated impact is accounted for as a reduction in revenue. This assessment is updated throughout the contract's lifecycle to ensure accurate recognition of revenue and liabilities.

## NOTE 3 DIRECT MATERIALS

Direct material consists of raw materials and components for project delivery. Direct materials are recognized as inventories when they are purchased and held for future use. They are measured initially at cost, which includes the purchase price (including import duties, taxes, and freight costs) and handling and other costs directly attributable to bringing the materials to their current location and condition. When these materials are used in production or project delivery and revenue is recognized, the cost of these materials is matched with revenue in the period in which they contribute to the revenue generation.

NOK '000	2024	2023
Direct material 1)	204 742	494 370
Handling and freight expenses	167	1463
Total direct materials expense	204 909	495 833

1) The figures for 2023 are adjusted. Please refer to Note 20 for details of this adjustment and justification.

#### NOTE 4 PERSONNEL EXPENSES

Option cost related to hired personnel is expensed as other operating expenses.

	2024	2023
Salaries 1)	62 561	53 627
Sosial security tax	8 967	8 107
Option expenses (note 18)	3 520	3 943
Pension expenses defined contribution plans	2 895	2 711
Other personnel expenses	3082	2315
Fotal salaries and personnel expense	81 025	70 703
	2024	2023
Average number of full time employees	39	40

1) The figures for 2023 are adjusted. Please refer to Note 20 for details of this adjustment and justification.

#### Executive management remuneration

NOK '000	Salary	Bonus	Benefits in kind	Pension expense	Total remunerat 2024	Total remunerat 2023
Lada Draguik (CEO)	2 520		145	102	2 786	1572
Martin Thanem Holtet (CFO)	2 325			102	2 795	2411
Erik Chr Bolstad (CCO)	2 107	297	45	107	2 556	2025
Cathrin Bretzeg (CPCO)	2 065	149	35	108	2 357	1097
Tormod Kløve (CLO)	2 175	250	22	103	2 550	1643
Odd-Arne Lorentsen (CTO) 1)	1 717	-	31	90	1 838	-
Jon Backer (COO) 2)	1 473	-	26	81	1 580	-

1. Lorentsen started 01.03.2024 2. Backer started 01.04.2024.

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#### Board of Directors remuneration

NOK '000	Board fees 2024	Other committee fees 2024	Board and committee fees 2023 1)	Taxable income execution of options	Total remunerat 2024.	Total remunerat. 2023
Dag Opedal (Chair)	564	75	-	-	639	-
Terje Mikalsen (ex Chair)	272	-	14	-	286	393
Ellen Hanetho (ex Chair)	-	-	69	1 166	1 236	791
Asta Stenshagen (member)	453	99	83	-	635	263
Jarle Tautra (member)	453	92	44	-	590	830
Marianne Aamodt (member)	453	106	174	-	733	-
Geir Bredo Larsen (member)	308	62	-	-	370	-
Bjørn Hansen (member)	308	-	_	-	308	_

1. Includes remuneration regarding the year 2023 not included in provision as of 01.01.2024

No loans/securities have been granted to the CEO, Chair, or other related parties.

#### Options to leading employees and Board of Directors

NOK '000	Quantity 01/01/2024	Granted in period	Terminated in period	Exercised in period	Quantity 31/12/2024	Cost for the period
Jarle Dragvik	400 000	-	-	-	400 000	1 705
Erik Christian Bolstad	100 000	-	-	-	100 000	18
Martin Thanem Holtet	150 000	-	-	-	150 000	8
Cathrin Brezeg	50 000	-	-	-	50 000	223
Tormod Kløve	50 000	-	-	-	50 000	212
TM Holding (Terje Mikalsen)	163 005	-	-	-	163 005	192
Ellen Hanetho 1)	2 042 022	-	-	-216 000	1 826 022	-

1.1 490 000 of Ellen Hanetho's options are held by Opulentia Invest AS which is owned 100% by Ellen Hanetho.

Granted options are generally vested or earned during a period of three years according to a predetermined schedule. Options vested or earned can be exercised at any time and must be exercised latest four years after award. The vesting requires continued employment or association with the company.

For more details regarding stock option plan see note 18.

#### NOTE 5 PENSIONS

#### **Defined contribution plan**

The company have defined contribution plans in accordance with local laws. The contribution plan covers all employees and amounts between 0 G and 12 G of the salary. The percent of the salary is 7%.

The employees may influence the investment management through an agreement with Gjensidige AS. The contribution is expensed when it is accrued. As of 31.12.2024 there were 38 members covered by the scheme.

The contributions recognised as expenses equalled TNOK 2 895 in 2024 and TNOK 2 711 in 2023. The contributions to CEO were TNOK 110 in 2024 and TNOK 144 in 2023.

#### NOTE 6 OTHER OPERATING EXPENSES

Other operating expenses

NOK '000	2024	2023
Rental and leasing expenses	7 660	6 816
Repair and maintenance expenses	5 354	901
Consultancy fees and external personnel 1)	45 380	53 193
Travel expenses	5 150	4 818
Provision bad debts	236	-
Waranties	5 509	16 962
Reversal of provisions	-5 603	-
Grants	-745	-864
Other operating costs	14 190	7 132
Total operating expenses	77 131	88 958

1) The figures for 2023 are adjusted. Please refer to Note 20 for details of this adjustment and justification.

#### Specification auditors fee

NOK '000	2024	2023
Statutory audit 2)	3 335	2 056
Other assurance services	50	384
Other non-assurance services	63	174
Total	3 448	2 614

2) Statuary audit includes technical assistance with financial reporting.

#### NOTE 7 FINANCIAL INCOME AND EXPENSES

#### Financial income

NOK '000	2024	2023
Other financial income	55	36
Interest income	5 884	4 231
Net foreign exchange gains	24 948	-
Total financial income	30 887	4 267

#### Financial expenses

NOK '000	2024	2023
Interest on debts and borrowings	49	48
Net foreign exchange losses	-	7 335
Other financial expenses	2 331	-
Total financial expenses	2 380	7 383

#### NOTE 8 INCOME TAX

#### Income tax expense for the year

NOK '000	2024	2023
Income tax payable	-	-
Changes in deferred tax	-	-
Total income tax expense	-	

#### Basis for income tax expense

NOK '000	2024	2023
Profit / loss (-) before taxes	-146 924	-49 745
Permanent differences	3 582	-312
Changes in temporary differences	165 113	-69 424
Use of tax loss carried forward	-21 771	-
Basis for tax payable	_	-119 481

Explanation as of why the current year's tax expense is not 22% of the profit before tax:

NOK '000	2024	2023
Tax on profit before taxes (22%)	-32 323	-10 944
Tax on permanent differences (22%)	788	-69
Change in not recognised deferred tax assets	31 535	11 013
Tax expense	-	-
Effective tax rate	0 00%	0 00%

#### Overview temporary differences

NOK '000	2024	2023	Change
Property Plant and Equipment	-353	431	-784
Provisions	-84 248	-23 710	-60 538
Non current receivables or liabilities in other currencies	4 622	3 388	1 234
Production contracts	-10 939	94 087	-105 026
Tax loss carried forward 1)	-297 011	-318 782	21 771
Total	-387 929	-244 856	-143 342

NOK '000	2024	2023	Change
Deferred tax assets (22%)	85 344	53 809	31 535
Deferred tax not recognised in the Statement of financial position	85 344	53 809	31 535
Deferred tax in the Statement of financial position	-	-	-

The majority of the deferred tax asset is related to loss carry forward. As of 31 December 2024, it is considered not likely that the tax loss carry forward will be utilised in the near future, therefore the deferred tax assets are not capitalised. The tax losses carried forward have no expiry date.

## NOTE 9 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

NOK '000	Intangible assets - Patents and licenses	Plant and machinery	Moveables	Machinery and plant in progress	Total
Accumulated cost 01 01 2024	11 742	7 382	374	-	19 498
Additions	-	-	421	8 421	8 842
From machinery and plant in progress	-	-	-	-	-
Accumulated cost 31 12 2024	11 742	7 382	795	8 421	28 340
Accumulated amortization/depreciation 01 01 2024	4 697	3 630	226	-	8 553
Amortization/depreciation for the year	2 348	1 476	134	-	3 958
Carrying value 31 12 2024	4 697	2 276	435	8 421	15 829
Economic life	5 years	5-10 years	5 years		
Amortization/depreciation method	linear	linear	linear		
Accumulated cost 01 01 2023	11 742	7 318	374	-	19 434
Additions	-	64	-	-	64
From machinery and plant in progress	-	-	-	-	-
Accumulated cost 31 12 2023	11 742	7 382	374	-	19 498
Accumulated amortization/depreciation 01 01 2023	2 349	2 154	173	_	4 676
Amortization/depreciation for the year	2 348	1 476	53	-	3 877
Carrying value 31 12 2023	7 045	3 752	148		10 945
Economic life	5 years	5-10 years	5 years		
Amortization/depreciation method	linear	linear	linear		

The Technology centre at Herøya comprises two containers located close to HQ of HydrogenPro in Porsgrunn. The containers where acquired in 2020 and 2022 and have been subject for 5 years straight line depreciation from the date of acquisition.

The Group has assessed the carrying value of the capitalized intangible asset and determined that no impairment is required as of 31st December 2024.

#### NOTE 10 SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATES

The table below shows ownership in subsidiaries. Ownership interest corresponds to voting interest if not otherwise stated.

Company	Ownership	Registered office	Functional currency	Total equity in 2024 (Functional currency '000)	Net Income/ (loss) 2024 (Functional currency '000)	Carrying value NOK '000 2024	Carrying value NOK '000 2023
Hydrogenpro ApS	100%	Denmark	DKK	748	-11 833	88 226	65 919
HydrogenPro France 1)	100%	France	EUR	-13	-4	50	50
HydrogenPro Inc	100%	USA	USD	-825	-765	177	177
HydrogenPro Tianjin Co Ltd	75%	China	CNY	7 050	-10 564	50 898	50 898
HydrogenPro Shanghai CO Ltd	100%	China	CNY	9 894	-3 484	20 998	20 503
Kvina Energy AS	50%	Norway	NOK	-2 512	-968	51	51
HydrogenPro GmbH	100%	Germany	EUR	-	-	321	-
Total						160 721	137 597

1) Amounts from 2023

#### Loans to group companies

NOK '000	2024	2023
Hydrogenpro ApS	36 923	21 734
Kvina Energy AS	3 806	2 954
HydrogenPro Inc	11 973	1034
HydrogenPro Tianjin Co Ltd	684	-
Total	53 386	25 722

#### Other transactions with group companies

NOK '000		Purhase		Sales		Interest	Pi	re-payments
	2024	2023	2024	2023	2024	2023	2024	2023
HydrogenPro Tianjin Co Ltd	13 084	342 414	-	14 590	-	-	-	-
HydrogenPro Shanghai CO Ltd	126 165	104 140	-	30 901	-	-	4 100	-
HydrogenPro ApS	1 608	-	-	-	678	559	-	-
Kvina Energy AS	-	-	-	-	252	182	-	-
HydrogenPro Inc	1 771	-	-	-	575	17	-	-
Total	142 628	446 554	-	45 491	1 505	758	4 100	-

### **NOTE 11 FINANCIAL INVESTMENT**

Balance as of 31 12		
NOK '000	2024	2023
Convertible receivable DG Fuels	34 060	30 517

In October 2021, the Company entered into a convertible promissory note purchase agreement with DG Fuels, LLC ("DG Fuels") and purchased a convertible promissory note with a principal balance of \$ 3.0 million/ NOK 34.1 million (the «DG Fuels Note»).

The maturity date of each DG Fuels Note is, the earlier of (i) thirty (30) days after a demand for payment is made by the holder of such Note at any time on or after January 1, 2025, (ii) January 1, 2027, (iii) five (5) days following a Financial Close or (iv) upon an event of Default determined at the discretion of a holder of a Note."

The DG Fuels Note has an annual interest rate of 10% and under certain conditions, can be converted into a vari- able number of equity instruments at a future date.

The DG Fuels Note is recognized in the balance sheet at cost. See further information in note 19 about restated previous numbers.

## **NOTE 12 OTHER RECEIVABLES**

#### Other non-current assets

4 822
69
4 891

NOK '000	2024	2023
Pre-paid expenses associated companies	4 100	-
Other pre-paid expenses	2 571	2791
Net VAT receivables	2 354	2 458
Total other current receivables as of 31 12	9 025	5 249

#### **NOTE 13 INVENTORY**

NOK '000	2024	2023
Raw material	1 082	7 34
Balance as of 31.12	1 082	7 349

Inventories comprises purchased raw material. Raw materials include parts that become an integrated part of final finished goods. Obsolescence is considered for inventories and as of 31.12.2024 there are no write-downs performed on obsolete goods. Inventories are measured under the weighted-average cost formula.

#### **NOTE 14 TRADE RECEIVABLES**

#### Accounts receivables

NOK '000	2024	2023
Receivables related to revenue from contracts with customers - external	115 283	180 270
Receivables related to sale of free issued material - internal	36 690	46 919
Total accounts receivables (Gross)	151 973	227 189
Allowance for expected credit losses	-	1 145
Total trade receivables (Net) as of 31.12	151 973	226 044

Trade payables are non-interest bearing and are normally settled on 30-days terms.

#### NOTE 15 CONTRACTS ASSETS AND CONTRACTS LIABILITIES

#### **Contract Balances**

HydrogenPro's equipment contracts with customers typically include milestone-based payments with variable structures. Payments are invoiced when specific criteria are met, such as contract acceptance, major supplier purchases, delivery/ shipment, and installation/commissioning.

The payment structure of the contracts typically results in advance payments and progress billings exceeding the satisfaction of performance obligations in progress, resulting in a net contract liability. On the other hand, if the company delivers by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### **Contract Assets**

A contract asset represents the Company's right to consideration for goods or services transferred to a customer before payment is received or due. When goods/services are delivered before invoicing, the earned but conditional consideration is recognized as a contract asset.

At each balance sheet date, the cumulative costs incurred and recognized profit/losses on contracts are compared to advances and progress billings:

- If cumulative costs plus recognized profits exceed advances and billings, the balance is recorded as "contract assets" (due from customers on construction contracts).
- When the contract asset becomes an unconditional right to payment, it is reclassified as trade receivables, typically upon invoicing.

#### NOK '000

#### Contract assets

Balances a	s of 01.01	

Transfers from contract assets recognised at the beginning of the period to receivables Impairment of contract assets

Increases due to measure of progress in the period

Balances as of 31.12

#### **Contract Liabilities**

A contract liability is the Company's obligation to transfer goods or services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the company delivers under the contract. Where advances and progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "contract liabilities".

NOK '000	2024	2023
Contract liabilities		
Balances as of 01.01	49 641	65 691
Revenue from amounts included in contract liabilities at the beginning of the period	-49 641	-65 691
Billing and advances received not recognised as revenue in the period	916	49 641
Balances as of 31.12	916	49 641

#### **NOTE 16 CASH AND BANK DEPOSITS**

NOK '000

Cash and bank deposits

Total cash and cash deposits

For the purpose of the statement of cash flows, cash and bank deposits comprise the following at 31 December:

The company has no credit facilities.

Restricted bank deposit

2023	2024	
19828	65 836	
-19828	-51 442	
-	-1 380	
65 836	2 258	
65 836	15 272	

 2024	2023
156 767	146 914
156 767	146 914

## NOTE 17 SHARE CAPITAL AND SHAREHOLDERS

The 20 main shareholders at 31.12.24 are:

Shareholder	Number of shares	Ownership interest
Clearstream Banking S A	12 588 249	17 95%
Richard Esneseth	11 257 458	16.05%
UniCredit Bank Austria AG	9 644 036	13.75%
TM Holding AS	9 635 182	13.74%
Mitsubishi heavy Industries Ltd	5 381 165	7.67%
Vivian Espeseth	3 090 238	4.41%
Avanza Bank AB	1 999 601	2.85%
Enern Invest AS	1 408 433	2.01%
Nordnet Bank AB	1 377 507	1.96%
Tor Danielsen	1 303 872	1.86%
Nordea Bank Abp	748 358	1.07%
BNP Paribas	702 314	1.00%
Arild Hansen	525 000	0.75%
Morgan Stanley & Co. Int. Plc.	518 454	0.74%
Caceis Bank	472 937	0.67%
KBC Bank NV	472 097	0.67%
Saxo Bank A/S	465 948	0.66%
Skandinaviska Enskilda Banken AB	453 822	0.65%
Jan Fredrik Garvik	415 000	0.59%
LJM As	385 000	0.55%
	62 844 671	89.62%
Total other shareholders	7 277 009	10.38%
Total number of shares	70 121 680	100.00%

Management and board of directors

Jarle Dragvik (CEO) 1)	
Martin Thanem Holtet (CFO)	
Erik Chr Bolstad (CCO)	
Tormod Kløve (CLO)	
Cathrin Bretzeg (CPCO)	
Odd-Arne Lorentsen (CTO)	
Jon Backer (COO)	
Dag Opedal (Chair)	
Terie Mikalsen (Ex Chair) 2)	
- ]	
Vivian Y Chen Espeseth (resigned, member)	
Vivian Y Chen Espeseth (resigned, member) Asta Stenhagen (member)	
Vivian Y Chen Espeseth (resigned, member) Asta Stenhagen (member) Jarle Tautra (member) 3)	
Vivian Y Chen Espeseth (resigned, member) Asta Stenhagen (member) Jarle Tautra (member) 3) Marianne Aamodt (member)	
Vivian Y Chen Espeseth (resigned, member) Asta Stenhagen (member) Jarle Tautra (member) 3) Marianne Aamodt (member) Geir Bredo Larsen (member)	
Vivian Y Chen Espeseth (resigned, member) Asta Stenhagen (member) Jarle Tautra (member) 3) Marianne Aamodt (member) Geir Bredo Larsen (member) Bjørn Hansen (member)	

Held by the controlled company Jardis Invest AS.
 Held by the controlled company TM Holding AS.
 Held by the controlled company Jasmig AS.

Ordinary shares in 2024 (2023) at NOK 0.02 (0.02) per share: 70 121 680 (63 300 046)

#### **Ownership interest**

## Number of shares

0.06%	41 033
0.00%	1 500
	-
	-
	-
	-
	_
-	-
13.74%	9 635 182
4.41%	3 090 238
-	-
0.00%	1 000
	-
	-
	-

#### **NOTE 18 SHAREHOLDER OPTION PLAN**

#### **Option programme**

The company has a share option programme covering certain employees in senior positions.

At 2019, employees, board members and guarantors were included in the option programme. Granted options are generally vested or earned during a period of three years according to a predetermined schedule. Options vested or earned can be exercised at usually one year after it is granted and must be exercised latest four years after. The vesting requires continued employment or association with the company.

The purpose of the establishment of the options program is to attract and retain key personnel. The fair value and annual expense/costs of the options are calculated based on the BlackScholes model and expensed over the vest- ing period. The annual costs calculated for the option program for 2024 are based on the Black & Scholes formula with input factors as a risk-free interest rate, volatility factor and share price at grant date. The fair value of the individual options at grant date, are then distributed over the vesting schedule agreement.

Social security tax provisions are accrued on a quarterly basis and becomes payable at exercise of the options. The social security tax provisions are estimated based on the gain on the share-based instruments multiplied with the relevant social security tax rate.

The total expense recognised for the share-based programs, excluding social security, during 2024 was NOK 3.7 (4.4 in 2023) million. The total social security accruals at the end of the year are NOK 0.0 (0.6 in 2023) million. The total accumulated cost expensed related to share-based payments are NOK 42.6 (38.6 in 2023) million as of 31 December 2024.

#### Total costs and Social Security Provisions

NOK '000	2024	2023
Total cost	3 710	4 395
Total Social security provision	-	-7 550

#### Quantity and weighted average prices

	01 01 2024 -	31 12 2024	01 01 2023 - 31 12 2023		
Activity	Number of instruments	Weighted aver. strike price	Number of instruments	Weighted aver. strike price	
Outstanding OB	5 085 637	13.64	5 402 811	14.41	
Granted	-	-	486 000	21.38	
Exercised	-216 000	7.00	271 875	7.00	
Released	-	-	-	-	
Adjusted	-	-	-	-	
Performance Adjusted	-	-	-	-	
Cancelled	-	-	-13 456	26.15	
Terminated	-	-	-517 843	32.12	
Expired	-	-	-	-	
Outstanding CB	4 869 637	13.93	5 085 637	13.64	
Vested CB	4 456 723	13.27	4 506 570	12.69	

#### Granted instruments

#### Instrument

Quantity 31.12 (instrum	ents)
Quantity 31.12 (shares)	
Contractual life *	
Strike price *	
Share price *	
Expected lifetime *	
Volatility *	
Interest rate *	
Dividend *	
FV per instrument *	

\* Weighted average parameters at grant of instrument

#### **Outstanding Instruments Overview**

	Outstanding Instruments		Vested Instruments		
2024 Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31 12 2024	WeightedAverage Strike Price
7.00	2 745 383	0.66	7.00	2 745 383	7.00
16.80	206 250	0.84	16.80	206 250	16.80
17.00	36 000	2.17	17.00	21 000	17.00
17.16	50 000	1.17	17.16	46 877	17.16
17.24	251 745	0.80	17.24	251 745	17.24
17.66	159 584	0.75	17.66	159 584	17.66
18.20	50 000	1.87	18.20	38 542	18.20
18.78	150 000	0.17	18.78	150 000	18.78
20.65	100 000	0.67	20.65	100 000	20.65
20.95	400 000	4.61	20.95	41 666	20.95
26.15	526 925	0.39	26.15	526 925	26.15
28.00	50 000	2.50	28.00	25 001	28.00
32.45	68 750	0.34	32.45	68 750	32.45
66.00	75 000	0.09	66.00	75 000	66.00
	4 869 637			4 456 723	

_	2024 Option	2023 Option
	-	486 000
	-	486 000
	-	5.65
	-	21.38
	-	22.24
	-	3.72
	-	61.01%
	-	4.01%
	-	-
	-	9.68
## Notes to the Parent Company **Financial Statements**

	Outstanding Instruments		Vested Instruments			
2024 Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31 12 2024	WeightedAverage Strike Price	
7 00	2 961 383	1.16	7.00	2 961 383	7.00	
16 80	206 250	1.84	16.80	206 250	16.80	
17 00	36 000	3.17	17.00	9 000	17.00	
17 16	50 000	2.17	17.16	34 377	17.16	
17 24	251 745	1.80	17.24	251 745	17.24	
17 66	159 584	1.75	17.66	129 376	17.66	
18 20	50 000	2.87	18.20	26 042	18.20	
18 78	150 000	1.17	18.78	131 250	18.78	
20 65	100 000	1.67	20.65	81 252	20.65	
20 95	400 000	5.60	20.95	-	-	
26 15	526 925	1.38	26.15	526 925	26.15	
28 00	50 000	3.50	28.00	8 334	28.00	
32 45	68 750	1.34	32.45	68 750	32.45	
66 00	75 000	1.09	66.00	71 886	66.00	
	5 085 637			4 506 570		

### NOTE 20 CHANGE IN PRESENTATION OF STATEMENT OF PROFIT AND LOSS

HydrogenPro modified the presentation of the Statement of Profit and Loss in 2024. In prior years, the statement presented Cost of Goods Sold, which included personnel and other operating expenses in addition to the cost of direct materials. From the financial year 2024, statement has been modified to present direct material expenses only. Personnel and other operating expenses directly related to project deliveries are no longer reported together with direct materials as cost of goods sold but are instead reported separately together with personnel and other operating expenses not directly related to project delivery. This change provides a clearer view of the direct material margin.

Prior period figures have been reclassified to ensure consistency and comparability. The following illustrates the adjustments which have been made to 2023 figures:

NOK '000		2023	Adjustment	2023 Adjusted
Description in 2023 Integrated Report	New description			
Cost of Goods Sold	Direct Material	527 416	-31 583	495 833
Personnel expenses	Personnel expenses	62 937	7 766	70 703
Other operating expenses	Other operating expenses	65 142	23 816	88 958
		655 495	-	655 495

### **NOTE 19 TRADE CREDITORS AND OTHER CURRENT LIABILITIES**

NOK '000	2024	2023
Provisions for warranties long term	9 538	6 785
Total non-current liabilities	9 538	6 785

NOK '000	2024	2023
Trade creditors external	22 782	5 430
Trade creditors internal	6 692	51 712
Total trade creditors	29 474	57 142
Government taxes tax deductions etc	6 020	6 128
Provisions for warranties short term	14 308	10 177
Project related liabilities	81 728	21 972
Other liabilities	20 768	12 761
Total ohter current liabilites	116 804	44 910
Total	152 298	108 180

Trade creditors are non-interest bearing and are normally settled on 30-day terms. Interest payable is normally settled quarterly.

# Statement pursuant to section 5-5 of the Norwegian Securities Trading Act

We hereby confirm that the annual accounts for the Group and the Company for 2024 to the best of our knowledge have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company taken as a whole. The Directors' report gives a true and fair view of the development and performance of the business and the position of the Group and the Company, as well as a description of the principal risks and uncertainties facing the Group.

Porsgrunn/Oslo 27 March 2025 (All signatures electronically signed)

Dag J. Opedal	<b>Jarle Tautra</b>	Geir Bredo Larsen	Asta Stenhagen
Chair	Board member	Board member	Board member
Marianne Mithassel Aamodt	<b>Bjørn Hansen</b>	Jarle Dragvik	
Board member	Board Member	CEO	

### FINANCIAL STATEMENTS

# ALTERNATIVE PERFORMANCE MEASURES

HydrogenPro discloses alternative performance measures. This is based on the group's experience that APMs are frequently used by analysts, investors and other parties as supplemental information. The purpose of APMs is to provide an enhanced insight into the operations, financing and future prospects of the group. Management also uses these measures internally to drive performance in terms of monitoring operating performance and long-term target setting. APMs are adjusted IFRS measures that are defined, calculated and used in a consistent and transparent manner over the years and across the group where relevant. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS.

HydrogenPro's financial APMs:

Gross profit	is defined as revenue from contracts with customers less direct material cost. Gross profit margin represents gross profit as a percentage of revenue from contracts with customers.
EBITDA	is defined as earnings before interest, tax, depreciation, amortization and impairment, corresponding to operating profit/(loss) plus depreciation, amortization and impairment.
Order Intake	is defined as firm purchase orders with agreed price, volume, timing, term and conditions entered within a given period. The order intake includes both contracts and change order. For service contracts and contracts with uncertain transaction prices, the order intake is based on estimated revenue. The measure does not include potential change order.
Backlog	is defined as firm purchase orders with agreed price, volume, timing, terms and condition and where revenue is yet to be recognized. The backlog includes both contracts and change orders. For service contracts and contracts with uncertain transaction prices, the backlog is based on estimated revenue. The measure does not include potential change orders

### NOK '000

Revenue from contracts with customers
Direct materials
Gross profit/(loss)
Gross profit/(loss)
Revenue from contracts with customers
Gross profit margin
Gross profit/(loss)
Personnel expenses
Other operating expenses
EBITDA
EBITDA
Depreciation and amortization expenses
Operating profit/(loss) (EBIT)

Order backlog end of period	
Revaluation	
Revenue fro m projects contrac	ts with customers
Order intake	
Order backlog start of period	

	2024	2023
	196	568
	147	331
	49	237
	49	237
	196	568
	25%	42%
	49	237
	144	120
	109	154
	-204	-36
	-204	-36
	23	22
	-227	-58
	423	747
	38	242
	-192	-566
	36	-1
_	305	423
	505	723

# Auditor's Report





### Key Audit Matters

### Revenue from contracts with customers

Revenue from contracts with customers amounts to NOK 195,688 thousand in 2024 and is derived from sale of both hydrogen electrolyzer systems and engineering services, including installation, commissioning and long-term service agreements.

The contracts with customers may be complex as they often include multiple performance obligations. some of which are executed over a long period of time

We focused on revenue from contracts with customers as significant judgement is applied in

- assessments of variable consideration and
- determining the timing of revenue recognition based on estimated percentage of completion. applying the cost-to-input method.

More information on the Group's accounting of revenue from contracts with customers is provided in note 2.2.

Valuation of intangible assets

recognised..

On December 31, 2024, intangible assets

amounted to NOK 56,295 thousand and consisted

of technology, development cost and goodwill.

Goodwill is subject to impairment testing at least

annually. Technology and development cost is

impairment indicators. Management identified

impairment indicators related to technology.

Consequently, management conducted an

subject to impairment testing in the presence of

impairment test of both goodwill and technology on

December 31 2024. As a result, no impairment was

For a sample of contracts, we tested and challenged management's estimated percentage of completion, specifically as it relates to estimates of total cost to complete. Our procedures included observation of management's discussions and communication with project managers about the significant assumptions underlying the estimates. Further, we tested the cost incurred and allocation of cost to each project. We also tested, on a sample basis, the accuracy of the recognised revenues based on the estimated percentage of completion

our audit procedures

### How our audit addressed the Key Audit Matter

We obtained an understanding of the Group's accounting policies for accounting of revenues from contracts with customers and evaluated whether the policies were in accordance with the relevant requirements in IFRS 15. For selected contracts, we also tested the application of the accounting policies. We found that the accounting policies were in accordance with relevant requirements in IFRS 15 and that they were applied consistently across customer contracts.

We obtained an understanding of and tested both the design and operating effectiveness of management's business performance review relevant to recognition of revenue.

We noted no material misstatement as a result of

We further assessed and found that the information outlined in note 2.2 met the requirements of IFRS

We obtained and reviewed management's assessment of impairment indicators for technology and development cost, and the impairment assessment of technology and goodwill. We considered whether management's impairment assessment and the model applied, contained the elements and utilized the methodology required by the IFRS accounting standards.

We evaluated management's identification of cash generating units and found it to be reasonable. We challenged management's assumptions and applied and compared key assumptions to relevant internal and external sources. Specifically, we benchmarked the applied discount rate against

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We focused on valuation of intangible assets due to the significance of the amount and the level of management judgement applied in conducting the impairment assessment, specifically as it relates to determining assumptions such as future cash flows and discount rate and determining the appropriate cash generating units.

Refer to note 3.1 to the consolidated financial statements for more information on management's valuation of intangible assets.

external data, and compared the estimated future cash flows to Board approved forecasts and business plans.

We also tested the mathematical accuracy of the impairment assessment.

We noted no material misstatement as a result of our audit procedures.

Finally, we considered the disclosures in note 3.1 to the consolidated financial statement and found the appropriate.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements



identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control. · evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view. obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. identify during our audit significance in the audit of the financial statements of the current period and are therefore the key audit 4/5

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstate can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied. From the matters communicated with the Board of Directors, we determine those matters that were of most



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# 05 Appendix

HYDROGENPRO INTEGRATED REPORT 2024



HydrogenPro ASA has reported for the period from 1 January 2024 to 31 December 2024 in accordance with the Global Reporting Initiative (GRI) Standards. In addition, we have added a voluntary but not comprehensive reporting according to the Task Force on Climate-related Financial Disclosures (TCFD) and the EU Taxonomy for sustainable activities. All subsidiaries and units in HydrogenPro ASA that were operating in 2024 are covered by the report, this means the operations in Norway, Denmark, Germany, China, and the USA. For more information about the company structure, see page 8. Questions about the report and the reported information can be addressed to Martin Thanem Holtet (martin.holtet@hydrogenpro.com), CFO in HydrogenPro. The ESG report and related data is not subject to external assurance.

In 2024, we are pleased to report significant reductions in various environmental impact factors, including energy consumption, waste generation, material consumption, and water usage. These improvements are primarily due to the strategic decision to discontinue operations at the Datang facility, which was previously under our operational control for nickel plating. Additionally, the reduction of our environmental impact this year reflects a combination of reduced market demand leading to reduced production as well as the successful completion of several major projects in 2023. While this has resulted in a decrease in production, it has also provided an opportunity to streamline our operations and enhance our sustainability efforts.

We remain committed to transparency and continuous improvement in our environmental performance. The data presented in this report reflects our ongoing dedication to reducing our environmental impact and promoting sustainable practices across our operations.

### Key sustainability data

### Environment

### Energy

Energy consumption by source [kWh]	2021	2022	2023	2024
Fuels consumption				
Motor gasoline	-	10 634	0	0
Diesel for forklifts	-		99 200 <sup>1</sup>	28 847 <sup>1</sup>
Indirect energy <sup>2</sup>				
Electricity	34 829	1 548 546	1 547 185.37	829 575.29
Heat	67 185	161 087	1 053 298.36	141 130.23

<sup>1</sup> The original value of 10 000 liters is converted to kWh using the UK Government GHG Conversion Factors for Company Reporting, DEFRA

The decrease in energy consumption in 2024 is primarily due to the exclusion of the Datang facility from our operations. In 2023, Datang accounted for 76% of our total heat consumption and 27% of our electricity consumption. Its removal has significantly reduced our overall energy use. This also applies to the diesel consumption for forklifts, which has decreased due to one of the forklifts previously used in Datang being out of operation.

### Materials

Aaterials procured by type [tonnes]	2021	2022	2023	2024
Raw materials				
iteel	-	79.42	2.291.01	931.563
lickel	-	-	25.25	2.33
Jickel foam	-	-	94.6	25.74
Associated processing materials				
3[Fe(CN)6]				0.00002
Cutting fluid	-	0.50	21	1.5 <sup>1</sup>
rgon	-	-	23.189.504 <sup>2</sup>	7.98
hemicals	-	75.8	25.88	
łydraulic fluids				2.2
iemi-manufactured goods or parts	-	-	1.203.5103	536.144
Naterials for packaging purposes				
Vrapping plastic	-	-	20.11	0.20
Vooden trays	-	-	53.8	100.775
ron nail				0.6
Trystal plate				0.5

Materials procured by type [tonnes]	2021	2022	2023	2024
Raw materials				
Steel	-	79.42	2.291.01	931.563
Nickel	-	-	25.25	2.33
Nickel foam		-	94.6	25.74
Associated processing materials				
K3[Fe(CN)6]				0.00002
Cutting fluid	-	0.50	21	1.5 <sup>1</sup>
Argon	-	-	23.189.504 <sup>2</sup>	7.98
Chemicals	-	75.8	25.88	
Hydraulic fluids				2.2
Semi-manufactured goods or parts	-		1.203.5103	536.144
Materials for packaging purposes				
Wrapping plastic	-	-	20.11	0.20
Wooden trays	-	-	53.8	100.775
Iron nail				0.6
Crystal plate				0.5

<sup>1</sup> Under the assumption that cutting fluids have the same density as water, the original value of 1 600 liters is converted to tonnes by following the convertion factor 1L=1kg

<sup>2</sup> The original value of 16 640 000 liters is converted to tonnes by following the conversion factor 1L liquid argon = 1.3936 kg (Source: Argon - Keen Compressed Gas Co. (keengas.com))

In 2024, material consumption decreased due to changes in production and operational processes. The shift from complete machine delivery to component delivery led to a reduction in plastic packaging, as wooden boxes became the primary packaging material. Additionally, the exclusion of the Datang facility contributed to lower chemical and nickel consumption. The overall decrease in production volumes also resulted in a significant reduction in the use of cutting fluids and hydraulic fluids.

Most materials used are non-renewable, with wooden trays being the only exception. Recycled input material accounts to 0% of the materials used.

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### Water

Water withdrawal [m3]	2021	2022	2023	2024
Total water withdrawal	148	641	35 351.76	2 271.03
From municipal water supplies – surface water	23	519	35 224.66	841.33
From municipal water supplies – ground water	125	122	127.1	
From municipal water supplies – produced water				1 429.7

Water discharge equals water withdrawal, except neglectable amounts (<1 m<sup>3</sup>) of evaporated water that comes out of our test electrolyzers in form of hydrogen and oxygen. The substantial decrease in water withdrawal from 2023 to 2024 can primarily be attributed to a shift in testing scale, with industrial-scale testing conducted in 2023 transitioning to pilot-scale testing in 2024.

### Waste

Waste generated [tonnes]	2021	2022	2023	2024
Non-hazardous waste				
Paper/cardboard	0.5	1.5	1.67	1.45
Plastic	0.05	0.35	3.37	1.085
Residual waste	-	1.68	4.97	1.19
Biological/food waste	-	0.32	0.95	0.18
Glass	0.05	0.73	0.19	0.01
Steel	0.1	53.08	944.10	489.656
Packaging (styroform)	-	0.1	0.10	0.1
Wooden trays	-	-	24.01	4.765
Diaphragm waste				3.97
Hazardous waste				
Water-diluted lye	2	26	0.1	48.88
Mineral oils and cutting fluids	-	0.74	0.4	2
Oil drums	-	-	1.1	3.2
Nickel	-	-	0.1	0.2
Gas	-	-	0.1	0.1
Chemicals	-	-	0.1	0.1
General	-	-	0.1	-

The reduction in waste generation in 2024 is primarily driven by changes in production and operational processes. The transition from complete machine delivery to component delivery resulted in decreased plastic packaging waste, as wooden boxes became the primary packaging material.

Additionally, variations in specific waste streams, such as lut waste, are due to inventory usage from purchases made in previous years (2022 and 2023), rather than new material consumption in 2024. Overall, the lower waste volumes reflect a year with reduced operational activity.

100 % of all non-hazardous waste categories are diverted from disposal, as they are handled by waste companies which are contracted to either prepare them for reuse, recycle them or perform other recovery operations on them. The specific numbers are not known at this time, except for the fact that 100% of the steel waste reported is recycled by the waste company handling it.

All the hazardous waste fractions above are collected by specialized waste companies which are contracted to handle these according to local laws and regulations. However, it is not known at this time how much of the hazardous waste is disposed or diverted from disposal.

### GHG emissions

HydrogenPro's greenhouse gas emission inventory can be found in our GHG accounts on <u>page 86</u>. We did not have emission of ozone-depleting substances (ODS), nor Nitrogen oxides ( $NO_x$ ), sulfur oxides ( $SO_x$ ), or other significant air emissions in the reporting period.

### Social

Please note, numbers in this section are denoted as headcount at the end of the reporting period, 31.12.2024, unless other information is stated. The average number of FTE's during the reporting period was 158.5, with the highest in January (203) and the lowest in December (151).

### All employees by gender and region

Region	Female	F% of region	F% of total	Male	M% of region	M% of total	Total
Norway	14	36%	9%	25	64%	15%	39
Denmark	5	20%	3%	20	80%	12%	25
Germany	1	33%	1%	2	67%	1%	3
China	26	27%	16%	70	73%	43%	96
US	0	0%	0%	2	100%	1%	2
Total	46		28%	117		72%	163

### Permanent employees by gender and region

Region	Female	F% of region	F% of total	Male	M% of region	M% of total	Total
Norway	14	36%	9%	25	64%	15%	39
Denmark	1	4%	1%	13	52%	8%	14
Germany	1	33%	1%	2	67%	1%	3
China	25	26%	15%	70	73%	43%	95
US	0	0%	0%	2	100%	1%	2
Total	41		25%	110		67%	151

### Temporary employees by gender and region

Region	Female	F% of region	F% of total	Male	M% of region	M% of total	Total
Norway	0	0%	0%	0	0%	0%	0
Denmark	4	16%	2%	7	28%	4%	11
Germany	0	0%	0%	0	0%	0%	0
China	1	0%	0%	0	0%	0%	1
US	0	0%	0%	0	0%	0%	0
Total	5		2%	7		4%	12

### Non-guaranteed hours employees by gender and region

Region	Female	F% of region	F% of total	Male	M% of region	M% of total	Tota
Norway	0	0%	0%	0	0%	0%	C
Denmark	0	0%	0%	0	0%	0%	C
Germany	0	0%	0%	0	0%	0%	C
China	0	0%	0%	0	0%	0%	C
US	0	0%	0%	0	0%	0%	C
Total	0		0%	0		0%	(

### Full-time employees by gender and region

Region	Female	F% of region	F% of total	Male	M% of region	M% of total	Tota
Norway	14	36%	9%	24	62%	15%	38
Denmark	1	4%	1%	13	52%	8%	14
Germany	1	33%	1%	2	67%	1%	3
China	26	27%	16%	70	73%	43%	96
US	0	0%	0%	2	100%	1%	2
Total	42		26%	109		67%	151

### Part-time employees by gender and region

Region	Female	F% of region	F% of total	Male	M% of region	M%	Total
Norway	0	0%	0%	1	3%	1%	1
Denmark	4	16%	2%	7	28%	4%	11
Germany	0	0%	0%	0	0%	0%	0
China	0	0%	0%	0	0%	0%	0
US	0	0%	0%	0	0%	0%	1
Total	4		2%	8		5%	12

### Workers who are not employees

Region	Female	F%	Male	M%	Total
Norway	1	17%	3	50%	4
Denmark	0	0%	2	33%	2
Germany	0	0%	0	0%	0
China	0	0%	0	0%	0
US	0	0%	0	0%	0
Total	1	17%	5	0%	6

The six workers who are not employees and whose work is controlled by the organization in Norway and Denmark are performing administrative tasks. All workers had either semi-permanent or temporary time-limited contractual relationships with the company.

New employee hir	res						
Female		<30 years	30-50 years	>50 years	Total	% of region	% of total
	Norway	0	5	0	5	45%	15%
	Denmark	4	0	0	4	31%	12%
	Germany	0	0	0	0	0%	0%
	China	0	2	0	2	33%	6%
	US	0	0	0	0	0%	0%
	Total	4	7	0	11		33%
Male		<30 years	30-50 years	>50 years	Total	% of region	% of total
	Norway	0	2	4	6	55%	18%
	Denmark	6	2	1	9	69%	27%
	Germany	0	0	1	1	100%	3%
	China	0	4	0	4	67%	12%
	US	0	1	1	2	100%	6%
	Total	6	9	7	22		67%
Total		<30 years	30-50 years	>50 years	Total	% of region	% of tota
	Norway	0	7	4	11		33%
	Denmark	10	2	1	13		39%
	Germany	0	0	1	1		3%
	China	0	6	0	6		18%
	US	0	1	1	2		6%
	Total	10	16	7	33		100%

	<30 years	30-50 years	>50 years	Total	% of region	% of tota
Norway	1	1	2	4	40%	4%
Denmark	1	0	0	1	33%	1%
Germany	0	0	0	0	0%	0%
China	0	7	1	8	9%	7%
US	0	0	0	0	0%	0%
Total	2	8	3	13		12%
	<30 years	30-50 years	>50 years	Total	% of region	% of tota
Norway	1	2	3	6	60%	6%
Denmark	0	0	2	2	67%	2%
Germany	0	1	0	1	100%	1%
China	17	68	0	85	91%	79%
US	0	0	0	0	0%	0%
Total	17	46	4	94		88%
	<30 years	30-50 years	>50 years	Total	% of region	% of tota
Norway	2	3	5	10		9%
Denmark	1	0	2	3		0%
Germany	0	1	0	1		0%
China	17	75	1	93		87%
US	0	0	0	0		0%
Total	20	79	8	107		100%
	Norway Denmark Germany China US Total Norway Denmark Germany China US Total Norway Denmark Germany China US Total US	<30 yearsNorway1Denmark1Germany0China0US0Total2China0US0Total2Sorway1Denmark0Germany0China17US0Total17US0Total17US0Total17US0China17US0China17US0China17US0China17US0China17US0China17US0China17US0Total20	<30 years     30-50 years       Norway     1     1       Denmark     1     0       Germany     0     0       China     0     7       US     0     0       Total     2     8       Norway     1     2       Denmark     0     0       Germany     0     1       China     17     68       US     0     0       Germany     0     1       China     17     68       US     0     0       Total     17     46       Norway     2     3       Denmark     1     0       Germany     0     1       China     17     75       US     0     0       US	<30 years     30-50 years     >50 years       Norway     1     1     2       Denmark     1     0     0       Germany     0     0     0       China     0     7     1       US     0     0     0       Total     2     8     3       Norway     1     2     3       Denmark     0     0     0       Total     2     8     3       Norway     1     2     3       Denmark     0     0     2       Germany     0     1     0       US     0     0     0       US     0     0     0       US     0     0     0       Denmark     1     0     2       Germany     2     3     5       Denmark     1     0     2       Germany     0     1     0       China     17<	<30 years     30-50 years     >50 years     Total       Norway     1     1     2     4       Denmark     1     0     0     1       Germany     0     0     0     0       China     0     7     1     8       US     0     0     0     0       Total     2     8     3     13       VS     0     0     0     0       Total     2     8     3     13       Norway     1     2     3     6       Denmark     0     0     2     2       Germany     0     1     0     1       China     17     68     0     85       US     0     0     0     0       Total     17     46     4     94       Norway     2     3     5     10       Denmark     1     0     2     3       <	<30 years     30-50 years     >50 years     Total     % of region       Norway     1     1     2     4     40%       Denmark     1     0     0     1     33%       Germany     0     0     0     0     9%       China     0     7     1     8     9%       US     0     0     0     0%     0%       Total     2     8     3     13

	<30 years	30-50 years	>50 years	Total	% of region	% of tota
Norway	1	1	2	4	40%	4%
Denmark	1	0	0	1	33%	1%
Germany	0	0	0	0	0%	0%
China	0	7	1	8	9%	7%
US	0	0	0	0	0%	0%
Total	2	8	3	13		12%
	<30 years	30-50 years	>50 years	Total	% of region	% of tota
Norway	1	2	3	6	60%	6%
Denmark	0	0	2	2	67%	2%
Germany	0	1	0	1	100%	1%
China	17	68	0	85	91%	79%
US	0	0	0	0	0%	0%
Total	17	46	4	94		88%
	<30 years	30-50 years	>50 years	Total	% of region	% of tota
Norway	2	3	5	10		9%
Denmark	1	0	2	3		0%
Germany	0	1	0	1		0%
China	17	75	1	93		87%
US	0	0	0	0		0%
Total	20	79	8	107		100%

### Work-related injuries and ill health

	Work-relate	ed ill health	Work-related injuries						
	Fatalities as a result of work- related ill health	Recordable work- related ill health	Fatalities as a result of work- related injury	Total fatalities frecuency rate	High- consequence recordable work-related injuries	Total high- consequence injuries frequency rate	Recordable work-related injuries	Total recordable injuries (TRI) frequency rate*	Total hours worked
Employees	0	0	0	0	0	0		0.664	319 911.8
External Workers	0	0	0	0	0	0	0	n/a	n/a

\* Frequency rates are calculated using a work hour factor of 200 000 hours. For external workers only the number of cases is reported and not frequency rates, as data on hours worked by external workers is not available.

### Career and development review

Female		Permanent	Temporary	Contracted	Non-guaranteed
	Norway	100%	n/a	100%	n/a
	Denmark	100%	0%	100%	n/a
	Germany	100%	n/a	n/a	n/a
	China	45%	n/a	n/a	n/a
	US	n/a	n/a	n/a	n/a
	Total	86%	0%	0%	0%
Male		Permanent	Temporary	Contracted	Non-guaranteed
	Norway	100%	n/a	100%	n/a
	Denmark	100%	0%	100%	n/a
	Germany	100%	n/a	n/a	n/a
	China	55%	n/a	n/a	n/a
	US	n/a	n/a	n/a	n/a
	Total	89%	0%	0%	0%
Total		Permanent	Temporary	Contracted	Non-guaranteed
	Norway	100%	n/a	100%	n/a
	Denmark	100%	0%	100%	n/a
	Germany	100%	n/a	n/a	n/a
	China	47%	n/a	n/a	n/a
	US	n/a	n/a	n/a	n/a
	Total	87%	0%	0%	0%

### Diversity of governance bodies

Age group	Female	F%	Male	M%	Total
<30 years	0	0%	0	0%	0
30-50 years	1	14%	0	0%	1
>50 years	2	29%	4	57%	6
Total	3	43%	4	57%	7

### Diversity of employes by employee categories

Female		<30 years	30-50 years	>50 years	Total	% of EC	% of total
	Permanent	6	32	3	41	27%	25%
	Temporary	4	0	0	4	36%	2%
	Contracted	0	0	1	1	20%	1%
	Non-guaranteed	0	0	0	0	0%	0%
	Total	10	32	4	46	28%	28%
Male		<30 years	30-50 years	>50 years	Total	% of EC	% of total
	Permanent	13	81	15	109	73%	66%
	Temporary	7	0	0	7	64%	4%
	Contracted	0	1	3	4	80%	2%
	Non-guaranteed	0	0	0	0	0%	0%
	Total	20	82	18	120	72%	72%
Total		<30 years	30-50 years	>50 years	Total	% of EC	% of total
	Permanent	19	113	18	150	90%	90%
	Temporary	11	0	0	11	7%	7%
	Contracted	0	1	4	5	3%	3%
	Non-guaranteed	0	0	0	0	0%	0%
	Total	30	114	22	166	100%	100%

### Ratio of basic salary and remuneration of women to men

	Permanent	Temporary	Full-Time	Part-Time
NO ex CEO	0.75	n/a	0.77	n/a
NO ex CXO	0.80	n/a	0.80	n/a
NO CXO	0.94	n/a	0.94	n/a
Denmark**	0.80	1.00	0.80	1.00
China	0.87	n/a	0.87	n/a
NO ex CXO NO CXO Denmark** China	0.80 0.94 0.80 0.87	n/a n/a 1.00 n/a	0.80 0.94 0.80 0.87	

\*significant locations of operation defined as locations with more than 10 employees \*\*Only one woman

Ratio of the annual total compensation for the organization's highest-paid individual to the employees (excluding the highest-paid individual)

Ratio of the percentage increase in annual total compensation for the organization's high increase in annual total compensation for all employees (excluding the highest-paid indiv

\*Full-time employees in Norway included. Pay rate has been used for all employees. The total compensation includes yearly salary, car allowance, estimated pension contribution, benefit taxation insurances and electronic communication.

he median annual total compensation for all	3.84
hest-paid individual to the median percentage vidual)	1.06

### **GRI content index**

### Abbreviations: IR - Integrated Report 2024

Code	GRI disclosure title	Reference or additional information	Page
GRI 2: 0	General Disclosures 2021		
02-01	Organizational details	Sustainability factbook	<u>80</u>
02-02	Entities included in the organization's sustainability reporting	Sustainability factbook	<u>80</u>
02-03	Reporting period, frequency and contact point	Sustainability factbook	<u>80</u>
02-04	Restatements of information	Sustainability factbook	<u>80</u>
02-05	External assurance	Sustainability factbook	<u>80</u>
02-06	Activities, value chain and other business relationships	About HydrogenPro ASA	<u>8</u>
02-07	Employees	Sustainability factbook	<u>81-83</u>
02-08	Workers who are not employees	Sustainability factbook	<u>81-83</u>
02-09	Governance structure and composition	NUES Corporate Governance report, Board of Directors' report	<u>31,</u> <u>33-34</u>
02-10	Nomination and selection of the highest governance body	NUES Corporate Governance report	<u>31</u>
02-11	Chair of the highest governance body	The chair of the highest governance body is not a senior executive in the organization.	
02-12	Role of the highest governance body in overseeing the management of impacts	NUES Corporate Governance report, Board of Directors' report	<u>31,</u> <u>33</u> -34
02-13	Delegation of responsibility for managing impacts	NUES Corporate Governance report, Board of Directors' report	<u>31</u> , <u>33</u> -34
02-14	Role of the highest governance body in sustainability reporting	NUES Corporate Governance report, Board of Directors' report	<u>31, 34</u>
02-15	Conflicts of interest	NUES Corporate Governance report	<u>33</u>
02-16	Communication of critical concerns	NUES Corporate Governance report, Ethical Business Conduct	<u>34, 36</u>
02-17	Collective knowledge of the highest governance body	Board of Directors' report	<u>33</u>
02-18	Evaluation of the performance of the highest governance body	NUES Corporate Governance report	<u>33</u>
02-19	Remuneration policies	NUES Corporate Governance report	<u>34</u>
02-20	Process to determine remuneration	NUES Corporate Governance report	<u>34</u>
02-21	Annual total compensation ratio	Sustainability factbook	<u>83</u>
02-22	Statement on sustainable development strategy	Material ESG topics, Sustainability targets	<u>11, 13</u>
02-23	Policy commitments	Ethical Business Conduct	<u>36</u>
02-24	Embedding policy commitments	Ethical Business Conduct	<u>36</u>
02-25	Processes to remediate negative impacts	NUES Corporate Governance report	<u>33</u>
02-26	Mechanisms for seeking advice and raising concerns	NUES Corporate Governance report, Ethical Business Conduct, A safe and attractive place to work	<u>24, 34,</u> <u>36</u>

Code	GRI disclosure title	R
02-27	Compliance with laws and regulations	N
		n
02-28	Membership associations	S
02-29	Approach to stakeholder engagement	S
02-30	Collective bargaining agreements	A
GRI 3: N	Naterial Topics 2021	
03-01	3-1 Process to determine material topics	Ν
03-02	3-2 List of material topics	Ν
03-03	3-3 Management of material topics	Ν
GRI 201	: Economic Performance 2016	
201-2	Financial implications and other risks and opportunities due to climate change	B
GRI 205	: Anti-corruption 2016	
205-1	Operations assessed for risks related to corruption	N C
205-2	Communication and training about anti-corruption policies and procedures	N
205-3	Confirmed incidents of corruption and actions taken	N r
GRI 301	: Materials 2016	
301-1	Materials used by weight or volume	S
301-2	Recycled input materials used	S
GRI 302	2: Energy 2016	
302-1	Energy consumption within the organization	S
302-2	Energy consumption outside of the organization	D
302-3	Energy intensity	S
302-4	Reduction of energy consumption	C
302-5	Reductions in energy requirements of products and services	E
GRI 303	: Water and Effluents 2018	
303-1	Interactions with water as a shared resource	E
303-2	Management of water discharge-related impacts	E
303-3	Water withdrawal	S

Reference or additional information	Page
No significant instances of non-compliance during the eporting period. No monetary fines for instances of non-compliance paid.	-
takeholder dialogue	<u>9</u>
takeholder dialogue	<u>9</u>
safe and attractive place to work	<u>23</u>
Naterial ESG topics	<u>12</u>
Naterial ESG topics	<u>12</u>
Naterial ESG topics	<u>12</u>
Board of Directors' report	28-29

IUES Corporate Governance report, Ethical Business	<u>33-34,</u>
onduct	<u>36</u>
IUES Corporate Governance report, Ethical Business	<u>33-34,</u>
onduct	<u>36</u>

No confirmed incidents of corruption during the reporting year.

Sustainability factbook	<u>80</u>
Sustainability factbook	<u>80</u> - <u>81</u>
Sustainability factbook	<u>80</u>
Data not available for 2024	
Sustainable manufacturing and supply chain	<u>18</u>
Data not available for 2024	
Efficient technology and scalability	<u>14</u>
Efficient technology and scalability, Sustainable nanufacturing and supply chain	<u>16, 18</u>
fficient technology and scalability, Sustainable nanufacturing and supply chain	<u>16, 18</u>
Sustainability factbook	81

Code	GRI disclosure title	Reference or additional information	Page
303-4	Water discharge	Sustainability factbook	81
303-5	Water consumption	Sustainability factbook	81
GRI 305:	Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Sustainability factbook	86-87
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability factbook	86-87
305-3	Other indirect (Scope 3) GHG emissions	Sustainability factbook	86-87
305-4	GHG emissions intensity	Sustainable manufacturing and supply chain	<u>18</u>
305-5	Reduction of GHG emissions	Sustainability factbook, GHG Accounts	86-87
305-6	Emissions of ozone-depleting substances (ODS)	Sustainability factbook	<u>81</u>
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Sustainability factbook	<u>81</u>
GRI 306:	Waste 2020		
306-1	Waste generation and significant waste-related impacts	Sustainable manufacturing and supply chain	<u>18</u>
306-2	Management of significant waste-related impacts	Sustainable manufacturing and supply chain	<u>18</u>
306-3	Waste generated	Sustainability factbook	<u>81</u>
306-4	Waste diverted from disposal	Sustainability factbook	<u>81</u>
306-5	Waste directed to disposal	Sustainability factbook	<u>81</u>
GRI 308:	Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Sustainable manufacturing and supply chain	<u>18-19</u>
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable manufacturing and supply chain	<u>18</u>
GRI 401:	Employment 2016		
401-1	New employee hires and employee turnover	Sustainability factbook	<u>82</u>
GRI 402:	Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	A safe and attractive place to work	<u>23</u>
GRI 403:	Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	A safe and attractive place to work	23-24
403-2	Hazard identification, risk assessment, and incident investigation	A safe and attractive place to work	23-24
403-3	Occupational health services	A safe and attractive place to work	23-24

Code	GRI disclosure title
403-4	Worker participation, consultation, and communication on occupational health and safety
403-5	Worker training on occupational health and safety
403-6	Promotion of worker health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
403-8	Workers covered by an occupational health and safety management system
403-9	Work-related injuries
403-10	Work-related ill health
GRI 404	Training and Education 2016
404-1	Average hours of training per year per employee
404-2	Programs for upgrading employee skills and transition assistance programs
404-3	Percentage of employees receiving regular performance and career development reviews
GRI 405	Diversity and Equal Opportunity 2016
405-1	Diversity of governance bodies and employees
405-2	Ratio of basic salary and remuneration of women to men
GRI 406	Non-discrimination 2016
406-1	Incidents of discrimination and corrective actions taken
GRI 407	Freedom of Association and Collective Bargaining 2016
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
GRI 408	Child Labor 2016
408-1	Operations and suppliers at significant risk for incidents of child labor
GRI 409	Forced or Compulsory Labor 2016
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
GRI 414:	Supplier Social Assessment 2016
414-1	New suppliers that were screened using social criteria
414-2	Negative social impacts in the supply chain and actions taken

Reference or additional information	Page
A safe and attractive place to work	23-24
A safe and attractive place to work	23-24
A safe and attractive place to work	23-24
A safe and attractive place to work	23-24
A safe and attractive place to work	<u>24</u>
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Sustainable manufacturing and supply chain, A safe and attractive place to work	<u>17, 24</u>
Sustainable manufacturing and supply chain, A safe and attractive place to work	<u>17, 24</u>
Sustainable manufacturing and supply chain, A safe and attractive place to work	<u>17, 24</u>
Sustainable manufacturing and supply chain	18-19
Sustainable manufacturing and supply chain	18-19

## **GHG** accounts

### Introduction

This report provides a detailed inventory of the company's emission sources and associated greenhouse gas emissions for the period 1. Jan 2024 - 31. Dec 2024. The emissions are quantified according to the Greenhouse Gas (GHG) Protocol. The company's activities and transactions are calculated into tonnes of CO<sub>2</sub>- equivalents using emission factors from vetted sources.

A greenhouse gas inventory allows companies to identify emission hot-spots in their operations and in their value chain, and consequently to initiate measures to mitigate their contribution to climate change. This annual report allows the company to measure their emissions over time and thereby manage their progress.



	Emissions (tCO <sub>2</sub> e)			
Emission source	2021	2022	2023 (base year)	2024
Mobile combustion	0	2.3	27	7.7
Stationary combustion	0	14.0 <sup>1</sup>	173	55
Scope 1 total	0	16.3	200	63
Purchased electricity <sup>2</sup>	0	111.3	769	358
Purchased heat	0	30.0	524	5.6
Scope 2 total	0	141.3	1293	364
Purchased good and services	1 200.3	5 614.7	33 269	14 415
Fuel and energy related emissions	0	0.0	53	77
Upstream transport and distribution	1.4	279.3	316	76
Waste generated in operations	0.3	0.7	1 082	73
Business travel	0	10.3	271	312
Upstream leased assets	0	2.6	16	10
Scope 3 total	1 202.0	5 907.5	35 008	14 964
Scope 1, 2 and 3 Total	1 202.0	6 065.1	36 501	15 390

Mentioned in 2022 as "Purchased Gases"

<sup>2</sup> Electricity is calculated using location-based method. Read more about location-based and market-based method under Annual Inventory, Methodology and Sources in this report.

The exclusion of the Datang facility in 2024 has impacted emissions across all scopes. In particular, Scope 2 emissions have decreased due to lower purchased heat and electricity consumption, while Scope 3 emissions have been affected by changes in purchased materials and waste generation. Further details on this adjustment and its implications for various emissions can be found in the Sustainability Factbook on page 80.

	Emissions (tCO <sub>2</sub> e)			
Emission source	2021	2022	2023 (base year)	2024
Electricity market-based method <sup>3</sup>	0	383.9	866	526
Scope 2 market-based method total	0	388.9	866	532
Scope 1, 2 and 3 total market based method	1 202.0	6 312.6	36 074	15 558

<sup>3</sup>Electricity is calculated using market-based method. Read more about location-based and market-based method under Annual Inventory, Methodology and Sources in this report.

In last year's sustainability factbook, we established 2023 as our baseline year for GHG emissions, as it marked the first full year of operations for our production facility in Tianjin, China. This decision provides a reliable foundation for tracking our emissions performance over time and ensures that our data accurately reflects the scale of our operations.

In 2024, reported GHG emissions have decreased compared to 2023, primarily due to a combination of factors. The exclusion of the Datang facility from our scope has had a significant impact, leading to reductions across all emissions scopes, particularly in purchased heat and electricity (Scope 2) and purchased materials and waste (Scope 3). Additionally, lower operational activity and the completion of major projects in 2023 have contributed to an overall decline in emissions.

We continue to refine our GHG accounting practices, maintaining a dual approach that integrates both a spend-based top-down methodology and an activity-based bottom-up approach. Engaging all business units remains a key priority to ensure completeness, accuracy, and consistency in our reporting. Going forward, we remain committed to enhancing our data collection processes and implementing targeted initiatives to further reduce emissions in alignment with our sustainability strategy.

### Annual Inventory, Methodology and Sources

This Greenhouse Gas Inventory is prepared in accordance with the Greenhouse Gas Protocol (GHG Protocol) Corporate Accounting and Reporting Standard, and its related updates and guidelines. The GHG Protocol is a partnership between the World Resource Institute (WRI) and the World Business for Sustainable Development (WBCSD) that provides standards, guidance, tools and training for business and government to measure and manage climate-warming emissions.

The standard covers the accounting and reporting of the seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO<sub>2</sub>), methane (CH<sub>2</sub>), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), and sulphur hexafluoride (SF<sub>6</sub>). The emissions of each GHG (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, etc.) are calculated separately and then converted to CO<sub>2</sub> equivalents on the basis of their global warming potential.

The GHG Protocol differentiates between two approaches for consolidating the inventory: the equity share approach and the control approach. The control approach can then be defined as operational control or financial control. The inventory is based on the Operational Control approach.

APPENDIX

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In accordance with the GHG Protocol, a company should account for all entities over which it has full authority to introduce and implement its operating policies. In line with this approach, we made a restatement in 2023 to include emissions from the Datang nickel plating facility, which was under our operational control in 2022 and 2023 but had previously been accounted for as a supplier. However, as our operational relationship with the industrial park in Datang was terminated in December 2023, emissions from this facility are no longer included in our 2024 inventory.

In line with the GHG Protocol, the inventory divides greenhouse gas emissions, calculated into  $CO_2$  equivalents, into three scopes, where Scope 1 & 2 are deemed mandatory by the Protocol, while Scope 3 is encouraged but voluntary.

### Scope 1 & 2

Scope 1 includes direct GHG emissions from sources that are owned or controlled by the company. These sources are categorized in four groups: mobile combustion (e.g. company-owned vehicles), stationary combustion (e.g. furnace heating of facilities), process emissions (e.g. emissions from chemical production), and fugitive emissions (e.g. leakage of refrigerants).

Direct CO<sub>2</sub> emissions from the combustion of biomass, also called biogenic emissions, shall not be included in Scope 1 but should be reported separately.

Scope 2 includes indirect GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated. The Protocol mandates that Scope 2 emissions must be reported in two ways: with location- based method and market-based method.

Location-based method reflects the average emissions intensity of grids on which energy consumption occurs, which is usually a mix between renewable and non-renewable energy sources. It derives emission factors mostly from grid-averages for defined geographic locations, including local, subnational, or national boundaries.

Market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen). It derives emission factors from contractual instruments, such as Guarantees of Origin (GoOs), Renewable Energy Certificates (RECs) and Power Purchase Agreements (PPAs). If the company has purchased such contractual instruments, the market-based emissions will reflect this, whereas if such instruments are not purchased, the market-based emissions will reflect the residual emissions of the unclaimed electricity mix (often referred to as the "residual mix"), which tends to be much higher than the location-based emission factors.

The inventory includes all material emission sources in Scope 1 & 2 and data is complete for both scopes, across all entities. 87.0% of our emissions in Scope 1 & 2 is calculated based on bottom-up activity data, while 13.0% is calculated based on top-down transaction data.

We did not have any biogenic emissions during the reporting period.

### Scope 3

Scope 3 includes other indirect GHG emissions that occur upstream and downstream of the company's activities. These emissions occur as a consequence of the activities of the company, but stem from sources not owned or controlled by the company. Scope 3 emissions are divided into 15 categories (see diagram below).

For the reporting period we have been able to include the following categories: Mobile combustion, Stationary combustion, Purchased electricity, Purchased heat, Purchased goods and services, Fuel and energy related emissions, Upstream transport and distribution, Waste generated in operations, Business travel, Upstream leased asset. For all these categories, data is complete across all entities except for Business travel<sup>2</sup>, where only air mileage is complete across all entities, while road and rail transport are reported for Denmark, Germany, USA, and China and not comprehensively. For the other scope 3 categories not mentioned here, evaluations of relevance have not been conducted. We will continue to improve and expand our Scope 3 inventory to include all material categories in the near future.

3.0% of our emissions in Scope 3 is calculated based on bottom-up activity data, while 97% is calculated based on top-down transaction data (read more about types of data in the Methodology chapter of this report).

<b>0.4%</b> of emissions in Scope 1	12.3% activity data 87.7% transaction data	
<b>2.4%</b> of emissions in Scope 2	99.8% activity data 0.2% transaction data	
97.2%	<b>3.0%</b> activity data	

of emissions 97.0% in Scope 3

97.0% transaction data

### Input data

The input data used to calculate emissions in the three scopes can either be primary data in the form of activity data that the company retrieves itself or supplier-specific activity data that is retrieved from suppliers, or it can be secondary data in the form of averages for similar activities or transaction data retrieved through accounting systems. The GHG Protocol prefers activity data to be used for calculating emissions in Scope 1 & 2, as activity data will allow for a more granular analysis that will enable decision-making. However, activity data is hard to come by for Scope 3, which leads to incomplete inventories. Thus, average and transaction-based data can be used to populate the inventory.

In addition to allowing for input of activity data, the tool used for the GHG accounts enables the calculation of transactionbased emissions using an environmentally- extended multi-regional input-output model (EE-MRIO) which estimates emissions resulting from the production and upstream supply chain activities of different sectors and products based on their geographical location. EEIO models are derived by allocating direct sectoral GHG emissions and relate these to the output level in the sector (sectoral intensities or sectoral Scope 1 emissions). All sectoral intensities are further interlinked with material and service input and output relations of all sectors in the world (66 individual economies + ROW group). By combining this model with company business data, we achieve estimated cradle-to-gate GHG emissions, and these are particularly useful when screening emission hot-spots in a global value-chain perspective.



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This dual approach - a bottom-up activity-based approach combined with a top-down transaction-based approach - allows companies to harness the combined strength of accuracy and completeness in their GHG inventory, thereby maximizing their ability to use the inventory for strategic decision-making in planning their decarbonization. The SaaS platform the GHG accounting tool is based on, always ensures that the GHG emissions are captured either with activity data or by the transaction-based method, thus double counting will not occur.

### Voluntary reporting under Article 8 of the EU taxonomy regulation

The Taxonomy is a classification system created by the European Union (EU) that defines specific criteria under which certain economic activities are to be considered environmentally sustainable for investment purposes. The intent is that it will serve as an important tool for financing the transition and contribute to meeting the objectives of the European Green Deal.

In Norway, the EU Taxonomy is incorporated into Norwegian law through the Act on Disclosure of Sustainability-related Information in the Financial Sector that entered into force 1 January 2023. HydrogenPro will be required to report in accordance with the EU Taxonomy, when we are subject to the Corporate Sustainability Reporting Directive (CSRD). However, we acknowledge that this information is of interest to many of our stakeholders and have chosen to do a preliminary voluntary reporting of our taxonomy eligible activities. The good news is that the Taxonomy is at the heart of what we do.

HydrogenPro has identified two economic activities described in the EU Taxonomy Climate Delegated Act that are of relevance for our company. Most of our business activities are taxonomy eligible under the activity 3.2 Manufacturing of equipment for the production and use of hydrogen, but we also have a small portion of R&D and engineering studies that meet the description stated in activity 9.1 Close to market research, development, and innovation. We have identified the part of our turnover, capital expenditures (CapEx) and operational expenditures (OpEx) that are taxonomy eligible for the accounting year of 2024 – in line with the definitions set out in the Disclosure Delegated Act

- **Turnover**: All our turnover is taxonomy eligible. Our revenue is derived from either sale of electrolyzer systems which gualifies under activity 3.2, or revenue from sale of front-end engineering and design (FEED) and case studies, covered by activity 9.1.
- **CAPEX:** All investments made in 2024 are related to activity 3.2 Manufacturing of equipment for the production and use of hydrogen and is thus taxonomy eligible.
- **OPEX:** In previous years, our calculations of OPEX showed a high degree of alignment with the EU Taxonomy. However, we recognize that OPEX is more complex to calculate compared to CapEx and turnover, and it is not a key metric for financial institutions, as it is not systematically collected or reported by them. Given these factors, we have decided not to update our OPEX calculation for this year. Instead, we will reassess and report on it as part of a full taxonomy alignment in a future reporting cycle. In the meantime, we will continue to monitor regulatory developments and industry best practices to ensure our reporting remains aligned with expectations.

Looking ahead, we will start to assess taxonomy alignment of our activities. This is particularly interesting for activity 3.2, which covers the majority of our business. To meet the technical screening criteria set out for substantial contribution under 3.2 Manufacturing of hydrogen equipment, the equipment manufactured must produce hydrogen in accordance with the requirements set out in activity 3.10 Production of hydrogen. This entails that for hydrogen production life cycle GHG emissions must be lower than 3tCOOe/tH2, equalling a life cycle GHG emission saving of 73,4%. We expect our equipment to meet the current technical screening criteria for life-cycle emissions, as our high-pressure alkaline electrolyzers run on renewable energy. Further, we will assess and ensure compliance with the "do no significant harm" and "minimum social safeguard" criteria for our mandatory taxonomy reporting in the coming years. We acknowledge that the Taxonomy is a dynamic framework and will continue to closely follow any new developments or changes.

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