Integrated report 2023

POWERING INNOVATION. ENERGIZING TOMORROW.

Clean energy to power future industries

HydrogenPro

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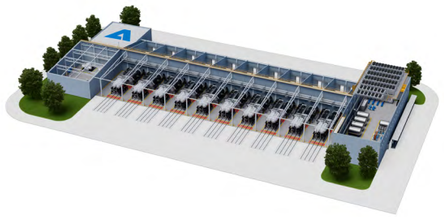
About us: This is HydrogenPro

Key Achievements



Industrial partnership with immediate results

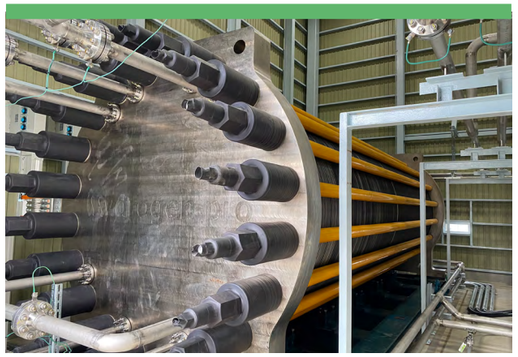
HydrogenPro announced a new industrial partnership with the Austrian industrial ANDRITZ Group. The partnership combines the manufacture and assembly expertise of ANDRITZ with HydrogenPro's expertise in high-pressure alkaline electrolyzers. The partnership proved fruitful for both parties almost immediately, as HydrogenPro received a 100 MW order from ANDRITZ at the Salzgitter Flachstahl GmbH site for 18 of HydrogenPro's 5.5 MW cell stacks.

40 electrolyzers to the world's largest storage hub

End 2023, HydrogenPro finalized a complete fleet of 40 electrolyzers ordered for the Advanced Clean Energy Storage Hub in Delta, Utah, followed by on-site work with final completion in late 2024. ACES Delta intends to use excess renewable energy to power the large-scale electrolyzers that will produce lower carbon intensity hydrogen and oxygen. The project journey began in February 2022 when HydrogenPro was awarded one of the largest electrolyzer systems ever contracted.

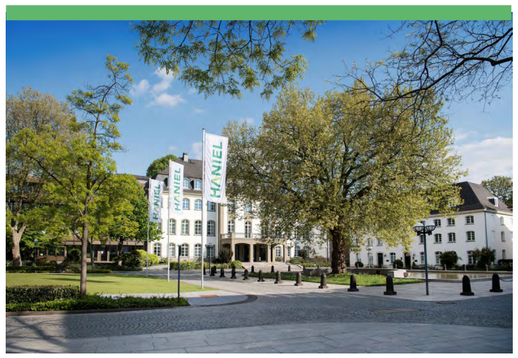
Production capacity expanded by more than 60%

At our production facility in China, HydrogenPro has increased the capacity from 300 to 500 MW, demonstrating the ability to supply high-quality products globally. The increased production capacity complements our strategic partnership with ANDRITZ and the planned units in the US and Europe and positions HydrogenPro even better for addressing the increasing international demand for electrolyzers and green hydrogen.



Production at world-leading validation centre

Mid 2023, HydrogenPro delivered a 5.5 MW electrolyzer to Mitsubishi Heavy Industries' Takasago Hydrogen Park, the pioneering validation centre for hydrogen technology. The electrolyzer started hydrogen production in August and was built at HydrogenPro's new production line in China. In advance of the delivery, HydrogenPro obtained the necessary certification according to the KHK (core references for high-pressure gas safety) standard that Japan requires.



Another strong foothold in Europe

Our office in Germany marks a significant strategic expansion in Europe and a commitment to sustaining a positive impact. The German government aims to achieve a 10 GW capacity of hydrogen electrolyzers by 2030 through its "National Hydrogen Strategy". The German representation is essential in meeting the needs and regulations of HydrogenPro's customers and operators.

R&D funding

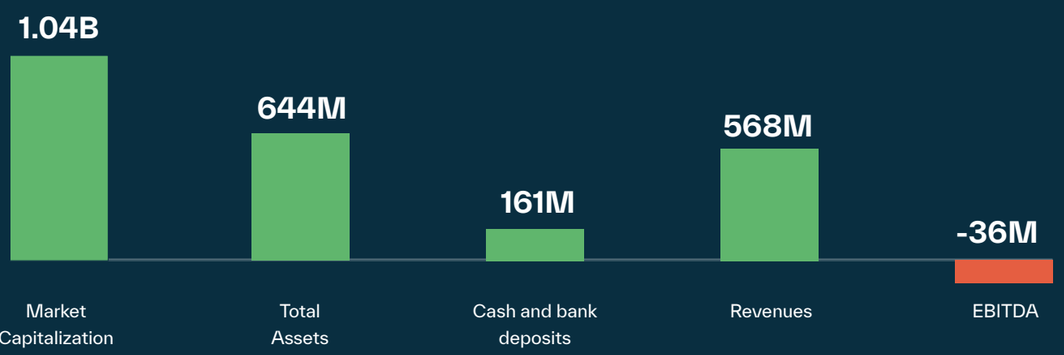
In June, HydrogenPro achieved grants for two new R&D projects with a total value of NOK 153 million. The two projects are funded by Innovation Fund Denmark, MissionGreenFuels (NOK 14.32 million) and Gassnova, Norway (NOK 1 million). Both projects are headed by our R&D team at Advanced Surface Plating in Denmark.

Initiated and played a pivotal part in the Norwegian National Hydrogen Strategy

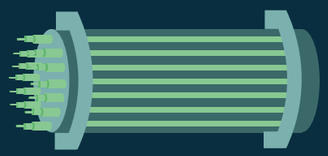
Based on the initiative of HydrogenPro, the Labour Union (LO) and the Confederation of Norwegian Enterprises (NHO) gathered the Norwegian hydrogen industry to propose a National Hydrogen Strategy. The strategy was presented to the Norwegian Minister of Energy in June. HydrogenPro played a key role in the development of the strategy, managing several working groups and leading the project management team.

Financial highlights 2023

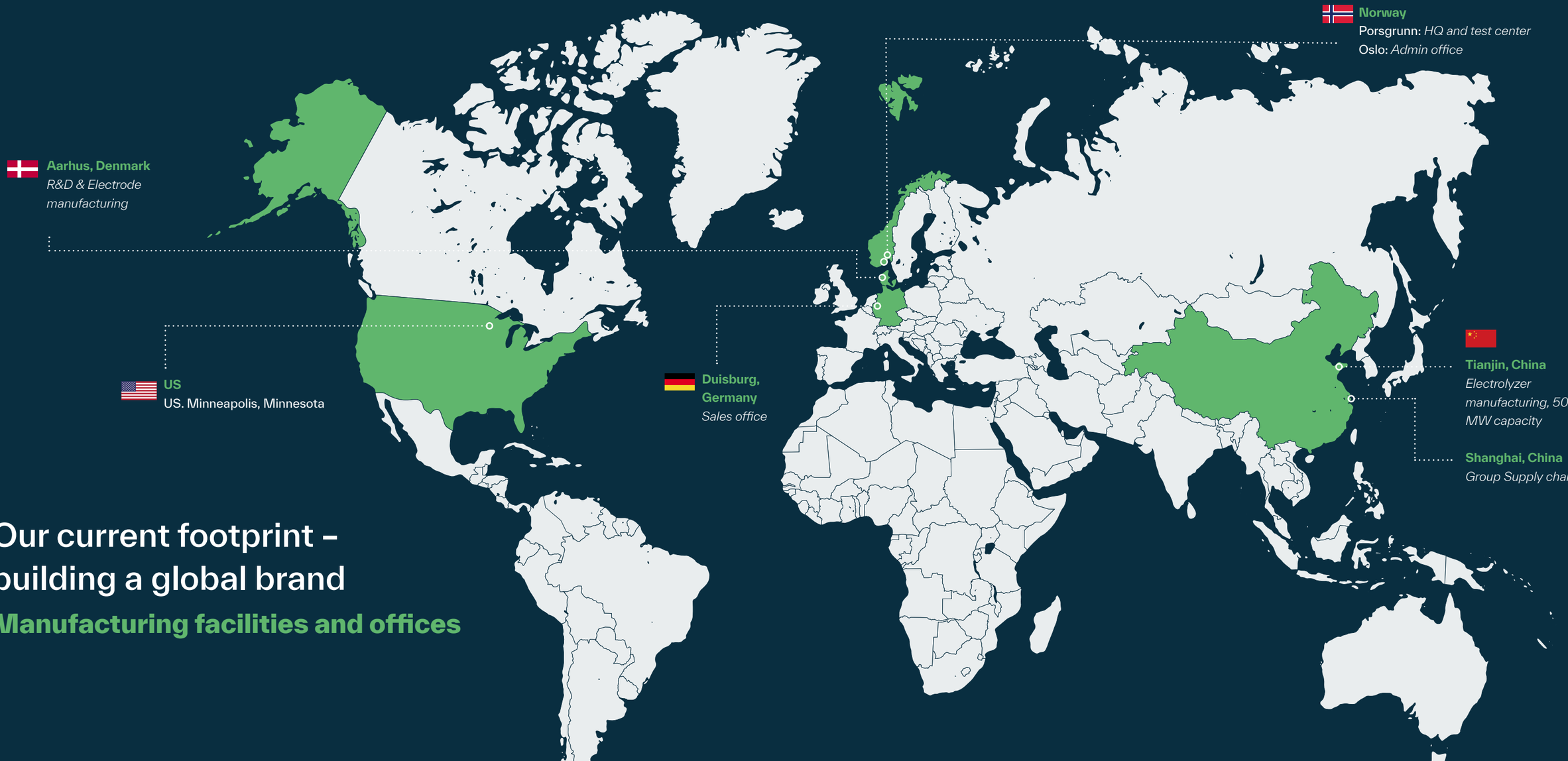
NOK



231
Number of employees



500 MW
Manufacturing capacity



Norway
Porsgrunn: *HQ and test center*
Oslo: *Admin office*

Aarhus, Denmark
R&D & Electrode manufacturing

US
US. Minneapolis, Minnesota

Duisburg, Germany
Sales office

Tianjin, China
Electrolyzer manufacturing, 500 MW capacity

Shanghai, China
Group Supply chain

Our current footprint – building a global brand

Manufacturing facilities and offices

2023 marked our 10 years' anniversary and was the year where we delivered on earlier commitments as well as established more new opportunities.

CEO letter

2023 marked our 10 years' anniversary and was the year where we delivered on earlier commitments as well as established more new opportunities. The need for green hydrogen is continuing to increase and both the EU and the US authorities are ramping up their efforts to create a sustainable value chain for the industry.

First, we are proud to have produced 40 electrolyzers for a 220 MW electrolysis plant for the ACES project in Utah, USA. The contract was signed in 2022 as the world's largest contract recorded for the year, and by the end of 2023, the production was completed.

This year, our foothold in the US market has been strengthened by the establishment of a US organisation, including a new CEO for the US subsidiary, HydrogenPro Inc. In June we succeeded with a private placement of NOK 122 million, earmarked for the initial phase of this expansion into the US market. We are now in a good position to serve the growing US market, including the seven Hydrogen Hubs that the Biden-Harris Administration presented in October. We are also ready to deliver to DG Fuels when they reach their Final Investment Decision (FID).

Also our European presence has increased during 2023. First by the signing of a strategic partnership with the international technology group ANDRITZ to collaborate on scaling up manufacturing and assembly of electrolyzers for the European market. This partnership has already created results with the announcement in September that HydrogenPro is to receive an order for high-pressure alkaline electrolyzers with a total capacity of 100 MW from the ANDRITZ Group, equalling 18 units of HydrogenPro's 5.5 MW cell stacks. The electrolyzers will be used in the hydrogen plant, which ANDRITZ is delivering to Salzgitter AG where hydrogen will be used instead of coal on an industrial scale. The assembly of the electrolyzers will take place in Germany. In June we also opened a new office in Duisburg, Germany.

Our continuous effort to be a technology leader was strengthened through the grants obtained by our R&D department in Aarhus, Denmark. Two new projects, MissionGreenFuels and Gassnova, totalling NOK 15.3 million were granted by Innovation Fund Denmark.

Based on the increasing demand globally, we have ramped up our manufacturing capacity in China reaching 500 MW. We are proud to have received the ESG Practice Pioneer Award from Dun & Bradstreet. Recently, we also obtained the ISO certificates 14001 and 45001 which address both environmental aspects as well as a safe and healthy workplace.

The Hydrogen industry is dependent on a good political framework that enables sustainable value chains to establish themselves. In the past year we have increased our efforts to have fruitful dialogues with authorities both in the EU and Norway. We have become an active member of Hydrogen Europe, trying to add value to their dialogue with the EU commission. Also, we initiated and was part of the project management of a national effort to develop a national hydrogen strategy in Norway that were presented to the Norwegian Government in June last year.

Over the year, HydrogenPro has continued to expand its organization and build competence in order to grow the company, meet market needs and become a stronger organization. As we have increased the number of employees significantly on all three continents where we are operating, it is great to note how the organization is developing and adopting to our values of Courage, Integrity, Collaboration, and Innovation. It is in order to thank each and every one for the tremendous effort each individual and each team are making to make this journey possible.

With yet another exciting year behind us we are confident that 2024 will be yet another prosperous year and we all are looking forward to it!

Global outlook for green hydrogen

In the dynamic landscape of sustainable energy, 2023 emerged as a landmark year, witnessing the global community's unified commitment at COP28 to pivot away from fossil fuels towards the embrace of renewable energy. A pivotal achievement was the consensus among 39 nations advocating for the mutual recognition of hydrogen certification systems, signaling the dawn of a promising era for green hydrogen on the world stage.

Despite ambitious plans for major green hydrogen projects, 2023 presented its share of challenges. Delays in crucial subsidy programs, including the clean hydrogen production tax credit in the US, green H2 auctions in Europe, Germany's H2Global initiative, the UK's Contracts for Difference tenders, India's National Green Hydrogen Mission, and Australia's Hydrogen Headstart, created roadblocks, hindering final investment decisions (FIDs) and impacting investors and electrolyzer manufacturers.

Governments worldwide honed their national hydrogen strategies in 2023, concentrating efforts on decarbonizing hard-to-abate large-scale sectors like fertilizers, chemicals, steel, and long-distance transport. Significantly, green steel production emerged as a major hydrogen consumer, exemplified by HydrogenPro securing a substantial 100 MW order alongside ANDRITZ at Salzgitter AG.

As our focus shifts to 2024, the stage is set for realisation. Green hydrogen is on the verge of dominating the supply mix, with a projected market share of 85% by 2050. The potential impact on the labor market is significant, with expectations of up to two million new jobs created by 2050.

However, achieving this vision demands decisive actions from both political leaders and industry players. Several key implementations in 2023 laid the foundation for a more transparent and realistic future.

Green hydrogen incentive programmes across geographies

EU
Carbon Contracts for Difference subsides

GERMANY
Tender auctions for Hydrogen Purchase Agrements

UK
Contracts for Difference for clean hydrogen

CANADA
Tax credits (similar to US)

NORWAY
Contract for Difference

PORTUGAL
Hydrogen tender and 1% blending requirement in gas network

INDIA
National Green Hydrogen Mission (USD 2.4 bn)

CHINA
Green H_2 expected to expand significantly

US
$3/kg H_2 in tax credits for producers of green hydrogen. Wind/solar/hydro power is a pre-requisite to maximize tax credit. High pressure Alkaline or PEM electrolysis

(1) Green hydrogen: technology breakthroughs mean iridium shortage and high prices will ease in 2023 (rystadenergy.com)

European Union (EU) Initiatives

In November 2023, the EU took a notable step forward with the launch of an €800 million pilot auction for competition. The second European Hydrogen Bank auction will take place in spring 2024 with a budget of €2.2 billion.

Additionally, the EU introduced guidelines in 2023, emphasising the principle of "additionality" for hydrogen in the Renewable Energy Directive. This principle ensures that renewable hydrogen supplies entering the market by 2030 are linked to new renewable energy production, encouraging an upsurge in renewable energy volume within the EU.

Ultimately, the introduction of the continuously increasing CO2 tax on fossil fuels is leading to a shift towards more sustainable production processes, thus catalysing the growth of green hydrogen production.

United States (US) Advancements

Remaining the most attractive market for green hydrogen developers, North, Central, and South America witnessed steady growth in hydrogen projects in 2023. Electrolysis contributed significantly, adding around 4 million tonnes of hydrogen by 2040. The long-awaited guidelines for the US hydrogen policy were finally published in 2023, providing clarity on the 45V Inflation Reduction Act and the Hydrogen Hubs Programme announced in 2022. These policies are expected to play a pivotal role in the decision-making process for launching the country's hydrogen projects.

In October 2023, the Biden/Harris administration announced a groundbreaking $7 billion investment to launch seven Regional Clean Hydrogen Hubs (H2Hubs) across the nation. This initiative aims to accelerate the commercial-scale deployment of low-cost, clean hydrogen. HydrogenPro, contributing to this momentum, completed the manufacturing of one of the largest (220 MW) electrolyzer purchase orders for the Advanced Energy Storage hub in Utah. With an expanded US presence, including our new US CEO Jeff Spethmann, we are well-positioned to meet the growing demand for green hydrogen directly at the customer's side.

As the world eagerly anticipates 2024, the pathway to a greener, hydrogen-powered future is clearer than ever. Continued collaboration between governments, industry leaders, and stakeholders promises to make the coming year an upswing in global green hydrogen production. Given this optimistic outlook, it is foreseeable that these collective efforts will help create a stable and growing supplier market for electrolyzers, laying the foundation for a sustainable and resilient hydrogen ecosystem.

About HydrogenPro ASA

Vision

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

Mission

Accelerate global decarbonization with world-class sustainable green hydrogen solutions

Values

- Courage
- Integrity
- Collaboration
- Innovation

Business model and value proposition

HydrogenPro was founded in 2013 with a mission to design and deliver green hydrogen technology & systems in collaboration with global partners and suppliers. Our core product is high-pressure alkaline electrolyzers, and we are proud to have some of the most advanced technologies in the industry.

Our team consists of 231 highly skilled and experienced employees, including key personnel with leading global hydrogen expertise. We are currently present with R&D, sales offices, and manufacturing in Denmark, Germany, the US, and China, and aim to grow our global presence further in the years to come. Our headquarters and test facility are located at Herøya, Norway.

HydrogenPro's supply chain includes a strategic mix of brokers, contractors, and wholesalers spread through China, Europe, and the USA. In 2023, we partnered with 120 suppliers, strategically segmented into first-tier and second-tier suppliers. First-tier suppliers, comprising more than 70% of spend in 2023 in our network, provide direct materials and services crucial to our product delivery. Second-tier suppliers support our operations indirectly, being essential contributors to our first-tier suppliers.

Our relationship with our suppliers, ranges from long-term partnerships to short-term, project-based engagements.

Our proudest achievement is the development of industry-leading high-pressure alkaline electrolyzers, including our electrode technology, which makes us highly cost-competitive among peers globally. Typically the segments we aim to serve are large-scale industrial companies intending to change their energy consumption from fossil to green hydrogen.

In this period we have delivered 40 electrolyzers ordered for the Advanced Clean Energy Storage Hub in Delta, Utah.

With a technology that is easy to scale depending on the input energy from renewables, HydrogenPro's large-scale electrolyzers and cost-effective technology have the potential to both enable and strengthen other segments in the energy transition, whether it be wind, solar or other renewable power sources. Through its unique properties as an energy carrier, we believe green hydrogen will be key in facilitating the green energy transition.

We are committed to being at the forefront of the green hydrogen industry, and we believe that our technology and expertise will help to drive the world towards a more sustainable future.

Strategy

HydrogenPro aims to become the number one provider of large-scale green hydrogen technologies & systems. To succeed, the company has identified four strategic pillars: technology leadership, global footprint, scalability, and life-cycle partner.

To succeed as a global electrolyzer supplier, technology leadership is crucial. The electrolyzer market will be an operational cost game, and the most efficient electrolyzers will win in the long run. Thus, electrolyzers with low energy losses will be a prerequisite for green hydrogen companies to succeed.

HydrogenPro is already competitive in terms of efficiency amongst peers, but we are not settling. We will continue to invest in R&D like we did with the acquisition of Advanced Surface Plating (ASP) in Denmark in 2021. This gave us technology ownership of advanced electrode technology, called the 3rd generation electrodes, which makes us able to increase the efficiency of each unit by 14%. Testing of electrodes is ongoing and has the potential of providing HydrogenPro with a competitive edge for years to come.

Having a global footprint is critical for HydrogenPro as it positions us closer to our customers and markets. This is important not only with regards to sales and local expertise, but also enables us to qualify for the many local incentive schemes that have emerged during the last two years. Local manufacturing also reduces transportation of raw materials and goods. It also diversifies our business, mitigating geopolitical risks. We are already present in China, Denmark, the US, Germany, and Norway, but aim to grow further through joint ventures, partners, and sales offices. In 2023 we enhanced our strategic focus on the US market to fully support the government-promoted green hydrogen value chain that is under development there.

We firmly believe that size and scale is a key for green hydrogen to reach its potential. Our standardized electrolyzers have a smart cost-efficient design and are prepared for upscaling and plant integration. Our modular design enables us to turn electrolyzers on and off when needed, making it an ideal solution for using fluctuating renewable energy sources, such as wind and sun. Moreover, we do not really rely on rare precious metals, reducing the risk of raw material shortages.

HydrogenPro provides solutions and services that support the entire lifecycle of the equipment that our customers purchase, from design and installation to operation and maintenance. This ensures recurring revenue on the installed base and reduces risk in the business model.

Technology Leader

Global Footprint

Scalability

Life Cycle Partner

Stakeholder dialogue

Representatives from the Board of Directors, executive management, and key personnel from the organization have worked together to identify and evaluate all potential stakeholders of the Company. HydrogenPro engages with a wide range of stakeholders where we have our business today and where we seek to build strategic relations for the future.

As a fast-growing company in a major industry, HydrogenPro strives to meet the rising expectations from our stakeholders and to be transparent across our value chain.

Our stakeholders' contributions continue to be an integrated part of the development of the company. The views and interests from our stakeholders are considered when defining our material topics and focus areas, as well as potential impact on the economic, environmental, and social dimension. It is equally important for HydrogenPro to gain our shareholders' understanding of our Company's plans, circumstances, and constraints. We evaluate and initiate actions where we are aware of potential negative impacts. The topics were identified and prioritized in our assessment, with further strategic initiatives proposed for execution in 2023.

Employees
Employees are at the core of the HydrogenPro value creation, and we aim to build a strong company culture aligning with our vision and values. To achieve our strategy, it is essential to attract, develop and retain talent. Our employees are on-boarded and trained according to the requirements for their role and are followed up on a regular basis by their respective manager. We have regular townhall meetings, and active internal social media channels, regular individual follow-up and a yearly employer's survey through "Great Place To Work".

Investors
HydrogenPro emphasises the responsibility for creating long-term sustainable shareholder value. Led by the Investor Relations team, our company is available for both current and potential shareholders as well as regular meetings with analysts and retail brokers. Our shareholders can influence our operations in Annual and Extraordinary General Meetings. We treat all shareholders equally and ensure that material information reaches the market through publishing stock exchange notices in accordance with local regulatory requirements.

Customers
Customers buy our products and solutions either directly or indirectly through our partners. We engage with our customers through our Project and Key Account Management, both for specific project deliveries and general support. Customer involvement and feedback are a crucial asset to the optimization of our operations, as we strive to develop and deliver products exceeding customer expectations. HydrogenPro aims to establish long-term symbiotic relations with our customers.

Suppliers
Suppliers provide HydrogenPro with a wide range of services and commodities, where cost, quality, and reliable delivery constitute important priorities for our selection. We aim for carbon neutrality in our supply chain set-up, this includes initiatives regarding local sourcing of materials and products, emission reduction plans and use of renewable energy. Supply chain involvements, screening and qualification processes are continuously monitored and revised accordingly. We work close to our suppliers to ensure that our company standards are met throughout project deliveries and seek to maintain long-term relationships with those matching our growth objectives.

Governments
Governments form the industry standard for certifications and procedures. HydrogenPro engages in regular dialogue regarding engineering, manufacturing and assembly facilities and projects to make sure all qualifications are met by different governments. Further, industry bodies work for the development of the industry as a whole, and grants are provided to certain projects. In 2022, HydrogenPro initiated talks with the Confederation of Norwegian Enterprise (NHO), which resulted in the creation of a "National Hydrogen Alliance". The Group included all key players throughout the hydrogen value chain. Initiated under the auspices of the Confederation of Norwegian Enterprise (NHO) and the Norwegian Confederation of Trade Unions (LO), the work will lead to a proposal for a national hydrogen strategy to be presented for the government in the first half of 2023.

Organizations
HydrogenPro is member of several strategic associations in the hydrogen industry. They differ from each other in the range of having either local or multinational focus. We believe joined efforts will be key to achieve industry goals, and HydrogenPro values the commitment from its industry peers and the importance of collaboration. Further, with presence in these arenas, HydrogenPro manages to build strategic relationships, promote our business and technology as well as encourage favourable regulations and legislations for industry growth.

Based on a 2022 initiative, we played a pivotal part in launching a National Hydrogen Strategy for the Norwegian Government in June 2023. This was a collaboration with companies and organizations throughout the complete hydrogen value chain, facilitated by The Confederation of Norwegian Enterprises (NHO) and the Norwegian Labor Union (LO).

We also took an active part in the work of Hydrogen Europe, participating in several working groups as well as a task force for the COP 28.

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 and reports back to the Board of Directors. We engage through dialogue and collaboration with local universities and institutions, using both local talent and suppliers, if suitable and possible.

In Denmark, our connection and engagement with Aarhus University's Department of Biological & Chemical Engineering is a two-way positive impact collaboration. Students work at HydrogenPro for training and education, while contributing to our research, development, and operation. The university provides feedback and insights into the expertise required for our operations, and HydrogenPro contributes to the development of local academics.

In relation to our facility at Herøya, we build an experienced and talented engineering environment which has the potential to spur local employment. HydrogenPro engages with The University of South-Eastern Norway, Faculty of Technology, Natural Science and Maritime Sciences, regarding research and development projects. Our policy remains to collaborate as much as possible with local vendors and suppliers.

Selected memberships include:

Hydrogen Europe

NHO

Powered by Innovation Norway

Norwegian Business Association

NBA China

POWERED BY TELEMARK

Norsk Hydrogenforum

02

Our impact

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 that operates on a global scale, HydrogenPro recognizes the importance of taking responsibility for our impact on the environment and society.

Throughout 2023, HydrogenPro has continued working on our ESG commitments while adapting our sustainability priorities to constantly developing operations. As a part of our work, we have prioritized the areas of social sustainability and governance in 2023 and we have made significant progress in both.

Supporting the “Social” pillar of ESG, we have worked on improving our screening of suppliers and we have focused on the well-being of our own employees. We have among other things worked on HydrogenPro’s values and organizational culture, carried out a work environment survey and focused on health and safety.

When it comes to “Governance”, we have launched a mandatory anti-bribery and corruption training for all employees across all countries, introduced an ethics course with nanolearning lessons, updated our Code of Conduct and Supplier Code of Conduct and carried out a risk assessment in the supply chain.

In 2023, we have also strived to improve our ESG reporting system, ensuring better data quality and availability. However, it has been a challenge to keep up with ramping production, and we still have a lot of work to continue in 2024. In the coming year, we will gradually adapt to the Corporate Sustainability Reporting Directive (CSRD), which we expect will apply to HydrogenPro from 2025. This will include conducting a double materiality assessment to identify risks and opportunities to HydrogenPro’s business and assess where our business has an impact on the environment and society. This will give us a solid base for updating our sustainability strategy.

HydrogenPro is 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. 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)?

Both potential opportunities and risks stemming from the relevant ESG topics were identified and further quantified in the materiality assessment.

To identify and rank material ESG topics, we involved several internal and external stakeholders, including investors, customers, suppliers, employees, and financial market participants. The stakeholders were interviewed to get an understanding of how they view HydrogenPro’s ESG challenges and opportunities, as well as where the company can make the greatest 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.

For the materiality assessment to serve its purpose as the backbone of a company’s sustainability work, it is crucial to treat it as a dynamic tool that adapts to new information and evolving circumstances. This is especially true for a company like HydrogenPro, which is at the start of its sustainability journey and is undergoing major changes in its operations. HydrogenPro has therefore throughout 2023 kept developing the materiality assessment of 2022 to better reflect the company’s priorities. We have done so through ongoing dialogue with internal and external stakeholders that helped us stress-test the material topics previously chosen.

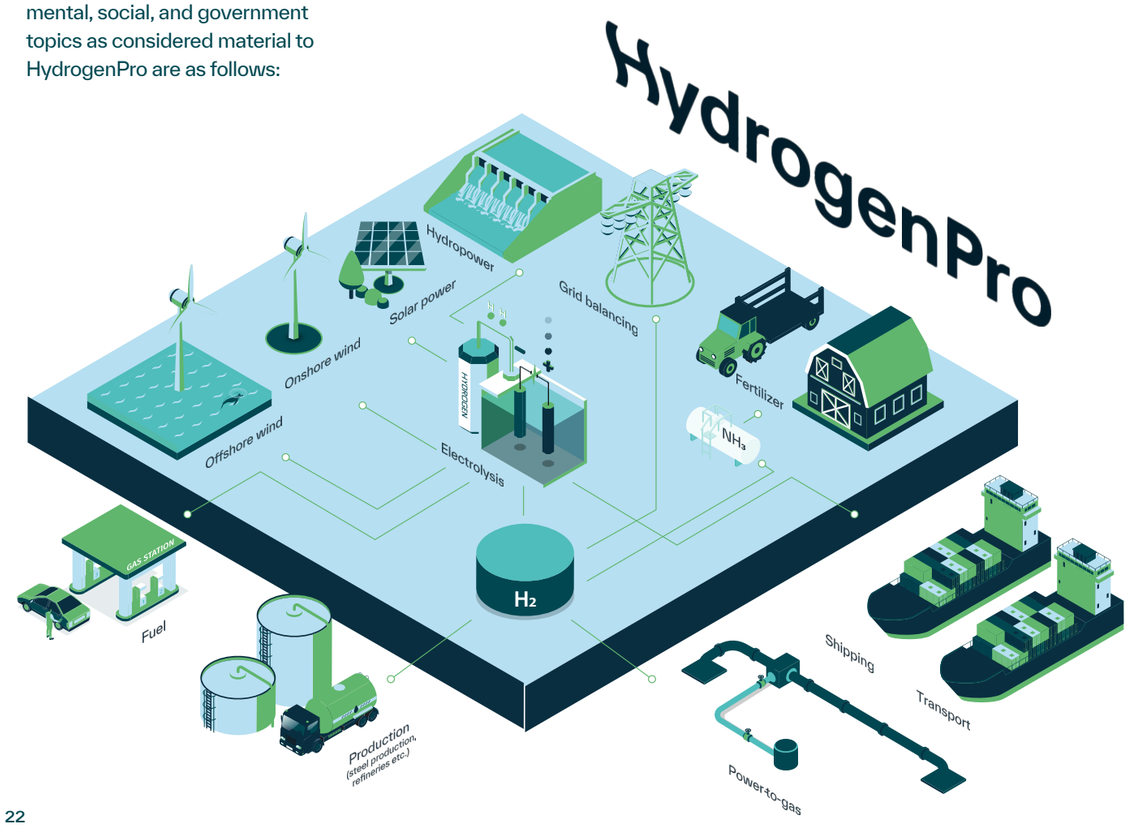
The process confirmed how the four material topics that emerged from last year’s analysis (topics 1-4) are still very much relevant to our company, as we gained even better insight in what they mean for HydrogenPro. In addition, we have chosen to include a fifth topic that we deemed less material last year: Governance and Ethical Business Conduct (more details can be read in the below summary, as well as from page 48).

Material topics

The ESG topics material to HydrogenPro are a result of the company's business model, the activities the company executes, as well as where and how these specific activities are executed. Our industry-leading technology is perfectly suited to play a significant role in accelerating the energy transition to reduce global carbon emissions, transforming society and adapting to 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 as considered material to HydrogenPro are as follows:

1 **Efficient technology and scalability (read more on page 26)**
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 end-user and the ability to scale up production of electrolyzers to meet customer demands.

2 **Sustainable manufacturing and supply chains (read more on page 32)**
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 sub-topics, 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 38)**
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 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.

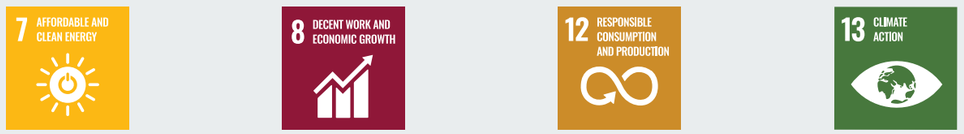
4 **A safe and attractive place to work (read more on page 40)**
At the center of our value creation are our people. To be able to deliver on the strategic priorities of the company, HydrogenPro needs to be a safe and attractive place to work. Therefore, this is a material topic for us as it enables us to attract and retain the best candidates. This is a broad topic containing several sub-topics, including health and safety, training and personal development, diversity and inclusion corporate culture, etc.

5 **Governance and ethical business conduct (read more from page 48)**
As a result of last year's materiality assessment, governance was not deemed as one of the most material topics. However, this year, we have reconsidered this and recognised the importance of governance as a fundamental ground to build the rest of our sustainability work on. For HydrogenPro, good governance is about maintaining high ethical standards and preventing all forms of corruption across our business operations. In 2023 we prioritized activities to support this.

Agenda 2030: UN Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) is 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 formally were adopted by the UN member states, and thus are addressing challenges at international and national level, many businesses align their sustainability strategies to support the goals. By doing so, we can be sure that we are all pulling in the same direction. HydrogenPro respects and supports all 17 of the Sustainable Development Goals. In addition, we have identified four SDGs that are particularly relevant for our business model and activities, and 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 to fulfilling these SDGs.

HydrogenPro's top priority SDGs:



Sustainability targets

In 2021, HydrogenPro formulated a set of ambitions for our sustainability work, and five corresponding targets to reach higher and track our progress along the way. In the following years we have continuously worked towards these goals and in 2023 we revised them to better reflect our material topics and our overall strategy.

Our ambition for the ESG pillar "Social" is to be a safe and attractive place to work. In 2023 we have met our target for overall sick leave in all our locations, and we have increased the ambition for 2024. We have in 2023 achieved our target of zero accidents and work-related ill health in all our locations, apart from our factory in Tianjin where 8 recordable incidents were registered. This increase from the year before can be attributed to the fact that 2023 was the first full year of production in Tianjin. To further increase our focus on HSE, we have in 2023 added a target on annual completion rate of HSE trainings, which we are aiming to standardize across the company in 2024. We have also added a target for participation in the work environment survey and a target for overall employee satisfaction. The work environment survey was introduced in Norway in 2022. In 2023, Germany was included and in 2024 we aim to extend the survey to all legal entities.

Our environmental targets to date have mostly been based on the positive contribution of our electrolyzers in terms of reduced CO_2 emissions. Further, the targets reflected our goal of making our electrolyzers more energy and cost efficient as well as more scalable. When it comes to cost efficiency, tests in 2023 showed achievement of our goal to decrease levelized cost of hydrogen to USD 1.2 per kg. Our focus going forward will be to continue our R&D efforts needed to bring the third generation electrolyzers on the market and enable more cost- and energy-efficient hydrogen production than what is possible today. Regarding scalability, we have continued to increase both our production capacity and our project portfolio, but not by as much as our original targets aimed to. Despite energy efficiency and scalability of our product still being at the very core of our strategy, we recognize the need to update our environmental targets to also address the potential negative impacts HydrogenPro may have through its operations. This is a work that requires us to carefully analyze our operations through an ESG lens, and define which areas are the most important for us to focus on in the future. We have therefore chosen not to renew two of our environmental targets, and we will instead use 2024 as a year where we improve the foundations of our sustainability work and revise our ESG targets in line with the company's development during the last few years and our ambitions for the future. This will include conducting a double materiality assessment which will be valuable input to an updated sustainability strategy.

We will continue to strive towards reaching our ambitions, and report on our progress in a transparent and consistent manner.

Ambition	Previous targets	Status 2022	Status 2023	Updated targets for 2024	Read more on page
Be a safe and attractive place to work at all times	Short leave/overall leave less than country average of our locations (annually): • Norway 4% • China 4% • Denmark 4%	Norway: 0.62% Denmark: 0.01% China[1]: 3.3%	Norway: 1.1% Denmark: 1,1%[2] Germany: 0.8% Tianjin: 1.7% Shanghai: 0%	Overall sick leave less than 3%[3] (annually)	p. 40
	Zero accidents and work-related ill health (annually)	Three recordable work-related injuries.	Norway: 0 Denmark: 0 Germany: 0 Tianjin: 8 Shanghai: 0 *Total HydrogenPro TRIFR[4]: 3,22* *(avg US manufacturing = 3,5)*	Zero accidents and work-related ill health, measured in Total Recordable Injury Frequency Rate (TRIFR)	p. 40
		Data not available for 2022	TQM : 89% First aid : 100% Information Security Awareness: 89%	Completion rate for HSE training globally (annually): 100 % • TQM 100% • First aid 100% • Information Security Awareness 100% • Work Environment Council - required training – 100% (Norway) • HSE training required for managers – 100% Norway *Targets based on target groups*	p. 45-46
		Norway: 83% *(Not carried out in any other location)*	Norway and Germany: 80% *(Not carried out in any other location)*	Participation to the work environment survey (annually) • Norway 80% • Denmark 80% • Germany 80% • China:80% • USA 80%	p. 43
		Norway: 73% *(Not carried out in any other location)*	Norway and Germany aggregated: 70% *(Not carried out in any other location)*	Percentage of employees that believe HydrogenPro is a great place to work (annually): • Norway 70% • Denmark: 70% • Germany: 65% • China 70% • USA: 65%	p. 43
Have the most cost-efficient green hydrogen production technology	Levelized cost of hydrogen at USD 1.2 per kg (assuming USD20/MWh) by year-end 2022	USD 1.4 pr. kg.	USD 1.2[5] pr. kg.	Achieved, and not continued	p. 56
Contribute to global CO_2 reduction	Reduce CO_2 emissions with at least 1.5 million tonnes annually from our installed production capacity[6]	Approximately 127 000 tonnes CO_2[7]	Approximately 347 000 tonnes CO_2[8]	Not achieved, and not continued	p. 27
Be a global leading provider of large-scale green hydrogen production solutions for industrial applications	>1 GW installed global production capacity by year-end 2023	300 MW	500 MW	Not achieved, and not continued	p. 29

Footnotes:

1 In 2022 "China" only included the Tianjin factory and attached offices. In 2023 we have divided the data by Tianjin (factory and attached offices) and Shanghai (office)

2 The number excludes one case of serious long-term sick leave. A calculation of the same parameter including that one case would lead to a sick leave of 3.6%

3 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

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

5 The number refers to the potential of our 3rd generation electrolyzer. In 2023 we carried out 850 hours testing that confirmed the expected results. Further tests to be conducted in 2024 as part of our R&D program

6 The target refers to the contracts HydrogenPro has signed in the reporting year, and the number is an estimate of avoided emissions those projects are expected to generate, as reported by the projects developers

7 The value is an approximation of 126,517 tonn, which is the CO_2 reduction the US Department of Energy expects from the ACES project annually. Source: https://www.energy.gov/lpo/advanced-clean-energy-storage

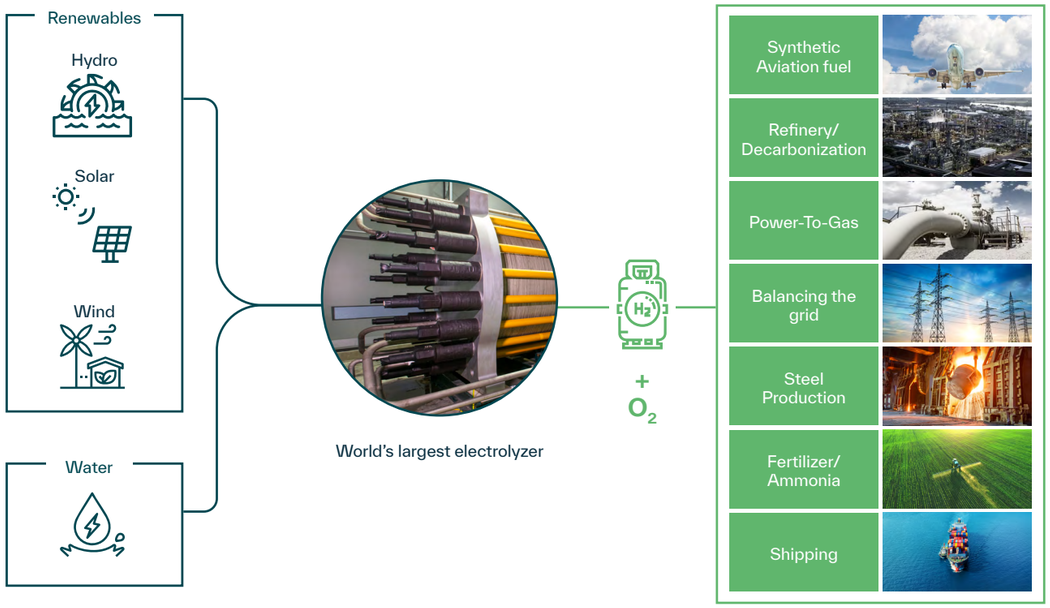
8 The value is the sum of 120,000 tonnes CO_2 (expected annual saving from the ACES project) and 220,000 tonnes CO_2 (CO_2 reduction Andritz expects from the ACES project annually) Source: Internal presentation from ANDRITZ

Efficient technology and scalability

The Hydrogen Council estimates the deployment of 75 million metric tonnes (Mt) clean hydrogen by 2030 and 660 Mt by 2050 will be needed to meet the commitments in the Paris Agreement and limit global warming to 1.5 degrees[1]. The transformation to a net zero society by 2050 is contingent upon the development of efficient and scalable solutions to produce green hydrogen. It is therefore HydrogenPro's ambition to meet the increasing demand for energy efficient hydrogen production equipment by being a key player driving the deployment of electrolyzers across the globe. Therefore, a big part of our contribution to the environment is determined by our ability to get our products out on the market. To meet the rising global demand, it is necessary that we develop competitive technology while also having the capability to expand our production.

HydrogenPro is an original equipment manufacturer of large-scale green hydrogen technologies and solutions. Our core technologies consist of 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 referred to as a high-pressure alkaline system which delivers the hydrogen and oxygen gas with pressure directly from the cell stack at 15 bar. The high-pressure alkaline technology is suitable for renewable energy input, and the electrolyzer size we deliver is a perfect match for large-scale industrial applications such as power-to-gas, ammonia, and steel production.

Global provider of large-scale green hydrogen technology & systems



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

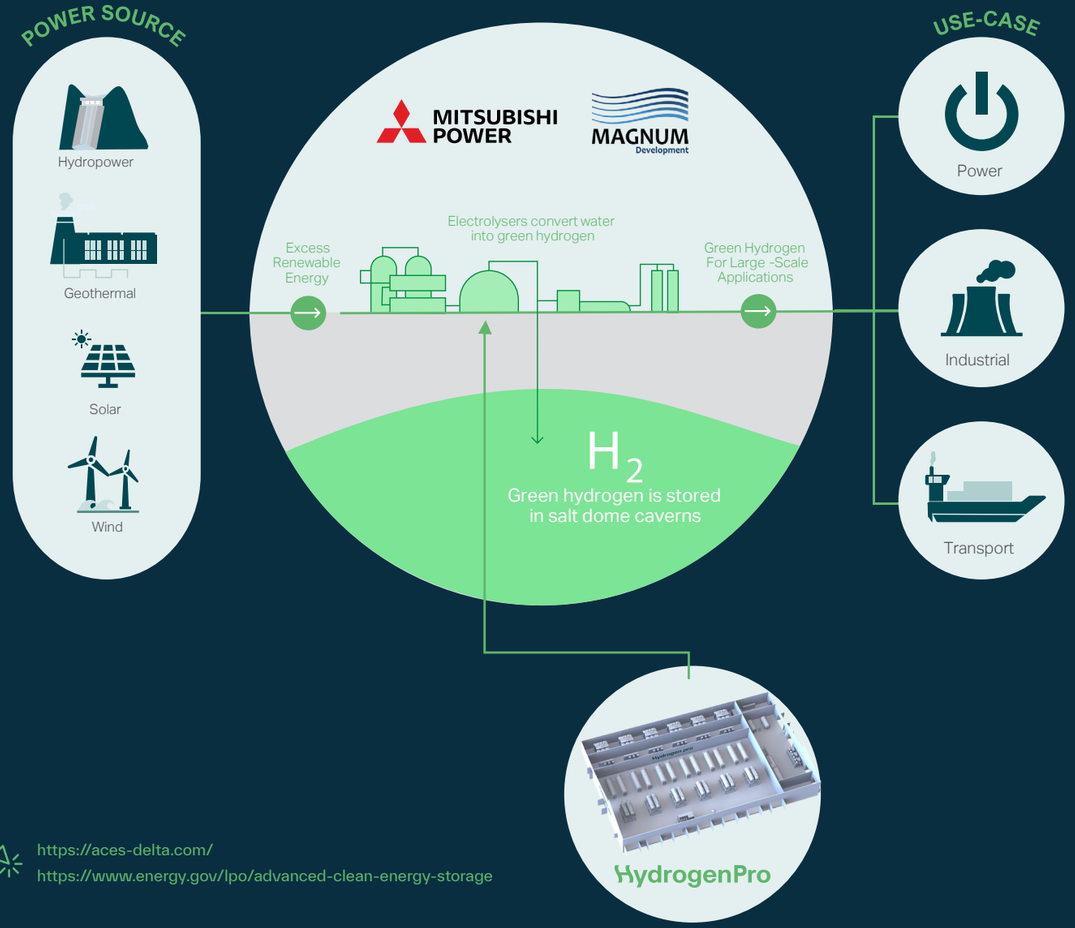
Making a positive impact through our projects

Avoided GHG (greenhouse gas) emissions and energy security
Through our current projects we are contributing positively to the environment, by enabling for 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_2 from reaching the atmosphere annually[2]. This 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_2 emissions from their standard steel production process by 30%. In particular, they expect a reduction of 220,000 tonnes CO_2 per year[3] will be enabled by green hydrogen.

In addition to the direct contribution to abatement of greenhouse gas emissions, green hydrogen plays a crucial role in allowing for a decentralized and resilient energy system that can be completely based on renewables. Hydrogen can be produced and stored domestically, reducing this way reliance on foreign energy sources and decreasing society's vulnerability to energy supply shortages. Hydrogen provides a clean energy storage option that can effectively bugger intermittent renewable energy sources and stabilize the grid at both local and regional levels. Hydrogen is thus indirectly enabling this green shift, allowing for an energy system based on production of large-scale renewable energy from various sources.

2 Source: US Department of Energy https://www.energy.gov/lpo/advanced-clean-energy-storage
3 Source: ANDRITZ https://salcos.salzgitter-ag.com/en/salcos.html#c141552 and internal presentation

ACES – Delivered the world's largest renewable energy hub



https://aces-delta.com/
https://www.energy.gov/lpo/advanced-clean-energy-storage

The Advanced Clean Energy Storage (ACES) project[1] is 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 is a system designed to capture surplus renewable energy during peak production periods, convert it into hydrogen, and store it for later use. The stored hydrogen is then utilized as fuel in a combined natural gas and hydrogen power plant to generate electricity for the Western United States. ACES will help decarbonize the region, with an ambition of incrementally being 100% fueled by clean hydrogen by 2045. 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 instalments and commissioning will be completed in late 2024. HydrogenPro has also signed a 10-year service and support agreement.

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

Salzgitter – Industrial partnership with immediate results

The Salzgitter project[2] 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 MW,s.

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. During 2023, HydrogenPro has increased its production capacity in the manufacturing facilities in Tianjin, outside of Beijing in China, from 300 MW to 500 MW per year. The investment was carried out to deliver on the large ACES project and have capacity to take on other large projects in the near future. We are creating the foundation for successful growth, by ensuring financial robustness and by building a responsible and resilient organization and value chain along with our growth strategy. Given the recent market backdrop combined with the need for further regulatory clarifications in the US, the previously announced plan to establish a manufacturing facility in Texas has been put on hold as both location and manufacturing model are being assessed, together with the local supply chain. This does not alter the Company's strong focus on the North American market. This market is a top priority to HydrogenPro, and the company plans to establish a strong footprint near customers with large projects, building a strong OEM position in the country.

Energy efficiency

The number one metric for electrolyzer manufacturers is energy efficiency. It is measured by the electrolyzer's ability to produce hydrogen gas at a certain level of input energy. The validation of HydrogenPro's 5.5-megawatt electrolyzer confirms its ability to generate 1,100 Nm3/h of hydrogen at a normal current density, which equals ~100 kg of pure and pressurised green hydrogen per hour[3]. 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.

The improved electrode efficiency is obtained through Advanced Surface Plating (ASP), 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. HydrogenPro's daughter company in Aarhus, Denmark, is continuously expanding its R&D portfolio, enabling R&D in new electrode activation processes and flow management. This is supported experimentally and theoretically by neutron imaging. 2023 was no exception, and the R&D portfolio was increased by additionally 3 granted R&D projects.

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's daughter company in Aarhus, Denmark, is currently developing and testing a new electrode coating included in the existing high-pressure alkaline system that is based on novel research. Initial tests show that the 3rd generation technology can deliver an impressive energy efficiency of 93%, which

2 Source: https://www.salzgitter-ag.com/en/newsroom/press-releases/details/salzgitter-orders-one-of-europes-largest-green-hydrogen-plants-from-andritz-21046.html
3 Source: Mitsubishi Power | Takasago Hydrogen Park, the World's First Integrated Validation Facility for Technologies from Hydrogen Production to Power Generation, Enters Full-Scale Operation-Electrolysis Hydrogen Production Begins -(mhi.com).

is a 14% improvement from today's technology. The efficiency gain is due to improved performance of the used electrodes 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 overall voltage 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 membrane characterization. Testing will continue in 2024.

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 electrolyzer 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 3rd generation 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 not an abundant 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 14% reduction of electricity needed over a 30-year lifetime is a significant cost saving. The 3rd generation electrodes represent a revolutionary technology within the green hydrogen transition. This is good news for the planet and will undoubtedly ensure HydrogenPro a superior position in the market.

Jeff Spethmann, appointed as CEO for US subsidiary.

Global reach and global responsibility

The growth of a new hydrogen economy will require use of natural resources and will thus have a significant impact on 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 that our positive impact on the environment outweighs the negative impact we may have.

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.

Water consumption
To produce green hydrogen, the electrolysis process uses renewable energy to split water molecules into hydrogen and oxygen. The process is regarded as environmentally friendly, but it requires large amounts of water and can thus 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 steady state production. Regional considerations are therefore important when planning for green hydrogen production. 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 has both an environmental and a social impact on our surroundings. We are entering a phase of rapid scaling of our manufacturing activity, and we will establish new manufacturing sites in both Europe and the US in the years to come. The timing is just right for taking a responsible role and working proactively to mitigate potential negative impacts caused by our own operations and operations in our supply chain.

Environmental impact from manufacturing

HydrogenPro's electrolyzers are today 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 2023 was the year where we got to know our own operations, understood our environmental impact, and identified improvement possibilities. In 2024, we will use the data we have collected and the observations we have made to define short-, medium- and long-term targets to better manage the environmental impacts of our operations and decrease them overtime.

During last year we laid the foundations for this work by hiring a team of two people responsible for environment, health, and safety in our Chinese operations. In addition, we continued working on the ISO14001 certification for Environmental Management Systems, the ISO9001 certification for Quality Management System and the ISO45001 for Occupational Health and Safety Management System, and our Tianjin factory is now certified with all three.

While working with strengthening our environmental action to address the material areas of our operations, we have strived to make office life more sustainable across locations. This includes measures to increase water, energy and resource saving, like installing automatic sensors to regulate lighting in our buildings or implementing electronic approval systems to limit printing. When moving office in Oslo we have bought all our office equipment second hand and we have focused on improving recycling systems both in our offices and in our test center.

GHG emissions in manufacturing
Steel usage is among the major contributors to HydrogenPro's carbon footprint. Steel production is a carbon-intensive process that emits greenhouse gases during several steps of the production process. The most effective short-term actions we can do are buying steel from a supplier that has sustainability at heart and reducing our steel scrap during manufacturing of electrolyzers. We have therefore chosen a steel supplier that works proactively with ESG topics as part of their corporate strategy and corporate development. A major part of our supplier's work on ESG is their low-carbon transformation strategy, and they regularly report on their progress. When it comes to reducing the steel wasted, we are constantly working to find alternative solutions that minimize steel scraps in our manufacturing (read more in our chapter on Innovative Product Design on page 38). While in the process, we realized that we could notably reduce the emissions from transportation by outsourcing major parts of the steel scrapping process to the steel mill directly. That way, only steel parts that are closer to the finished component are transported to our facilities, and less unnecessary waste is transported.

HydrogenPro's absolute greenhouse gas emissions are expected to increase in the short term. Scaling operations and building a global organization with several manufacturing sites will increase our climate footprint. However, doing this is a necessary step to succeed with our mission offer energy-efficient hydrogen production that can realize a zero-carbon future. With a high focus on energy-efficient operations and taking advantage from economies of scale, we aim to reduce the carbon emission intensity of our products going forward. Currently, the emission intensity of our products is 0.0643 kg CO_2/NOK[1] and the energy intensity of our products is 0.0048 kWh/NOK[2].

The full greenhouse gas emissions accounting can be found in Sustainability factbook on page 156.

Water management
In the manufacturing process of electrolyzers for green hydrogen production, relatively small amounts of water are needed. Our location in China is not using water in the manufacturing process, while our location in Denmark has a water recycling facility that can recycle more than 90% of the water used. Our location in Norway uses water for testing of the electrolyzers. None of our current sites are operating in regions where water is scarce.

1 Emission intensity measured as our total GHG emissions divided by our revenues for 2023. The number provided includes all GHG gases, in form of CO_2 equivalents. The value for scope 1 emissions alone is 0.0004 kg CO_2/NOK, scope 2 emissions alone 0.0023 kg CO_2/NOK and scope 3 0.0643 kg CO_2/NOK.
2 Energy intensity is measured as the total energy use for our own operations (including fuel, electricity, heating, steam) divided by our revenues for 2023.

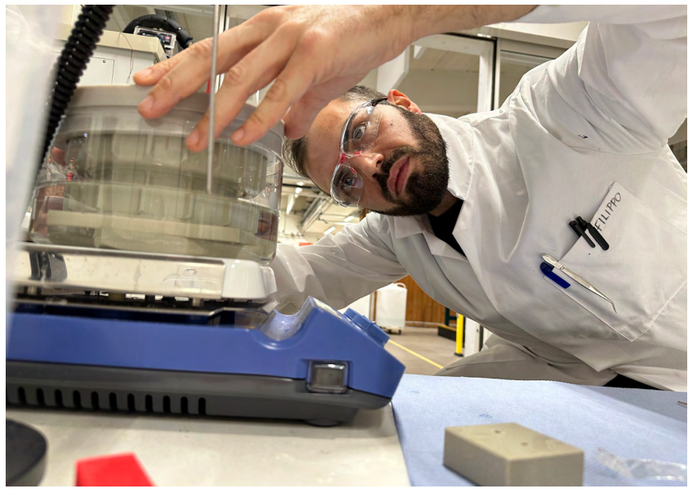
Pollution prevention
Since all facilities only use electricity as energy source in the manufacturing process, the emission to air at the manufacturing sites is limited. The manufacturing process at our site in China emits particle dust from a welding machine, but installation of an exhaust treatment system was completed in 2023.

All chemical waste is collected and handled by specialized companies at all three sites, 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 the steel components. This is handled by qualified professional recycling suppliers that recycle 100% of the steel to new material.



In 2023, the company also had a production facility in Datang, China. The facility was used for nickel plating of steel plates and was located in an industrial park. The facility has previously been classified as a supplier. In 2023, however, we reevaluated our operational boundaries and concluded that the nickel plating operations in the industrial park Datang should be defined as own operations and therefore included in the ESG report for 2023. This is because the equipment used for the above-mentioned operations was owned by HydrogenPro, and the managers supervising the operations were employees of HydrogenPro. This gives us operational control of the facility and the duty to report on the environmental impact.

Water is an essential component of the nickel plating process and is used in various steps. After use, the water which contains different types of chemical waste is discharged through the waste water treatment plant of the industrial park. The generated hazardous waste is collected by the industrial park and entrusted to a qualified company for treatment in accordance with national regulations. Wastewater represents the main source of waste of the facility in Datang.

From primo December 2023 the operations in Datang are discontinued, and the nickel plating process is now outsourced to two new third-party suppliers. HydrogenPro has carried out a supplier due diligence on both of them and has deemed the environmental management system and the working conditions to be adequate and in line with our company standards.

Supplier engagement

Our daily efforts are focusing on creating a strong and resilient network of suppliers that match our material quality requirements, delivery times, and capacity needs in the scale-up phase we have ahead of us. As an industrial company with advanced technology, we highly depend on suppliers that can meet our technical specs and standards. Therefore, the process of sourcing from a new supplier requires a thorough assessment that involves close communication with the supplier management and visits to their manufacturing sites. Both when we approach new suppliers and when we assess our existing ones, ESG topics are at the top of our agenda. We are committed to driving positive change not only in our own operations, but also through collaboration with our suppliers.

The supply chain management process previously established has in 2023 been rolled out to the whole company. The process focuses on quality, certifications, capacity, company reputation, and transparent communication. While 2022 was mainly the year where HydrogenPro built a supply chain management system, even though some assessment took place, 2023 was the year where we focused on carrying out more assessments. 17 companies, of which 10 new suppliers, were screened in 2023 using environmental and social criteria. This represents 20% of the new suppliers in 2023. We are working to further increase this figure, as well as continue to extend our ESG supplier assessment to existing suppliers. None of the suppliers were found to have negative environmental or social impacts, so no remediation measures were needed. None of the suppliers were found violating the right to freedom of association and collective bargaining, nor having incidents of child or forced labor in their operations. The supplier qualification process involves an in-depth review where suppliers are asked to elaborate on general information, management systems, compliance and corporate responsibility, and supply chain management. Documentation of such policies and systems needs to be presented. Health and safety topics covered are among others risk assessment processes, training of employees, preventive actions, follow-up routines of incidents, as well as incidents reported.

Environmental topics that are covered are among others emission reduction and sustainability targets, waste management systems, environmental certifications, and statistics of accidents. The supplier qualification questionnaire was used to both prequalify and reapprove suppliers. The suppliers that received the questionnaire were prioritized by either spend, assessed risk or importance of their materials in our final product.

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 in 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 currently following up all the suppliers to ensure everyone will sign it. The Supplier Code of Conduct defines the mandatory requirements we expect all suppliers and business partners to adhere to concerning their responsibilities towards 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 build trust and a good collaboration environment, and it is necessary to make sure that requirements are followed. We maintain a permanent 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 main 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 very closely with the procurement team to implement the new supplier chain management process and ensure adequate ESG screening of suppliers. To do this we also engaged sustainability procurement consultants from KPMG to provide us with a comprehensive training on ESG supplier assessment. This included a two-day workshop on how to carry out ESG evaluation of suppliers, where HydrogenPro's employees learned what to look for when they conduct an ESG audit and which questions to ask to suppliers and to their employees to identify potential gaps in social and environmental standards. The training was open to all employees in China, and around 20 employees took part in both days. The training included then a guided on-site visit to one of our suppliers, where KPMG was present to train us on the field on how to conduct an ESG audit. Ten employee representatives from the EHS department, Quality Control and Procurement took part in the visit.

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 has published its first Transparency Act report in June 2023, and is now preparing to report on the progress made later this year.

Innovative product design

Design for circularity
At HydrogenPro, the culture of innovation is thriving as employees consistently seek out opportunities for technological advancements and process improvements. As a fast-moving actor in the hydrogen sector, we are working day by day to realise a circular economy. We work to establish a product design process where the customer's expectations of functionality as well as circular principles of product design are top of mind. Our long-term goal is that all components and parts in our electrolyzers easily can be dismantled, repaired, and reused. If not, then as a minimum be recycled.

When developing our 3rd generation electrodes, it has been important for us to create plug-and-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.

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 that are 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. We have previously stated that our products are PFAS free, but we need to restate this information as we realized it was mistaken. PFAS are actually to be found in some valves, pumps and instruments as well as in the cell stack gaskets.

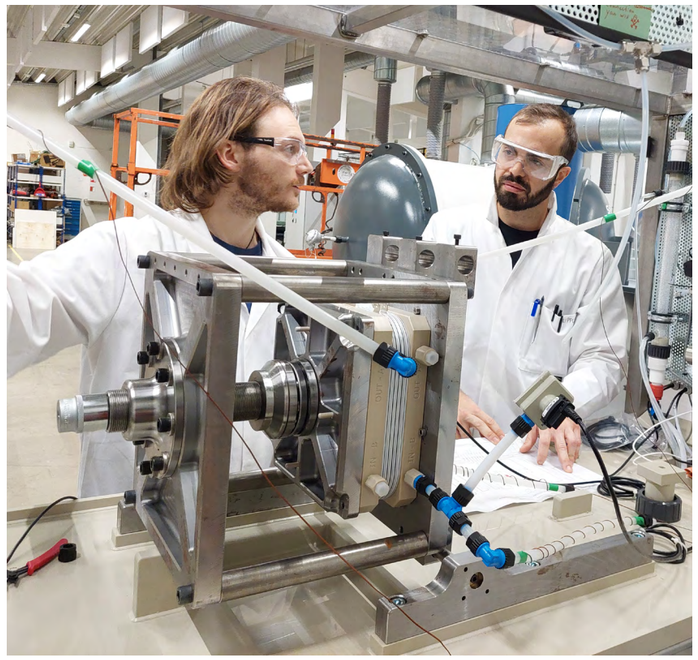
Since last year we have verified and concluded that reducing the nickel coating thickness on our steel components is possible while keeping consistent high quality. In 2023 we reached important results in this process and were able to reduce the thickness of nickel coating from 80 micron (µm) to 40 micron (µm). This will lead to a reduction in nickel use for this process by 50%, which 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 32.

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.

We are also developing customer guidelines and criteria for refurbishment and material recycling. We aim to provide service and maintenance to our customers in an efficient manner that enhances the circularity of our products, and we work to establish procedures and infrastructures that are needed to succeed.



A safe and attractive place to work

At HydrogenPro, the focal point of value creation, culture, and performance is our people and their capabilities. We recognize that securing the right people is crucial to fulfilling the company's strategic priorities – making it imperative for HydrogenPro to be a safe and attractive place to work. This holds significant importance, not only through the impact on our success in addressing key ESG topics, but also by directly influencing the well-being of all employees of HydrogenPro.

HydrogenPro delivers high-end technology, engineering, manufacturing, research & development (R&D) and assembly. To continue the growth and to achieve our ambitious goal of becoming the number one provider of large-scale green hydrogen technologies and systems, having expertise resources and knowledge is essential for our success. To continue developing a safe and attractive workplace, we strongly emphasize occupational health and safety, training and development, diversity, openness, and equal opportunities.

Our people

HydrogenPro has a 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 remarkable team. In 2023 we were thrilled to welcome a total of 146 new team members across all locations, including employees at our newly established German branch. HydrogenPro is building a unified global team defined by our values: courage, integrity, collaboration, and innovation. Together, guided by our shared values, we transform challenges into opportunities, inspiring innovation and shaping a future where HydrogenPro stands as a beacon of excellence in the global energy landscape. In total, HydrogenPro counted 231 employees.

Norway

In 2023, HydrogenPro Norway welcomed 14 new employees, in both junior and senior positions, including executive management roles. The addition of key leadership positions, such as the Chief People & Culture Officer, reflects our dedication to developing a safe and attractive place to work. At year-end, we counted 37 employees at our Norwegian offices in Porsgrunn and Oslo. Sick leave for 2023 concluded at a mere 1.13%, significantly better than our company target of 4%.

Denmark

In Denmark, HydrogenPro was a total of ten full-time employees at year-end, along with one consultant, doubling the workforce from the previous year. Through collaboration with Aarhus University, three industrial PhD students from Biological & Chemical Engineering and Institute of Chemistry were employed in 2022, in addition to a PhD student at the Department of Mechanical and Production Engineering through a granted Eurostars project. This collaboration has already yielded results, with a total of 7 submitted patents and articles published in international journals with several more anticipated in 2024.

In total, 11 R&D projects were granted in 2022. Most of them were still running in 2023. Two additional R&D projects have been acquired, which will involve several students in the following years. The students combine fundamental scientific development with a more practical application in R&D projects, providing valuable experience for future scientists. HydrogenPro Denmark, Advanced Surface Plating, is considered an attractive employer. With increasing research activity and a vast network among employees, recruitments have been successful. The sick leave in HydrogenPro Denmark was 1.1%[1] in 2023 and is well below the company goal of 4%.

1 The number excludes one case of serious long-term sick leave. A calculation of the same parameter including that one case would lead to a sick leave of 3.6%

China

HydrogenPro has two locations in China: Tianjin and Shanghai. In 2023, HydrogenPro Tianjin expanded the workforce by welcoming 123 new full-time employees at our manufacturing facility, reaching a total of 176 employees by year-end. Sick leave from August to December was 1.7%. HydrogenPro Shanghai was established in 2023 and welcomed 5 new employees, achieving a total of 6 full-time employees by year-end. Sick leave from August to December was an astonishing 0%. In both locations, sick leave were well below the company goal of 4%. This reflects a succesful establishment of a healthy and productive work environment within HydrogenPro China during this crucial period of expansion and production.

Following the establishment of the factory and organizational structure from the ground up, 2023 marked a significant milestone with the successful completion of electrolyzer production for the ACES project. The achievements of 2023 underscore the successful integration of HydrogenPro Tianjin and Shanghai into the global hydrogen landscape.

In 2023, the company also used a production facility in Datang, China. The facility has been used for nickel plating of steel plates and was located in an industrial park. HydrogenPro started to use the facility at the end of 2022. In 2023, the company discovered that the working conditions on site were unacceptable to HydrogenPro's standard due to high temperatures and insufficient health and safety equipment for the employees. After considering possible mitigating efforts, the company concluded to transfer our business to two third-party suppliers with a higher degree of automation and better controls. After reducing our business with the industry park by about 1/3, we terminated our operations at the facility beginning December 2023.

In the 2022 annual report, the facility was treated as a supplier and the above-mentioned deviations were therefore only communicated in the 2022 Transparency Act report. With more information, we realize that the production at this facility should be handled in the same way as HydrogenPro's own operations when reporting on Health and Safety. The reason being that the supervisors at the facility were HydrogenPro employees. Additionally, even though the blue-collar workers in the industrial park were not HydrogenPro's own employees, their work and workplace was supervised by our organization. HydrogenPro's operations were directly linked to potential occupational health and safety impacts on the industrial park's workers by its business relationships.

In 2023 we reported 6 injuries among workers who are not employees, all of which in the facility of Datang. One of these occurred as a manual forklift scratched the foot of one of the workers. In addition, due to the high temperature and less effective ventilation during summer, five crane operators experienced skin rashes. As soon as HydrogenPro identified the occupational hazards in the production process, all workers on site were equipped with additional PPE and the staffing company was required to carry out occupational health and safety courses for the workers. Further, we required the staffing company to conduct occupational disease examinations for the workers in accordance with national laws and regulations. During 2023, the ventilation facilities in the workshop was strengthened, the air quality in the workshop improved, and the concentration of harmful substances in the workshop air was reduced. Despite this, HydrogenPro deemed the working conditions at the facility to be unsatisfactory and below our company standard. It was therefore decided to liquidate operations in the Datang industrial park.

Germany

In 2023, we celebrated the successful inauguration of our new branch in Germany, marking a significant milestone in our expansion efforts. By year-end, our team consisted of two employees, and we look forward to continued growth in 2024. Notably, sick leave remained low throughout the year, ranging from February to December, registering at 0.8%. This positive indicator reflects the commitment of our team to health and well-being, contributing to the overall success and productivity of our operations.

Employee Survey and Cultural Assessment
In 2022, HydrogenPro established a partnership with the Great Place to Work® Institute to conduct an employee survey for the first time. This partnership continued into 2023 and provided a valuable opportunity to not only benchmark our workplace against other great workplaces, but also to compare our results with those of the previous survey, gaining greater insight into our current standing in various People & Culture related parameters.

All employees in the Norwegian and German organization were invited to participate in the survey, answering 61 statements measuring the level of Trust, Pride, Credibility, Respect, Fairness, and Camaraderie. The survey was conducted in December 2023, achieving a response rate of 80%, which is notably high and above average for similar surveys.

The overall Trust Index yielded a score of 61%, a significant decline from 2022 with 67%. The National Trust Index, an average of all companies in Norway, was 68% in 2023. This indicates significant room for improvement. Following a thorough assessment and discussion within departments and at management level, an action plan with goals and key priority areas has been outlined. In 2024, additional entities will be included in the work environment survey.

In 2023 we implemented a comprehensive cultural assessment for our European operations including Norway, Denmark and Germany. The US will be included in the future, and hopefully China as well. The initiative was crucial for gaining deeper insights into our current organizational culture and from there, understanding how to develop our desired culture. This initiative is expected to be completed in 2024, while we emphasize that developing our desired culture is a never-ending process.

Collective bargaining agreements
At HydrogenPro, none of our employees are covered by collective bargaining agreements. Employees have the right to participate in unions in all countries where we operate. We provide information about employee rights in our employee handbook.

In the event of operational changes, we ensure strict compliance with local laws and provide employees with timely notice. HydrogenPro is compliant with The Working Environment Act in Norway and complies with relevant legislation in all the countries where we operate. In 2022, HydrogenPro became a member of The Federation of Norwegian Industries (Norsk Industri), the largest association within the overall Confederation of Norwegian Enterprises (NHO), and this positive partnership has continued throughout 2023.

Diversity and inclusion
At HydrogenPro, we value team diversity, reflected in our inclusive and strategically aligned recruitment policies. As outlined in our 2021 Annual Report, our ambition is to achieve a minimum of 25% female representation across all geographies by 2025. In 2022, targeted efforts resulted in a year-end female representation of 24%, a significant increase from 15% in 2021. In 2023, there was a decline to 19%, emphasizing the importance of ongoing initiatives for sustained efforts in fostering diversity. At the end of February 2024, the female ratio was again increased to 24%.

In addition to gender diversity, our dedication extends to maintaining cultural diversity and other forms of diversity at all locations. Our Norwegian, Danish and German offices collectively represent 14 nationalities. Our overarching aim is to ensure all employees feel psychologically safe, included, and valued.

Adhering to governance and compensation policies, we uphold equal pay for equal work with a zero-tolerance approach to discrimination. Our compensation average exceeds the minimum wage requirements in all geographic locations, enabling us to remain competitive in attracting both talent and experienced resources to HydrogenPro. In 2023, the remuneration ratio of women to men was 0.78 for our Norwegian operations and 0.88 and 1.3 for Denmark and Tianjin respectively. The remuneration ratios for all our significant locations* are included in the table below.

Entity	Women to Men Remuneration Ratio
Norway	0.78
Denmark[1]	0.88
Tianjin	1.3

** Significant entities in this regard are entities with 10 or more employees.*

[1] Only one female employed in Denmark by year-end 2023

Further details can be found in the Sustainability factbook on page 156.

Occupational health and safety
The well-being and safety of our personnel are paramount at HydrogenPro, where people constitute our core resource. We are committed to achieving our strategic goal of zero accidents and work-related injuries. However, with the escalation of manufacturing and electrolyzer testing activities, there have been 8 incidents among our employees in 2023, all recorded at our production facilities in Tianjin. No accidents were reported at our other entities. This excludes the above-mentioned incidents at the facility in Datang. Six of the reported incidents were characterized by minor to moderate fractures. Two of these occurred outside the production area - one in the cafetria and one in the restrooms. The other four incidents causing fractures were linked to crane operations, a broken tensioner lifting gear, an end plate slipping and one employee slipping off a ladder. The two remaining accidents were minor injuries from sharp blades and crane operations. Rectification measures ranged from expediting SOP approval, proposing work piece lifting hole optimizations, implementing crane operator training to adjusting dining area spacing. Additionally, we have enhanced our safety training programs, including an examination and emergency preparedness. Daily hazard investigations have been conducted and will continue as an important safety measure. Our commitment to achieving zero accidents and work-related injuries remains a top priority for HydrogenPro.

In 2023, no occupational ill-health occurred in any of the company locations. For HydrogenPro China occupational disease hazards and harmful factors were identified through a third-party evaluation report. Following this report, several actions were taken to eliminate hazards and minimize risks, including introducing dust removal equipment and dust masks, noise reducing earplugs, laser goggles, and regular occupational health examinations.

HydrogenPro ASA in Norway has been ISO45001-certified, covering an occupational health and safety management system. HydrogenPro Tianjin obtained the ISO45001-certification January 2023. Rigorous risk identification and assessment procedures are integral to ensuring occupational health and safety for all employees, facilitating continuous improvement of safety standards. In the event of incidents, thorough investigations are conducted to learn about preventive measures. This practice has been implemented at all our locations.
Furthermore, HydrogenPro China has developed environmental and safety emergency plans tailored to the manufacturing process. Any alterations in the manufacturing process prompt updates to these plans, ensuring they remain effective and responsive to potential risks.

Occupational health services are available to all employees, and all employees are covered by an occupational health and safety management system. Personal health-related information is stored according to GDPR regulations and complies with relevant legislation in all operating countries. Any utilization of employees' personal health data and their involvement in occupational health services to influence favorable or unfavorable treatment is strictly forbidden. If such behavior is observed within the organization, it should be promptly reported following an incident review. No incidents of this nature were reported in 2023.
In China, the company conducts occupational disease status evaluations of the company through qualified third parties, annual testing on occupational hazards to ensure compliance with relevant regulatory standards, and occupational disease examinations for relevant employees. Further, the evaluation of occupational hazards is publicized for the employees, along with the annual occupational hazard factor detection report, and occupational disease physical examination.
In Norway, occupational health services are available to all as needed and a representative from these services is member of the Work Environment Committee (WEC). HydrogenPro is compliant with The Working Environment Act in Norway and has elected representatives for the Working Environment Committee, including Safety Representative. The Committee holds representatives from both the employees and the employer, two of each and has scheduled quarterly meetings in addition to additional meetings if needed. The responsibilities and mandate of the committee is described in the Work Environment Act. Information about the committee, mandate, and responsibility, minutes from the meetings is available to the employees through SharePoint and TQM.

All relevant HSE/OHS information is available through HydrogenPro HSE handbook and regularly a part of the Working Environment committee agenda. The safety delegate is involved on behalf of the employees. Further, a "HSE Moment" is on the agenda in all town-hall meetings.

We practice zero-tolerance of discrimination. No incidents of discrimination were reported in 2023.

In 2023, no significant risk for incidents of forced, compulsory or child labor was identified in our operations.

Training and development

In 2023, a total of 9,325.2 hours were dedicated to training across all entities.

An average of 15.39 hours of HSE training were conducted by each worker at the Tianjin facility, complemented by an additional average of 7 hours of training by management. The training encompassed basic elements for all Chinese employees, including HR introduction, and office and manufacturing facility safety, culminating in an examination.

Factory workers completed more extensive training, focusing on safety protocols and specific skills such as forklift operations and electrical permissions. Concurrently, first aid training commenced, with the company progressing toward achieving a first aid certificate at the organizational level, conducted by qualified third-party instructors, and reported to local authorities as required.

Comprehensive management systems are established for the training of new employees, with varying durations depending on the complexity of the task, such as up to five hours for personnel involved in electrical, hazardous, and chemical processes. Additionally, all relevant employees completed first aid training. Employees in transition, including new employees, as well promotions, termination of employment, retirement etc., are invited to a dialogue with their immediate leader and are supported throughout the transition.

Employee development is incorporated into the annual People Dialogue process, including goal setting for both business goals and personal development goals. The process also includes a semi-annual follow-up meeting. All managers are expected to complete the dialogue meetings with their team members.

Continuing employee development is pivotal for ensuring a sustainable and well-educated workforce. With our growing team across various locations, we aim to implement a systematic approach to optimize training and personal development. As we expand, employees will receive training on HydrogenPro's general and task-specific topics, fostering a unified culture and compliance with local regulations across all facilities, including occupational health service functions.

People governance and whistleblower mechanisms for our Norwegian operations

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. More information is provided in the chapter "Ethics in HydrogenPro", page 74.

These systems and documents, coupled with ISO9001 certification, guide employees in implementing organizational policies and responsible business conduct, including the process for raising concerns through an established whistleblowing protocol.

Employees are introduced to these guiding mechanisms and procedures from the onset of their employment, communicated through routine team meetings, one-on-one dialogues with their immediate managers, and on HydrogenPro's internal communication platforms. The employee handbook offers clear instructions on addressing and reporting critical concerns to the executive and board levels, emphasizing the importance of reporting incidents for the continual development of our structures, performance, and culture. Anonymous reporting is encouraged, with matters addressed at the board level. For the reporting period, 2023, no incidents of concern were reported in HydrogenPro.

In 2023, our whistleblower policy was implemented throughout the company. To ensure our Code of Conduct and Anti-Bribery and Corruption Policy are known and understood by all employees, a training program in two partis has been implemented for all English-speaking employees globally. The training consisted of the annual Anti-Bribery and Corruption course and 11 digital learning modules. Beginning 2024, an external third-party channel for whistle blowing is being implemented. The chapter "Ethics in HydrogenPro", page 74, provides further information.

03

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Governance

Board of Directors' report

1 Highlights

2023, marking our ten years anniversary, was the year where we proved our ability to produce and deliver our large-scale hydrogen systems completing the manufacturing of the complete fleet of 40 electrolyzers ordered for the Advanced Clean Energy Storage Hub in Delta, Utah. We also entered new industrial partnerships, notably with the Austrian Industrial Group ANDRITZ. Equally, it was the year we showed that our global business model is sound, proving our delivery capabilities with our unparalleled organizational know-how.

During the fall of 2023, HydrogenPro and ANDRITZ Group signed a strategic partnership to combine the ANDRITZ's industrial expertise with HydrogenPro's technological expertise. This partnership showed immediate results as ANDRITZ announced the contract of building a 100MW electrolysis plant at the Salzgitter Flachstahl GmbH site. HydrogenPro was chosen supplier of 18 5.5 MW cell stacks to this large-scale European project. This also marked a new milestone for our global business model as the parts will be shipped from our production facilities in Tianjin, China, and assembled in Erfurt, Germany, expanding our European footprint.

By the end of the year, we completed the manufacture and delivery of 40 5.5 MW electrolyzers to the world 's largest electrolyzer system. When obtaining the contract in 2022 from Advanced Clean Energy Storage Hub in Delta, Utah, it was the largest hydrogen contract to date. By the end of 2023 all 40 electrolyzers were produced and delivered, proving our ability to provide large-scale and high-quality technology to our customers.

In addition to proving our ability to produce and deliver, we also had our unique technology validated by the world leading validation center at Mitsubishi Heavy Industries' Takasago Hydrogen Park. The tested electrolyzer was produced at our new production line in Tianjin, China and started to produce hydrogen in August 2023.

HydrogenPro acquired Advanced Surface Plating ApS, Aarhus, Denmark, in 2020 which includes full ownership to the previously licensed plating technology. Internal testing is confirming a at least 14% reduction in kWh/kg H2 which is reducing the cost of green hydrogen significantly since electric power is the by far largest cost element. The ASP organization is now being integrated into the Group as our main R&D department. Based on this highly skilled research department, we obtained several grants with a total value of NOK 15.3 million in the calendar year 2023. The projects were funded by Innovation Fund Denmark, MissionGreenFuels and Gassnova, Norway. Partners in the projects include the Technical University of Denmark and Aarhus University as well as Sintef, Equinor Energy, EcoFishCircle and TotalEnergies.

In order to continue to produce and deliver our unique electrolyzer technology to large-scale customers, we expanded our production capacity by more than 60%. Originally our capacity was 300MW, but we are now able to produce 500MW at our production site in Tianjin, China. We are now even better positioned to address the increasing global demand for electrolyzers and green hydrogen.

Our European expansion was equally strengthened by the establishment of our sales office in Duisburg, Germany. The German market is of great importance as the German Government aims to achieve a 10GW capacity of hydrogen electrolyzers by 2030 through its "National Hydrogen Strategy".

In August 2023, Mr. Jarle Dragvik assumed the role, succeeding Mr. Tarjei Johansen. Mr. Dragvik came from a position as CEO of TM Holding AS, the Company's second largest shareholder. He knows HydrogenPro well as he served on the Board until May 2023 and has for years been chairman of HydrogenPro's Chinese operation.

Mr. Terje Mikalsen was appointed chair of the board in October, succeeding Mrs. Ellen Hanetho. Terje Mikalsen is a major shareholder and has a long list of top management and board positions. He co-founded Norsk Data AS and has been an active owner in many companies as well as heading the listings of Norsk Data, Hafslund, Nycomed and NCL at the NY stock exchanges (NYSE/Nasdaq). Terje Mikalsen holds a MSc from Norwegian University of Science and Technology.

To further ensure our global expansion, notably in the US, Mr. Jeff Spethman was appointed CEO for HydrogenPro Inc. He will be responsible for overseeing HydrogenPro's North American operations and leading the company's dynamic growth in North America. Recently Mr. Spethmann held the position as Senior Vice President for Industrial Products at Donaldson Company Inc. Donaldson is a leading provider of filtration systems and replacement parts with 13,000 employees worldwide. Mr. Spethmann has a strong track record creating actionable strategies to drive growth and deliver shareholder value.

To participate in creating solid political frameworks for our industry, HydrogenPro initiated and played a pivotal part in developing a National Hydrogen strategy that was presented to the Norwegian Government in June. To create sustainable markets and value chains both nationally and globally, the political decisions and support mechanisms are of great importance for every player in the industry. We are therefore active members of also Hydrogen Europe, Hydrogen Forum (Norway) and the Confederation of Norwegian Enterprise.

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.

Income statement

NOK MILLION	2023	Restated 2022
Revenue from contracts with customers	568	56
Cost of goods sold	-447	-44
Personnel expenses	-82	-52
Other operating expenses	-66	-54
ADJUSTED EBITDA	**-27**	**-94**
Non-cash cost of incentive programs/payrolls	-3	-10
Non-cash accruals/provisions	-6	-1
EBITDA	**-36**	**-105**
Depreciation and amortization expenses	-22	-14
EBIT	**-58**	**-119**
Net financial income and expenses	-5	5
Profit/(loss) before income tax	-63	-114
Income tax expense	0	0
PROFIT/(LOSS)	**-63**	**-114**

See to Alternative Performance Measures (APM's) page 146.

HydrogenPro generated revenues of NOK 568 million in 2023 (NOK 56 million in 2022) which was mainly related to the purchase order from Mitsubishi Power for the world's largest single stack high-pressure alkaline electrolyzer system and the ACES project.

Cost of goods sold amounted to 447 million (NOK 44 million in 2022) in raw materials and consumables, mainly related to purchase orders from Mitsubishi Power.

Personnel expenses increased from 63 million in 2022 to 85 million in 2023. The large increase in number of employees is mainly related to the manufacturing site in Tianjin, China.

Other operating expenses amounted to 72 million (NOK 55 million in 2022), as the overall activity level significantly increased vs. the previous year. The increase in operating costs reflects a continued build-up of the organization and systems needed to execute and deliver high quality products and services.

Depreciation & amortization expenses of NOK 22 million (NOK 14 million in 2022).

Operating profit was NOK -58 million in 2023 vs. NOK - 119 million in 2022.

Net Financial items

NOK MILLION	2023	Restated 2022
Interest gain/expense	4	3
Net foreign exchange gain/expense	-8	2
Other finance income/expense	-1	-1
Net Financial items	**-5**	**5**

Financial income and expenses amounted to NOK -5 million, which consisted of NOK 4 million as financial income and NOK -9 million as financial cost.

Net Financial items NOK 5 million in 2022 is restated with NOK -24 million see Note 9.1 Restatement of comparable information.

Tax on ordinary result was NOK 0 million (NOK 0 million in 2022).

Annual net loss for the year ended at NOK -63 million (NOK –114 million in 2022 which is restated see Note 8.1 Restatement of comparable information.) and will be transferred to other equity.

Balance sheet

NOK MILLION	2023	Restated 2022
ASSETS		
Intangible assets	58	64
Property, plant and equipment	68	56
Financial investment	56	52
Total non-current assets	**182**	**172**
Current operating assets	301	122
Cash and cash equivalents	161	257
Total Current Assets	**462**	**379**
Total Assets	**644**	**551**

EQUITY AND LIABILITIES	2023	Restated 2022
Total equity	**453**	**396**
Total non-current liabilites	18	11
Total current liabilites	172	144
Total liabilities	**190**	**155**
Total equity and liabilities	**644**	**551**

Total assets as of 31 December 2023 were NOK 644 million, whereof NOK 462 million in current assets (NOK 161 million in cash and deposits, NOK 287 million in total debtors and NOK 14 million in inventories) and NOK 182 million in non-current assets, whereof NOK 58 million in intangible assets, NOK 68 million in tangible assets and NOK 56 million in financial investments assets.

The development in property, plant and equipment are mainly due to production plant at HydrogenPro Tianjin Ltd. For more information, see note 3.1, 3.2 and 3.3 in the financial statement.

Total equity amounted to NOK 453 million and total liabilities of NOK 190 million, whereof NOK 172 million in short-term liabilities and NOK 18 million in long-term liabilities/provisions.

The equity ratio as of 31 December 2023 was 70.4%.

Cash flow statement

NOK MILLION	2023	Restated 2022
Cash balance start of period	**257**	**382**
Net cash flow from operating activities	-188	-69
Net cash flow from investing activities	-20	-52
Net cash flow from financing activities	111	-4
Total changes in cash	**-97**	**-125**
Cash balance end of period	**161**	**257**

Net cash flow from operating activities was NOK -188 million, compared to -69 million in 2022 The increase is mainly due to personnel expenses driven by increase in full-time employees.

Net cash flow from investing activities of NOK -20 million which is invested in the manufacturing capacity which was NOK -52 in 2022 related to purchase of tangible assets with NOK 15 million and acquisition of subsidiary with NOK 33 million.

More details on investments, refer to note 3.1, 3.2, and 3.4 in the financial statements.

Net cash flows from financing activities were NOK 111 million in 2023 (NOK – 4 million in 2022), whereof NOK 122 million was related to the issue of new capital.

	2023	2022
Number of employees	**231**	**143**
Short leave/overall leave less than country average of our locations (annually):		
Norway	1.1 %	0.62 %
Denmark	1.1 %	0.01 %
Germany	0.8 %	
Tianjin, China	1.7%	
Shanghai, China	0%	
China	3.3%	
Zero accidents and work-related ill health (annually):		
Norway	0	
Denmark	0	
Germany	0	
Tianjin, China	8	
Shanghai, China	0	
Total HydrogenPro TRIFR4: 3.22 (average) US manufacturing = 3.5		
TQM	89 %	
First aid	100 %	
Information Security Awareness	89 %	

Data not available for 2022.

Footnotes:

1. In 2022 “China” only included the Tianjin factory and attached offices. In 2023 we have divided the data by Tianjin (factory and attached offices) and Shanghai (office)
2. The number excludes one case of serious long-term sick leave. A calculation of the same parameter including that one case would lead to a sick leave of 3.6%
3. 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
4. Calculated per 200,000 hours worked (as opposed to the common calculation of accidents per million work hours.
5. The number refers to the potential of our 3rd generation electrolyzer. In 2023 we carried out 850 hours testing that confirmed the expected results. Further tests to be conducted in 2024 as part of our R&D program.
6. The target refers to the contracts HydrogenPro has signed in the reporting year, and the number is an estimate of avoided emissions those projects are expected to generate. Therefore, we reformulated slightly.

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 top-down 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.

Through its ordinary operating activities, the Company is exposed to various types of risk. As the Company continues to grow at a fast rate and enters new markets, the risk landscape evolves, with recent evolution focusing largely on threats from protectionism, building a strong company culture and business strategies. 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 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 focusing on further commercialization of its R&D to strengthen its market position and to stay competitive.

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 the US supplier landscape, with plans to do the same in the European market.

To further reduce business risks, the Company is currently developing 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 downside 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.

If the Company is not able to obtain necessary funding and/or financial guarantees, this may hinder the Company’s ability to pursue contractual negotiations and strategic priorities. This may result in loss of 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 reports to the Audit & Risk Committee. The committee was established in the autumn of 2022, with a mandate given by the Board of Directors. The leader of the Audit and Risk Committee reports to the Chair of the Board. 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, 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 will be rolled out in the first half of 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 launched a program of third-party supplier audits to gain assurance on the operations and processes undertaken by its suppliers.

Operational risk
Disruptions in deliveries by the Company's suppliers could 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 potentially affecting customs and tariff levels, makes the supply chain vulnerable to disruption.

The Company is in the process of mitigating this risk through the roll-out 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, system-failure 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 put 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.

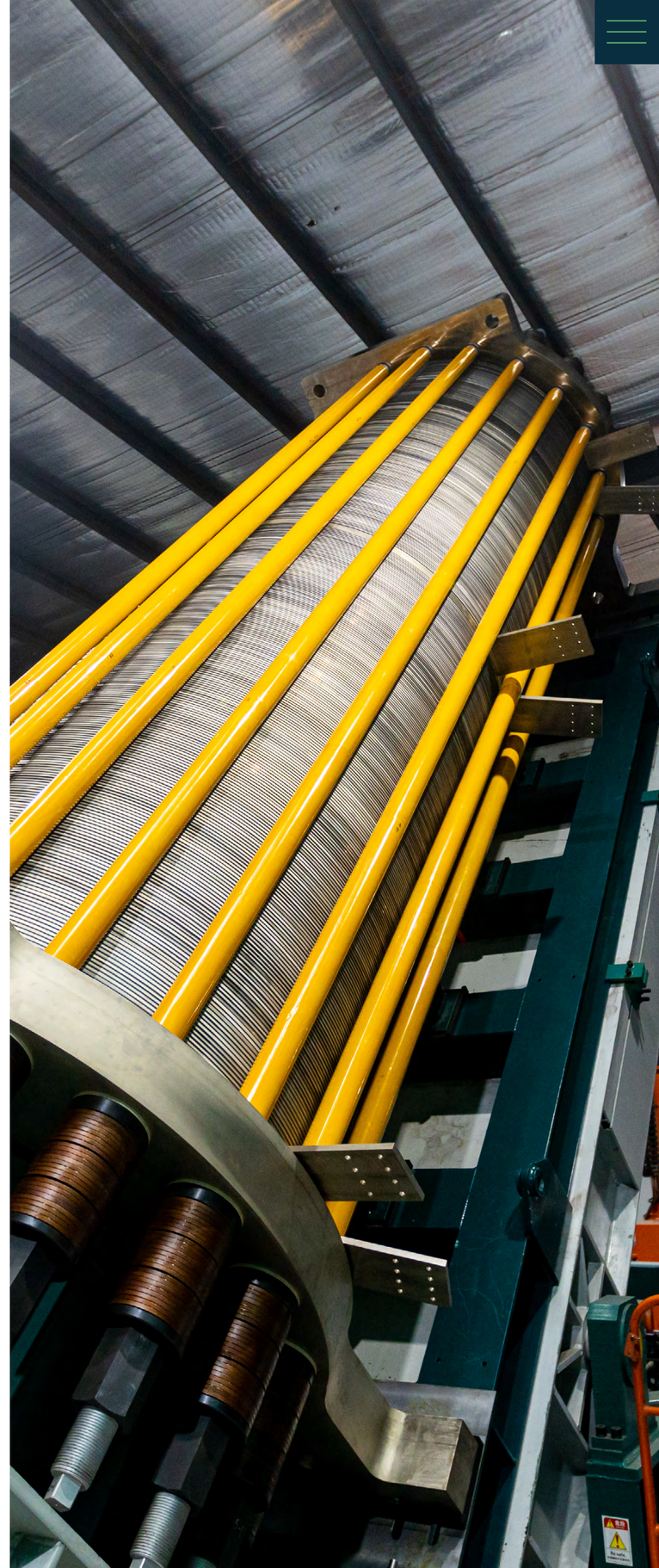
Shares and dividend
HydrogenPro is listed on Oslo Stock Exchange under the ticker "HYPRO". As of 31 December 2023, the number of shares outstanding was 63,300,046 each with a par value of NOK 0.02/share. All shares are of the same class and with equal voting and dividend rights. The market capitalization as of year-end 2023 was NOK 1 039 million vs NOK 1 680 million as of year-end 2022. Given the Company's early stage of development and strategic ambitions, the Board of Directors does not recommend a dividend for the year 2023.

Directors' and Officers' Liability Insurance
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 capacity and includes subsidiaries owned with more than 50%. The insurance is worldwide. The purpose is to prevent employees and board members of HydrogenPro ASA (incl. subsidiaries) from being held personally responsible for decisions made by the company.

3 Environmental

Our environmental targets to date have mostly been based on the positive contribution of our electrolyzers in term of reduced CO_2 emissions. Further, the targets reflected our goal of making our elektrolyzers more energy- and cost-efficient as well as more scalable. When it comes to cost efficiency, tests in 2023 showed achievement of our goal to decrease levelized cost of hydrogen to USD 1.2 per kg (electricity price of USD 20 / MWh). Our focus going forward will be to continue our R&D efforts needed to bring the third-generation electrolyzers on the market and enable more cost- and energy-efficient hydrogen production than what is possible today. Regarding scalability, we have continued to increase both our production capacity and our project portfolio, but not by as much as our original targets. Despite energy efficiency and scalability of our product still being at the very core of our strategy, we recognize the need to update our environmental targets to also address the potential negative impacts HydrogenPro may have through its operations. This is a work that requires us to carefully analyze our operations through an ESG lens, and define which areas are the most important for us to focus on in the future. We have therefore chosen not to renew two of our environmental target. In 2024 we will improve the foundations of our sustainability work and revise our ESG targets in line with the company's development and our ambitions for the future. This will include conducting a double materiality assessment which will be valuable input to an updated sustainability strategy.

We will continue to strive towards reaching our ambitions, and report on our progress in a transparent and consistent manner.



4 Sustainability

The Board is responsible for the Company's sustainability strategy and reporting, while the day-to-day responsibility for managing impacts, both financial, environmental, and social, is delegated to the Executive Management.

Our sustainability efforts and corporate social responsibility work are thoroughly described in this report. In chapter 2 we elaborate on our impact on the environment and social factors, and topics such as work environment (including work related injuries and sick leave), non-discrimination (including diversity and inclusion), and human rights are covered. Anti-bribery and corruption in the supply chain are described in chapter 2, and our internal work on ethical business conduct is elaborated on in Chapter 3, Governance. 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.

Climate risk
In the reporting year, HydrogenPro has not taken any particular measures to advance the collective knowledge, skills, and experience of the Board of Directors on sustainable development. However, this will be something that we will look into in 2024, as a part of our journey to prepare for the upcoming Corporate Sustainability Reporting Directive (CSRD).

The Board of Directors considers ESG risks as a part of the risk management process, with a particular focus on climate risk and opportunities (see page 26 for information regarding climate 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 short term, 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 water 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, both 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 weekly. The regulatory landscape and incentive programs in Europe and the US are to a high 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 build our manufacturing capacity.

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.

5 Transparency act

In accordance with the Transparency Act, HydrogenPro has identified and implemented mitigating efforts to cease actual and potential adverse impacts on human rights and decent working conditions in the supply chain. While some of the mitigating efforts identified must be incorporated by our suppliers, we also acknowledge that there are areas of improvement within our company as well to ensure sufficient attention on and knowledge about human rights. This involves how we address human rights in our value chain, as well as how we work on the topic internally. Consequently, we have implemented measures to mitigate adverse impacts on human rights and decent working conditions in our supply chain, including the following:

- Our internal code of Conduct was updated spring 2023 to better reflect the company's position on human rights, including updated corporate commitments.
- The Supplier Code of Conduct was updated in the winter 2022/2023 and published online. The Supplier Code of Conduct was later translated to Chinese. The Supplier Code of Conduct has been sent to relevant suppliers and will be included when onboarding new suppliers.

- Updated our General Terms and Conditions to include human rights and social sustainability.
- The updated supplier qualification process is implemented across the whole group including in-depth review of topics such as management systems, compliance, corporate responsibility and supply chain management. The updated supplier qualifications process will be run on relevant existing suppliers in addition to all new suppliers.
- Additional scrutiny included in due diligence assessment of suppliers located in areas where risk of human rights violation is traditionally higher. We included eight additional questions in the Transparency Act due diligence questionnaire for suppliers delivering to our Chinese operations. These questions concentrated on how the selected suppliers handled risk of human rights and labor rights violations in their own supply chain, and as such, provided us with further knowledge of our suppliers.

The mitigating efforts implemented are expected to contribute to reduced risk of adverse impact on human rights and decent working conditions through increased knowledge and competence on the topic.

Through updated policies, processes, and documents, the necessary governance structure and day to-day management of human rights topics have been presented to all relevant parties, and relevant information has become more accessible for employees and suppliers. Having implemented the same supplier screening process across the whole group, this will make it easier to uphold the high standards we expect from our suppliers.

In addition to this, several mitigating efforts has been implemented:

- Primo 2024, an external third-party channel for whistle blowing is being implemented.
- Establishing a sustainable procurement policy where ESG factors are taken into considerations.
- Establish a process for conducting regular human rights assessments for existing suppliers, including determining criteria for which suppliers to prioritize from a risk-based approach.
- In addition to sharing the Supplier Code of Conduct with relevant suppliers, a formal request of confirmation of understanding and acceptance of the Code will be required. This states the importance of higher standards in terms of social accountability, human rights, and health and safety performance for HydrogenPro partners and their supply chain.
- Suppliers will be recommended to pursue certifications to enhance their credibility and signal their adherence to international labor rights standards.

The mitigating efforts listed above are expected to further increase the internal processes for supply chain in HydrogenPro as well as our insight into our suppliers and their potential adverse impacts on human rights and decent working conditions. The company will publish its Transparancy Act Report for 2023 in June 2024.

6 Outlook

Although some projects have been delayed, the overall outlook for the green hydrogen market which HydrogenPro operates in is developing positively, as projects and players in the industry are becoming more mature. Especially Europe and North America show increase in new hydrogen projects. HydrogenPro is well positioned to take advantage of these developments. As the projects are becoming larger and more complex, HydrogenPro's demonstrated ability to deliver on large-scale industrial projects makes the company a preferred partner for potential customers. Final investment decisions are still somewhat lagging, and an exponential development must be deployed the next few years to meet the expected demand for green hydrogen.

The confirmed order from ANDRITZ in November 2023 proves that the cooperation has started to bear fruit, and HydrogenPro sees significant opportunities with ANDRITZ in Europe going forward.

For HydrogenPro, the key to success is to see more projects reach Final Investment Decision, with HydrogenPro as the preferred partner. Securing firm purchase orders is HydrogenPro's main priority, to generate revenues and cash flow to spur further growth.

HydrogenPro is continuously working on improving project execution and operational excellence. From 2022 to 2023 there was a significant improvement in operating results which clearly demonstrates the operational leverage in HydrogenPro's business model.

As HydrogenPro owns the manufacturing facilities in China, manufacturing can be adjusted in accordance with demand. Following the completion of the ACES project in 2023, it is expected that manufacturing load will decrease in the beginning of 2024, with corresponding lowering of cost base.

Lessons learnt from project deliveries in the US have demonstrated challenges with regard to logistics and transportation of fully assembled electrolyzers and gas separator skids. This, in addition to the life cycle partner strategy of HydrogenPro, indicates need for assembly stations near to customer sites. The company's core products are well suited for local assembly. Moreover, further visibility on US legislative frameworks and funding schemes is needed, including insight into decision on requirement for local US content. The Company has a prudent cost and capital discipline and has not committed to any major investments as of today.

Porsgrunn/Oslo, 21 March 2024

(All signatures electronically signed)

Terje Mikalsen	Asta Stenhagen	Jarle Tautra	Richard Espeseth	Jarle Dragvik
Chair of the Board	*Board member*	*Board member*	*Board member*	*CEO*

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 endevaour 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 will work 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 Norwegian Code of Practice for Corporate Governance and will provide explanations of any non-compliance with the Code. The corporate governance document for HydrogenPro covers all sections of The Norwegian Code of Practice for Corporate Governance and is available in the Annual report and on the Company website www.hydrogenpro.com. For the reporting period of 2023, HydrogenPro provides an integrated financial and sustainability report addressing topics according to the Global Reporting Initiative ("**GRI**") core standards.

2 The business

HydrogenPro was founded 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 231 highly skilled and experienced people at year-end 2023, including key personnel with leading global hydrogen expertise. The Company 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.

HydrogenPro has developed industry-leading high-pressure alkaline electrolyzers, including the Company´s 3rd generation technology, with the potential to increase efficiency of the electrolysis process by 14 percentage points. With a technology that is easy to scale depending on the input energy from renewables, HydrogenPro's large-scale 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.

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, 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 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.

4 Equal treatment of shareholders

HydrogenPro upholds equal treatment of its shareholders and potential investors. 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' pre-emptive rights to subscribe for shares will be justified. If the Board resolves to issue new shares and waives the pre-emptive 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 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, including distribution of dividends, if relevant,
- amendments of the articles of association,
- share issues,
- election of auditor and board members,
- 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 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.

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 decision-making, 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 five members, three women and two 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, please see an overview of shareholdings by each board member 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 in the annual report and on the Company website.

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 know-ledge, 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 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, 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 notify the Board, and members of the executive management 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.

10 Risk management and internal control

Risk management and internal controls are important to HydrogenPro and enable 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 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 manufacturing site inTianjin, China. It is of strategic importance that employees or stakeholders in general report any noncompliance, 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 local laws, regulations and legislation. The process of identifying, evaluating and implementing risk-reducing 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 & 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 reporting.

11 Remuneration of the Board of Directors

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

The Remuneration Committee of HydrogenPro shall be comprised of at least three 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 Board of Directors. The Committee shall review and recommend to the Board the remuneration policies/framework for the Group's executive/senior management, as follows:

- 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 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. In a building phase of the Company, share options were granted to board members prior to 2022. In 2023, one member of the Board of Directors took on selected assignments for the Company in addition to support the Company.

12 Salary and other remuneration for executive personnel

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, CPO, CLO, CCO 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. The guidelines approved by the general meeting shall be published on the Company's website.

The remuneration for the executive management consists of fixed salary, short-term variable performance-related salary and a long-term retention scheme consisting of a share option programme awarded based on performance. Remuneration of executive management is a strategic tool for the Group to achieve its financial and operational goals while staying within its risk appetite to maximise shareholder value. The evaluation process covered by these guidelines relates to fixed cash salary, variable cash salary, benefits, and participation in stock option incentive programmes.

13 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 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 includes the CEO and the CFO as well as other personnel appointed by the team. The IR team and the Communications Director can 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 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.

14 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.
- 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 the Norwegian Code of Practice for Corporate Governance 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.

15 Auditor

HydrogenPro's auditor is BDO AS. The partners of BDO 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 2023. The auditor attends the Board meeting at which the annual financial statements are approved. The auditor presents an annual audit plan to the Board. The Board has adopted guidelines on the management's use of the auditor for services other than auditing. The Board reviews the Company's internal control procedures with the auditor at least once a year, including weaknesses identified by the auditor and proposals for improvement.

Board of Directors

Terje Mikalsen
Chair

Since 2014, Terje Mikalsen has served several periods on HydrogenPro's Board of Directors. He has a long list of top management and board positions. He co-founded Norsk Data AS and has been an active owner in many companies as well as heading the listings of Norsk Data, Hafslund, Nycomed and NCL at the NY stock exchanges (NYSE/Nasdaq). Mr. Mikalsen holds a MSc from NTH, Norwegian Institute of Technology. He is a Norwegian national, non-executive, independent and holds several positions as chairperson at other Norwegian companies.

Jarle Tautra
Board member

Jarle Tautra has been on HydrogenPro's Board of Directors since October 2021. He has held multiple executive management positions in energy-related powerhouses, such as Aker Solutions, Aker Kvaerner E & C Europe, Aker Maritime, Norsk Hydro ASA and Eureka Pumps. Mr. Tautra holds a Master's degree in chemical engineering from the Norwegian Institute of Technology in Trondheim (NTNU). He is a Norwegian national, non-executive, independent and holds two positions as chairperson at other Norwegian companies.

Richard Espeseth
Board member

Richard Espeseth is the founder of HydrogenPro and has served several periods on HydrogenPro's Board of Directors. Mr. Espeseth has 25 years of international industry experience from Norsk Hydro, Statoil, ABB and RPR. He also has more than 10 years' experience from the hydrogen electrolyzer business. Mr. Espeseth holds a MSc in Mechanical Engineering from South Dakota School of Mine & Technology. Mr. Espeseth is a Norwegian national, non-executive and holds a position as Head of Technology in HydrogenPro.

Asta Ellingsen Stenhagen
Board member

Asta Ellingsen Stenhagen has been on HydrogenPro's Board of Directors since May 2023. She has 20 years' experience as a legal counsel/ lawyer, mainly in TietoEvry (technology) and Wilh. Wilhelmsen group (logistics, shipping and maritime service delivery). Ms. Stenhagen is now employed as General Counsel, Head of Legal and Compliance at Morrow Batteries ASAShe has a degree in law from the University of Oslo, with partial exams also from the University of Aarhus, Denmark. Ms. Stenhagen is a Norwegian national, non-executive and currently holds board positions in two other technology companies.

Executive management

Jarle Dragvik
Chief Executive Officer

Jarle Dragvik started his position as CEO in August 2023. He knows HydrogenPro well as he served on the Board until May 2023 and has for years been chairman of HydrogenPro's Chinese operation. Mr. Dragvik came from the position of CEO at TM Holding AS, a major shareholder of HydrogenPro ASA. Has extensive experience from numerous senior international management positions and board memberships in companies such as Norske Skog, Norsk Hydro, and Sapa AS. He has also spent five years in China during his career, evidencing his international expertise and experience. Mr. Dragvik holds a Master's degree in Management & Marketing from BI Norwegian Business School. He has also completed several management programs, i.e. Orkla Top Management Program in Oslo/Shanghai, IMD Global Strategy Execution Program in Lausanne, as well as IFL Management Program in Stockholm.

Martin Thanem Holtet
Chief Financial Officer

Martin Thanem Holtet joined HydrogenPro as CFO in March 2021. Mr. Holtet 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. Mr. Holtet holds a MSc in Economics and Business Administration from Norwegian School of Economics (NHH).

Erik Chr. Bolstad
Chief Commercial Officer

Erik Chr. Bolstad joined HydrogenPro as CCO in September 2021. Mr. Bolstad has more than 20 years' experience from various management positions within ABB and others. He has held positions within commercial, sales & marketing functions, especially B2B within the global shipping and shipbuilding industry. Mr. Bolstad holds a BSc in Electronic Engineering from University of South-Western Norway.

Cathrin Bretzeg
Chief People & Culture Officer

Cathrin Bretzeg joined HydrogenPro in June 2023. Ms. Bretzeg has more than 20 years' experience of senior management positions and came from a position as People, Communications, Sustainability at Glitre Nett following the EVP HR, Communications & Sustainability position at Glitre Energi. Previous experience includes SVP Human Resources at Magseis Fairfield ASA and SVP Global HR & HSE at Kongsberg Oil & Gas Technologies and Kongsberg Digital. Ms. Bretzeg holds a BSc in Business Administration from Pacific Lutheran University (siviløkonom).

Marc Jedamzik
Chief Project Officer

Marc Jedamzik joined HydrogenPro in 2023 and was appointed CPO in November 2023. Mr. Jedamzik has more than 20 years of experience in engineering, product development, project management and execution, business development, public affairs and sales in globally operating international companies. He holds a MSc in Mechanical Engineering and Naval Architecture of Duisburg-Essen, Germany.

Tormod Kløve
Chief Legal Officer

Tormod Kløve joined HydrogenPro as CLO in November 2022. Mr. Kløve came from a position as Senior Legal Counsel in PGS and has also served as Senior Lawyer in the law firm Wikborg Rein. He has considerable international experience from numerous countries, including three years in Japan. Tormod started his career as a junior research fellow at the University of Oslo and has also served as a deputy judge at district court level in Norway. He holds a Master of Laws from the University in Oslo.

Odd-Arne Lorentsen
Chief Technology Officer

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

Ethics in HydrogenPro

Business and workplace ethics is the backbone of the company. HydrogenPro has rapidly grown from nine employees in Norway in 2020 to 231 employees on three continents by the end of 2023. This led to both excitement, development, and challenges in many facets.

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 available to employees through TQM
- Quality Policy available to employees through TQM
- Environmental Policy available to employees through TQM
- Information Security Policy available to employees through TQM
- Anti-Corruption and Bribery Policy
- Code of Conduct
- Supplier Code of Conduct
- Whistleblower Policy

HydrogenPro's Code of Conduct was revised in June 2023. The 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 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 and an external channel for handling such communication is being established primo 2024. This will cover the global organization as well. No such concerns were raised in 2023.

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 will be 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 Bord of Directors (by Chair of the Board), 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 (emails and Viva Engage posts) and training. The policies are also communicated in the onboarding process of new employees. Our commitments in the aforementioned policies are embedded in the organization though the job descriptions of each position and our business operations standards and procedures. Our processes to remediate negative impacts are described in each policy. No such cases are noted in 2023.

In order to ensure our Code of Conduct and Anti-Bribery and Corruption Policy are known and understood by all employees, a training program in two parts has been implemented globally for all English-speaking employees. Part One was the annual Anti-Bribery and Corruption course. Part two was implemented in Q4. This training consists of 11 digital learning modules and was implemented in Norway, Denmark, Germany, USA and China (office-based employees). The training was launched in November 2023 in Norway, Denmark, Germany and USA and December in China. By year end, 5 modules were launched with a total of 80,4% completion rate for Norway, Denmark, Germany and USA. Primo February 2024 all 11 modules were launched. The completion rate is tracked and followed-up on. By year end, 3 modules were launched in China and the completion rate was 66%. Primo February 2024, eight modules were launched. The completion rate is tracked and followed-up on. Further, our Code of Conduct and Supplier Code of Conduct were revised and a risk assessment in the supply chain completed. Also, our policy, board documents and governance in general were reviewed. Primo 2024, an external third-party channel for whistle blowing is being implemented.

In 2023, 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 is implemented and in process. 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).

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Financial Statements

Consolidated Financial Statements and Notes

Consolidated Statement of Comprehensive Income

NOK '000	Note	2023	Restated 2022
Operating income and operating expenses			
Revenue from contracts with customers	2.2	568 233	56 414
Total revenue		**568 233**	**56 414**
Cost of goods sold	2.3	-447 442	-44 372
Personnel expenses	2.4, 2.5, 7.1	-85 205	-62 768
Depreciation and amortisation expense	3.1, 3.2, 3.3	-22 281	-13 990
Other operating expenses	2.6	-71 597	-54 526
Operating loss		**-58 292**	**-119 242**
Financial income	2.7	33 502	17 874
Financial expenses	2.7	-38 147	-13 092
Net financial income and expenses		**-4 645**	**4 782**
Profit/(loss) before income tax		**-62 936**	**-114 460**
Income tax expense	2.8	0	-80
Profit/(loss) for the year		**-62 936**	**-114 380**
Profit/(loss) attributable to:			
Equity holders of the parent company		-64 513	-109 449
Non-controlling interest		1 576	-4 931
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations		-729	-415
Net Other comprehensive income		-729	-415
Total comprehensive profit/(loss) for the year		**-63 666**	**-114 795**
Total comprehensive profit (loss) for the year attributable to:			
Equity holders of the parent company		-65 243	-109 864
Non-controlling interest		1 576	-4 931
Basic earning per share	6.4	-1.09	-1.89
Diluted earnings per share	6.4	-1.09	-1.89

See note 8.1 Restatement of comparable information.

Consolidated Statement of Financial Position

as of 31 December

NOK '000	Note	2023	Restated 2022
ASSETS			
Non-current assets			
Intangible assets	3.1	57 932	64 415
Property, plant and equipment	3.2	68 157	55 537
Right of use assets	3.3	20 455	17 625
Financial investments	3.4	30 517	29 572
Other non-current receivables	3.4	4 804	4 820
Total non-current assets		**181 865**	**171 969**
Current assets			
Inventories	5.1	14 554	35 762
Trade receivables	5.2	179 184	18 585
Contract assets	5.3	65 836	19 828
Other receivables	5.2	41 665	47 514
Cash and bank deposits	6.2	160 531	257 022
Total current assets		**461 770**	**378 711**
TOTAL ASSETS		**643 634**	**550 680**

See note 8.1 Restatement of comparable information.

Consolidated Statement of Financial Position

as of 31 December

NOK '000	Note	2023	Restated 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6.3	1 266	1 161
Share premium account	6.3	691 796	575 039
Other equity contributed	6.3	38 558	34 162
Other equity	6.3	-284 221	-219 117
Currency translation difference		-625	-588
Equity attributable to HydrogenPros shareholders		446 774	390 657
Non-controlling interest		6 438	4 963
TOTAL EQUITY		**453 212**	**395 620**
LIABILITIES			
Non-current liabilities	5.4	6 785	0
Non-current lease liabilities	3.3	11 428	11 332
Total non-current liabilities		**18 213**	**11 332**
CURRENT LIABILITIES			
Current lease liabilities	3.3	8 933	5 124
Trade creditors	5.4	39 170	20 578
Contract liabilities	5.3	49 641	65 691
Public duties payable	5.4	6 128	10 797
Other current liabilities	5.4	68 338	41 537
Total current liabilities		172 209	143 728
TOTAL LIABILITIES		**190 422**	**155 060**
TOTAL EQUITY AND LIABILITIES		**643 634**	**550 680**

See note 8.1 Restatement of comparable information.

Porsgrunn/Oslo, 21 March 2024

(All signatures electronically signed)

Terje Mikalsen	Asta Stenhagen	Jarle Tautra	Richard Espeseth	Jarle Dragvik
Chair of the Board	*Board member*	*Board member*	*Board member*	*CEO*

Consolidated Statement of Changes in Equity

Equity attributable to HydrogenPros shareholders

NOK '000	Notes	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 31.12.2021		**58**	**576 142**	**26 800**	**336**	**-92 080**	**511 256**	**-**	**511 256**
The reversal of revenue related to contract	8.1					-17 639	-17 639		-17 639
Restated equity as at 01.01.2022		**58**	**576 142**	**26 800**	**336**	**-109 719**	**493 617**	**-**	**493 617**
Total comprehensive income					-415	-109 449	-109 864	-4 931	-114 795
Issue of shares		1 103	-1 103						
Cost of share-based payment	2.4			7 362			7 362		7 362
Change in non-controlling interests					-509	51	-458	9 894	9 436
Equity as at 31.12.2022		**1 161**	**575 039**	**34 162**	**-588**	**-219 117**	**390 657**	**4 963**	**395 620**
Equity as at 01.01.2023		**1 161**	**575 039**	**34 162**	**-588**	**-219 117**	**390 657**	**4 963**	**395 620**
Total comprehensive income					-729	-64 513	-65 242	1 576	-63 666
Reclassification					692	-591	101	-101	-
Issue of shares		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**	**446 774**	**6 438**	**453 212**

See note 8.1 Restatement of comparable information.

Consolidated Statement of Cash Flows

NOK '000	Note	2023	Restated 2022
Cash flows from operating activities			
Profit/(loss) before income tax		-62 936	-114 460
Depreciation and amortisation expense	3.1, 3.2, 3.3	22 281	13 990
Option cost no cash effect	2.4	3 312	8 592
Change in trade receivable and contract assets	5.2, 5.3	-206 607	-25 371
Change in inventory	5.1	21 207	-35 455
Change in trade payable and contract liabilities	5.3, 5.4	2 542	17 222
Effect of foreign currency translation		1 778	1 893
Change in other accruals	5.2, 5.4	31 788	64 230
Net cash flows from operating activities		**-186 635**	**-69 359**
Cash flows from investing activities			
Purchases of tangible assets	3.2	-19 886	-14 701
Acquisition of subsidiary, net of cash acquired	3.1, 4.2		-32 454
Change in other investing activities	3.4		-4 716
Net cash flows from investing activities		**-19 886**	**-51 871**
Cash flows from financing activities			
Payment on lease liabilities	3.3	-6 832	-5 175
Proceeds from Equity Issue	6.3	121 902	1 172
Transaction cost on issue of shares		-5 040	0
Net cash flows from financing activities		**110 030**	**-4 003**
Cash and bank deposits balance start of period		**257 022**	**382 255**
Net change in cash		-96 491	-125 233
Cash and bank deposits balance end of period		**160 531**	**257 022**

See note 8.1 Restatement of comparable information.

Notes to the Consolidated Financial Statements

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 6, 3933 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 high-pressure electrolyser. 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.

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 2023 were approved in the board meeting at 21.03.2024.

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 HydrogenPro ASA have been prepared in accordance with the IFRS® Accounting Standards (IFRS) and IFRIC interpretations, as adopted by the EU and the additional requirements of the Norwegian Accounting Act as of 31 December 2023.

The consolidated financial statements have been prepared on a historical cost basis except the convertible rights to DG Fuels, which is recognized at fair value. (Note 3.4)

Further, the consolidated financial statements are prepared based on 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 yearly average exchange rates. The resulting translation differences are recognized in other comprehensive income.

All values are rounded to the nearest thousand, unless when indicated otherwise. As a result of rounding differences numbers of percentages may not add up to the total.

NOTE 1.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgments that may have the most significant effect on the amounts recognized in the financial statements, are summarized below:

- Revenue recognition from contracts with customers (note 2.2 and note 1.4)
- Estimating fair value for share-based payments transactions (note 2.4)
- Value in use calculation in relation to impairment testing of goodwill (note 3.1)

A detailed description of the significant estimates and assumptions are included in the individual note referenced above.

NOTE 1.4 GENERAL ACCOUNTING POLICIES

HydrogenPro has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgemental considerations are disclosed in the accounting policy note. If not, it is disclosed in the specific notes to which the policies relate. A thorough summary of the Group's general accounting policies not disclosed in the notes, are presented below:

Consolidation
Subsidiaries are all entities which the Group has control. Control of an entity occurs 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 day on which control is transferred to the Group. They are also eventual deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting principles.

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

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 recognised in profit or loss.

Revenue recognition
The revenue in HydrogenPro is from sale of both hydrogen electrolyser systems and engineering services, including installation, commissioning, and long-term service agreements. Project execution is key in HydrogenPro's construction projects.

The group's revenues result from the sale of goods or services and reflect the consideration to which the group is and expect to be entitled. IFRS 15 requires the group to assess revenue recognition based on a fivestep model. For its customer

Notes to the Consolidated Financial Statements

contracts, the group identifies the performance obligations (goods or services), determines the transaction price, allocates the contract transaction price to the performance obligations and recognises the revenue when (or as) the performance obligations are satisfied.

Revenue recognition is determined on a contract-by-contract basis by determining the terms and performance obligations given in a specific contract. Based on the specific contract and its obligations, revenue under IFRS 15 is either recognised at a point in time or over time. Revenue is recognised over-time using the method that best depicts the pattern of the transfer of control over time. The method applied is the cost-to-cost input method to determine the percentage of completion. This method includes adjustments of time and goods that are delivered to the customer. Contract costs are expensed as incurred.

The Group applied the following judgements that significantly affect the determination of the timing of revenue recognition and amounts of revenue contracts with customers:

Performance obligations
In determining whether revenue from specific contract can be classified as customised and in turn recognised using a progress-based measurement, several criteria must be evaluated.

The first criterion is related to alternative use. Manufacturing a customised product or piece of equipment for a specific customer that would require significant cost to modify to be able to transfer it to another a customer, then the contract would likely meet the criteria of alternate use. The other important criterion is that an enforceable right to payment exists in the contract between the group and the customer. Right to payment entails that the group has a right to receive payment from the customer if the contract would be terminated. Upon termination at a certain time, the group should be able to recover costs incurred and a reasonable margin.

Total contract costs
In a customised customer project, HydrogenPro uses cost-to-cost input method when measuring progress; thus, the total cost estimates can significantly impact measured progress and revenue recognition. The total project cost comprises estimates on the ability to execute the planned engineering and design phase, the availability of skilled resources, performance of subcontractors, foreign currency and HydrogenPro's manufacturing capacity, productivity and quality.

Amount – Liquidated damages (LDs)
LDs are penalties for not achieving defined milestones on time. LDs are common in construction contracts. As the payment to the customer is not in exchange for a distinct good or service that transfers to HydrogenPro, LDs must be accounted for as a reduction revenue. If a project does not meet the defined milestone in a contract, a provision reducing the transaction price is made unless it is highly probable that LD will not be imposed. The estimated LD provision is highly judgemental. HydrogenPro estimates variable consideration using the most likely amount.

Type of goods or services
The group generates revenue from customer contracts from two principal sources: i) Equipment and projects and R&D, FEED-studies, service and aftermarket. The equipment and projects sales are generated from both standard and customised electrolysers and gas separators.

In the event, the company delivers on standard equipment, the group recognises revenue at the point in time at which it satisfies a performance obligation by transferring the control of a good or service to the customer. Generally, this upon agreed incoterms, which is mainly at shipment. The customer has control of a good or service when it has the ability to direct the use of and obtain substantially all of the remaining benefits from the good or service.

Most of HydrogenPro's revenue until now stems from sale of customisation of the equipment. Such sale of customised equipment is recognised as revenue over-time if the equipment cannot be sold to other customers without significant re-work and HydrogenPro has an enforceable right to payment for performance completed to date.

Electrolyser systems
Revenue from sale of customised equipment and projects is determined to be a bundle of goods where all of the components constitute the combined output, i.e. one performance obligation. The performance obligation is satisfied over time and HydrogenPro recognise revenue over the period the performance obligation is satisfied, using a cost-to-cost input method that best depicts the pattern of the transfer of control over time. The progress-based measurement of revenue has been the main method of recognising revenue from electrolyser projects of largescale electrolyser systems.

Engineering services
Revenue from engineering services such as design, documentation, drawings for customers can either be recognised over-time measuring progress using input method cost-to-cost, or at pointin time, where the performance obligation is put to an hourby-hour basis.

For both revenue streams, if there are circumstance that the unavoidable costs directly related to project is expected to exceed the economic benefits expected to be received under the contract, the estimated loss on the contract will be recognised in its entirety in the period when such loss is identified.

Contract balances
Equipment contracts with a customer will usually have milestone payments with variable structures. The contract price will be invoiced when certain criteria are met. A typical milestone structure could be contract acceptance, placement of major supplier purchases, delivery/shipment and complete installation and commissioning. The payment structure of the contracts typically results in advance payments and progress billings exceed the satisfaction of performance obligations in progress. Consequently, creating a net contract liability. Or, in the opposite event, 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.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. As of the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the advances and progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed advances and progress billings, the balance is presented as due from customers on construction contracts within "contract assets". When the contract assets become an unconditional right to consideration they are reclassified and presented separately as trade receivables, usually when invoices are issued to the customers.

A contract liability is the 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".

Please find illustrative tables from the nature of revenues for HydrogenPro in Note 2.2.

Notes to the Consolidated Financial Statements

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 a low value when new.

Right-of-use assets
The group recognises right-of-use asset 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, 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 an adjustment in and 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 12 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 original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

For further information refer 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/tax assets 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 when 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 companies 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 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 difference 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's
Property, plant and equipment's 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 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.

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 own use which will generate probable future economic benefits.

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

Patents, licenses and technology
Patents, licenses and technology acquired is measured at cost less accumulated amortisation and any accumulated impairment loss.

Amortisation methods
Refer to note 3.1 for details about amortisation methods.

Business combinations
The acquisition of subsidiaries is accounted for using the acquisition method. Identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date. The acquisition date is the date when the acquirer obtains control of the acquiree. Any contingent consideration will be recognized at fair value at the acquisition date. Additional value that cannot be allocated to identifiable assets and liabilities are allocated to goodwill.

Non-controlling interest is measured based on the proportionate interest in the recognized amount of the identifiable net asset.

Acquisition-related costs incurred are expensed and included in operating expenses.

Government grants
Government grants are recognized 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 construction of an asset is recognized as reduction of the acquisition cost. Grants related to R&D project that are expended are recognizes as a reduction of cost.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial investments and liabilities are recognized in the Group's statement of financial position when The Group becomes a party

Notes to the Consolidated Financial Statements

to the contractual provisions of the instrument.

The Group's financial instruments are grouped as:

- Financial assets: Other non-current receivables, trade receivables, cash and bank deposits.
- Financial liabilites: Non-current lease liabilites, trade and other payables, and current lease liabilites.
- Financial investement measured at fair value though profit and loss: Financial investment.

The carrying amount of the Group's financial investments and liabilities are presented in note 6,1 (Financial instruments), along with descriptions of the key risk areas and exposure for HydrogenPro.

Measurement of financial instruments
Financial instruments are measured at amortised cost or fair value through profit or loss.

Financial investments are measured at amortised cost if the objective is to hold and collect contractual cash flows and contractual cash flows consist solely of principal and interest on the principal amount outstanding. If both conditions are not met, the financial asset is measured at fair value through profit or loss.

Measurements of financial investments at fair value through profit or loss is based on the fair value hierarchy:

- Level 1: Fair value is measured using quoted prices from active markets for identical assets and obligations.
- Level 2: Fair value is decided by using input based on other observable factors; either direct (price) or indirect (derived from prices) rather than noted prices (used in level 1) for the asset or obligation.
- Level 3: Fair value is measured using inputs that are not based on observable market data.

Refer to note 3.4 for classification of financial investments in the fair value hierarchy.

Liabilities are initially measured at fair value of the amount required to settle the associated obligation. Subsequently the financial liabilities are measured at amortized cost using the effective interest rate method.

Cash and bank deposits
Cash includes cash in hand and at bank. Cash equivalents are short-term 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, dividend, 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 that are 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 in monetary amounts (liabilities or receivables) which are in reality a part of a company's net investment in a foreign entity are also included as translation differences.

Inventories
The group have recognised inventory in 2023. 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 group expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale.

Provisions
The group recognizes a provision when a legal or constructive obligation exists as a result of past events, it is more likely than not that a transfer of financial resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. When the effect is significant, provisions are calculated by discounting expected cash flows at a pre-tax rate that reflects the time value of money and if appropriate the risks specific to the liability. Increase in provisions as a result of time passing, is presented as interest expense.

Onerous contracts
An onerous contract is a contract in which the unavoidable costs (i.e. the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it) exceed the economic benefits expected to be received under the contract. For all contracts that are onerous, the present obligation under the contract is recognised and measured as a provision.

Social security share options
Social security stock options are the provision for social security payable in Norway, calculated at the intrinsic value at year end. The provision fluctuates with the number of active options, timing of exercise and the share price. See note 18 for further information on share option program.

Earnings per share
Earnings per share are calculated by dividing the profit/loss for the year by the corresponding weighted average of the number of outstanding shares during the reporting period. 'Diluted earnings per share' is based on the same calculation as for earnings per share, but it also considers all potential shares with dilutive effect that have been outstanding during the period. Potential shares relate to agreements that confer the right to issue shares in future. Options are excluded if their effect would have been anti-dilutive.

Earnings per share is calculated as profit/ (loss) attributable to the equity holders of the parent company divided by the average number of shares outstanding.

See note 6.4 for more details about earnings per share.

Going concern
The consolidated financial statement is presented on the going concern assumption under International Financial Reporting Standards. As per the date of this report the group has sufficient working capital for its planned business activities over the next twelve-month period.

Notes to the Consolidated Financial Statements

NOTE 2.1 OPERATIONAL SEGMENTS

Operating segments are identified on the basis of internal reports that the entity's Chief Operating Decision Maker (CODM) regularly reviews in allocating resources to segment and in assessing their performance. The CODM is defined as the executive management group.

For HydrogenPro Group the business is treated as one single operating segment. This is consistent with internal reporting provided to the CODM.

Intangible assets, Property, plant and equipement and right of use assets by geography

NOK '000	Intangible assets	Property, plant and equipment	Right of use assets
Norway	7 046	3 900	914
Europe	28 952	19 533	2 124
Asia Pacific	21 934	44 724	17 417
Carrying amount at 31.12.2023	**57 932**	**68 157**	**20 455**

NOK '000	Intangible assets	Property, plant and equipment	Right of use assets
Norway	9 393	5 708	1 423
Europe	33 087	18 673	980
Asia Pacific	21 935	31 156	15 222
Carrying amount at 31.12.2022	**64 415**	**55 537**	**17 625**

NOTE 2.2 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognise revenue according to IFRS 15 and applies judgement that significantly affect the determination of timing and amounts of revenue from contracts with customer. The assessements are decisive for weather a contract will be recognized as income on time or over time. See note 1.4 General accounting polices for more details.

The Group's revenue from contracts with customers are recognized from two principal sources: sale of electrolyser systems, and sale of engineering services. The sale of engineering services is either in combination with sale of electrolyser systems or as a separate service as in FEED studies

Contracts with clauses on Liquidation Damages are assessed on an ongoing basis. Where it is assessed as likely that Liquidation Damages will occur, the calculated effect is accounted for as a reduction in income.

For more details, see note 1.4 General accounting policies.

Primary geographical markets

NOK '000	2023	2022
Norway	3 280	4885
Europe	7295	-13
America	538 499	41 370
Asia Pacific	19 159	10 172
Total	**568 233**	**56 414**

Timing of revenue recognition

NOK '000	2023	2022
Revenue recognised over time	565 081	56 051
Revenue recognised at point in time	3 152	363
Total revenue	**568 233**	**56 414**

Major products/service lines

NOK '000	2023	2022
Revenue from sale of electrolyser system	557 040	51 521
Revenue form sale of Feed and case-studies	11 193	4 893
Total revenue	**568 233**	**56 414**

Major customer

The Group's major customer are Mitsubishi Power America Inc with 95 percent of revenue in the year 2023. Corresponding figures for 2022 where 75 percent.

Advance Payment Bonds

In its contractual agreements with customers HydrogenPro is required to provide certain guarantees or bonds to customers in order to fulfil contractual milestones. HydrogenPro has during the course of 2023 issued an irrevocable and unconditional advance payment bond in relation to one of its contracts of NOK 42.2 million. The guarantee is issued under a bond facility provided by Atradius. As per 31 December 2023 no drawing has been made against the bond.

Order backlog

The performance obligation in contracts with customers vary from a few months to up to ten years regarding the maintenance contract.

NOK '000	2023	2022
Partly unsatisfied performance obligations as of 31.12.	422 697	746 965

Notes to the Consolidated Financial Statements

NOTE 2.3 COST OF GOODS SOLD

NOK '000	2023	2022
Cost of goods sold 1)	441 896	43 221
Cost of handling and freight	3 300	787
Other cost of gods sold	2 246	364
Total cost of gods sold	**447 442**	**44 372**

1. Changes in inventories of finished goods and work in progress/Raw materials and consumables used.

NOTE 2.4 PERSONNEL EXPENSES

NOK '000	2023	2022
Salaries	59 672	47 051
Social security tax	8 107	5 270
Option cost	3 943	6 697
Pension costs defined contribution plans	5 777	3 030
Other personnel costs	7 706	719
Total salaries and personnel expense	**85 206**	**62 768**

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

Average number of full time employees	2023	2022
Norway	39.8	27.0
Europe	10.5	3.5
China	171.8	70.0
Total	**222.1**	**100.5**

Shareholder option plan

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 and earned can be exercised and must be exercised at latest four years after grant. 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 vesting period. The annual costs calculated for the option program for 2023 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 intrinsic value multiplied with the relevant social security tax rate.

The total expense recognised for the share-based programs, excluding social security, during 2023 was NOK 4.4 (7.4 in 2022) million. The total social security accruals at the end of the year are NOK 0.6 million. The total accumulated cost expensed related to share-based payments are NOK 38.6 (34.2 in 2022) million as of 31 December 2023.

Options to leading employees and Board of Directors

Name	Quantity 01.01.23	Granted in period	Terminated in period	Exercised in period	Quantity 31.12.23	Cost for the period
TM Holding (Terje Mikalsen)	163 005	0	0	0	163 005	78 094
Jarle Dragvik	0	400 000	0	0	400 000	353 945
Elling Nygaard	206 250	0	0	0	206 250	0
Erik Christian Bolstad	100 000	0	0	0	100 000	102 684
Karoline Aafos	57 396	0	0	-21 875	35 521	9 255
Martin Thanem Holtet	150 000	0	0	0	150 000	307 264
Cathrin Bretzeg	0	50 000	0	0	50 000	265 323
Tormod Kløve	50 000	0	0	0	50 000	868 686
Sindre Utne	68 750	0	0	0	68 750	0
Tarjei Johansen	400 000	0	-400 000	0	0	-233 702
Ellen Hanetho 1)	2 143 170	0	-101 148	0	2 042 022	1 256 541

1. 1490 000 of Ellen Hanetho's options hare held by Opulentia Invest AS which is owned 100% by Ellen Hanetho.

Name	Quantity 01.01.22	Granted in period	Terminated in period	Cancelled in period	Quantity 31.12.22	Cost for the period
Ellen Hanetho 1)	2 143 170	0	0	0	2 143 170	2 226 975
Elling Nygaard	450 000	0	-243 750	0	206 250	671 023
Enern Invest AS (Mårten Lunde)	1 500 000	0	-178 755	0	1 321 245	905 882
Erik Christian Bolstad	100 000	0	0	0	100 000	333 121
Karoline Aafos	100 000	0	-42 604	0	57 396	-176 924
Martin Thanem Holtet	150 000	150 000	0	-150 000	150 000	2 046 804
Sindre Utne	150 000	0	-81 250	0	68 750	-525 354
Tarjei Johansen	0	400 000	0	0	400 000	233 702
TM Holding (Terje Mikalsen)	163 005	0	0	0	163 005	0
Tormod Kløve	0	50 000	0	0	50 000	0

Total costs and Social Security Provisions

NOK '000	2023	2022
Total cost	4 395	7 362
Total Social Security provision	-7 550	7 993

Notes to the Consolidated Financial Statements

Granted instruments 2023

	2023	2022
Instrument	**Option**	**Option**
Quantity 31.12.2023 (instruments)	486 000	550 000
Quantity 31.12.2023 (shares) and Board of Directors	486 000	550 000
Contractual life *	5.65	5.11
Strike price *	21.38	31.30
Share price *	22.24	31.01
Expected lifetime *	3.72	3.57
Volatility *	61.01%	63.24%
Interest rate *	4.01%	2.96%
Dividend *	0.00	0.00
FV per instrument *	9.68	14.96

* Weighted average parameters at grant of instrument

Quantity and weighted average prices

	01.01.2023 - 31.12.2023		01.01.2022 - 31.12.2022	
	Number of instruments	Weighted aver. strike price	Number of instruments	Weighted aver. strike price
Activity				
Outstanding OB (01.01.2023)	5 402 811	14.41	5 463 591	13 91
Granted	486 000	21.38	550 000	31 30
Exercised	271 875	7.00	0.00	0.00
Released	0	0.00	0	0.00
Adjusted	0	0.00	0	0.00
Performance Adjusted	0	0.00	0	0.00
Cancelled	-13 456	26.15	-150 000	42.35
Terminated	-517 843	32.12	-565 746	20.97
Expired	0	0.00	0	0.00
Outstanding CB (31.12.2023)	5 085 637	13.64	5 297 845	14.15
Vested CB	4 506 570	12.69	4 424 701	11.38

Outstanding Instruments Overview

2023		Outstanding Instruments		Vested Instruments	
Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2023	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	0	0
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**	

2022		Outstanding Instruments		Vested Instruments	
Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2022	Weighted Average Strike Price
7.00	3 284 409	1.25	7.00	3 283 703	7.00
16.80	206 250	2.84	16.80	206 250	16.80
17.24	337 170	2.8	17.24	182 635	17.24
17.66	170 000	2.75	17.66	92 084	17.66
18.78	150 000	2.17	18.78	50 001	18.78
20.65	100 000	2.67	20.65	56 252	20.65
26.15	506 266	2.38	26.15	431 896	26.15
32.45	68 750	2.34	32.45	68 750	32.45
36.00	400 000	5.92	36.00	0	0.00
66.00	75 000	2.09	66.00	53 130	66.00
	5 297 845			**4 424 701**	

Notes to the Consolidated Financial Statements

NOTE 2.5 PENSIONS

Defined contribution plan

The Group's companies in Norway have defined contribution plans in accordance with Pension Act of Norway. 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 though an agreement with Gjensidige AS. The contribution is expended when its accrued. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. The parent company have pension plans that meets the requirements in Norway. The foreign subsidiaries have pension plans that meet the requirements in their respective countries.

NOK '000	2023	2022
Employees covered by the scheme	223	36
Contribution recognised as expense	5 777	3 030
Contribution to CEO	144	69

NOTE 2.6 OTHER OPERATING EXPENSES

NOK '000	2023	2022
Advertising and direct sale cost	1 582	1 087
Repair and maintenance costs	4 558	1530
Rental costs	7 559	1 660
Travel costs	5 417	2 194
Consultancy fees and external personnel	31 243	36 528
Provision bad debts	0	1 194
Warranties	16 292	0
Other operating costs	4 946	10 333
Total operating expenses	**71 597**	**54 526**

Fees to the group auditor

NOK '000	2023	2022
Statutory audit	2 056	1 212
Other assurance services	384	0
Other non-assurance services	174	736
Total	**2 614**	**1 948**

Fees to other auditors elected by subsidiaries

NOK '000	2023	2022
Statutory audit	328	81
Other assurance services		0
Other non-assurance services		22
Tax consultant services		0
Total	**328**	**103**

NOTE 2.7 FINANCIAL INCOME AND EXPENSES

NOK '000	2023	Restated 2022
Interest income	3 473	3 434
Foreign exchange gain	29 279	14 420
Other financial income	750	19
Total financial income	**33 502**	**17 874**
Interest on debt and borrowings	555	307
Interest expense lease liabilities	544	368
Foreign exchange losses	36 848	12 218
Other financial expenses	200	199
Total financial expenses	**38 147**	**13 092**

Notes to the Consolidated Financial Statements

NOTE 2.8 INCOME TAX

Income tax expense for the year

NOK '000	2023	Restated 2022
Income tax payable	0	0
Changes in deferred tax	0	-80
Total income tax expense	**0**	**-80**

Basis for income tax expense

NOK '000	2023	Restated 2022
Loss before taxes	-62 937	-114 460
Non-deductible expenses	4 728	7 428
Transactions cost related to issue of shares	-5 040	0
Currency translation and other differences	-4 162	636
Changes in temporary differences	-52 605	1 061
Basis for tax payable	**-120 015**	**-105 335**

Reconciliation of tax expense to Norwegian nominal statutory tax rate

NOK '000	2023	Restated 2022
Profit / loss (-) before taxes	-62 937	-114 460
Income tax benefit (expense) at the Company's domestic tax rate (22%)	-13 846	-25 181
Tax effect of:		
Non-deductible expenses	1 040	14
Items booked in equity	-1 109	0
Foreign tax rate and currency translation differences	-1 825	990
Change in not recognised deferred tax assets	15 740	24 097
Tax expense	**0**	**-80**
Effective tax rate	0.00%	0.07%

Overview temporary differences

NOK '000	2023	Restated 2022	Change
Intangible assets	28 951	33 087	4 136
Property, Plant and Equipment	9 703	11 590	1 887
Right of use assets	20 455	24 547	4 093
Other receivables	0	8 791	8 791
Financial investments	5 322	2 379	-2 944
Production contracts	94 087	1 504	-92 582
Lease liability	-20 361	-23 445	-3 084
Provisions	-33 663	-6 564	27 098
Tax loss carry forwards	-350 577	-230 562	120 015
Total	**-246 083**	**-178 673**	**67 410**

NOK '000	2023	Restated 2022	Change
Temporary differences not recognised as deferred tax assets/liabilities	28 951	33 087	¨4136
Deferred tax assets	47 769	32 029	-15 740
Deferred tax not recognised in the Statement of financial position	47 769	32 029	-15 740
Deferred tax in the Statement of financial position	**0**	**0**	**0**

The majority of the deferred tax asset is related to loss carry forward. As of 31 December 2023, 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	2023	Restated 2022
Norway	-308 651	-189 170
Denmark	-40 337	-23 859
China	-1 590	-17 533
Balance as of 31.12	**-350 577**	**-230 562**

At the end of 2023, HydrogenPro had tax loss carry forwards of NOK 364 million. Of the total, NOK 362 million is without expiration. The tax carry forwards with an expiry date expire after 2027.

The Group operates in countries which has enacted the new legislation to implement the global minimum top-up tax. The Group has assessed the potential exposure to the new legislation and does not expect a material impact.

The Group has applied a temporary mandatory relief for from the deferred tax accounting for the impact of the top-up tax, under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the global minimum top-up tax.

Notes to the Consolidated Financial Statements

NOTE 3.1 INTANGIBLE ASSETS

NOK '000	Technology	Patents and licences	Goodwill	2023 Total
Accumulated cost 01.01.2023	**41 366**	**11 741**	**21 935**	**75 042**
Acquisition of subsidiary	0	0	0	0
Accumulated cost 31.12.2023	**41 366**	**11 741**	**21 935**	**75 042**
Accumulated depreciation 01.01.2022	8 279	2 348	0	10 627
Depreciation for the year	4 135	2 348	0	6 483
Exchange differences	0	0	0	0
Carrying amount at 31.12.2023	**28 952**	**7 045**	**21 935**	**57 932**
Expected useful life	10 years	5 years		
Depreciation method	Linear	Linear		

NOK '000	Technology	Patents and licences	Goodwill	2022 Total
Accumulated cost 01.01.2022	**41 366**	**11 741**	**0**	**53 107**
Acquisition of subsidiary			21 935	21 935
Accumulated cost 31.12.2022	**41 366**	**11 741**	**21 935**	**75 042**
Accumulated depreciation 01.01.2022	4 137	0	0	4 137
Depreciation for the year	4 136	2 348	0	6 484
Exchange differences	6	0	0	6
Carrying amount at 31.12.2022	**33 087**	**9 393**	**21 935**	**64 415**
Expected useful life	10 years	5 years		
Depreciation method	Linear	Linear		

Goodwill

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

NOK '000	2023	2022
HydrogenPro Tianjin CO Ltd	21 935	21 935
Total	**21 935**	**21 935**

The groups of CGUs that include goodwill are tested for impairment annually or when impairment triggers have been identified. CGUs are tested using the value-in-use approach determined by discounting expected future cash flows. Impairment losses are recognized for assets in CGUs where the recoverable amount is lower than book value.

The discounted cash flow analysis is based on management's forecast for the period 2024 to 2027. The forecasted cash flows are based on signed contracts and identified prospects in addition to other expected revenue. Management has defined the EBITDA margin, discount rate and revenue growth as the most sensitive assessment in the value-in-use calculation.

Estimated future cash flows are discounted to their present value. The discount rate is derived using capital asset pricing model. The asset beta is based on industry data, and the risk-free rate is based on a Chinese 10-year government bond.

The discount rate is not adjusted for lease liabilities. An effective tax rate of 25% is applied in the discounted cash flow calculation.

When estimating the revenue growth and EBITDA margins, management has utilized forecasts based on existing contracts, expected future income related to qualified pipeline and current production capacity.

Several sensitivity analyses have been performed on the key assumptions in the value-in-use calculation. This sensitivity analysis of goodwill includes changing various assumptions to consider other potential alternative market conditions. This includes analysing the impact on the value-in-use calculation when changing the EBITDA margin, discount rate and revenue growth. The recoverable amounts exceeded book values for all scenarios in the sensitivity analysis.

The discounted rate (WACC) used in the impairment testing of goodwill is shown below.

	2023	2022
HydrogenPro Tianjin CO Ltd	19.4 %	21.8 %

HydrogenPro Tianjin CO Ltd. Is assumed to achieve a steady state in 2027 with a long-term growth rate of 2.0%.

HydrogenPro has performed an annual impairment test in December 2023. The recoverable amounts exceed book values for the CGU in the goodwill impairment testing and as such no impairment losses recognised in 2023.

Technology

The Technology cost corresponds to the acquisition of the subsidiary Advance Surface Plating ApS (ASP) The useful lifetime is expected to be 10 years. The acquisition date was 22nd of December 2020, and depreciation was effective from January 2021. The Group has assessed the carrying value of the development cost as of 31.12.2023 and consider it to be intact. The conclusion is based on:

- The technical feasibility to development the product for it to be sold, and the groups intention and ability to complete and sell the product.
- The production line was completed by the end of 2021.
- The Groups adequate resources available to complete the development. This includes both technical competence and allocated research fund to complete large-scale testing.
- Calculations for expected earnings in Advanced Surface Plating ApS.

Patent and licences

As of 31.12.2023 the Group has capitalized NOK 11,7 relating to the FEED (front end and engineering study) to be used in the further development of 100 MW production plants. Useful lifetime is expected to be 5 years, and depreciation was effective from January 2021.

Notes to the Consolidated Financial Statements

NOTE 3.2 PROPERTY, PLANT AND EQUIPMENT

NOK '000	Plant and machinery	Moveables	Machinery and plant in progress	2023 Total
Accumulated cost 01.01.2023	**55 503**	**4 686**	**597**	**60 786**
Additions	18 644	699	543	19 886
From Machinery and plant in progress	636	0	-636	0
Disposals	-193	0	0	-193
Exchange differences	1124	240	39	1 403
Accumulated cost 31.12.2023	**75 714**	**5 625**	**543**	**81 882**
Accumulated depreciation 01.01.2023	4 618	630	0	5 248
Depreciation for the year	7 682	838	0	8 520
Exchange differences	-33	-10	0	-43
Carrying amount at 31.12.2023	**63 447**	**4 167**	**543**	**68 157**
Expected useful life	5 years	5-10 years		
Depreciation method	Linear	Linear		

NOK '000	Plant and machinery	Moveables	Machinery and plant in progress	2022 Total
Accumulated cost 01.01.2022	**17 179**	**2774**	**4022**	**23 975**
Additions	11 852	1 829	876	14 557
Skattefunn	4 301	0	-4 301	0
Disposals	22 384	0	0	22 384
Exchange differences	-212	83	0	-129
Accumulated cost 31.12.2022	**55 503**	**4 686**	**597**	**60 786**
Accumulated depreciation 01.01.2022	1 171	167	0	1 337
Depreciation for the year	3 393	456	0	3 849
Exchange differences	55	8	0	62
Carrying amount at 31.12.2022	**50 885**	**4 055**	**597**	**55 537**
Expected useful life	5 years	5-10 years		
Depreciation method	Linear	Linear		

Technology centre Herøya Machinery and machinery
The Technology centre at Herøya comprises two containers located close to HQ of HydrogenPro in Porsgrunn. The containers are subject for 5 years straight line depreciation during 2023.

Advanced Surface Plating Line
Additions in 2023 are equivalent to 0.8 MNOK in plant and machinery and 0.6 MNOK in movables. These are costs incurred to establish the production plant facility in Aarhus.

HydrogenPro Tianjin CO Ltd
Additions in 2023 are equivalent to 13.0 MNOK in plant and machinery and 0.6 MNOK in movables. These are costs incurred to establish the production plant facility in Tianjin.

HydrogenPro Shanghai Co Ltd
Additions in 2023 are equivalent to 4.7 MNOK in plant and machinery. These are cost for machines for use in the procuction of electrolysers. The machines are leased by HydrogenPro Tianjin CO Ltd.

NOTE 3.3 RIGHT OF USE ASSETS

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

A contract is, or contains, a lease if the contract 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 uses the definition of a lease in IFRS 16.

As a result of these assessments the Group has considered leasing for vehicles and the rental contract for office space as leasing according to IFRS 16.

The leases do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose.

NOK '000	Buildings	Vehicles	2023 Total
Accumulated cost 01.01.2023	**21 071**	**334**	**21 405**
Additions	12 345	0	12 345
Effect of modification to lease terms	-2 554	0	-2 554
Exchange differences	177	0	177
Accumulated cost 31.12.2023	**31 039**	**334**	**31 373**
Accumulated depreciation 01.01.2022	3 472	308	3 780
Depreciation for the year	7 251	26	7 277
Exchange differences	-139	0	-139
Carrying amount at 31.12.2023	**20 455**	**0**	**20 455**
Expected useful life	2 -8 years		
Depreciation method	Linear		

Notes to the Consolidated Financial Statements

NOK '000	Buildings	Vehicles	2022 Total
Accumulated cost 01.01.2022	**2 795**	**334**	**3 129**
Additions	18 276	0	18 276
Accumulated cost 31.12.2022	**21 071**	**334**	**21 405**
Accumulated depreciation 01.01.2022	0	154	154
Depreciation for the year	3 472	154	3 626
Carrying amount at 31.12.2022	**17 599**	**26**	**17 625**
Expected useful life	2 years	2 years	
Depreciation method	Linear	Linear	

Lease liabilities

NOK '000	2023	2022
Balance as of 01.01.	16 456	2 975
Additions	12 493	18 276
Effect of modification to lease terms	-2 525	0
Lease payments	-6 832	-5 175
Accretions of interest	899	367
Exchange differences	-130	13
Carrying amount at 31.12.	**20 361**	**16 456**

Undiscounted lease liabilities and maturity of cash outflows

Less than 1 year	8 933	5 124
1-3 years	10 150	9 915
4-5 years	1 278	1 417
Total lease liabilities as of 31.12.	**20 361**	**16 456**

Variable lease payments
In addition to the lease liabilities above, the Group is committed to pay variable lease payments for some of their leases. The variable lease payments are expensed as incurred.

Short-term leases and leases of low value assets
The Group has elected to apply the practical expedient of treating short-term leases and low value assets outside the scope of IFRS 16.

NOTE 3.4 OTHER NON-CURRENT RECEIVABLES

NOK '000	2023	Restated 2022
Receivables from associated companies	4 257	4 308
Other receivables	547	512
Financial investment	30 517	29 572
Carrying amount at 31.12	**35 321**	**34 392**

Financial investment

NOK '000	2023	Restated 2022
Opening balance 1. January	29 572	26 458
Translation effect	945	3 114
Balance at 31 December	**30 517**	**29 572**

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 30.5 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 av variable number of equity instruments at a future date.

The derivative financial instrument is recorded as non-current assets in the consolidated balance sheets. The initial cost has been considered the best estimate of the fair value at 31 December. See further information in note 8.1 - 1. about restating previous numbers.

Level 3 has been defined as follows:
- Value measurements of assets or liabilities that are not based on observed market values.

At the end of 2023 the company has considered that the cost is the best estimate of the fair value.

See Note 8.1 for further information regarding restating of comparable financial information.

Refer to note 6.1 for reconciliation of the financial instruments.

Notes to the Consolidated Financial Statements

NOTE 4.1 OVERVIEW OF GROUP

Company	Country of incorporation	Main operations	Ownership interest 2023	Voting power 2023	Ownership interest 2022	Voting power 2022
Advanced Surface Plating 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 %		
Kvina Energy AS	Norway	Technology industries	50 %	50 %	50 %	50 %
HydrogenPro France	France	Technology industries	100 %	100 %	100 %	100 %
HydrogenPro Inc	USA	Technology industries	100 %	100 %	100 %	100 %

NOTE 4.2 BUSINESS COMBINATION

On the 9th of June 2022 HydrogenPro acquired 75% of the shares and voting rights of HydrogenPro Tianjin CO Ltd ("Tianjin"). Tianjin has been consolidated by the company form the same date and the business combination is reflected in the consolidated financial position as from 30 June 2022.

HydrogenPro Tianjin is a provider of electrolyser systems, headquartered in Tianjin, China. HydrogenPro Tianjin specializes in manufacturing and assembly of hydrogen systems, including steel system structures and high-pressure piping, and has its production facilities also in Tianjin, China. HydrogenPro Tianjin brings significant systems assembly capacity and know-how and complement the capabilities of the Group, improving control of the value chain and accelerating time to market.

For the period between the date of acquisition and 31 December 2022, Tianjin contributed NOK 0 million to HydrogenPro's external revenues as all production was delivered to HydrogenPro and negative NOK 19.2 million to net loss.

Consideration transferred
The cash consideration for the 75 percent stake in Tianjin was NOK 50.4 million.

The table below summarizes the acquisition date fair value of each major class of consideration transferred.

NOK '000	2022
Total consideration	**50 389**
Consideration in cash 2022	32 454
Consideration in cash 2021	17 935
Net cash outflow	**50 389**

Acquisition-related costs
Transaction costs incurred by HydrogenPro related to the acquisition of Tianjin amounted to NOK 1.7 million. These costs have been reccognised as operating expenses and payroll expenses.

Identifiable assets acquired and liabilities assumed

NOK '000	2022
Assets	
Property, plant and equipment	22 384
Cash and cash equivalents	11 890
Other current assets	18 073
Total assets	**52 347**

NOK '000	2022
Liabilities	
Deferred tax liability	-1 055
Other long-term liabilities	-721
Other short term liabilities	-12 634
Total liabilities	**-14 410**
Net identifiable assets (100%)	**37 937**

The majority of the identified assets relates to production lines and machinery.

Measurement of fair value
The fair value of all other assets and liabilities are assumed to equal book values.

The trade receivables comprise gross contractual amounts due of NOK 18 million, of which nil was expected to be uncollectible at the date of acquisition.

Fair value is measured on a provisional basis. The figures will be revised if new information is obtained within one year of the date of acquisition concerning facts and circumstances, or additional provisions, that existed on the date of acquisition.

Notes to the Consolidated Financial Statements

Goodwill

NOK '000	2022
Consideration transferred	50 389
Non-controlling interest	9 484
Fair value of net identified assets (100%)	37 937
Goodwill	**21 935**

Goodwill amounting to NOK 22 million recognised from the acquisition is mainly related to the scalable platform for new production facilities based on experience from Tianjin.

Non-controlling interest is measured based on the proportionate interest in the recognised amount of the identifiable net assets of the acquire.

None of the goodwill recognized is expected to be deductible for tax purposes.

NOTE 5.1 INVENTORY

NOK '000	2023	2022
Work in progress		2 861
Raw material	14 554	32 901
Balance as of 31.12	**14 554**	**35 762**

Inventories comprises purchased raw materials and work in progress. Raw materials include parts that become an integrated part of final finished goods. Obsolescence is considered for inventories and as of 31.12.2023 where there is a write-down performed on obsolete goods with NOK 5.7 million (0.0 million in 2022). Inventories are measured under the weighted-average cost formula.

NOTE 5.2 TRADE AND OTHER RECEIVABLES

Trade and other current receivables

NOK '000	2023	2022
Total trade receivables (Gross)	180 329	19 730
Allowance for expected credit losses	1 145	1 145
Balance as of 31.12	**179 184**	**18 585**

Trade receivables are reviewed for impairment on an ongoing basis. The allowance for expected credit covers the amount that are assessed as uncertain.

The allowance for expected credit losses covers the amounts that is more than 30 days past due, and that are assessed as uncertain.

Other current receivables

NOK '000	2023	2022
Pre-paid costs	5 211	1 906
Pre-paid raw material	1 568	26 970
Pre-paid tangible assets	45	7 926
VAT net receivables	23 444	7 573
Other current receivables	11 397	3 139
Balance as of 31.12	**41 665**	**47 514**

NOTE 5.3 CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets and contract liabilities

NOK '000	2023	2022
Contract assets		
Balances as of 01.01	19 828	456
Transfers from contract assets recognised at the beginning of the period to receivables	-19 828	-456
Increases due to measure of progress in the period	65 836	19 828
Balances as of 31.12	**65 836**	**19 828**

Contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to trade receivables when the right to payment become unconditional, which usually occurs when invoices are issued to customers. Contract assets are reviewed for impairment on an ongoing basis. No impairment has been recognized on customer contract assets.

Contract liabilities

Balances as of 01.01	**65 691**	**1 349**
Revenue from amounts included in contract liabilities at the beginning of the period	-65 691	-1 258
Billing and advances received not recognised as revenue in the period	49 641	65 601
Balances as of 31.12	**49 641**	**65 692**

Contract liabilities is primarily due to a prepayment from Andritz AG, that is to be recognized as revenue in 2024 depending on performance obligations.

Notes to the Consolidated Financial Statements

NOTE 5.4 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

NOK '000	2023	2022
Current lease liabilities	8 933	5 124
Trade creditors	39 170	20 578
Government taxes, tax deductions etc.	6 128	10 797
Warranties	10 177	0
Other liabilities	58 161	41 538
Balance as of 31.12	**122 569**	**78 037**

The provision for warranties is calculated on the basis of recognized revenue. Non-current warranties of NOK 6.8 million is included in non-current liabilites.

Other liabilites consist of provision for the restated substantive right with (see note 8.1) 20.3 (19.7 in 2022) million, payroll and other personell-related cost with 18.7 (5.3 in 2022) million, and other liabilities of 19.2 (16.5 in 2022) million.

NOTE 6.1 OVERVIEW OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Overview

Through its activities, the Group will be exposed to different types of financial risks: market risk, credit risk and liquidity risk. This note presents information related to the Group's exposure to such risks, the Group's objectives, policies and procedures for risk management and handling, as well as the Group's management of capital. Additional quantitative information is included in these consolidated financial statements.

The Group's overall risk management plan is to ensure the ongoing liquidity in the group, defined as to being able to meet its obligations at any time. The Group do not have any external bank borrowings, and therefore no covenants related to borrowings.

Risk management of the group is maintained by the operational executives as CEO and CFO along with the Board. This includes tasks to identify, measure, mitigate and report on financial risks in close cooperation with the various operating units. Risk management policies and procedures are reviewed regularly to take into account changes in the market and the Group's activities.

Capital management

The Group's main goal is to maximize shareholder value while ensuring the Group's ability to continue operations. The Group has a target to maintain a capital structure that gives the Group an optimal capital binding given the current market situation. The Group makes the necessary changes to their capital structure based on an ongoing assessment of the business' financial situation and future prospects in the short and medium term.

Financial instruments by category

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 (level 3)	Total carrying amount 31.12.2023
Other non-current receivables	4 804			4 804
Financial investment			30 517	30 517
Trade receivables	179 184			179 184
Cash and bank deposits	160 531			160 531
Total financial assets	**344 519**		**30 517**	**375 036**
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**

2022

NOK '000	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Financial Investment measured at fair value throgh profit and loss (level 3)	Restated Total carrying amount 31.12.2022
Other non-current receivables	4 820			4 820
Financial investment			29 572	29 572
Accounts receivables	18 585			18 585
Cash and bank deposits	257 022			257 022
Total financial assets	**280 427**		**29 572**	**309 999**
Non-current lease liabilities		11 332		11 332
Trade and other payables		20 578		20 578
Current lease liabilities		5 124		5 124
Total financial liabilities		**37 034**		**37 034**

Maturity analysis for lease liability is included in note 3.3. Trade and other payables are due within one year.

Financial investement measured at fair value through profit and loss, see note 3.4.

See note 8.1 Restatement of comparable information.

Notes to the Consolidated Financial Statements

Financial risk management
The Group is proactively working to identify risks and taking risk mitigating initiatives to the extent this is practicable and appropriate.

Below follows a description of the Group's main types of risks;

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the group by failing to settle its obligations.

The group is exposed to credit risks in conducting its ordinary activities. The credit risk primarily relates to its trade receivables and its cash and cash equivalents. As our customer base mainly consist of large industrial Groups, the credit risk related to trade receivables are considered limited.

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

NOK '000	2023 Gross carrying Amount	2023 Provision bad debt	2022 Gross carrying Amount	2022 Provision bad debt
Current (not past due)	46 481		9 101	0
1-30 days past due	118 526		9 484	0
31-60 days past due	1 985			
60-260 days past due	12 157			
More than one year past due	1 180	1 145	1 145	1 145
Total	**180 329**	**1 145**	**19 730**	**1 145**

The trade receivables are largely due from a counterparty with a strong financial position. Also, the Company does not consider the overdue receivables as uncertain.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group manages its liquidity with a high level of prudency, with rules and policies that ensure an adequate amount of cash and cash equivalents to meet the immediate needs of resources both in the short and long term. Liquidity forecasts are regularly monitored against the contractual maturities or lease liabilities. Financial liabilities are specified in note 5.4. All financial liabilities are due within one year.

Market risk
Marked risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risks for the Group comprise of both foreign exchange risk and raw material risk.

Foreign exchange risk
The Group's functional currency is NOK. The Group operates globally and is therefore exposed to currency fluctuations, mainly related to USD, EUR and CNY. The risk is further heightened by the long-running nature of customer contracts. The Company monitors the currency risk exposure closely but has not yet entered into financial instruments to hedge currency risk.

Raw material risk
Fluctation in commodity prices of steel and nickel may impact the Group financially. The Group has not yet undertaken any hedging activity, but seeks to partly hedge price risk trough agreements whit suppliers or agents.

NOTE 6.2 CASH AND CASH EQUIVALENTS

NOK '000	2023	2022
Cash		
Short-term bank deposits	160 531	257 022
Cash and bank deposits in the balance sheet	**160 531**	**257 022**

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

The Group has no credit facilities.

Restricted bank deposit	3 816	3 026

NOTE 6.3 SHARE CAPITAL AND SHAREHOLDERS

The 20 main shareholders at 31.12.2023

Shareholder	Number of shares	Ownership interest
Richard Espeseth	11 257 458	17.78%
Clearstream Banking S.A.	9 982 093	15.77%
TM Holding AS	9 635 182	15.22%
Mitsubishi Heavy Industries Ltd	5 381 165	8.50%
Vivian Yanjin Chen Espeseth	3 090 238	4.88%
Nordnet Bank AB	2 771 185	4.38%
Avanza Bank AB	2 053 346	3.24%
Citibank Europe PLC	1 600 000	2.53%
Enern Invest AS	1 408 433	2.23%
Tor Danielsen	1 313 872	2.08%
DZ Privatbank S.A	1 263 455	2.00%
Nordea Bank Abp	753 155	1.19%
Jan Fredrik Garvik	738 741	1.17%
Unicredit Bank Austria AG	647 167	1.02%
Nordea Bank ABP	646 335	1.02%
BNP Paribas	588 919	0.93%
Caceis Investor Services Bank S.A.	584 244	0.92%
Saxo Bank A/S	474 821	0.75%
Skandinaviska Enskilda Banken AB	473 100	0.75%
KBC Bank NV	418 647	0.66%
	55 081 556	**87.02%**
Total other shareholders	**8 218 490**	**12.98%**
Total number of shares	**63 300 046**	**100.00%**

As of 31 December 2023, the group's share capital was NOK 1 266 (1 161) TNOK, consisting of 63 300 046 (58 028 171) shares each with a par value of NOK 0,02 (0,02).

Notes to the Consolidated Financial Statements

NOTE 6.4 EARNINGS PER SHARE

NOK '000	2023	Restated 2022
Basic earnings per share		
Profit/(loss) for the year attributable to ordinary shares	-64 513	-109 449
Issued shares as of 1 January	58 028 171	58 028 171
Share issued	5 271 875	0
Issued ordinary shares at 31 December	**63 300 046**	**58 028 171**
Effect of weighting	- 3 364 904	0
Weighted average number of shares outstanding for the purpose of basic earnings per share	**59 935 142**	**58 028 171**
Basic earnings per share for income attributable to the equity holder of the parent company	**-1.09**	**-1.89**
Diluted earnings per share		
Weighted average number of shares outstanding for the purpose of diluted earnings per share	59 935 142	58 028 171
Diluted earnings per share for income attributable to the equity holder of the parent company	**-1.09**	**-1.89**

NOTE 7.1 REMUNERATION AND BOARD MANAGEMENT

Executive management remuneration

2023

NOK '000	Salary and invoiced fees	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		
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		
Marc Jedamzik (CPO) 5)	154		7		161		
Karoline Aafos (CPO) 6)	1 449		269	86	1 804		
Sindre Utne (CPO) 7)	222				222	4 270	0,01 %
Cathrin Bretzeg (CPCO) 8)	1 028		12	57	1 097		
Tormod Kløve (CLO)	1 510		23	110	1 643		

1. Dragvik started 08.08.2023
2. Johansen started 01.12.2022 and resignated 08.08.2023. He ended his empoyment 30.11.2023.
3. Nygaard resignated 21.6.2022 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

2022

NOK '000	Salary and invoiced fees	Bonus	Benefits in kind	Pension expense	Total remuneration	Number of shares	Ownership Interest
Tarjei Johansen (CEO) 1)	250		1	8	259		
Martin Thanem Holtet (CFO)	1 591		14	91	1 696		
Richard Espeseth (CBDO) 2)	2 225	413	14	93	2 745	11 424 125	19.69%
Erik Chr Bolstad (CCO)	1 331	75	14	93	1 513		
Karoline Aafos (CPO) 3)	499		7	38	544		
Tormod Kløve (CLO) 4)	211		1	12	224		
Mårten Lunde (ex-CEO), through Enern Invest AS 5)	2 184				2 184		
Elling Nygaard (ex-CEO) 6)	2 004		10	69	2 083	10	0.00%
Sindre Utne (ex-COO) 7)	1 739	180	4	53	1 976	4 270	0.01%
Tormod Kløve (CLO)	1 510		23	110	1 643		

1. Johansen started his employment as CEO 1th of December 2022.
2. Espeseth was Acting CEO in the period 21th of June 2022 - 30th of November 2022. In addition to shares held by Richard Espeseth, 3.090.238 shares are held by his spouse. They are not included in the table above.
3. Aafos started her employment as CPO 15th of August 2022.
4. Kløve started his employment as CLO 14th of November 2022.
5. Lunde ended his management for hire 31th December 2021. De had a 12 month termination period ended 31th of December 2022.
6. Nygaard resigned his position 21th of June 2022, and his employment 30th of September 2022. He will receive severance pay up to and including June 2023.
7. Utne ended his employment 30th April 2022. He will receive severance pay up to and including January 2023.

Notes to the Consolidated Financial Statements

Board of Directors remuneration

2023

NOK '000	Consultant fees	Board fee	Audit committee	Nomination committee	Total remuneration	Number of shares	Ownership Interest
Terje Mikaelsen (Chair) 1)				27	27	9 635 182	15.22%
Ellen Hanetho (ex-Chair) 2)	28	953	108		1 089		
Richard Espeseth (member)						11 257 458	17.78%
Asta Stenhagen (member)							
Jarle Tautra (member)	248	400	36		684	1 000	0,00 %
Jarle Dragvik (ex-member)		600	36	8	644	41 033	0.06%
Donna Rennemo (ex-member)		286			286		
Arild S. Frick (Chair Nom Committee)				32	32		
Bjørn G. Reed (member Nom Committee)				27	27		

1. Terje Mikalsen served on the board in the period 2014-2021. Re-elected 14.05.2023. Started as Chair 04.10.2023
2. Ellen Hanetho has been Chair of the board since 2019. Resigned the board 04.10.2023

2022

NOK '000	Consultant fees	Board fee	Total remuneration	Number of shares	Ownership Interest
Ellen Hanetho (Chair)	275	703	978		
Jarle Tautra 1)		126	126	1 000	0.00%
Jarle Dragvik 2)		126	126	7 700	0.01%
Vivian Espeseth				3 173 571	5.47%
Donna Rennemo					
Kermit Nash (ex-member)		213	213		
Terje Mikalsen (ex-member)		227	227		

NOTE 8.1 RESTATEMENT OF COMPARABLE INFORMATION

1. Restatement of contract revenue recognized in 2020 USD 2 million – NOK 17.6 million
Based upon an updated assessment related to the delivery of "Study" during 2020 it has been concluded that the related contract included a substantive right that was not identified in 2020. A total of USD 2 million (NOK 17.6 million) of the funds received should have been recognized as a liability by the end of 2020 and not recognized as revenue in 2020. The adjustment has been recorded as a correction of the opening equity in 2022 as the first year of comparable information and in the 2023 financial statements with corresponding recognition of other current liability of USD 2 million (NOK 17.6 million).

2. Restatement of the fair value investment in DG Fuels
During the second half of 2023, the Company determined that a reliable estimate of fair value based upon objective identifiable information that could support a fair value above cost has not been possible to obtain. This fact has also indicated uncertainty regarding previously estimates of fair value.

Therefore, it has been concluded that cost is the best estimate of the fair value and that previous value adjustments above cost should be reversed.

See further effect of this in the table below.

NOK '000	2022 reported	Fair value investment restated	Restated 2022
Fair value adjustment for financial instruments	22 485	-22 485	-
Net financial income and expenses	**27 267**	**-22 485**	**4 782**
Profit/(loss) before income tax	**-91 975**	**-22 485**	**-114 460**
Profit/(loss) for the year	**-91 895**	**-22 485**	**-114 380**
Profit/(loss) attributable to:			
Equity holders of the parent company	-87 014	-22 485	-109 499
Total comprehensive profit/(loss) for the year	**-92 310**	**-22 485**	**-114 795**
Total comprehensive profit (loss) for the year attributable to:			
Equity holders of the parent company	-87 379	-22 485	-109 864
Basic earing pr share	-1,50	-0,39	-1,89
Diluted earnings pr share	-1,50	-0,39	-1,89

Consolidated Statement of Finacial Position (extract)	2022 reported	Fair value investment restated	Restated 2022
Financial investment	52 056	-22 485	29 571
Total non-current assets	**194 453**	**-22 485**	**171 969**
Total assets	**573 164**	**-22 485**	**550 680**
Other equity	-196 632	-22 485	-219 117
Total other equity	413 142	-22 485	390 657
Total equity	418 105	-22 485	395 620
Total equity and liabilities	**573 164**	**-22 485**	**550 680**

Financial Statements and Notes for the Parent Company

Statement of Profit and Loss

NOK '000	Note	2023	Restated 2022
Revenue		612 744	56 353
Total revenue	**2**	**612 744**	**56 353**
Cost of materials	3	-527 416	-46 813
Personnel expenses	4, 16	-62 937	-50 895
Depreciation and amortisation expense	9	-3 877	-3 663
Other operating expenses	6	-65 142	-44 737
Operating loss		**-46 628**	**-89 755**
Financial income	7	33 543	17 452
Financial expenses	7	-36 659	-12 239
Net financial income and expenses		**-3 116**	**5 213**
Profit/(loss) before income tax		**-49 744**	**-84 542**
Income tax expense			0
Profit/(loss) for the year		**-49 744**	**-84 542**
From other equity		-49 744	-84 542
Total allocated and equity transfers		**-49 744**	**-84 542**

Statement of Financial Position

as of 31 December

NOK '000	Note	2023	Restated 2022
ASSETS			
Non-current assets			
Intangible assets	9	7 045	9 393
Property, plant and equipment	9	3 900	5 366
Investments in subsidiaries	10	137 597	117 095
Loan to group companies	10	25 722	13 051
Investment in shares		1	1
Financial investment	11	30 517	29 571
Other receivables	12	4 891	4 766
Total non-current assets		**209 673**	**179 243**
Current assets			
Inventories	13	7 349	13500
Trade receivables	14	226 044	18 577
Contract assets	14	65 836	19 829
Other receivables	12	5 249	66 490
Cash and bank deposits	15	146 914	247 632
Total current assets		**451 392**	**366 028**
TOTAL ASSETS		**661 065**	**545 271**

Statement of Financial Position

as of 31 December

NOK '000	Note	2023	Restated 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	1 266	1161
Share premium account	16	691 796	575 039
Other equity contributed	17	38 558	34 162
Other equity	16	-235 161	-185 417
TOTAL EQUITY		**496 459**	**424 945**
LIABILITIES			
Non-current liabilities	18	6 785	0
Total non-current liabilities		**6 785**	**0**
Current liabilities			
Trade creditors	18	57 142	12 698
Contract liabilites	15	49 641	65 691
Public duties payable	18	6 128	6 331
Other current liabilities	18	44 910	35 606
Total current liabilities		**157 821**	**120 326**
TOTAL LIABILITIES		**164 606**	**120 326**
TOTAL EQUITY AND LIABILITIES		**661 065**	**545 271**

Porsgrunn/Oslo, 21 March 2024

(All signatures electronically signed)

Terje Mikalsen	Asta Stenhagen	Jarle Tautra	Richard Espeseth	Jarle Dragvik
Chair of the Board	*Board member*	*Board member*	*Board member*	*CEO*

Statement of Changes in Equity

	Attributable to equity holders of the parent company					
NOK '000	**Share capital**	**Share premium account**	**Other equity contributed**	**Uncovered loss**	**Total other equity**	**Total equity**
Equity as at 31.12.2021	**58**	**576 142**	**26 800**	**-83 236**	**-83 236**	**519 764**
Reversal of revenue related to contract				-17 639	-17 639	-17 639
Restated equity as at 31.12.2021	**58**	**576 142**	**26 800**	**-100 875**	**-100 875**	**502 125**
Restated equity as at 01.01.2022	**58**	**576 142**	**26 800**	**-100 875**	**-100 875**	**502 125**
Profit for the period				-84 542	-84 542	-84 542
Issue of share capital	1103	-1 103				
Cost of share-based payment			7 362			7 362
Equity as at 31.12 2022	**1 161**	**575 039**	**34 162**	**-185 417**	**-185 417**	**424 945**
Adjusted 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**

Statement of Cash Flows

NOK '000	**Note**	**2023**	**Restated 2022**
Cash flows from operating activities			
Net Income / (Loss) before tax		- 49 744	-84 542
Depreciation, amortisation & impairment	9	3 877	3 663
Option cost no cash effect		4 396	7 362
Change in inventory		6 151	-13 500
Change in trade receivable	11	-207 467	-25 364
Change in trade creditors	16	44 444	9 557
Effect of foreign currency translation		-946	-1 036
Change in other accruals	12	15 070	16 918
Net cash flows from operating activities		**-184 219**	**-86 942**
Cash flows from investing activities			
Purchases of plant and machinery	9	-64	-280
Acquisition of subsidiary, net of cash acquired		-20 502	-32 964
Change in other investing activities		-125	-879
Net cash flows from investing activities		**-20 691**	**-34 123**
Cash flows from financing activities			
Increase of loan to subsidiaries		-12 671	-11 995
Transaction not recognized over P&L		-5 040	-
Proceeds from Equity Issue		121 903	-
Net cash flows from financing activities		**104 192**	**-11 995**
Cash balance start of period		**247 632**	**380 692**
Net change in cash		-100 718	-133 060
Cash balance end of period		**146 914**	**247 632**

Notes to the Parent Company 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 6, 3933 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 high-pressure electrolyser. 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 2023 were approved in the board meeting at 21.03.2024.

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
- Taxes, note 8
- Assets cost and depreciation – note 9
- Share-based payment, note 17

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 non-current, 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 sale of Hydrogen electrolyser systems and engineering services. 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.

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 assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) 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 2023. 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 short-term 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 15 (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.

Notes to the Parent Company Financial Statements

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	2023	2022
Norway	3 280	4 866
Europe	7 295	0
America	538 499	41 370
Asia Pacific	63 670	10 117
Total revenue	**612 744**	**56 353**

Major products/service lines

NOK '000	2023	2022
Revenue from sale of electrolyser system	557 040	51 468
Revenue from sale of Feed and case-studies	8 694	4 885
Revenue from sale of sub-components, intercompany	47 010	0
Total revenue	**612 744**	**56 353**

The revenue in HydrogenPro is from sale of Hydrogen electrolyser systems and engineering services. Fixed-price contracts are measured according 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.

NOTE 3 COST OF MATERIALS

NOK '000	2023	2022
Cost of material	525 953	45 661
Cost of handling and freight	1 463	787
Other cost of material	0	364
Total cost of material	**527 416**	**46 813**

NOTE 4 PERSONNEL EXPENSES

NOK '000	2023	2022
Salaries	45 861	35 300
Sosial security tax	8 107	5 270
Option cost (note 17)	3 943	6 697
Pension costs defined contribution plans	2 711	3 030
Other personnel costs	2 315	597
Total salaries and personnel expense	**62 937**	**50 895**

In addition, some invoices have been received for fees and bonuses, and these are included in other operating expenses. Option cost related to hired personnel is expended as other operating expenses.

	2023	2022
Average number of full-time employees	40	27

Executive management remuneration

NOK '000	Salary and invoiced fees	Bonus	Benefits in kind	Pension expense	Total remunerat. 2023	Total remunerat. 2022
Jarle Dragvik (CEO) 1)	1 476	0	56	40	1 572	0
Tarjei johansen (CEO) 2)	3 360	0	134	104	3 598	259
Elling Nygaard (CEO) 3)	1 265	0	0	0	1 265	2 083
Richard Espeseth (CBDO) 4)	2 513	0	16	97	2 626	2 745
Martin Thanem Holtet (CFO)	1 832	468	16	95	2 411	1 696
Erik Chr Bolstad (CCO)	1 549	363	16	97	2 025	1 513
Marc Jedamzik (CPO) 5)	154	0	7	0	161	0
Karoline Aafos (CPO) 6)	1 449	0	20	86	1 555	544
Sindre Utne (CPO) 7)	222	0	0	0	222	1 976
Cathrin Bretzeg (CPCO) 8)	1 028	0	12	57	1 097	0
Tormod Kløve (CLO)	1 510	0	23	110	1 643	0

1. Dragvik started his employment as CEO 8th of August 2023.
2. Johansen started as CEO 1st of December 2022, and resigned 8th of August 2023. He ended his employment 30th of November 2023.
3. Nygaard resigned his position 21st of June 2022, and his employment 30th of September 2022. He received severance pay up to and including June 2023.
4. Espeseth was acting as CBDO from 1st of December 2021 to 1st of December 2023
5. Jedamzik started his employment as CPO 1st of December 2023.
6. Aafos started as CPO 15th of August 2023, and she ended her employment 30th of November 2023.
7. Utne ended his employment 30th April 2022. He received severance pay up to and including January 2023.
8. Bretzeg started as CPCO 1st of June 2023.

Notes to the Parent Company Financial Statements

Board of Directors remuneration

NOK '000	Board fees	Salary and invoiced fees	Total remunerat. 2023	Total remunerat. 2022
Terje Mikalsen (Chair)	27	0	27	227
Ellen Hanetho (ex Chair)	1 061	28	1 089	978
Ricard Espeseth (member)	0	0	0	0
Asta Stenhagen (member)	0	0	0	0
Jarle Tautra (member)	436	248	684	126
Jarle Dragvik (ex member)	644	0	644	126
Donna Rennemo (ex member)	286	0	286	0

No loans/securities have been granted to the CEO, Chair, or other related parties.

Options to leading employees and Board of Directors

Name	Quantity 01/01/2023	Granted in period	Terminated in period	Exercised in period	Quantity 31/12/2023	Cost for the period
Ellen Hanetho 1)	2 143 170	-	-101 148	-	2 042 022	1 256 541
Jarle Dragvik	-	400 000	-	-	400 000	353 945
Elling Nygaard	206 250	-	-	-	206 250	-
Erik Christian Bolstad	100 000	-	-	-	100 000	102 684
Karoline Aafos	57 396	-	-	-21 875	35 521	9 255
Martin Thanem Holtet	150 000	-	-	-	150 000	307 264
Cathrin Bretzeg	-	50 000	-	-	50 000	265 323
Sindre Utne	68 750	-	-	-	68 750	-
Tarjei Johansen	400 000	-	-400 000	-	-	-233 702
TM Holding (Terje Mikalsen)	163 005	-	-	-	163 005	78 094
Tormod Kløve	50 000	-	-	-	50 000	868 686

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 17.

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 31.12.2023 there were 43 members covered by the scheme.

The contributions recognised as expenses equalled TNOK 2 711 in 2023 and TNOK 3 030 in 2022. The contributions to CEO were TNOK 144 in 2023 and TNOK 69 in 2022.

NOTE 6 OTHER OPERATING EXPENSES

Other operating expenses

NOK '000	2023	2022
Advertising and direct sale cost	289	207
Repair and maintenance costs	901	659
Rental and leasing costs	6 816	3 935
Travel costs	4 818	2 118
Consultancy fees and external personnel	29 377	31 362
Provision bad debts	0	1 194
Warranties	16 962	0
Other operating costs	5 979	5 263
Total operating expenses	**65 142**	**44 737**

Specification auditors fee

NOK '000	2023	2022
Statutory audit	2 056	1 212
Other assurance services	384	0
Other non-assurance services	174	736
Total	**2 614**	**1 948**

Notes to the Parent Company Financial Statements

NOTE 7 FINANCIAL INCOME AND EXPENSES

Financial income

NOK '000	2023	Restated 2022
Other financial income	36	19
Interest income	4 231	3 434
Foreign exchange gains	29 276	13 999
Total financial income	**33 543**	**17 452**

Financial expenses

NOK '000	2023	2022
Interest on debts and borrowings	48	26
Foreign exchange losses	36 611	9 915
Other financial expenses	0	2 298
Total financial expenses	**36 659**	**12 239**

NOTE 8 INCOME TAX

Income tax expense for the year

NOK '000	2023	Restated 2022
Income tax payable	0	0
Changes in deferred tax	0	0
Total income tax expense	**0**	**0**

Basis for income tax expense

NOK '000	2023	2022
Profit / loss (-) before taxes	-49 745	-84 542
Permanent differences	-312	7 421
Changes in temporary differences	-69 424	1 640
Basis for tax payable	**-119 481**	**-75 482**

Explanation as of why the current year's tax expense is not 22% of the profit before tax:

NOK '000	2023	2022
Tax on profit before taxes (22%)	-10 944	-18 599
Tax on permanent differences (22%)	-69	1 633
Change in not recognised deferred tax assets	11 013	16 967
Tax expense	**0**	**0**
Effective tax rate	0 00%	0 00%

Overview temporary differences

NOK '000	2023	Restated 2022	Change
Property, plant and equipment and intangible assets	431	1 082	651
Provisions and intagnible assets	-23 710	-1 709	22 001
Non-current receivables or liabilities in other currencies	2 018	2 525	507
Production contracts	94 087	1 504	-92 582
Tax loss carried forward 1)	-308 651	-189 170	119 481
Total	**-235 825**	**-185 768**	**50 057**

1) Tax carry forward for 2022 has been adjusted due to correction of error.

NOK '000	2023	2022	Change
Deferred tax assets (22%)	51 881	40 869	-11 013
Deferred tax not recognised in the Statement of financial position	51 881	40 869	-11 013
Deferred tax in the Statement of financial position	0	0	0

The majority of the deferred tax asset is related to loss carry forward. As of 31 December 2023, 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.

Notes to the Parent Company Financial Statements

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 01.01.2023	**11 742**	**7 318**	**374**	**0**	**19 434**
Additions		64			64
From machinery and plant in progress					
Accumulated cost 31.12.2023	**11 742**	**7 382**	**374**	**0**	**19 498**
Accumulated depreciation 01.01.2023	2 349	2 154	173		4 676
Depreciation for the year	2 348	1 476	53		3 877
Carrying value 31.12.2023	**7 045**	**3 752**	**148**	**0**	**10 945**
Economic life	5 years	5-10 years	5 years		
Depreciation method	linear	linear	linear		
Accumulated cost 01.01.2022	**11 742**	**3 017**	**374**	**4 021**	**19 154**
Additions				280	280
Skattefunn (Tax compensations)		4301		-4 301	
Accumulated cost 31.12.2022	**11 742**	**7 318**	**374**	**0**	**19 434**
Accumulated depreciation 01.01.2022		905	106		1 011
Depreciation for the year	2 349	1 249	66		3 664
Carrying value 31.12.2022	**9 393**	**5 164**	**202**	**0**	**14 759**
Economic life	5 years	5-10 years	5 years		
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 acqusition.

The company has assessed the carrying value of the development cost recognized as intangible assets as of 31.12.2023 and consider it to be intact.

NOTE 10 LIST OF SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATES

The table below shows ownership in subsidiaries. Ownership interest corresponds to voting interest if not otherwise stated.

Company	Ownerhip	Registered office	Functional currency	Total equity in 2023 (Functional currency '000)	Net Income/ (loss) 2023 (Functional currency '000)	Carrying value NOK '000 2023	Carrying value NOK '000 2022
Advanced Surface Plating ApS	100%	Denmark	DKK	-1 919	-8 547	65 919	65 919
HydrogenPro France	100%	France	EUR	-9	-7	50	50
HydrogenPro Inc 1)	100%	United States of America	USD	-60	-60	177	177
HydrogenPro Tianjin Co Ltd	75%	China	CNY	17 614	4 033	50 898	50 898
HydrogenPro Shanghai CO Ltd	100%	China	CNY	13.738	6	20 503	
Kvina Energy AS	50%	Norway	NOK	-1 544	-1 282	51	51
Total						**137 597**	**117 095**

1) Amounts from 2022

Loans to group companies

NOK '000	2023	2022
Advanced Surface Plating ApS	21 734	11 379
Kvina Energy AS	2 954	1 672
HydrogenPro Inc	1 034	0
Total	**25 722**	**13 051**

Other transactions with group companies

	Purchase		Sales		Interest		Pre-payments	
NOK '000	2023	2022	2023	2022	2023	2022	2023	2022
HydrogenPro Tianjin Co Ltd	342 414	8 791	14 590	0		0	0	55 974
HydrogenPro Shanghai CO Ltd	104 140	0	30 901	0		0	0	0
Advanced Surface Plating ApS	0	0	0	0	559	203	0	0
Kvina Energy AS	0	0	0	0	182	72	0	0
HydrogenPro Inc	0		0		17		0	0
Total	**446 554**	**8 791**	**45 491**	**0**	**758**	**275**	**0**	**55 974**

Notes to the Parent Company Financial Statements

NOTE 11 FINANCIAL INVESTMENT

Balance as of 31.12 NOK '000	2023	2022
Convertible receivable DG Fuels	30 517	29 571

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 30.5 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 variable 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

NOK '000	2023	2022
Receivables from associated companies	4 822	4 766
Other non-current receivables	69	0
Total other non-current assets as of 31.12	**4 891**	**4 766**

Other current receivable

NOK '000	2023	2022
Pre-paid costs associated companies	0	55 974
Other pre-paid cost	2 791	3 285
VAT net receivables	2 458	7 231
Total other current assets short term as of 31.12	**5 249**	**66 490**

NOTE 13 INVENTORY

NOK '000	2023	2022
Raw material	7 349	13 500
Balance as of 31.12	**7 349**	**13 500**

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 31.12.2023 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	2023	2022
Receivables related to revenue from contracts with customers - external	180 270	19 722
Receivables related to sale of free issued material - internal	46 919	0
Total trade receivables (Gross)	227 189	19 722
Allowance for expected credit losses	1 145	1 145
Total trade receivables (Net) as of 31.12	**226 044**	**18 577**

Trade payables are non-interest bearing and are normally settled on 30-days terms.

NOTE 15 CASH AND BANK DEPOSITS

NOK '000	2023	2022
Cash and bank deposits	146 914	247 632
Cash and cash equivalents in the balance sheet	**146 914**	**247 632**

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	3 816	2 814

Notes to the Parent Company Financial Statements

NOTE 16 SHARE CAPITAL AND SHAREHOLDERS

The 20 main shareholders at 31.12.23 are:

Shareholder	Number of shares	Ownership interest
Richard Espeseth	11 257 458	17.78%
Clearstream Banking S.A.	9 982 093	15.77%
TM Holding AS	9 635 182	15.22%
Mitsubishi heavy Industries Ltd	5 381 165	8.50%
Vivan Espeseth	3 090 238	4.88%
Nordnet Bank AB	2 771 185	4.38%
Avanza Bank AB	2 053 346	3.24%
Citibank Europe plc	1 600 000	2.53%
ENERN INVEST AS	1 408 433	2.23%
TOR DANIELSEN	1 313 872	2.08%
DZ Privatbank S.A.	1 263 455	2.00%
Nordea Bank Abp	753 155	1.19%
Jan Fredrik Garvik	738 741	1.17%
UniCredit Bank Austria AG	647 167	1.02%
Nordea Bank Abp	646 335	1.02%
BNP Paribas	588 919	0.93%
CACEIS Investor Services Bank S.A.	584 244	0.92%
Saxo Bank A/S	474 821	0.75%
Skandinaviska Enskilda Banken AB	473 100	0.75%
KBC Bank NV	418 647	0.66%
	55 081 556	**87.02%**
Total other shareholders	**8 218 490**	**12.98%**
Total number of shares	**63 300 046**	**100.00%**

Ordinary shares in 2023 (2022) at NOK 0,02 (0,02) per share: 63 300 046 (58 028 171)

Management and board of directors	Number of shares	Ownership interest
Jarle Dragvik (CEO) 1)	41 033	0.06%
Tarjei Johansen (ec CEO)	0	0.00%
Martin Thanem Holtet (CFO)	1 500	0.00%
Richard Espeseth (CBDO)	11 257 458	17.78%
Erik Chr Bolstad (CCO)	0	0.00%
Marc Jedamzik (CPO)	0	0.00%
Tormod Kløve (CLO)	0	0.00%
Terje Mikiaelsen (Chair) 2)	9 635 182	15.22%
Ellen Hanetho (ex Chair)	0	0.00%
Richard Espeseth (member)	11 257 458	17.78%
Asta Stenhagen (member)	0	0.00%
Jarle Tautra (member) 3)	1 000	0.00%

1. Held by the controlled company Jardis Invest AS.
2. Held by the controlled company TM Holding AS.
3. Held trough the controlled company Jasmig AS.

Notes to the Parent Company Financial Statements

NOTE 17 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 vesting period. The annual costs calculated for the option program for 2022 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 2023 was NOK 4.4 (7.4 in 2022) million. The total social security accruals at the end of the year are NOK 0.6 (1.6 in 2022) million. The total accumulated cost expensed related to share-based payments are NOK 38.6 (34.2 in 2022) million as of 31 December 2023.

Total costs and Social Security Provisions

NOK '000	2023	2022
Total cost	4 395	7 362
Total Social security provision	-7 550	7 793

Quantity and weighted average prices

	01.01.2023 - 31.12.2023		01.01.2022 - 31.12.2022	
Activity	**Number of instruments**	**Weighted aver. strike price**	**Number of instruments**	**Weighted aver. strike price**
Outstanding OB (01.01.2023)	5 402 811	14.41	5 463 591	13.91
Granted	486 000	21.38	550 000	31.30
Exercised	-271 875	7.00	0 00	0.00
Released	0	0.00	0	0.00
Adjusted	0	0.00	0	0.00
Performance Adjusted	0	0.00	0	0.00
Cancelled	-13 456	26.15	-150 000	42.35
Terminated	-517 843	32.12	-565 746	20.97
Expired	0	0.00	0	0.00
Outstanding CB (31.12.2023)	5 085 637	13.64	5 297 845	14.15
Vested CB	4 506 570	12.69	4 424 701	11.38

Granted instruments

Instrument	2023 Option	2022 Option
Quantity 31.12.2023 (instruments)	486 000	550 000
Quantity 31.12.2022 (shares) and Board of Directors	486 000	550 000
Contractual life *	5.65	5.11
Strike price *	21.38	31.30
Share price *	22.24	31.01
Expected lifetime *	3.72	3.57
Volatility *	61.01%	63.24%
Interest rate *	4.01%	2.96%
Dividend *	0.00	0.00
FV per instrument *	9.68	14.96

* Weighted average parameters at grant of instrument

Outstanding Instruments Overview

	Outstanding Instruments			Vested Instruments	
Strike price	**Number of instruments**	**Weighted Average remaining contractual life**	**Weighted Average Strike Price**	**Vested instruments 31.12.2023**	**Weighted Average Strike Price**
7.00	2 961 383	1.16	7	2 961 383	7
16.80	206 250	1.84	16.8	206 250	16.8
17.00	36 000	3.17	17	9 000	17
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	18.2	26 042	18.2
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	0	20.95
26.15	526 925	1.38	26.15	526 925	26.15
28.00	50 000	3.50	28	8 334	28
32.45	68 750	1.34	32.45	68 750	32.45
66.00	75 000	1.09	66	71 886	66
	5 085 637			**4 506 570**	

Notes to the Parent Company Financial Statements

NOTE 18 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

NOK '000	2023	2022
Provisions for warranties long term	6 785	0
Total non-current liabilities	**6 785**	**0**

NOK '000	2023	2022
Trade creditors external	5 430	12 698
Trade creditors internal	51 712	0
Total trade creditors	**57 142**	**12 698**
Government taxes, tax deductions etc.	**6 128**	**6 331**
Provisions for warranties short term	10 177	0
Other liabilities	34 733	35 606
Total other current liabilites	**44 910**	**35 606**
Total	**108 180**	**54 635**

Trade creditors are non-interest bearing and are normally settled on 30-day terms. Interest payable is normally settled quarterly.

NOTE 19 RESTATEMENT OF COMPARABLE INFORMATION

Restatement of contract revenue recognized in 2020 USD 2 million – NOK 17.6 million.

Based upon an updated assessment related to the delivery of "Study" during 2020 it has been concluded that the related contract included a substantive right that was not identified in 2020. A total of USD 2 million (NOK 17.6 million) of the funds received should have been recognized as a liability by the end of 2020 and not recognized as revenue in 2020. The adjustment has been recorded as a correction of the opening equity in 2022 as the first year of comparable information in the 2023 financial statements with corresponding recognition of other current liabilities of USD 2 million (NOK 17.6 million).

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 2023 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, 21 March 2024

(All signatures electronically signed)

Terje Mikalsen	Asta Stenhagen	Jarle Tautra	Richard Espeseth	Jarle Dragvik
Chair of the Board	*Board member*	*Board member*	*Board member*	*CEO*

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 prospect 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 the IFRS. HydrogenPro's financial APMs:

Gross profit margin is defined as gross profit (Revenues - Cogs) divided by revenues in percentage.

EBITDA is defined as earnings before interest, tax, depreciation, amortisation and impairment, corresponding to operating profit/(loss) plus depreciation, amortisation and impairment.

Adjusted EBITDA excludes special items, e.g. non-cash impact of incentive program, to better present the underlying performance in the reported period.

Net investments Additions to property, plant and equipment (capital expenditures), plus longterm securities, intangible assets, longterm advances and investments in equity accounted investments, including amounts recognised in business combinations for continuing operations.

Order intake is defined as firm purchase order 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 contract with uncertain transaction price, the order intake is based on estimated revenue. The measure does not include potential change order.

Backlog is defined as a firm purchase order with agreed price, volume, timing, term and condition and where revenue is yet to recognize. The backlog includes both contracts and change order. For service contracts and contract with uncertain transaction price, the backlog is based on estimated revenue. The measure does not include potential change order.

APMs

NOK MILLION	2023	Restated 2022
Revenue from contracts with customers	568	56
Cost of goods sold	447	44
Gross profit/(loss)	**121**	**12**
Gross profit/(loss)	121	12
Revenue from contracts with customers	568	56
Gross profit margin	**21.3%**	**21.3%**
Gross profit/(loss)	121	12
Personnel expenses	82	63
Other operating expenses	67	55
EBITDA	**-36.0**	**-105**
EBITDA	-36	-105
Non-cash cost of incentive programs/payrolls	3	10
Non-cash provisions with limited predictive value	6	1
Adjusted EBITDA (excl. noncash operating expenses)	**-27**	**-94**
EBITDA	-36	-105
Depreciation and amortization expenses	22	14
Operating profit/(loss) (EBIT)	**-58**	**-119**

NOK MILLION	2023	2022
Purchases of tangible assets	20	15
Purchases of intangible assets	0	0
Investments before acquisitions	**20**	**15**
Investments due to acquisitions	0	33
Investments after acquisitions	**20**	**47**
Order backlog start of period	747	33
Order intake	242	773
Revenue from projects contracts with customers	-566	-56
Revaluation	1	-3
Order backlog end of period	**423**	**747**

Auditor's Report

BDO AS
Munkedamsveien 45
PO Box 1704 Vika
0121 Oslo
Norway

Independent Auditor's Report

To the General meeting of Hydrogenpro ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hydrogenpro ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2023, income statement , statement of changes in equity and cash flows for the year then ended, and notes to the financial statements,including a summary of significant accounting policies, and • The financial statements of the Group, which comprise the balance sheet as at 31 December 2023, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.	• The financial statements comply with applicable statutory requirements, • The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Hydrogenpro ASA for 6 years from the election by the general meeting of the shareholders on 22 November 2018 for the accounting year 2018.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
Recognition of revenue from contracts with customers Revenue from contracts with customers amounts to NOK 568 million, of which 565 million is recognized over time. The cost-to-cost input method is applied to determine the percentage of completion. The contracts with customers may be complex, include multiple performance obligations, include liquidated damages, be executed over a long period of time and may involve significant uncertainty. The estimation of total revenues and costs involves the use of judgements, including estimation of remaining cost, percentage of completion, variable consideration and effects of potential disputes. Accounting for revenue from contracts with customers is a key audit matter as the contracts with customers involves significant use of judgements that can significantly impact a number of accounts in the financial statements, such as revenue from contracts with customers, costs of goods sold, trade receivables, contract assets and contract liabilities.	We assessed the application of accounting policies against the IFRS 15 requirements and internal procedures for monitoring and progress reporting related to contract with customers. We inquired regarding the status of contracts with customers with management, finance, and technical staff, aligning estimated revenues and costs with budgets. We verified the estimated revenue against the contracts, also assessing the estimate for variable consideration. Additionally, we tested the mathematical accuracy of percentage of completion calculations and reconciled project accounts against reported figures in the ERP-system. Furthermore, we have verified project costs through detailed testing of invoices and verified hours incurred in the project. We verified that the disclosures in the key notes (note 1.4 and 2.2) are in accordance with the underlying information about the projects, and in accordance with the relevant IFRS requirements.
Fair value of financial investment The company has invested in a convertible financial instrument in DG Fuels Llc. Based on the classification criteria's in IFRS 9, the instrument must be measured at fair value. The fair value measurement is classified as a level 3 measurement in the fair value hierarchy, in accordance with IFRS 13. For details on the investment see note 3.4. The investment is a complex financial instrument that, under certain conditions, can be converted into a variable number of equity instruments at a future date. The underlying equity instruments is in a non-listed US start-up company, for which there are no observable fair value. A level 3 valuation under IFRS 13 should be based on an appropriate valuation technique that maximizes the use of observable input and minimizes the use of unobservable input. The process of measuring fair value of the financial instrument is complex and requires management's judgments and assumptions to prepare a fair value estimate. Given the complex nature of the valuation of the financial instrument, we consider this a key audit matter.	Our audit procedures included an assessment of the appropriateness of valuation techniques, and evaluation of the supporting documentation for the relevant key assumptions to be applied in the valuation model. We involved our internal valuation specialists to assist us with our assessment of the appropriateness of the valuation techniques. We also assessed the appropriateness of using cost as the best estimate for fair value. The assessment included: - Assessment of transactions in the equity instruments of the investee. - Assessment of changes in the operating activities of the investee. Furthermore, we have evaluated the adequacy of the disclosures provided in the notes regarding the investment. We refer to the disclosures in note 3.4 and 8.1 in the financial statements for further review.

Goodwill and intangible assets Under IFRS, the Group is required to perform an annual impairment test of goodwill and intangible assets with an indefinite useful life. Impairment testing of goodwill and intangible assets is a key aspect of our audit due to the complexity of the assessments and the significance of assumptions related to future market and/or economic conditions that underlie the assessment. The significant amounts involved, and the complexity of the valuation of the assets, lead us to classify the valuation of goodwill and intangible assets as a key audit matter.	Our audit procedures have included a detailed review of management's impairment test for each business unit to which goodwill and intangible assets are allocated. We have also assessed management's assumptions underlying the valuation and taken into consideration management's historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 3.1 and assessed the adequacy of the information provided in the notes against the requirements of IAS 36.
Investments in subsidiaries The company has significant investments in subsidiaries that are measured at cost. Investments in subsidiaries are tested for impairment if impairment indicators are present. An impairment loss is recognized if the carrying amount exceeds the recoverable amount. The carrying amount as at 31.12.2023 was NOK 138 million. The significant amounts involved, and the complexity of the valuation of the assets, lead us to classify the valuation of investments in subsidiaries as a key audit matter.	Our audit procedures included a detailed review, testing, and assessment of management's impairment tests, including the calculation of recoverable amounts. We have also assessed management's assumptions underlying the valuation and taken into consideration the historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 10.

Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other 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 other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion 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 Director's report applies correspondingly for the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of the Board of Directors and the Managing Director 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 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 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

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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on compliance with requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Hydrogenpro ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name HydrogenPro-ASA-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

BDO

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 21 March 2024
BDO AS

Yngve Gjethammer
State Authorised Public Accountant

05

Appendix

Sustainability factbook

HydrogenPro ASA has reported for the period from 1 January 2023 to 31 December 2023 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 2023 are covered by the report. This means the operations in Norway, Denmark, Germany and China were included. 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@hydrogen-pro.com), CFO in HydrogenPro. The ESG report and related data is not subject to external assurance.

Two restatements of information are made in the year 2023. The first regards the presence of PFAS in our product (page 39). The second regards a production facility in Datang, China, that has been used for nickel plating of steel plates. The facility has previously been accounted for like a supplier, but in 2023 we have reevaluated our operational boundaries and accounted for it in the ESG report. More information on the reason behind this choice can be found on page 34 and 42. We do not have enough data to restate the information provided in the 2022 report, but we have made sure to account for the nickel plating facility in our 2023 report where relevant (waste, water, energy, materials data as well GHG accounting and health and safety data).

Key sustainability data

Environment

Energy

Energy consumption by source [kWh]	2021	2022	2023
Fuels consumption			
Motor gasoline	-	10 634	0
Diesel for forklifts	-	-	99200[1]
Indirect energy[2]			
Electricity	34 829	1 548 546	1 547 185.37
Heat	67 185	161 087	1 053 298.36

[1] The original value of 10 000 liters is converted to kWh using the UK Government GHG Conversion Factors for Company Reporting, DEFRA

Materials

Materials procured by type [tonnes]	2021	2022	2023
Raw materials			
Steel	-	79.42	2291.1
Nickel	-	-	25.25
Nickel foam	-	-	94.6
Associated processing materials			
Cutting fluids	-	0.50	21[1]
Argon	-	-	23189.51[2]
Chemicals	-	75.8	25.88
Semi-manufactured goods or parts	-	-	1203.51
Materials for packaging purposes			
Wrapping plastic	-	-	20.1
Wooden trays	-	-	53.8

[1] Under the assumption that cutting fluids have the same density as water, the original value of 21000 liters is converted to tonnes by following the convertion factor 1L=1kg
[2] The original value of 16640000 liters is converted to tonnes by following the conversion factor 1L liquid argon = 1,3936 kg (Source: https://keengas.com/gases/argon/)

All materials except wooden trays are non-renewable. Recycled input material accounts to only 15% of the plastic for packaging purposes.

Water

Water withdrawal [m3]	2021	2022	2023
Total water withdrawal	*148*	*641*	*35 352*
From municipal water supplies - surface water	23	519	35 225
From municipal water supplies - ground water	125	122	127

Water discharge equals water withdrawal, except neglectable amounts (<1 m3) of evaporated water that comes out of our test electrolyzers in form of hydrogen and oxygen.

Sustainability factbook

Waste

Waste generated [tonnes]	2021	2022	2023
Non-hazardous waste			
Paper/cardboard	0.5	1.5	1,67
Plastic	0.05	0.35	3,37
Residual waste	-	1.68	4,97
Biological/food waste	-	0.32	0,95
Glass	0.05	0.73	0,19
Steel	0.1	53.08	944,10
Packaging (styroform)	-	0.1	0,10
Wooden trays	-	-	24,01
Hazardous waste			
Water-diluted lye	2	26	0,1
Mineral oils and cutting fluids	-	0.74	0,4
Oil drums	-	-	1,1
Nickel	-	-	0,1
Gas	-	-	0,1
Chemicals	-	-	0,1
General waste	-	-	0,1

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 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 page 170. We did not have emission of ozone-depleting substances (ODS), nor Nitrogen oxides (NOx), sulfur oxides (SOx), or other significant air emissions in the reporting period.

Social

The numbers in this section are denoted as headcount at the end of the reporting period, 31.12.2023, unless other information is stated. The average number of FTE's during the reporting period was 221, with the lowest in January (155) and the highest in July (252).

All employees by gender and region

Region	Female	F% of region	F% of total	Male	M% of region	M% of total	Total
Norway	11	30 %	5 %	26	70 %	11 %	37
Denmark	3	19 %	1 %	13	81 %	5 %	16
Germany	1	50 %	0 %	1	50 %	0 %	2
Shanghai	2	33 %	1 %	4	67 %	2 %	6
Tianjin	28	16 %	12 %	148	84 %	62 %	176
Total	**45**		**19 %**	**192**		**81 %**	**237**

Permanent employees by gender and region

Region	Female	F% of region	F% of total	Male	M% of region	M% of total	Total
Norway	11	30 %	5 %	26	70 %	11 %	37
Denmark	1	6 %	0 %	9	56 %	4 %	10
Germany	1	50 %	0 %	1	50 %	0 %	2
Shanghai	2	33 %	1 %	4	67 %	2 %	6
Tianjin	28	16 %	12 %	148	84 %	62 %	176
Total	**43**		**18 %**	**188**		**79 %**	**231**

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	2	13 %	1 %	4	25 %	2 %	6
Germany	0	0 %	0 %	0	0 %	0 %	0
Shanghai	0	0 %	0 %	0	0 %	0 %	0
Tianjin	0	0 %	0 %	0	0 %	0 %	0
Total	**2**		**1 %**	**4**		**2 %**	**6**

Non-guaranteed hours 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	0	0 %	0 %	0	0 %	0 %	0
Germany	0	0 %	0 %	0	0 %	0 %	0
Shanghai	0	0 %	0 %	0	0 %	0 %	0
Tianjin	0	0 %	0 %	0	0 %	0 %	0
Total	**0**		**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	Total
Norway	10	27 %	4 %	25	68 %	11 %	35
Denmark	1	6 %	0 %	9	56 %	4 %	10
Germany	1	50 %	0 %	1	50 %	0 %	2
Shanghai	2	33 %	1 %	4	67 %	2 %	6
Tianjin	28	16 %	12 %	148	84 %	62 %	176
Total	**42**		**18 %**	**187**		**79 %**	**229**

Sustainability factbook

Part-time employees by gender and region

Region	Female	F% of region	F% of total	Male	M% of region	M% of total	Total
Norway	1	3 %	0 %	1	3 %	0 %	2
Denmark	1	6 %	0 %	2	13 %	1 %	3
Germany	0	0 %	0 %	0	0 %	0 %	0
Shanghai	0	0 %	0 %	0	0 %	0 %	0
Tianjin	0	0 %	0 %	0	0 %	0 %	0
Total	**2**		**1 %**	**3**		**1 %**	**5**

Workers who are not employees

Region	Female	F%	Male	M%	Total
Norway	2	22 %	6	67 %	8
Denmark	0	0 %	1	11 %	1
Germany	0	0 %	0	0 %	0
Shanghai	0	0 %	0	0 %	0
Tianjin	0	0 %	0	0 %	0
Total	**2**	**22 %**	**7**	**0 %**	**9**

The 9 workers who are not employees in Norway and Denmark are performing administrative tasks. All workers had either semi-permanent or temporary contractual relationships with the company.

24 contracted blue collars were working in a nickel plating facility used by HydrogenPro in 2023. These are not reported in the table above, as the facility resulted closed primo December 2023.

New employee hires

Female		<30	30-50	>50	Total	% of region	% of total
	Norway	2	4	3	9	64 %	4 %
	Denmark	2	0	0	2	40 %	1 %
	Germany	0	1	0	1	50 %	0 %
	Shanghai	0	1	0	0	20 %	0 %
	Tianjin	4	25	0	29	16 %	14 %
	Total	**8**	**31**	**3**	**41**		**20 %**

Male		<30	30-50	>50	Total	% of region	% of total
	Norway	1	2	2	5	36 %	2 %
	Denmark	2	1	0	3	60 %	1 %
	Germany	0	1	0	1	50 %	0 %
	Shanghai	0	4	0	4	80 %	2 %
	Tianjin	31	115	1	147	84 %	73 %
	Total	**34**	**123**	**3**	**160**		**79 %**

Total		<30	30-50	>50	Total	% of region	% of total
	Norway	3	6	5	14		7 %
	Denmark	4	1	0	5		2 %
	Germany	0	2	0	2		1 %
	Shanghai	0	5	0	5		2 %
	Tianjin	35	140	1	176		87 %
	Total	**42**	**154**	**6**	**202**		**100 %**

Employee turnover

Female		<30	30-50	>50	Total	% of region	% of total
	Norway	0	3	2	5	50 %	6 %
	Denmark	0	0	0	0	0 %	0 %
	Germany	0	0	0	0	0 %	0 %
	Shanghai	0	1	0	1	100 %	1 %
	Tianjin	0	6	0	6	9 %	8 %
	Total	**0**	**10**	**2**	**12**		**15 %**

Male		<30	30-50	>50	Total	% of region	% of total
	Norway	0	1	4	5	50 %	6 %
	Denmark	0	0	0	0	0 %	0 %
	Germany	0	0	0	0	0 %	0 %
	Shanghai	0	0	0	0	0 %	0 %
	Tianjin	17	45	0	62	91 %	78 %
	Total	**17**	**46**	**4**	**67**		**85 %**

Total		<30	30-50	>50	Total	% of region	% of total
	Norway	0	4	6	10		13 %
	Denmark	0	0	0	0		0 %
	Germany	0	0	0	0		0 %
	Shanghai	0	1	0	1		1 %
	Tianjin	17	51	0	68		86 %
	Total	**17**	**56**	**6**	**79**		**100 %**

Work-related injuries and ill health

	Work-related 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	8	3,22	497 125
External Workers	0	0	0	0	0	0	6	0	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.

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Career and development review

Female	Permanent	Temporary	Contracted	Non-guaranteed
Norway	75 %	0 %	0 %	n/a
Denmark	0 %	0 %	n/a	n/a
Germany	n/a	n/a	n/a	n/a
Shanghai	100 %	n/a	n/a	n/a
Tianjin	63 %	n/a	n/a	n/a
Total	**60 %**	**0 %**	**0 %**	**0 %**

Male	Permanent	Temporary	Contracted	Non-guaranteed
Norway	73 %	0 %	0 %	n/a
Denmark	0 %	0 %	0 %	n/a
Germany	n/a	n/a	n/a	n/a
Shanghai	100 %	n/a	n/a	n/a
Tianjin	37 %	n/a	n/a	n/a
Total	**210 %**	**0 %**	**0 %**	**0 %**

Total	Permanent	Temporary	Contracted	Non-guaranteed
Norway	74 %	0 %	0 %	n/a
Denmark	0 %	0 %	0 %	n/a
Germany	n/a	n/a	n/a	n/a
Shanghai	100 %	n/a	n/a	n/a
Tianjin	82 %	n/a	n/a	n/a
Total	**64 %**	**0 %**	**0 %**	**0 %**

Diversity of governance bodies

Age	Female	F%	Male	M%	Total
<30 years	0	0 %	0	0 %	0
30-50 years	1	25 %	0	0 %	1
>50 years	0	0 %	3	75 %	3
Total	**1**	**25 %**	**3**	**75 %**	**4**

Female	<30 years	30-50 years	>50 years	Total	% of EC	% of total
Permanent	7	34	6	47	20 %	19 %
Temporary	4	0	0	4	50 %	2 %
Contracted	0	0	0	0	0 %	0 %
Non-guaranteed	0	0	0	0	0 %	0 %
Total	**11**	**34**	**6**	**51**	**21 %**	**21 %**

Male	<30 years	30-50 years	>50 years	Total	% of EC	% of total
Permanent	37	137	10	184	80 %	275 %
Temporary	4	0	0	4	50 %	6 %
Contracted	1	2	4	7	100 %	10 %
Non-guaranteed	0	0	0	0	0 %	0 %
Total	**42**	**139**	**14**	**195**	**79 %**	**79 %**

Total	<30 years	30-50 years	>50 years	Total	% of EC	% of total
Permanent	44	171	16	231	94 %	345 %
Temporary	8	0	0	8	3 %	12 %
Contracted	1	2	4	7	3 %	10 %
Non-guaranteed	0	0	0	0	0 %	0 %
Total	**53**	**173**	**20**	**246**	**100 %**	**100 %**

Ratio of basic salary and remuneration of women to men

	Permanent	Temporary	Full-Time	Part-Time
Norway	0,78	n/a	n/a	n/a
Denmark	0,88	n/a	n/a	n/a
Tianjin	1,3	n/a	n/a	n/a

Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	3,8
Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	3,08

Full-time employees 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.

Sustainability factbook

GRI content index

Abbreviations: IR - Integrated Report 2023

Code	GRI disclosure title	Reference or additional information	Page
GRI 2: General Disclosures 2021			
02-01	Organizational details	IR, Sustainability factbook	156
02-02	Entities included in the organization's sustainability reporting	IR, Sustainability factbook	156
02-03	Reporting period, frequency and contact point	IR, Sustainability factbook	156
02-04	Restatements of information	IR, Sustainability factbook	156
02-05	External assurance	IR, Sustainability factbook	156
02-06	Activities, value chain and other business relationships	IR, About HydrogenPro ASA	14
02-07	Employees	IR, Sustainability factbook	158-160
02-08	Workers who are not employees	IR, Sustainability factbook	158-160
02-09	Governance structure and composition	IR, NUES Corporate Governance report, Board of Directors' report	54, 62, 65
02-10	Nomination and selection of the highest governance body	IR, NUES Corporate Governance report	65
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	IR, NUES Corporate Governance report, Board of Directors' report	57, 66-67
02-13	Delegation of responsibility for managing impacts	IR, NUES Corporate Governance report, Board of Directors' report	57, 66-67
02-14	Role of the highest governance body in sustainability reporting	IR, NUES Corporate Governance report, Board of Directors' report	57, 66
02-15	Conflicts of interest	IR, NUES Corporate Governance report	66
02-16	Communication of critical concerns	IR, NUES Corporate Governance report, Ethics in HydrogenPro	67, 74
02-17	Collective knowledge of the highest governance body	IR, Board of Directors report	58
02-18	Evaluation of the performance of the highest governance body	IR, NUES Corporate Governance report	66
02-19	Remuneration policies	IR, NUES Corporate Governance report	68
02-20	Process to determine remuneration	IR, NUES Corporate Governance report	68
02-21	Annual total compensation ratio	IR, Sustainability factbook	163
02-22	Statement on sustainable development strategy	IR, Material ESG topics, Sustainability targets	21, 24
02-23	Policy commitments	IR, Ethics in HydrogenPro	74
02-24	Embedding policy commitments	IR, Ethics in HydrogenPro	74
02-25	Processes to remediate negative impacts	IR, NUES Corporate Governance	67
02-26	Mechanisms for seeking advice and raising concerns	IR, NUES Corporate Governance, Ethical Business Conduct, A safe and attractive place to work	46, 67, 74
02-27	Compliance with laws and regulations	No significant instances of non-compliance during the reporting period. No monetary fines for instances of non-compliance paid.	
02-28	Membership associations	IR, Stakeholder dialogue	16
02-29	Approach to stakeholder engagement	IR, Stakeholder dialogue	16
02-30	Collective bargaining agreements	IR, A safe and attractive place to work	44
GRI 3: Material Topics 2021			
03-01	3-1 Process to determine material topics	IR, Material ESG topics	21
03-02	3-2 List of material topics	IR, Material ESG topics	21
03-03	3-3 Management of material topics	IR, Material ESG topics	21
GRI 201: Economic Performance 2016			
201-2	Financial implications and other risks and opportunities due to climate change	IR, Board of Directors' report	50
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	IR, NUES Corporate Governance report, Ethics in HydrogenPro	67, 74
205-2	Communication and training about anti-corruption policies and procedures	IR, NUES Corporate Governance report, Ethics in HydrogenPro	67, 74
205-3	Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption during the reporting year.	
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	IR, Sustainability factbook	157
301-2	Recycled input materials used	IR, Sustainability factbook	157
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	IR, Sustainability factbook	156
302-2	Energy consumption outside of the organization	Data not available for 2023.	
302-3	Energy intensity	IR, Sustainable manufacturing and supply chain	33
302-4	Reduction of energy consumption	Data not available for 2023.	
302-5	Reductions in energy requirements of products and services	IR, Efficient technology and scalability	26
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	IR, Efficient technology and scalability, Sustainable manufacturing and supply chain	31, 33

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Code	GRI disclosure title	Reference or additional information	Page
303-2	Management of water discharge-related impacts	IR, Efficient technology and scalability, Sustainable manufacturing and supply chain	31, 33
303-3	Water withdrawal	IR, Sustainability factbook	157
303-4	Water discharge	IR, Sustainability factbook	157
303-5	Water consumption	IR, Sustainability factbook	157
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	IR, Sustainability factbook, GHG accounts	170
305-2	Energy indirect (Scope 2) GHG emissions	IR, Sustainability factbook, GHG accounts	170
305-3	Other indirect (Scope 3) GHG emissions	IR, Sustainability factbook, GHG accounts	170
305-4	GHG emissions intensity	IR, Sustainable manufacturing and supply chain	33
305-5	Reduction of GHG emissions	Data not available for 2023.	
305-6	Emissions of ozone-depleting substances (ODS)	IR, Sustainability factbook	158
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	IR, Sustainability factbook	158
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	IR, Sustainable manufacturing and supply chain	34
306-2	Management of significant waste-related impacts	IR, Sustainable manufacturing and supply chain	34
306-3	Waste generated	IR, Sustainability factbook	158
306-4	Waste diverted from disposal	IR, Sustainability factbook	158
306-5	Waste directed to disposal	IR, Sustainability factbook	158
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	IR, Sustainable manufacturing and supply chain	35
308-2	Negative environmental impacts in the supply chain and actions taken	IR, Sustainable manufacturing and supply chain	35
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	IR, Sustainability factbook	158-161
GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	IR, A safe and attractive place to work	44
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	IR, A safe and attractive place to work	45
403-2	Hazard identification, risk assessment, and incident investigation	IR, A safe and attractive place to work	45
403-3	Occupational health services	IR, A safe and attractive place to work	45

Code	GRI disclosure title	Reference or additional information	Page
403-4	Worker participation, consultation, and communication on occupational health and safety	IR, A safe and attractive place to work	45
403-5	Worker training on occupational health and safety	IR, A safe and attractive place to work	45
403-6	Promotion of worker health	IR, A safe and attractive place to work	45
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	IR, A safe and attractive place to work	45
403-8	Workers covered by an occupational health and safety management system	IR, A safe and attractive place to work	45
403-9	Work-related injuries	IR, Sustainability factbook	161
403-1	Work-related ill health	IR, Sustainability factbook	161
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	IR, A safe and attractive place to work	46
404-2	Programs for upgrading employee skills and transition assistance programs	IR, A safe and attractive place to work	46
404-3	Percentage of employees receiving regular performance and career development reviews	IR, Sustainability factbook	162
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	IR, Sustainability factbook	162
405-2	Ratio of basic salary and remuneration of women to men	IR, Sustainability factbook	163
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	IR, A safe and attractive place to work	45
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	IR, Sustainable manufacturing and supply chain, A safe and attractive place to work	35, 44
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	IR, Sustainable manufacturing and supply chain, A safe and attractive place to work	35, 45
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	IR, Sustainable manufacturing and supply chain, A safe and attractive place to work	35, 45
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	IR, Sustainable manufacturing and supply chain	35
414-2	Negative social impacts in the supply chain and actions taken	IR, Sustainable manufacturing and supply chain	35

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Corporate Governance

Disclose the organisation's governance around climate-related risks and opportunities.

TCFD Recommended Disclosures	References
Describe the board's oversight of climate-related risks and opportunities	Material ESG topics, page 21
	Board of Directors, report, page 50
	NUES Corporate Governance report, page 62
	Material ESG topics, page 21
Describe management's role in assessing and managing climate-related risks and opportunities	Board of Directors, report, page 50

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

TCFD Recommended Disclosures	References
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Board of Directors, report, page 50
	Efficient technology and scalability, page 26
	Material ESG topics, page 21
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	About HydrogenPro, page 14
	Board of Directors, report, page 50
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Material ESG topics, page 21
	Board of Directors, report, page 50

Risk Management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

TCFD Recommended Disclosures	References
Describe the organisation's processes for identifying and assessing climate-related risks.	Material ESG topics, page 21
	Board of Directors, report, page 50
	NUES Corporate Governance report, page 62
Describe the organisation's processes for managing climate-related risks.	Board of Directors, report, page 50
	NUES Corporate Governance report, page 62
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Board of Directors, report, page 50
	NUES Corporate Governance, report, page 62

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD Recommended Disclosures	References
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability targets, page 24
	Efficient technology and scalability, page 26
	Sustainability Factbook, page 156
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Sustainability Factbook, page 156
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Sustainability targets, page 24
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Material ESG topics, page 21
	Board of Directors, report, page 50

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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 2023 - 31. Dec 2023. The emissions are quantified according to the Greenhouse Gas (GHG) Protocol. The company's activities and transactions are calculated into tonnes of CO_2- 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.

0,5%
of emissions in Scope 1

3,5%
of emissions in Scope 2

95,9%
of emissions in Scope 3

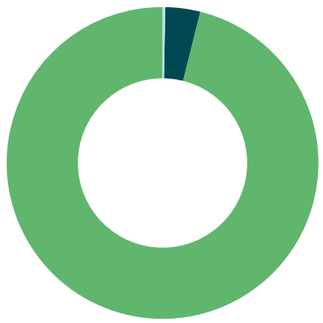

Figure 1: Emissions by Scope

	Emissions (tCO_2e)		
Emission source	**2021**	**2022**	**2023 (base year)**
Mobile combustion	0	2.3	27
Stationary combustion	0	14.0[1]	173
Scope 1 total	**0**	**16.3**	**200**
Purchased electricity[2]	0	111.3	769
Purchased heat	0	30.0	524
Scope 2 total	**0**	**141.3**	**1293**
Purchased good and services	1200.3	5614.7	33 269
Fuel and energy related emissions	0	0.0	53
Upstream transport and distribution	1.4	279.3	316
Waste generated in operations	0.3	0.7	1 082
Business travel	0	10.3	271
Upstream leased assets	0	2.6	16
Scope 3 total	**1202.0**	**5907.5**	**35 008**
Scope 1, 2 and 3 Total	**1202.0**	**6065,1**	**36501**

[1] Mentioned in 2022 as "Purchased Gases"
[2] 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.

	Emissions (tCO_2e)		
Emission source	**2021**	**2022**	**2023 (base year)**
Electricity market-based method[3]	0	383.9	866
Scope 2 market-based method total	**0**	**388.9**	**866**
Scope 1, 2 and 3 total market based method	**1202.0**	**6312.6**	**36074**

[3] 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.

While we did report last year that 2022 would be our basis year, we see the need to reassess this decision. This is primarily due to the fact that our production facility in Tianjin, China was not fully operational until the end of 2022, making 2023 our first year with full production. Thus, we consider our GHG emissions for 2023 to be much more representative of our operations, and we will use it as a benchmark to measure our progress going forward.

The compelling change in our operations compared to 2022 is one of the reasons why our GHG emissions are much higher in 2023. The other reason is that we have significantly increased the accuracy of our GHG accounting in 2023[1]. To do so, we have increased the scope of data reported, both from a top-down approach through spend and from a bottom-down approach through activity-based reporting. We have actively involved all our business units in the process to ensure the accuracy and completeness of the reported emissions.

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_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), and sulphur hexafluoride (SF_6). The emissions of each GHG (CO_2, CH_4, N_2O, etc.) are calculated separately and then converted to CO_2 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.

According to this, a company should account for all the entities over which it has full authority to introduce and implement its operating policies. In line with this approach, we have considered necessary to add this year a nickel plating facility that HydrogenPro used in 2022 and 2023. This facility has previously been accounted for as a supplier. The relationship with the industrial park where the facility is located was terminated primo December 2023, and the data related to the facility will therefore not be included in 2024 figures. This will lead to a temporary increase in emissions related to operations in the factory by 2259 tons CO_2 in 2023. Around 32% of these emissions come from scope 2 sources, and 67% from scope 3, with purchased heat and electricity and purchased materials being the most important emissions for scope 2 and 3 respectively.

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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_2 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. 88,4% of our emissions in Scope 1 & 2 is calculated based on bottom-up activity data, while 11,6% 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[2], where only air mileage is complete across all entities, while road transport is only reported for Denmark, Germany 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.

5,3% of our emissions in Scope 3 is calculated based on bottom-up activity data, while 94,7% is calculated based on top-down transaction data (read more about types of data in the Methodology chapter of this report).

0,5% of emissions in Scope 1
13,3% activity data
86,7% transaction data

3,5% of emissions in Scope 2
100,0% activity data
0,0% transaction data

95,9% of emissions in Scope 3
5,3% activity data
94,7% transaction data

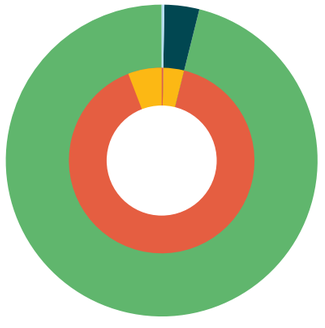
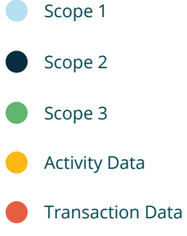


Figure 2: Data Foundation



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 transaction-based 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.

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.

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Changes in methodology from the 2022 GHG accounts*:*

[1] In 2022 emissions from the daughter company HydrogenPro China were calculated entirely through internal spend and accounted as Scope 3. In 2023 internal transactions from HydrogenPro ASA to its Chinese daughter were removed from the calculation and standardized spend data was collected for all entities across HydrogenPro. This led to a much more accurate accounting of the Chinese operations, that are now accounted for in all scopes.

[2] In 2022 the emission factors from the travel agency Bennett Norway were used to calculate emissions from business flights from the Norwegian business. In 2023 the emission factors provided by the MoreScope platform was used for all business travels across locations.

Voluntary reporting under Article 8 of the EU taxonomy regulation

The Taxonomy is a classification system created by the European Union (EU) that determines which economic activities are to be considered environmentally sustainable for investment purposes. 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 is not required to report in accordance with the EU Taxonomy, as we do not qualify for the Non-Financial Reporting Directive's definition of a large company of public interest. 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. We will continue to follow best practice with respect to ESG reporting while waiting for harmonized disclosure rules for all non-financial companies. We welcome the Corporate Sustainability Reporting Directive and European Sustainability Reporting Standards coming into effect for accounting year 2025.

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 hydrogen production*, 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 2023.

- **Turnover**: All our turnover is taxonomy eligible. Our revenue is derived from either sale of electrolyser systems which qualifies 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 2023 are related to activity 3.2 Manufacturing of hydrogen and is thus taxonomy eligible.

- **OPEX**: We have included costs related to manufacturing of hydrogen equipment as eligible. This includes, among other things, personnel expenses and maintenance material. In addition, we have included non-capitalised costs related to research and development, which are eligible under 9.1. We have excluded costs that are not directly linked to the economic activities described above, such as costs related to our uplisting to Oslo Børs main market and consultancy fees following the implementation of a new ERP-system. This results in a total of 89% of our OPEX being taxonomy eligible. We do acknowledge that there is no common standardised way of determining how to calculate the OPEX KPI. We will monitor how the reporting requirements evolve going forward.

Further down the line, we will start to assess what part of our activities that are taxonomy aligned. This is particularly interesting for activity 3.2, which covers the majority of our business. To meet the technical screening criteria set out for taxonomy aligned activities 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. Activity 3.10 states that for hydrogen production to be taxonomy aligned, life cycle GHG emissions must be lower than 3tCO2e/tH2, equaling a life cycle GHG emission saving of 73,4%. We expect that our equipment meets the current technical screening criteria for life-cycle emissions posted in 3.10 Production of hydrogen, as our high-pressure alkaline electrolysers run on renewable energy. We will take further steps to assess and include the "do no significant harm" and "minimum social safeguard" criteria in our taxonomy reporting for the accounting year 2024.

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