

An aerial photograph of a river with white water rapids, showing turbulent water and white foam. The image is used as a background for the report cover.

Hydrogen pro

Q3 2021 report

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Q3 2021 in brief

HIGHLIGHTS

Business update

- Acquired 75% of fabrication company THM including IP rights and 300MW production capacity
- Continuing preparation for international fabrication – securing production capacity and supply chain
- Fabrication plant for next-generation advanced electrode technology in Denmark completed – full-scale test ongoing
- Developing two sites with Mitsubishi for design verification of larger scale H2 production plants

Sales

- Prospect pipeline from 6.9GW to 8.2GW
- Key contract opportunities closer to FID and contract award
- Global commitments on energy transition accelerating

Finance

- Revenues: NOK 8.2m
- Adj. EBITDA: NOK -4.9m
- Investments: NOK8.1m
- Cash position: NOK 443.4m as of 30th September 2021

Organisational developments

- New CEO and CCO onboarded
- Strengthening of the board with three new members
- ISO certification process ongoing with planned completion Q4 2021



HydrogenPro's Test and Technology Center at Herøya, Norway

Major milestone in global technology and manufacturing strategy

On 17th of November 2021 it was announced that the Company had reached an agreement with Tianjin HQY Hydrogen Machinery Co., Ltd. ("THM") where HydrogenPro acquires a 75% stake. The first step is to set up a 300MW annual electrolyser production capacity by Q2 2022 in Tianjin, China.

This completes the first major step of HydrogenPro's global technology and fabrication plan. THM will transfer employees, fixed assets and intellectual property to the new company.

THM has a long-standing history of producing electrolyser components, parts and systems as a supplier to the electrolyser industry in China and has over the past years expanded into assembly and sales of complete electrolysers.

HydrogenPro's total investment cost is approximately NOK 48 million, whereof approximately NOK 8 million has been pre-paid and the remaining capital injection is approximately NOK 40 million (1 RMB = 1.35 NOK).

The board of the joint venture will consist of five representatives, with a majority appointed by HydrogenPro. HydrogenPro board member Jarle Dragvik will be chair of the joint venture board.

The production facility will be located in Tianjin and will be equipped with new machines, which have already been purchased. It is expected to be ready for pilot production by the end of 2021. When fully operational, the facility will have an annual electrolyser production capacity of 300MW, with substantial room for further expansion.

Market development

We continue to see increased Governmental commitments to reduce global emissions.

On 5th of November the U.S. House of Representatives passed a \$1.2 trillion infrastructure bill - the bill allocates \$8 billion to create four "clean hydrogen hubs" that will test out its use in new applications. On 9th of November 28 companies pledged to accelerate use of decarbonised hydrogen at COP26, totaling 1.6 mtpa of lower-carbon intensity hydrogen with a focus on replacing grey hydrogen reducing carbon dioxide emissions by more than 14 million tons a year.

The Company's sales pipeline developed positively during the quarter with several new opportunities and inquiries. Projects and contract negotiations continue to mature and momentum is building up. Increased Governmental commitments, incl. carbon dioxide emission quotas and award of public funding under various EU or state agencies financing programs are expected to be a catalyst for final investments decisions to be made by project owners late 2021 or 2022.

The Company continued to mature both new and existing key contract opportunities, particularly in France and the US. With reference to the Company's stock exchange notice on 22nd of October 2021 H2V sold the remaining ownership of the Normandy hydrogen project, initially planned for 100MW, to Air Liquide. The transaction was announced by Air Liquide in a news release issued on 20 October 2021. Consequently, H2V has formally notified HydrogenPro that the ongoing co-operation on the Normandy project will cease.

The announced transaction has no impact on HydrogenPro's work with H2V to mature the Dunkirk green hydrogen project, also initially for 100MW. The companies continue to mature the project and a public hearing is currently ongoing locally, with final public approval expected to be given during Q1 2022.

Organisation

On 25th of October 2021, Mr. Elling Nygaard was appointed Chief Executive Officer. Mr. Nygaard brings a demonstrated sales and business development experience from project-oriented technology businesses, where strategic partnerships have played a central role. For more than 20 years, he has held a number of senior management positions, lately working at ABB specifically on hydrogen, including developing a global partnership with HydrogenPro. He has also held the CEO position at several technology companies. He holds an electrical engineer degree, and economy- and market management from BI. Elling joined HydrogenPro on 1st of November 2021.

On 18th of October 2021 an Extraordinary General Meeting approved the following Board members: Ellen Hanetho (Chair), Richard Espeseth, Jarle Tautra, Kermit Nash and Jarle Dragvik. The changes in the Board include the addition of three new members to HydrogenPro's Board of Directors; Jarle Tautra, Kermit Nash and Jarle Dragvik, who will significantly strengthen the Board of Directors' capacity to support the company's management. Current board member Ellen Hanetho replaces Chair Walter Qvam, who stepped down together with HydrogenPro co-founder Terje Mikalsen.

On 10th of August 2021 Erik Chr. Bolstad was appointed Chief Commercial Officer (CCO). Mr. Bolstad has more than 20 years' experience from various senior positions within ABB Marine and extensive experience from sale and marketing of large complex international projects. Erik joined HydrogenPro on 1st of September 2021.

The Company continued to strengthen the organisation and its capacities and competences.

Full scale verification of electrode technology

The factory for production of HydrogenPro's proprietary next generation electrode technology was recently completed, on time and within the budgeted cost. The production of full-scale electrodes with the new surface treatment is currently on-going. The company invested NOK 3.3 million in the production facility during the quarter.

Building up an international supply chain and developing competence and capacities

The Company has invested NOK 1.7 million in production capacity in China during the quarter. In addition, the Company continues to work on plans and preparation for establishing independent supply chains including fabrication both in Asia, Europe and the US.

DG Fuels' SAF Facility in Louisiana, USA

On 29 October 2021 HydrogenPro announced that it will join Black & Veatch and Energy Vault, Inc. in financing all expected cash requirements up to the planned financial close. HydrogenPro injects a convertible loan of USD 3 million in DG Fuels together with co-investors. Upsizing of project will require water electrolyser capacity of up to 839 megawatts (MW), with HydrogenPro being the exclusive provider, compared to the 120 MW previously announced. DG Fuels has received several firm commitments and nonbinding letters of intent for offtake agreements for a material portion of its expected production.

DG Fuels is expected to raise additional equity and debt to fund the construction of its production facility. DG Fuels aims to develop several facilities in North America and Europe, designed to produce low-carbon sustainable aviation fuel by combining carbon from waste feedstock with green hydrogen from renewable sources.

OUTLOOK

The outlook for the Company's services continue to strengthen backed by an ever-increasing focus on the need for an energy transition away from fossil energy sources. This is manifested through an increasing number of opportunities and projects within the green hydrogen space. Clients continue to mature projects and financing and move steadily towards final investment decision and thus contract awards. While the Company is not aware of any new large contract awards globally during the 3rd quarter, the Company view the award of EU or state financing as a catalyst to contract awards to be made late 2021 or early 2022. The Company expects that this will result in a strong demand for our early phase and front-end engineering studies.

HydrogenPro is attractively positioned in this developing market due to its mature and well proven high pressure alkaline technology in combination with energy efficient electrode technology. The Company has previously stated its ability to deliver a Levelized Cost of Hydrogen ("LCOH") at a cost of USD 1.20 USD per kg (assumed electricity price of 0.02 USD/kWh) in 2022.

FINANCIALS

Income statement

(NOKm)

INCOME STATEMENT	Q3 2021	Q2 2021	YTD 2021
Revenue, incl. other operating income	8.2	0.1	9.0
Raw materials and consumables used	6.5	0.1	7.3
Payroll expenses	3.1	2.0	10.3
Other operating expenses	3.6	3.3	12.6
Adj. EBITDA (excl. non-cash operating expenses)	-4.9	-5.3	-21.3
Non-cash payroll expenses	3.5	5.3	8.0
Non-cash other operating expenses	2.2	1.4	1.4
EBITDA	-10.6	-12.0	-30.7
Depreciation and amortisation expenses	1.3	1.3	4.0
EBIT	-12.0	-13.3	-34.8
Net financial items	0.4	0.0	0.3
Result before tax	-11.6	-13.3	-34.4
Tax expense	-0.2	-0.2	-0.7
Net profit	-11.4	-13.1	-33.8

HydrogenPro generated revenues of NOK 8.2 million during third quarter 2021 compared to NOK 0.1 million in second quarter 2021. Adjusted EBITDA (excl. option-based compensation cost of NOK 5.7 million, which has a non-cash effect.) of NOK -4.9 million during the third quarter 2021 (NOK -5.3 million during the second quarter 2021).

Reported EBITDA during the quarter was -10.6 million vs. NOK -12.0 million in Q2 2021, with an operating loss of NOK 12.0 million vs. NOK 13.3 million in the second quarter.

Operating expenses: NOK 6.5 million in raw materials and consumables used (NOK 0.1 million in second quarter), NOK 6.6 million in total reported payroll expenses (NOK 7.4 million in second quarter) and NOK 5.8 million in other operating expenses (NOK 4.7 million in second quarter) and NOK 1.3 million in depreciation & amortisation expenses (NOK 1.3 million in second quarter).

Net financial items in the quarter amounted to NOK 0.4 million vs NOK 0.0 million in Q2 2021.

Net loss (after tax) for the quarter ended at NOK 11.4 million vs. a net loss of NOK 13.1 million in Q2 2021.

Balance sheet

(NOKm)

BALANCE SHEET	Q3 2021	Q2 2021	FY 2020
<u>ASSETS</u>			
Total intangible assets	61.3	59.5	55.3
Plant, machinery and equipment	16.6	11.6	2.8
Investments in subsidiaries, shares, other securities	0.1	0.1	0.1
Total fixed assets	85.2	78.4	58.1
Current operating assets	14.9	3.9	5.7
Cash and cash equivalents	443.4	471.2	506.1
Total current assets	458.2	475.1	511.8
Total assets	543.4	553.5	570.0
<u>EQUITY AND LIABILITIES</u>			
Total equity	528.0	533.6	515.7
Provisions	9.7	9.8	10.3
Total short term liabilities	5.7	10.0	44.0
Total liabilities	15.4	19.8	54.3
Total equity and liabilities	543.4	553.5	570.0

Total assets as of 30th of September 2021 were NOK 543.4 million, whereof NOK 458.2 million in current assets (NOK 443.4 million in cash and deposits and NOK 14.9 million in other current assets), NOK 85.2 million in total fixed assets, whereof NOK 61.3 million in intangible assets, NOK 16.6 million in plant, machinery and equipment and NOK 0.1 million in financial fixed assets (investments in subsidiaries, shares and other securities).

Total equity amounted to NOK 528.0 million and total liabilities of NOK 15.4 million, whereof NOK 5.7 million in short-term liabilities and NOK 9.7 million in long-term liabilities/provisions. The book equity ratio as of 30th September 2021 was 97.2% compared to 96.4% at end of second quarter.

Cash flow statement

(NOKm)

CASH FLOW STATEMENT	Q3 2021	Q2 2021	YTD 2021
Cash balance start of period	471.2	489.5	506.1
Net cash flows from operating activities	-19.7	2.0	-31.9
Net cash flows from investing activities	-8.1	-20.3	-31.1
Net cash flows from financing activities	-	-	0.3
Total change in cash	-27.8	-18.3	-62.8
Cash balance end of period	443.4	471.2	443.4

Net change in cash position during the third quarter was NOK -27.8 million compared to NOK -18.3 million in Q2 2021.

Net cash flow from operating activities was NOK -19.7 million, compared to NOK 2.0 million in Q2 2021.

During the third quarter net cash flow from investing activities was NOK -8.1 million, whereof: next-generation electrodes (NOK3.3m), test and technology center at Herøya, Norway (NOK 2.7m), increased production capacity (NOK1.7m), and other (NOK 0.5m).

Net cash flows from financing activities of NOK 0.0 million, vs. NOK 0.0 million during Q2 2021.

Financial statements

INCOME STATEMENT

(NOK)

	Note	Q3 2021	Q2 2021	Q1 2021	Q1-Q3 2021	FY 2020
Sales revenue	1, 2	8 239 055	133 468	598 047	8 970 570	26 557 242
Other operating income		0	0	0	0	136 330
Operating Income		8 239 055	133 468	598 047	8 970 570	26 693 572
Raw materials and consumables used	2	6 497 067	94 856	736 389	7 328 312	6 322 540
Payroll expenses		6 597 820	7 376 382	4 367 980	18 342 182	10 987 667
Depreciation of tangible and intangible fixed asset	3, 4	1 346 140	1 346 139	1 346 140	4 038 419	357 147
Other operating expenses		5 767 561	4 650 840	3 604 154	14 022 555	14 986 780
Operating expenses		20 208 588	13 468 217	10 054 662	43 731 468	32 654 134
Operating profit/loss		-11 969 533	-13 334 749	-9 456 615	-34 760 898	-5 960 562
Financial income and expenses						
Other interest income		0	0	953	953	449 068
Other financial income		521 871	76 222	276 062	874 155	1 455 934
Other Interest expenses		11 959	18 620	16 810	47 389	491 562
Other financial expenses		114 505	33 141	361 208	508 854	3 693 540
Net financial income and expenses		395 407	24 461	-101 003	318 865	-2 280 100
Result before tax		-11 574 126	-13 310 288	-9 557 618	-34 442 033	-8 240 662
Tax expense		-169 721	-241 331	-250 882	-661 934	7 726 572
Operating result after tax		-11 404 405	-13 068 957	-9 306 736	-33 780 099	-15 967 234
Net result after tax		-11 404 405	-13 068 957	-9 306 736	-33 780 099	-15 967 234
Loss brought forward		11 404 405	13 068 957	9 306 736	33 780 099	15 967 234
Total brought forward		-11 404 405	-13 068 957	-9 306 736	-33 780 099	-15 967 234

BALANCE SHEET

(NOK)

	Note	Q3 2021	Q2 2021	Q1 2021	FY 2020
ASSETS					
Fixed assets					
Intangible fixed assets					
Research and development	3	44 764 337	45 130 478	45 707 171	46 852 005
Licences, patents etc.	3	16 583 511	14 386 632	11 038 616	8 456 384
Total intangible assets		61 347 848	59 517 110	56 745 787	55 308 389
Tangible fixed assets					
Plant and machinery	4	16 373 021	11 428 790	2 565 047	2 715 897
Equipment and other movables	4	197 978	135 327	79 800	40 596
Total tangible fixed assets		16 570 999	11 564 117	2 644 847	2 756 494
Investments in subsidiaries		101 000	50 000	50 000	50 000
Investments in shares and other securities		1	1	1	6 702
Other receivables	7	7 154 536	7 268 038	0	0
Total financial fixed assets		7 255 537	7 318 039	50 001	56 702
Total fixed assets		85 174 384	78 399 266	59 440 635	58 121 584
Current assets					
Receivables					
Accounts receivables		9 242 146	1 037 999	1 047 320	3 182 831
Other receivables		5 534 386	2 849 105	4 673 568	2 540 970
Receivables from group companies		103 767	0	0	0
Total debtors		14 880 299	3 887 104	5 720 888	5 723 801
Bank deposits, cash and cash equivalents					
Bank deposits, cash and cash equivalents		443 353 148	471 173 983	489 504 526	506 110 924
Total Bank deposits, cash and cash equivalents		443 353 148	471 173 983	489 504 526	506 110 924
Total current assets		458 233 447	475 061 087	495 225 414	511 834 725
Total assets		543 407 832	553 460 353	554 666 049	569 956 309

BALANCE SHEET (CONT.)

(NOK)

	Note	Q3 2021	Q2 2021	Q1 2021	FY 2020
EQUITY AND LIABILITIES					
Equity					
Paid in equity					
Share capital	5, 6	57 806	57 806	57 806	57 169
Share premium reserve		574 588 441	574 588 441	574 588 441	542 170 113
Other paid-in equity		22 978 690	17 016 162	10 873 342	9 098 130
Total restricted equity		597 624 937	591 662 409	585 519 589	551 325 412
Retained earnings					
Other equity					
Loss brought forward		-69 596 847	-58 032 116	-44 954 981	-35 648 245
Total retained earnings		-69 596 847	-58 032 116	-44 954 981	-35 648 245
Total equity	6	528 028 089	533 630 293	540 564 608	515 677 167
Liabilities					
Provisions					
Deffered tax		9 651 480	9 821 199	10 062 531	10 307 441
Total provisions		9 651 480	9 821 199	10 062 531	10 307 441
Current liabilities					
Trade payables		2 148 865	5 063 308	365 229	7 183 663
Public duties payable		1 181 809	2 764 869	1 348 573	1 101 563
Other short term liabilities		2 397 589	2 180 682	2 325 107	35 686 475
Total short term liabilities		5 728 263	10 008 859	4 038 909	43 971 701
Total liabilities		15 379 743	19 830 059	14 101 441	54 279 142
Total equity and liabilities		543 407 832	553 460 353	554 666 049	569 956 309

CASH FLOW STATEMENT

(NOK)

	Notes	Q3 2021	Q2 2021	Q1 2021	Q1-Q3 2021	FY 2020
Cash flows from operating activities						
Profit before income taxes		-11 574 125	-13 310 290	-9 557 618	-34 442 033	-8 240 662
Depreciation expense	3, 4	1 346 140	1 346 138	1 346 140	4 038 418	357 147
Option based compensation		5 706 355	6 721 243	2 680 945	15 108 543	7 638 132
Change in accounts receivable		-8 204 147	9 321	2 135 511	-6 059 315	-2 036 531
Change in accounts payable		-2 914 443	4 698 079	-6 818 434	-5 034 798	3 990 238
Write-down shares		0	0	6 701	6 701	0
Unrealised currency exchange effects		81 262	6 408	5 972	93 641	0
Change in other accruals		-4 155 201	2 517 911	-3 992 688	-5 629 978	-5 397 718
Net cash flows from operating activities		-19 714 159	1 988 810	-14 193 471	-31 918 821	-3 689 394
Cash flows from investing activities						
Change in tangible assets	4	-5 166 461	-9 108 014	-62 515	-14 336 990	-2 332 876
Change in intangible assets	3	-3 002 716	-3 943 301	-2 609 377	-9 555 394	-6 947 497
Change in other investing activities	7	62 502	-7 268 038	0	-7 205 536	0
Net cash flows from investing activities		-8 106 675	-20 319 353	-2 671 892	-31 097 920	-9 280 373
Cash flows from financing activities						
Change in long term debt		0	0	0	0	-23 264 446
Proceeds from issue of share capital	5, 6	0	0	258 965	258 965	532 352 738
Net cash flows from financing activities		0	0	258 965	258 965	509 088 292
Cash balance start of period		471 173 983	489 504 526	506 110 924	506 110 924	9 992 399
Net change in cash		-27 820 835	-18 330 543	-16 606 398	-62 757 776	496 118 525
Cash balance end of period		443 353 148	471 173 983	489 504 526	443 353 150	506 110 924

Accounting principles

The quarterly statements have been prepared in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. All notes of importance for substantiation of the accounts are included.

Changes in accounting policies

There has not been any accounting policy change in third quarter 2021.

Notes

Note 1 Revenues

Per segment	Q3 2021	Q2 2021	Q1 2021	Q1-Q3 2021	FY 2020
Norway	0	0	0	0	136 330
Europe	71 905	133 468	598 047	803 420	8 412 867
America	8 167 150	0	0	8 167 150	18 144 375
Total	8 239 055	133 468	598 047	8 970 570	26 693 572

Note 2 Long-term contracts

Group balance sheet value of projects	30.09.2021	30.06.2021	FY 2020
Included in trade debtors			
Advance invoices production	614 221	0	0
Retained payments according to contract	1 024 130	974 588	974 588
Included in short term debt			
Prepayments from customers	73 280	145 185	786 700
Remaining production on projects with losses	179 500	350 000	250 000
Profit from projects in progress			
Income from active projects	8 167 150		
Costs from active projects	6 161 327		
Net profit from active projects	2 005 823		

Note 3 Intangible assets

	Licences	R&D	Total intangible assets
Group intangible assets			
Purchase cost 01.01.2021	8 456 384	46 852 005	55 308 389
Additions	8 127 127	1 428 267	9 555 394
Impairment	0	0	0
Disposals	0	0	0
Purchase cost 30.09.2021	16 583 511	48 280 272	64 863 783
Accumulated amortization 30.06.	0	3 515 936	3 515 936
Net book value 30.09.2021	16 583 512	44 764 337	61 347 848
Amortization in the quarter	-	1 171 979	1 171 979
Economic useful life	5 - 10 years	10 years	
Amortization plan	Straight line	Straight line	

Additional information regarding licences and R&D costs:

Licences

In the quarter the additions to licences corresponds to several investment projects:

H2V (Invitation to bid):

In the quarter the HydrogenPro have capitalized costs of 0,5 MNOK (3,2 MNOK YTD 2021) related to the H2V-projects. The efforts are considered to be useful for further projects in the future. The economic lifetime is expected to be 5 to 10 years. The amortization will be effective when HydrogenPro first receive significant orders on 100MW hydrogen production plants.

Alkaline technology and supply:

Additions to licences include investments made for future supply of Alkaline electrolyzers and future development. HydrogenPro have invested in technology and production capacity of alkaline technology electrolyzers. The economic lifetime is expected to be 5 years. Amortization will start when the first electrolyzers are delivered. During the quarter these investments corresponded to approximately 1,7 MNOK (4,9 MNOK YTD 2021).

R&D

Advanced Surface Plating:

R&D corresponds to the acquisition of the subsidiary Advanced Surface Plating ApS.

The amortization profile is considered to be 10 year straight line. Additions of 0,8 MNOK for the quarter corresponds to capitalized development costs to running in the plating line production plant in Aarhus (DK).

Note 4 Fixed assets

Group fixed assets	Plant and machinery	Movables	Total fixed assets
Purchase cost 01.01.2021	2 715 897	40 596	2 756 493
Additions	14 109 673	227 317	14 336 990
Impairment	0	0	0
Disposals	0	0	0
Purchase cost 30.09.2021	16 825 571	267 913	17 093 484
Accumulated depreciation 30.09.2021	452 550	69 935	522 485
Net book value 30.09.2021	16 373 021	197 978	16 570 999
Depreciation in the quarter	150 850	8 729	159 579
Expected useful life	5-10 years	5 years	
Depreciation plan	Straight line	Straight line	

Additional information regarding Plant and machinery:

Plant and machinery

Herøya R&D lab:

The Herøya R&D facility comprises two containers located close to the HydrogenPro office at Herøya. The additions in the quarter corresponds to 2,6 MNOK (3,8 YTD 2021) to prepare the containers for R&D activities. Depreciation will be effective when the lab is up running, estimated Q4 2021.

Production plating line in Denmark:

Additions per Q3 2021 are equivalent to 10,3 MNOK. These are costs incurred to establish the production plant facility in Aarhus. The depreciation will be effective when the production plant is completed.

Note 5 Share capital and shareholder information

The share capital of NOK 57 806 consist of 57 806 307 shares with nominal value of NOK 0,001 each.
All shares are equal.

List of (20) major shareholders as of 30 September 2021		Number of shares	Ownership
RICHARD ESPESETH	Board member	11 424 125	19.8 %
TM HOLDING AS	CEO is Board member	9 635 182	16.7 %
CLEARSTREAM BANKING S.A.		5 511 074	9.5 %
Mitsubishi heavy Industries Ltd		5 381 165	9.3 %
VIVIAN YANJIN CHEN ESPESETH		3 173 571	5.5 %
ENERN INVEST AS		1 506 966	2.6 %
VERDIPAPIRFONDET DNB SMB		1 427 412	2.5 %
TOR DANIELSEN		1 373 571	2.4 %
JAN FREDRIK GARVIK		1 337 411	2.3 %
DZ Privatbank S.A.		1 322 981	2.3 %
The Bank of New York Mellon		1 267 524	2.2 %
Citibank Europe plc		1 250 000	2.2 %
Avanza Bank AB		1 228 917	2.1 %
VPF NORGE SELEKTIV		1 141 361	2.0 %
BARCLAYS CAPITAL SEC. LTD FIRM		1 115 897	1.9 %
Nordnet Bank AB		864 394	1.5 %
VERDIPAPIRFONDET PARETO INVESTMENT		841 000	1.5 %
Nordea Bank Abp		715 099	1.2 %
Goldman Sachs & Co. LLC		352 074	0.6 %
LJM AS		350 000	0.6 %
Sum largest shareholders		51 219 724	88.6 %
Sum other shareholders		6 586 583	11.4 %
Total number of shares		57 806 307	100 %

Note 6 Equity

Hydrogrenpro Group:

Equity changes in the quarter	Share capital	Share premium	Option program	Other equity	Total
Equity 01.01.2021	57 169	542 170 113	9 098 130	-35 648 245	515 677 167
Profit/loss per 30.09.2021				-33 780 099	-33 780 099
Change in options			13 880 560		13 880 560
Capital increase	637	32 418 328			32 418 965
Currency differences consolidation				-168 504	-168 504
Equity 30.09.2021	57 806	574 588 441	22 978 690	-69 596 847	528 028 089

Note 7 Other receivables

	30.09.2021	30.06.2021	31.03.2021	31.12.2020
Long-term investment	6 668 500	6 668 500	0	0
Deposit	486 036	598 456	0	0
Other receivables	0	1 082	0	0
Total other receivables	7 154 536	7 268 038	-	-

Additional information regarding Other receivables:

Long-term investment:

HydrogenPro made a prepayment in order to secure technology and production capacity of alkaline technology electrolyzers. The 6,7 MNOK investment made in the Q2, secures extra production capacity to which enables the company to meet future estimated demand from customers. Thus, the item is classified as part of long term receivables.

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 Norwegian Accounting Standards.

HydrogenPro's financial APMs:

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

PORSGRUNN/OSLO, 21 NOVEMBER 2021

THE BOARD OF DIRECTORS

Ellen Hanetho

Chair of the Board

(Electronically signed)

Jarle Tautra

Board member

(Electronically signed)

Jarle Dragvik

Board member

(Electronically signed)

Richard Espeseth

Board member

(Electronically signed)

Kermit Nash

Board member

(Electronically signed)

Elling Nygaard

CEO

(Electronically signed)

To the board of
HydrogenPro AS

Report on Review of Interim Financial Information

To the board of Hydrogenpro AS

We have reviewed the accompanying consolidated balance sheet of HydrogenPro AS as of September 30, 2021 and the related consolidated statements of income and cash flow statement for the three-month period, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at September 30, 2021, and of its financial performance for the three month period then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

BDO AS

Espen Åsulfsen
State Authorized Public Accountant
(signed electronically)

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Espen Åsulfsen

Partner

På vegne av: BDO AS

Serienummer: 9578-5995-4-86713

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Hydrogen pro

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