



# ANNUAL REPORT

## 2023

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# Message from the CEO



Hydrogen Solutions experienced an eventful 2023 with several important milestones. We significantly strengthened our team of hydrogen experts and in May we opened our first hydrogen plant, Stord Hydrogen.

The green hydrogen produced at this plant almost doubled the amount of green hydrogen commercially available in Norway. The hydrogen was used to test future maritime fuels at Sustainable Energy Catapult Centre and produced 3 000 tons of green asphalt for Veidekke.

Standardising and further developing our project execution and operational capabilities has been a key focus the past year. In 2023 HYDS has, as EPCI provider, managed the construction of our second hydrogen plant in Egersund. The hydrogen plant will commence operation in February 2024. We also successfully started fully remote operations of Stord Hydrogen and have secured ENOVA funding for further development of our Hydrogen Plant Control System. All of this is done in a safe and controlled manner. We can proudly say that we pioneer the field of green hydrogen towards a more sustainable future. HYDS has the solutions, the competence and the drive to make a change. Being a pioneer is extremely exciting, and occasionally challenging, but we gain new knowledge and experiences every single day.

The Paris agreement has set a target to reduce the global temperature rise by 1.5 °C. By developing hydrogen-based zero-emission solutions, we contribute to fast-forwarding decarbonisation initiatives and ensure a reliable energy supply.

Our success would not be possible without the access to key expertise. We have a strong team, several local and international partners and will continue our development. Together, we have the drive needed for future projects. We will expand our portfolio and contribute to fulfilling societies energy needs.

A handwritten signature in black ink, which appears to read 'Thor Henrik W. Hagen'. The signature is stylized and fluid.

**THOR HENRIK W. HAGEN**  
CEO

# About Hydrogen Solutions AS (HYDS)

The aim of reducing emissions and ensuring access to clean green energy, is an essential part of Hydrogen Solutions' business model. HYDS covers all the essential stages in production of green hydrogen: research and development, project execution and plant operation.

The head office is located at Stord and has a growing team of 15 employees, specifically selected based on background and competence to create a viable and innovative company.



# Our vision, mission and values

## VISION

HYDS will pioneer the field of green hydrogen to drive a sustainable global energy transition.

## MISSION

Develop, build, own and operate best-in-class scalable and local hydrogen production plants to drive and develop the market and meet the demand from customers and other stakeholders.

## VALUES

HYDS' vision and values shall contribute to the sustainable development of people, nature, and culture. Through high demands for ethics and respect, all activities will be based on our values:

### SAFE



### SUSTAINABLE



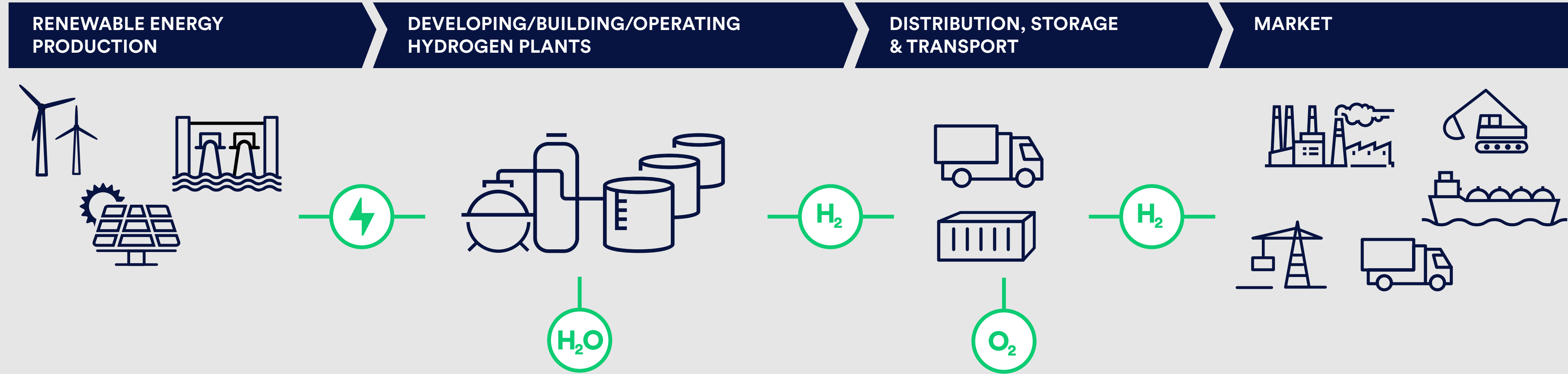
### TRUST



### DRIVE



# Our value chain



## OUR VALUE CHAIN

Green hydrogen is produced through electrolysis with electric power sourced from renewable energy. HYDS possesses knowledge of the entire value chain of green hydrogen, but the business model is focusing on development, building, owning, and operating hydrogen production plants. As an energy carrier green hydrogen can also contribute to flexibility and realisation of new renewable energy.

Green hydrogen can also be converted into other hydrogen derivatives such as ammonia, methanol, LOHC amongst others. Green hydrogen and hydrogen derivatives are eco-friendly alternatives for industries, fuel for vehicles, trailers, ships, trains, and airplanes. We are confident that our business model will prove to be a profitable solution.

## NOMINATION OF HYDROGEN

HYDS manages customer experiences and utilises our unique hydrogen plant control system including the nominations module for customers to book and organise hydrogen offtake. Based on customer needs, the day-to-day planning is performed by HYDS to optimise production and leveraging the lowest possible electricity prices.

# Our projects

## SCALABLE AND STANDARDISED PRODUCTION PLANTS

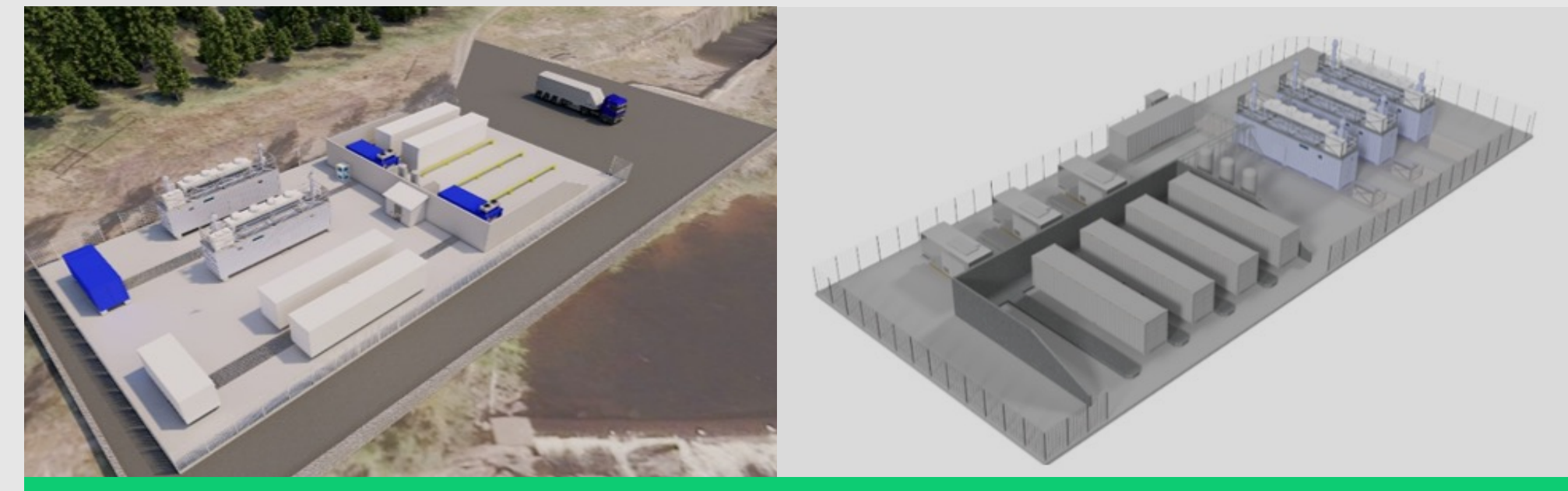
HYDS designs and develops hydrogen production plants with an emphasis on safety, standardisation, and scalability. The approach primarily involves utilising prefabricated container modules containing sub-components of the production plants. This method streamlines the different project phases, e.g.:

<b>PROJECT DEVELOPMENT</b>	Known layout, footprint and appearance simplifies permitting process.
<b>ENGINEERING</b>	Standardised design reduces the engineering workload and technical risk.
<b>EXECUTION</b>	Prefabricated modules simplify installation on site.
<b>OPERATIONS</b>	Standardise way of remotely operating together with key selected partners.
<b>OFFTAKE</b>	Secured frame and delivery agreements with key offtakers where HYDS ensures redundancy between the plants is key in developing new projects in line with market demand.

**Below is an illustration of two hydrogen production plants, with adaptations to fit the site-specific topology and access road.**

The hydrogen production plant to the left, can accommodate four electrolysis containers. The illustrations feature a Local Equipment room (LER) container, Integrated Compression Module (ICP) containers, and high-pressure transportable storage container.

The hydrogen production plant in the right figure can accommodate three electrolysis containers.



# Our projects

## STORD HYDROGEN

One of HYDS' major achievements in 2023 was the opening of the first green hydrogen plant at Stord (Stord Hydrogen) producing and selling compressed green hydrogen to customers from June. As one of the first commercial plants in Norway, we are very proud of this accomplishment. Stord Hydrogen is the first unmanned (remotely) operated green hydrogen plant in Norway, which is reducing risk and costs by efficient operations.

Stord Hydrogen is in lead of the development towards introducing hydrogen as an important energy carrier and contributor to a zero-emission society.

Stord Hydrogen is a 1 MW plant that produce compressed hydrogen for costumers in transport, construction, industry, and the maritime sector.

In addition, Stord hydrogen supply green hydrogen to the Energy House test centre, where customers can carry out small-scale or full-scale tests in modern test laboratories. The hydrogen plant is an integral part of the gas production and storage facility associated with Energy House.

HYDS is the operator and plant manager on behalf of Stord Hydrogen and has the overall responsibility for safety and predictable operation at the hydrogen plant.

The plant is monitored 24/7 through the operations centre of our partner Sunnhordland Kraftlag. All technical services on site are carried out by our partner Alltec Services AS.

**In 2023, Stord Hydrogen produced approximately 3 tons of hydrogen for high pressure storage tanks and about 1 ton for testing at Energy House.**





# Our projects

## KAUPANES HYDROGEN

In partnership with Dalane Energi AS and Eigersund Næring og Havn, HYDS is establishing a new hydrogen plant in Egersund. The plant will produce green hydrogen using water electrolysis.

The plant will produce 388 kg of hydrogen daily at full capacity. The green hydrogen is compressed up to 350 bar for high-pressure transportable storage containers and transported by trucks to end customer. The grand opening of the plant took place 8 February 2024, and the expected production commencement is set to February 2024.

The plant has equal technological solutions as the plant at Stord. However, the layout has been improved based on experience gained from Stord Hydrogen. Additionally, the plant will provide HYDS with valuable experience operating multiple plants from a common 24/7 operations centre.

For Kaupanes Hydrogen, HYDS has completed the Engineering, Procurement, Construction, and Installation (EPCI) and is responsible for design and control. After the plant is in operations, HYDS will manage the day-to-day operations and offtake agreements.



# Our projects

## VARANGER KRAFTHYDROGEN

The hydrogen production plant in Berlevåg, owned by Varanger Kraft, will be upgraded and equipped with a state-of-the-art SCADA control system developed and supplied by HYDS.

HYDS and Alltec Services will also facilitate the commissioning process of the plant.

## HYDROGEN PLANT CONTROL SYSTEM (HPCS)

HYDS is developing a control system for autonomous operation and remote control (Hydrogen plant control system – HPCS). The project has secured ENOVA funding for further development. The control system will plan and adapt the production based on customer demand and projected electricity prices, simultaneously reducing the cost of the produced hydrogen and the load on the electricity grid. The control system is a part of HYDS' strategy to ensure sustainability of green hydrogen production through digitalization of operations, energy efficiency measures and production of hydrogen from surplus energy.



# Highlights 2023

Q1

Finalisation of our first project Stord Hydrogen.

Q2

Grand opening of Stord Hydrogen.

Producing and selling compressed green hydrogen to customers (in transport, construction, industry, and the maritime sector).

Q3

Power company Dalane Energi AS acquires shares in HYDS.

Q4

Electrolyser in place at Kaupanes Hydrogen.

Fully remote operation and 24/7 surveillance in place for Stord Hydrogen.

HYDS' project "Hydrogen Plant Control System" is granted funding from ENOVA.

Green Hydrogen from Stord Hydrogen used to produce three thousand tons asphalt, demonstrating that green hydrogen is a realistic energy alternative.

2023

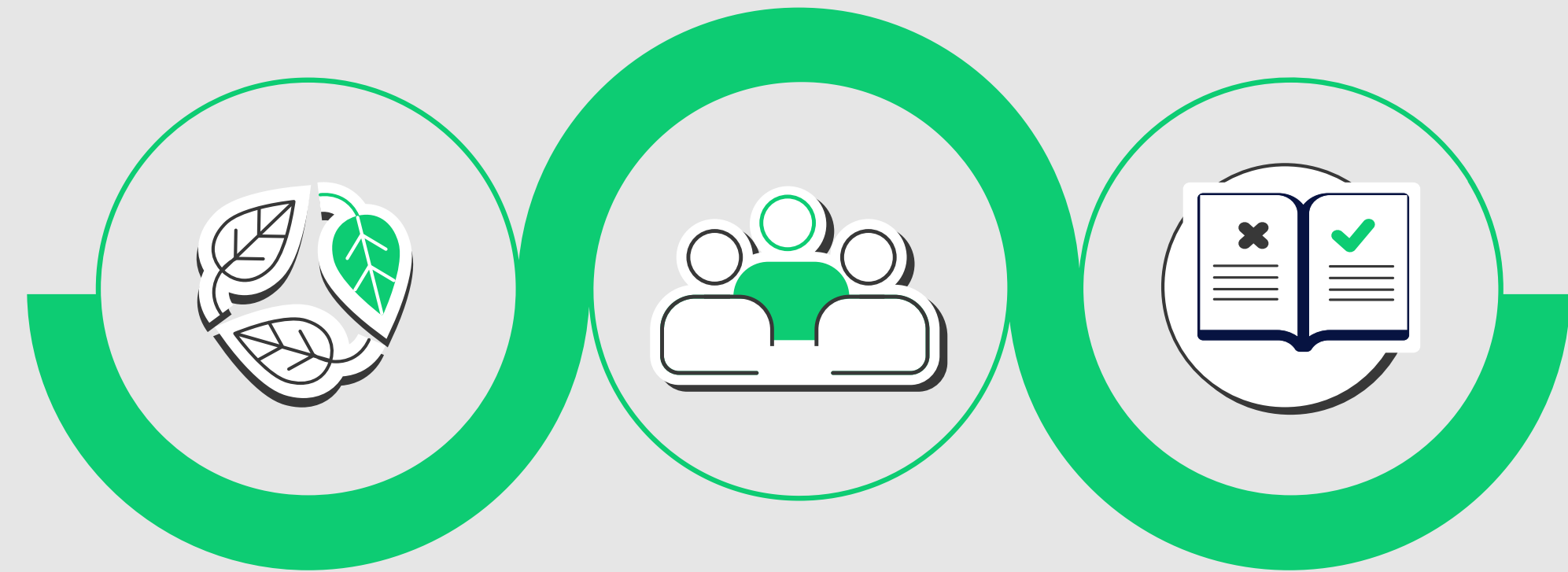
The HYDS-team is expanded from 5 employees to 15 employees, securing a team with drive and competence.



# SUSTAINABILITY

# Environmental, Social and Governance

Safety is our main focus in everything we do, and HYDS places a distinct emphasis on ensuring safety, transparency, and accountability in the entire production of green hydrogen. When evaluating and choosing new and established business partners and sectors, we incorporate an assessment of our environmental impacts, involving climate concerns, as well as social, safety, and ethical considerations.



## ENVIRONMENTAL

Climate change is affecting our planet, with lasting consequences for future generations. It is crucial for HYDS to proactively address and mitigate the potential environmental effects of long-term climate changes. By implementing environmentally sustainable practices in our operations and offering products and services that empower our customers to adopt sustainability, HYDS plays a vital role in addressing the challenges caused by climate changes.

## SOCIAL

HYDS has a direct impact on the well-being of employees, workers throughout the value chain, customers, and local communities.

We prioritise the respect of fundamental human and labour rights, ensuring that our employees experience favourable, healthy, and secure working conditions.

Additionally, HYDS is dedicated to ensuring that our operational entities contribute positively to their respective communities by fostering business development, promoting innovation, and encouraging collaborative efforts.

## GOVERNANCE

Driven by both humanitarian values and business judgement, HYDS actively takes steps to align with the principles of a green economy.

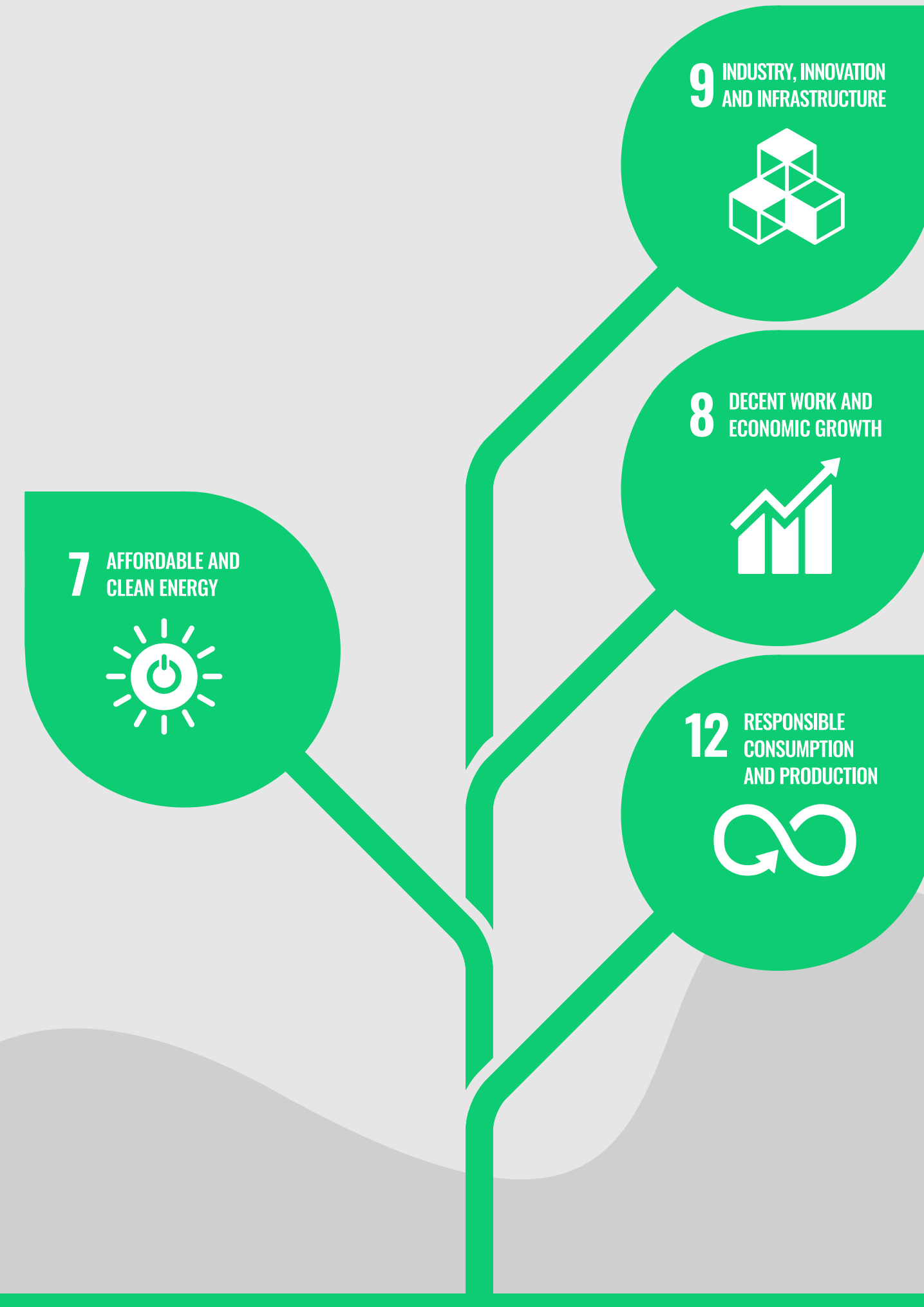
HYDS initiates dedication to all relevant laws, rules, and regulations in the markets where we operate. This involves a commitment to compliance with environmental, labour, anti-corruption, and anti-money laundering laws, rules, and regulations.

**Upholding high ethical standards is a non-negotiable commitment expected from all our employees and operational entities.**

# Sustainable Development Goals

The Sustainable Development Goals (SDGs) were launched by the United Nations in 2015, and we are now halfway to 2030 and the deadline for the sustainability goals. It will require determined action on a global scale to succeed with the goals.

On following pages you can find the UN SDGs that HYDS have identified as the most relevant goals for our business, and the actions to address them directly.



# Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY



## GOAL

HYDS will contribute to the decarbonisation by developing, buying, owning and operating green hydrogen production plants.

### ACTION



**HYDS IS ENABLING CLEAN ENERGY.**

Stord Hydrogen **doubled** the production of green hydrogen available in Norway in 2023.



**Kaupanes Hydrogen is under construction,** and by Q1 2024 it will produce green hydrogen from a 1 MW plant, **doubling HYDS green hydrogen production.**



**ACTIVELY DEVELOP GREEN HYDROGEN DERIVATIVES**

(gas, liquid, ammonia etc.) to ensure optimal energy solutions for **specific industries.**

By 2030 HYDS aim to have more than

**300 MW installed**

locally and internationally.



8 DECENT WORK AND ECONOMIC GROWTH



## GOAL

Provide decent working conditions which positively impacts economic growth.

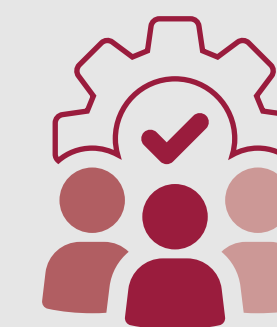
### ACTION



**40 %**

of HYDS' employees are female

HYDS' employees represent **ALL AGE GROUPS**



HYDS have

**EQUAL PAY FOR WORK OF EQUAL VALUE**



HYDS have implemented due **diligence assessment** of suppliers and partners under the **NORWEGIAN TRANSPARENCY ACT**

# Sustainable Development Goals

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



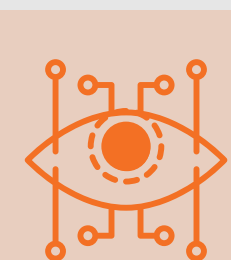
## GOAL

Reduce the dependency of fossil fuels and costs by constructing green hydrogen plants in the vicinity of industry, and provide green hydrogen to the development process of infrastructure.

### ACTION



Construct green hydrogen plants **CLOSE TO INDUSTRY** limiting transportation costs.



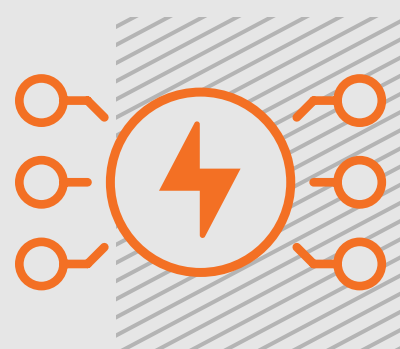
Operate green hydrogen plants by a **FULLY REMOTE OPERATION SYSTEM WITH 24/7 SURVEILLANCE** to enhance innovation, reduce costs and obtain safe operations.

The system is implemented at Stord Hydrogen and is to be launched at Kaupanes Hydrogen.

Developing a **HYDROGEN PLANT CONTROL SYSTEM**

to reduce costs by proposing production schedules based on electricity price estimates and customer demands.

Given the variability in power at the plants, the system will **optimise schedules for the most efficient operations.**



Green hydrogen can easily be purchased through an

**INNOVATIVE NOMINATION SYSTEM**

via HYDS' website.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



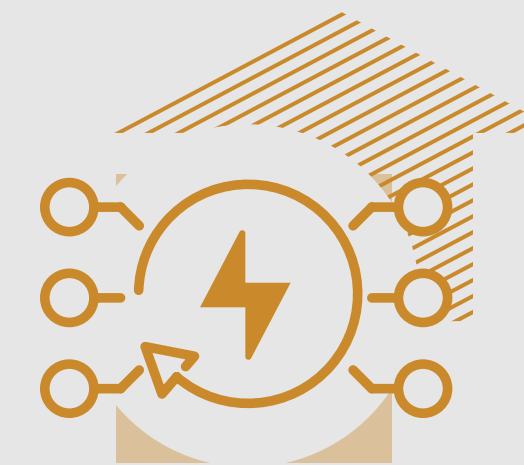
## GOAL

Promote responsible consumption of electrical power and maximise the utilisation of by-products from green hydrogen production.

### ACTION

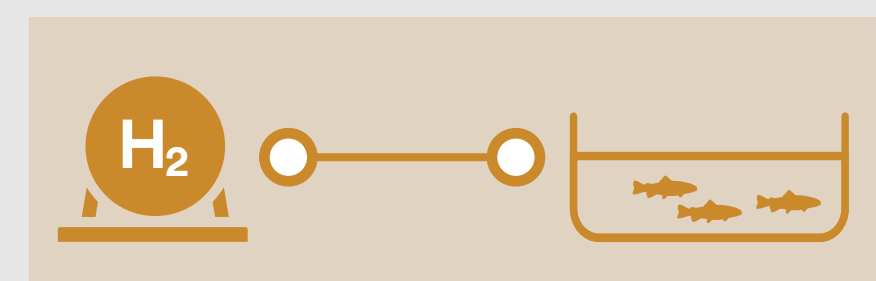
Through the recent **ENOVA project award**, we are advancing the **DEVELOPMENT OF HYDS' HYDROGEN PLANT CONTROL SYSTEM.**

The innovative control system and its algorithms are designed to **optimise the timing of electricity usage**, efficiently utilising intermittent renewable power and minimising consumption during peak demand hours, thereby reducing the load on the electrical grid.

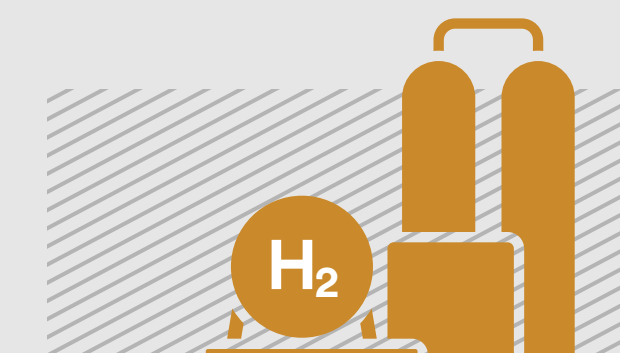


We are constructing **HYDROGEN PRODUCTION PLANTS IN CLOSE PROXIMITY TO PLANNED ONSHORE AQUACULTURE SITES.**

These sites represent significant potential users of both **oxygen and heat**, by-products of our hydrogen production.



By using our **MODULAR AND SCALABLE HYDROGEN PRODUCTION PLANTS** we minimise material consumption and land use, as demonstrated in the Stord Hydrogen and Kaupanes Hydrogen plants.





# FINANCIAL STATEMENTS

## HYDROGEN SOLUTIONS AS

# INCOME STATEMENT

## 01.01.– 31.12.

<i>Amounts in NOK</i>	<i>Note</i>	<b>2023</b>	<b>2022</b>
Revenue		32 108 126	–
Other income		271 200	3 520 522
<b>Total revenue and other income</b>	<b>1</b>	<b>32 379 327</b>	<b>3 520 522</b>
Materials, goods and services		19 665 726	1 920 851
Personnel expenses	2	16 483 753	6 139 071
Other operating expenses	3	7 474 807	2 055 297
<b>Operating expenses before depreciation and amortisation</b>		<b>43 624 286</b>	<b>10 115 219</b>
Depreciation and amortisation		120 928	80 200
<b>Operating income/(loss)</b>		<b>-11 365 886</b>	<b>-6 674 896</b>
Finance income		–	11 876
Finance expenses		255 670	111 710
<b>Profit/(loss) before tax</b>		<b>-11 621 556</b>	<b>-6 774 730</b>
Income tax expense	4	–	–
<b>Profit/(loss) for the year</b>		<b>-11 621 556</b>	<b>-6 774 730</b>
<b>Profit/(loss) for the year attributable to:</b>			
Transfer to/from other equity		-11 621 556	-6 774 730

## HYDROGEN SOLUTIONS AS

**BALANCE  
SHEET AS OF  
31 DECEMBER**

<i>Amounts in NOK</i>	<i>Note</i>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3 276 125	393 675
<b>Financial assets</b>			
Investments in subsidiaries	6	9 768 287	2 518 287
Investments in associated companies	6	800 000	2 800 000
<b>Total financial assets</b>		<b>10 568 287</b>	<b>5 318 287</b>
<b>Total non-current assets</b>		<b>13 844 412</b>	<b>5 711 962</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Accounts receivable	7	9 603 664	1 880 641
Other receivables		4 370 520	361 179
<b>Total receivables</b>		<b>13 974 184</b>	<b>2 241 820</b>
Cash and cash equivalents	8	12 629 218	314 926
<b>Total current assets</b>		<b>26 603 403</b>	<b>2 556 746</b>
<b>Total assets</b>		<b>40 447 815</b>	<b>8 268 708</b>

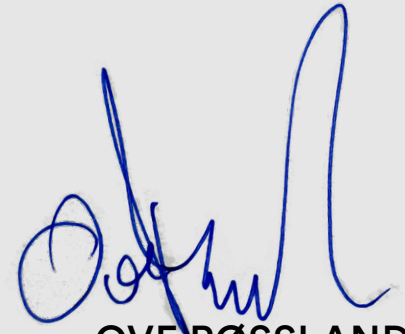
## HYDROGEN SOLUTIONS AS

**BALANCE SHEET AS OF 31 DECEMBER**

<i>Amounts in NOK</i>	<i>Note</i>	<b>2023</b>	<b>2022</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	9, 10	11 333 390	5 100 000
Share premium	9	38 733 684	4 966 574
<b>Total paid-in capital</b>		<b>50 067 074</b>	<b>10 066 574</b>
Retained earnings	9	-20 499 078	-8 877 523
<b>Total equity</b>		<b>29 567 996</b>	<b>1 189 051</b>
<b>LIABILITIES</b>			
Non-current liabilities	11	–	2 500 000
<b>Current liabilities</b>			
Current debt to credit institutions		–	1 589 062
Accounts payable		6 495 718	976 852
Public duties payable		1 905 305	1 046 253
Other current liabilities		2 478 799	967 490
<b>Total current liabilities</b>		<b>10 879 821</b>	<b>4 579 657</b>
<b>Total liabilities</b>		<b>10 879 821</b>	<b>7 079 657</b>
<b>Total equity and liabilities</b>		<b>40 447 815</b>	<b>8 268 708</b>

Stord 21.02.2024

The Board of Directors and the CEO of Hydrogen Solutions AS



**OVE RØSSLAND**  
Chairman



**KJETIL HARESTAD**  
Director



**LONE FROGNER**  
Director



**IDAR SØNSTABØ**  
Director



**THOR HENRIK W. HAGEN**  
CEO

# Accounting principles

## BASIS FOR PREPARATION

### STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Norwegian Accounting Act, generally accepted accounting principles for Small Companies (NRS 8).

### BASIS FOR MEASUREMENT

The financial statements are prepared on the historical cost basis.

### FUNCTIONAL CURRENCY

The financial statements are presented in Norwegian kroner (NOK), which is Hydrogen Solutions' functional currency.

### FINANCIAL REPORTING PRINCIPLES

The relevant reporting principles are described in the applicable note to the financial statements.

### CONSOLIDATION

Hydrogen Solutions AS is exempted from preparing consolidated financial statements, based on the company being defined as a small company.

### REVENUE RECOGNITION

Revenue from sale of goods are recognised in the income statement at the time of delivery. Service revenues are recognised when the services are provided. All customer contracts are assessed. EPCI revenue is recognised over time based on cost progress.

### DEVELOPMENT COSTS

Development costs are expensed when incurred.

### FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable at the balance sheet date. Gains and losses due to exchange rates are recognised in the income statement as they occur during the accounting period.

### CLASSIFICATION OF BALANCE SHEET ITEMS

Non-current assets include assets that are intended for long-term ownership and use. Fixed assets are valued at acquisition cost and depreciated over the expected useful life of the asset. Impairment is assessed and recognised if there is a change in value which is not expected to be temporary. Current assets and current liabilities include items due for payment within one year from the balance sheet date and items related to the operating cycle. Current assets are valued at the lower of acquisition cost and fair value.

### RECEIVABLES

Trade receivables and other receivables are recorded in the balance sheet at nominal value after deduction of provisions for expected losses. Provisions are made based on individual assessments for the receivables.

## NOTE 1.

### REVENUE

#### FINANCIAL REPORTING PRINCIPLES

Trade receivables and other receivables are recorded in the balance sheet at nominal value after deduction of provisions for expected losses.

#### REVENUE

<i>Amounts in NOK</i>	2023	2022
Hydrogen sales	687 739	–
EPCI revenue	19 285 924	3 128 547
Service and maintenance revenue	12 134 464	–
Other income	271 200	391 976
<b>Total revenue</b>	<b>32 379 327</b>	<b>3 520 522</b>

## NOTE 2.

### PERSONNEL EXPENSES

#### FINANCIAL REPORTING PRINCIPLES

Personnel expenses comprise all types of remuneration to personnel employed and are expensed as the related service is provided.

Contributions to the defined contribution pension plans are recognised as an expense in the income statement as incurred.

#### PERSONNEL EXPENSES

<i>Amounts in NOK</i>	2023	2022
Salaries	12 453 595	4 672 277
Social security tax	1 998 280	740 538
Pension costs	1 004 133	443 670
Other employee costs	1 027 744	282 586
<b>Total personnel expenses</b>	<b>16 483 753</b>	<b>6 139 071</b>
Total number of FTEs (full-time equivalents) as of 31 December	15	4,3

The company is required to have an occupational pension scheme according to the Mandatory Occupational Pension Act.

The pension policy of the company meet the requirements.

## NOTE 2.

cont.

### REMUNERATION TO THE CEO

<i>Amounts in NOK</i>	2023	2022
Salary	1 645 811	1 238 519
Pension	14 781	12 935
Other remuneration	15 876	15 132
<b>Total</b>	<b>1 676 468</b>	<b>1 266 586</b>

The board of directors did not receive any remuneration in 2023.

No loans or other securities have been issued to the CEO, members of the board or employees.

## NOTE 3.

### AUDIT FEES

<i>Amounts in NOK</i>	2023	2022
Statutory audit	25 000	25 000
Other assurance services	30 925	–
<b>Total</b>	<b>55 925</b>	<b>25 000</b>

All amounts are without VAT.

## NOTE 4.

### TAX

#### FINANCIAL REPORTING PRINCIPLES

The income tax expense consists of tax payable for the period and changes in deferred tax.

Deferred tax/deferred tax assets are calculated on all differences between the carrying amount and tax value of assets and liabilities.

Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward.

The company does not recognise deferred tax assets in the balance sheet in accordance with generally accepted accounting principles for small companies.

<i>Amounts in NOK</i>	2023	2022
<b>CURRENT INCOME TAX</b>		
Tax payable	–	–
Change in deferred tax	–	–
Total income tax expense	–	–
<b>TAX BASE</b>		
Profit/loss before tax	-11 621 556	-6 774 730
Permanent differences	43 496	5 175
Change in temporary differences	-549 451	-61 963
Group contribution received	113 591	–
Tax base	-12 013 920	-6 831 518
<b>TAX PAYABLE FOR THE YEAR</b>		
Tax payable	-24 990	–
Tax payable on group contribution	24 990	–
Tax payable in the balance sheet	–	–

<b>Deferred tax calculation (Amounts in NOK)</b>	2023	2022	Change
Fixed assets	611 414	61 963	-549 451
<b>Total</b>	<b>611 414</b>	<b>61 963</b>	<b>-549 451</b>
Tax loss carry-forwards	-20 948 231	-8 934 311	12 013 921
Not included in the calculation of deferred tax:	20 336 818	8 872 348	-11 464 470
Deferred tax assets (22 %)	–	–	–



## NOTE 5.

### PROPERTY, PLANT AND EQUIPMENT

#### FINANCIAL REPORTING PRINCIPLES

Property, plant and equipment (PPE) are stated at the cost less accumulated depreciation and impairment losses. Components of PPE with different useful lives are accounted for separately.

Assets are normally depreciated on a straight-line basis over the expected economic lives.

<i>Amounts in NOK</i>	Storage tank	Fixtures, tools and equipment	IT and office machines	Under construction	Total
<b>HISTORICAL COST</b>					
Balance as of 31 December, 2022	–	162 414	311 461	–	473 875
Additions	2 107 000	111 222	386 995	398 160	2 605 218
<b>Balance as of 31 December, 2023</b>	<b>2 107 000</b>	<b>273 636</b>	<b>698 456</b>	<b>398 160</b>	<b>3 079 093</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>					
Balance as of 31 December, 2022	–	11 100	69 100	–	80 200
Depreciation of the year	–	23 549	97 380	–	120 928
<b>Balance as of 31 December, 2023</b>	<b>–</b>	<b>34 649</b>	<b>166 480</b>	<b>–</b>	<b>201 128</b>
<b>Book value as of December, 2022</b>	<b>–</b>	<b>151 314</b>	<b>242 361</b>	<b>–</b>	<b>393 675</b>
<b>Book value as of December, 2023</b>	<b>2 107 000</b>	<b>238 988</b>	<b>531 977</b>	<b>398 160</b>	<b>3 276 125</b>
Economic life	20 years	8 years	3 years		

## NOTE 6.

### INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

#### FINANCIAL REPORTING PRINCIPLES

The cost method is used when accounting for shares in subsidiaries and associated companies.

Investments have been accounted for based on the cost of purchase of the shares, unless there are impairment indicators.

Impairment to fair value is recognised when the decline in value is not expected to be temporary. The impairment will be reversed when the basis for impairment stop existing.

#### SUBSIDIARIES

Company	Location	Country	Ownership	Acquisition cost	Book value 31.12.
Liquiline AS	Stord	Norway	100 %	2 518 287	2 518 287
Stord Hydrogen AS	Stord	Norway	75 %	7 250 000	7 250 000
<b>Total</b>					<b>9 768 287</b>

#### ASSOCIATED COMPANIES

Company	Location	Country	Ownership	Acquisition cost	Book value 31.12.
Dalane Hydrogen AS	Egersund	Norway	40 %	800 000	800 000
<b>Total</b>					<b>800 000</b>

## NOTE 7.

### RELATED PARTY AND INTERCOMPANY TRANSACTIONS

#### FINANCIAL REPORTING PRINCIPLES

Sales and purchase transactions with related parties are in accordance with the Norwegian Companies Act, § 3-9, carried out based on arms-length terms.

Company		Share
Liquiline AS	Subsidiary	100 %
Stord Hydrogen AS	Subsidiary	75 %
Dalane Hydrogen AS	Associated company	40 %

Income Statement (Amounts in NOK)		2023	2022
<b>SALES TRANSACTIONS</b>			
	Liquiline AS	998 941	–
	Stord Hydrogen AS	7 681 838	1 293 967
	Dalane Hydrogen AS	43 200	11 787
<b>PURCHASE TRANSACTIONS</b>			
	Liquiline AS	–	–
	Stord Hydrogen AS	682 126	–
	Dalane Hydrogen AS	–	–

The balance includes the following amounts resulting from transactions with affiliated companies:

Balance Sheet as of 31 December (Amounts in NOK)		2023	2022
Account Receivable	Liquiline AS	1 248 676	–
Account Receivable	Stord Hydrogen AS	1 819 018	768 404
Account Receivable	Dalane Hydrogen AS	54 000	14 734
Account Payable	Liquiline AS	–	–
Account Payable	Stord Hydrogen AS	169 437	–
Account Payable	Dalane Hydrogen AS	–	–

**NOTE 8.****RESTRICTED CASH***Amounts in NOK*

Restricted cash for employee tax payables

**2023****2022**

828 885

314 926

**NOTE 9.****EQUITY***Amounts in NOK***Share Capital****Share Premium****Other paid-in capital****Other equity****Total equity**

31.12.2022

5 100 000

4 966 574

–

-8 877 523

1 189 051

Profit/(loss) for the year

–

-11 621 556

-11 621 556

Capital increase

6 233 390

33 767 110

–

–

40 000 500

**31.12.2023****11 333 390****38 733 684****–****-20 499 078****29 567 996**

## NOTE 10.

### SHAREHOLDERS

The balance includes the following amounts resulting from transactions with affiliated companies:

	Number of shares	Face value	Book value
Ordinary shares	66 667	170	11 333 390

### OWNERSHIP STRUCTURE

The largest shareholders as of 31 December:

	Number of shares	Ownership	Voting rights
Sunnhordland Kraftlag AS	30 000	45 %	45 %
Tatomi Invest AS	10 330	15 %	15 %
Dalane Energi AS	6 667	10 %	10 %
Årmann Green Invest AS	6 010	9 %	9 %
Tebina Energi AS	5 410	8 %	8 %
TH2 Invest AS	2 700	4 %	4 %
Øyre Invest AS	1 500	2 %	2 %
Hydrogenium AS	1 500	2 %	2 %
Horneland Invest AS	1 500	2 %	2 %
Gåsbekken AS	600	1 %	1 %
Other	450	1 %	1 %
<b>Total</b>	<b>66 667</b>	<b>100 %</b>	<b>100 %</b>

## NOTE 11.

### OTHER LONG-TERM LIABILITIES AND GUARANTEES

Long-term debt maturing more than five years after the end of the fiscal year:

<i>Amounts in NOK</i>	2023	2022
Other long-term debt	–	2 500 000

The company has issued a bank guarantee of NOK 2.2 million in relation to the Kaupanes project.

The company has the following pledged assets in relation to a revolving credit facility of NOK 10 million: inventory NOK 10 million, accounts receivables NOK 10 million and operational assets NOK 10 million.

## NOTE 12.

### GOING CONCERN

As the company does not generate sufficient income to execute the business plan, there will be need for further funding in 2024.

The company raised NOK 40 million in capital in 2023 from both existing and new shareholders. The company's liquidity forecast states that the company will need an increase in capital in Q1 2024. As a result, a capital increase with new and existing shareholders is planned in Q1 2024.

The board confirms that the financial statements have been prepared based on the going concern assumption.

# INDEPENDENT AUDITOR'S REPORT

**Deloitte.**

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To the General Meeting of Hydrogen Solutions AS

INDEPENDENT AUDITOR'S REPORT

## Opinion

We have audited the financial statements of Hydrogen Solutions AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

## 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 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.

## Responsibilities of the Management for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements 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 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

## 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Registrert i Foretaksregisteret  
Medlemmer av Den norske Revisorforening  
Organisasjonsnummer: 980 211 282

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Independent auditor's report  
Hydrogen Solutions AS

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Haugesund, 23 February 2024  
Deloitte AS

**Jørn Marcussen**  
State Authorised Public Accountant

## Independent auditor's report

Name	Date
Marcussen, Jørn-Didrik	2024-02-23

Identification

 Marcussen, Jørn-Didrik



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