

Annual report 2021



Hynion AS

A leading supplier of hydrogen fuel

Highlights 2021

Hynion AS

Hynion builds and operates hydrogen stations in and around the largest cities in Scandinavia. The company builds on experiences from the last 20 years, including world-leading projects such as HyNor, CUTE, Utsira wind/hydrogen, CEP Berlin, SHHP, NewBusFuel and H2ME, to name a few. The company's management also has extensive experience in establishing and operating start-up companies and years of experience in the automotive industry. Hynion's station at Høvik outside Oslo is one of Europe's busiest hydrogen stations.

Year 2021

"2021 was a breakthrough year for Hynion. We raised capital, listed on Euronext Growth, explored exciting next-generation technologies and started expanding our station network. Our project pipeline supports our target of eight stations in Norway and Sweden by the end of 2022, followed by further expansion in Scandinavia and Europe. We have in 2021 become the leading hydrogen refueler in Norway and Sweden," says Ulf Hafsel, CEO of Hynion

- Volumes sold at Høvik station increased by 50 % from 2020
 - Doubling from August to December, mainly due to introduction of taxis in the market
- JV-agreement with Greenlogix to pilot hydrogen and carbon production from hydrocarbons without CO₂ emission
 - First plant planned at Herøya, Porsgrunn. Application for funding from Enova sent
- Arlanda station near Stockholm purchased from Linde
- Gothenburg and Porsgrunn stations being re-certified
- Collaboration agreement signed with HydrogenPro to secure hydrogen supply and reduce cost price
- Two electrolyzers with compressor and storage purchased from Ruter - new location under evaluation
- JV-agreement signed with Hyrex to refuel leisure time boats
- Organization strengthened with additional staff onboarded in the second half
- Hynion partner in the Norwegian H2truck project aiming to introduce the first 100 hydrogen trucks
- Hynion partner in the String project creating a hydrogen corridor for trucks from Hamburg to Oslo.
 - The partners sent an application to EU for funding in January 2022

Key Financials

- Hynion group had revenues from hydrogen sales of NOK 1.7 million in 2021, compared to NOK 1.0 million in 2020
- Net profit for Hynion group negative NOK 16.8 million, compared to negative NOK 6.1 million for 2020
- The cash balance at end of period was NOK 40.9 million, compared to NOK 1.7 million at the end of 2020

Financials highlights 2021

Income from hydrogen fuel sales grew by 75 % from 2020

Høvik generating income from an increasing taxi fleet

50 % increase in volumes from 2020 to 2021, and a 100 % increase from August to December. The number of taxis is increasing and gives a regular and higher off-take of hydrogen.

Income from refuelling of trucks in Gothenburg

Expected to increase when the trucks come into regular operation early 2022

Arlanda station was taken over from August

Cars and taxis in operation and generating income at the station, fleet expected to grow

Expenses

Building organisation slowly and buying existing stations to ensure a low cash burn rate

Main cost contributors are personnel and hydrogen purchase

Cost of transporting hydrogen is currently high. Two new containers delivered late 2021. Will come into operation early 2022 and reduce transport costs.

Work initiated to reduce cost of hydrogen

New production will come up in Porsgrunn and give right cost level for hydrogen as well as reducing transport cost.

Key figures Hynion group 2021 vs 2020

Financial figures (NOK '000)	2021	2020
Revenue	1,722	973
Other operating income	0	767
Total operating income	1,722	1,740
Raw materials and consumables used	(4,420)	(1,938)
Staff costs	(7,192)	(3,074)
Other operating expenses	(5,569)	(1,671)
EBITDA	(16,460)	(4,944)
Depreciation	(438)	(82)
EBIT	(16,898)	(5,026)
Cash balance at end of period	40,939	1,706

Operational highlights 2021

HYNION has made significant commercial and organizational progress

Strengthening supply side to secure right cost level for Hydrogen

- **Collaboration agreement signed with HydrogenPro**
 - Will secure hydrogen supply to Porsgrunn and Høvik and reduce cost of hydrogen
- **Purchased two electrolyzers with compressor and storage from Ruter**
 - Production capacity 250 kg per day – new location under evaluation
- **JV-agreement signed with Greenlogix**
 - New very promising production method for producing Hydrogen and Carbon from hydrocarbons without CO₂ emissions. Pilot plant planned to be installed late 2022
- **Additional transport units ordered for distribution of hydrogen**

Building the hydrogen station network

- **Høvik running well with two independent filling lines**
 - 50 % more H₂ delivered to cars in 2021 than in 2020
- **Purchased Arlanda station in Stockholm from Linde**
 - Gives a foothold in the Stockholm region
- **Gothenburg and Porsgrunn under re-certification**
 - Work ongoing to upgrade and re-certify the stations
- **Additional projects in the pipeline to deliver on target for 8 stations by end 2022**

Building volumes for the early network through collaboration

- **Hynion has entered into collaborations to build volumes**
Direct agreements (e.g. Renova, Frogner transportservice) and project based collaboration (e.g. H₂Truck and String – Greater4H project)

Strengthening organization



Technical and administrative personnel employed

- Strengthened organization by appointing several new resources in important positions.

Successfully listed on Euronext growth

EURONEXT GROWTH OSLO
N00010920945 - STOCK



NOK 60 m raised in April 2021 to fund expansion plans

Capacity ramp-up on track



Capacity for hydrogen produced by Hynion will be sufficient to meet 2022 targets

- Cost estimate at budget levels

Message from the CEO



CEO Hynion, Ulf Hafselid

The year 2021 was a breakthrough period for Hynion. We raised capital, listed the company on Euronext Growth, explored exciting next-generation technologies, established several strategic partnerships, increased our hydrogen deliveries to cars by 50%, and expanded our station network in Scandinavia.

As we expand our station network based on current technologies, Hynion has collaborated with several hydrogen technology providers that can deliver world-class hydrogen production units.

According to IEA's Global Hydrogen Review 2021, faster adoption of low-carbon hydrogen is needed to put the world on track for a sustainable energy system by 2050. And there is a need to accelerate technology innovation efforts to make this move happen. Hynion's joint venture with Greenlogix will pilot emission-free hydrogen production from hydrocarbons for our next generation of stations. This technology has the potential to fundamentally change our industry. This strategic partnership will drive the hydrogen production innovation further, towards a zero-emission transport sector.

European countries have set ambitious climate targets. In order to reach these, the transport sector will have to be decarbonized, and hydrogen will play a major role, particularly within commercial transportation. EU is revising its Alternative fuels directive and preparing for the tough cuts EU must accomplish by 2030. However, there is a substantial gap between existing and planned hydrogen stations on one hand and the required capacity on the other hand. Our ambition is to play a major role in filling this gap. Through participating in the EU String project «GREATER4H», Hynion joins in a partnership with leading European hydrogen companies and local and regional authorities. The aim of the String project is to establish a network of stations from Hamburg to Oslo enabling a hydrogen truck route in Northern Europe.

We were pleased to observe a significant growth in the volumes of sold hydrogen at our stations during 2021. The volumes of hydrogen sold at the Høvik station increased by 50 % from 2020, and a sharp increase of more than 100 % was registered from August to December. The increased sales volume is mainly due to the introduction of several fuel cell taxis in the market. Hynion signed an agreement with Frogner Transportservice, securing hydrogen for the company's taxis at our stations. Our customers have seen the value in having two independent lines at our station at Høvik, making sure that they always will get hydrogen fuel when they come to the station.

One of the main tasks for Hynion is to secure a steady hydrogen supply at our target cost. The signed collaboration agreement with HydrogenPro is vital to secure hydrogen supply to Porsgrunn and Høvik, while at the same time reducing the cost of hydrogen. In addition, Hynion has ordered additional transport units for distribution of hydrogen, safeguarding an even more steady supply to our customers.

Equally important to our customers is establishing an initial network of hydrogen stations that creates confidence in a stable hydrogen supply. We are in the final stage of re-certifying our stations in Gothenburg and Porsgrunn, securing full operations in 2022. Further, through the acquisition of two hydrogen stations in Sweden, at Arlanda (August 21) and in Sandviken (January 22), Hynion continued following its plan of building a stable network of filling stations. In this way, we strengthen our market position in Scandinavia and have already become the leading hydrogen supplier in Sweden and Norway.

Expectations for fuel cell trucks in Europe are high, and the market is expected to scale up in the years leading up to 2030. The leading truck companies in Europe have agreed that achieving the decarbonization of the heavy-duty trucking sector will require hydrogen as a fuel for many of the vehicles used by the continent's vehicle operators. Through joint commitments of infrastructure players and truck manufacturers, early deployment projects are essential to delivering the roll-out of hydrogen trucks at an accelerated but deliverable pace. One important project in this development process is the Norwegian H2truck project to introduce the first 100 hydrogen trucks to Norway and Scandinavia. Hynion is a partner and takes an active part in this project.

Hynion is also expanded by moving into the fuel cell leisure time boat market through a JV-agreement with Hyrex to refuel their new fuel cell leisure time boat (28 feet day cruiser). The collaboration is in an active phase, and a fuel cell boat will be tested in 2022.

Hynion has strengthened its organization by appointing several new, strategic resources that will be vital in moving the company and the hydrogen development forward. We are a lean and an effective organization that moves fast with a structure fitted our ambitions.

In 2022, we will continue our efforts to secure competitive hydrogen supplies and build networks of hydrogen stations in Scandinavia and Europe, while also engaging in strategic collaborations, partnerships, and projects. Come along for the hydrogen ride!



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<https://www.hynion.com>

The board of directors' report 2021

Operations and locations

Hynion AS is a company that designs, builds, and operate hydrogen fuel stations with and without associated production plants. The main business is sales of hydrogen fuel to vehicles. Hynion will develop the station network and production facilities in the countries it is established. Currently Hynion operates five hydrogen stations, two in Norway and three in Sweden.

The Group includes, in addition to Hynion AS, the following subsidiaries: Hynion Sverige AB and H-of-C AS.

The filling stations in Norway are located at Høvik in Bærum, just outside Oslo, and Herøya, Porsgrunn. The Swedish stations are located in Gothenburg, Stockholm (Arlanda) and Sandviken. Hynion AS and Hynion Sweden AB are selling hydrogen fuel directly to the customers at the stations. The subsidiary H-of-C is currently a shell company that will be used for ownership and operation of the new production plant that are planned in Porsgrunn. The company and plant will be co-owned by Hynion and technology provider Greenlogix, and plan to start operations late 2022. Volumes of hydrogen sold at the Høvik station has increased by 50 % year by year since 2020. A sharp increase of > 100 % has come from August to December, mainly due to the introduction of several taxies in the market.

Hynion plans to establish more hydrogen stations in Norway and Sweden in 2022 and has the ambition to have eight stations in operation by year-end.

Comments related to the financial statements

The Group's revenues from hydrogen sales increased 77 % from NOK 972 787 last year to NOK 1 722 338 in 2021. Net result in 2021 was negative 16 806 421, as last year, negative NOK 6 057 513. Building a position with investment in assets and employing personnel are the main cost drivers in 2021 and cost level was as expected or lower. In 2020 Hynion AS received a special income of 700 000 NOK from Viken fylkeskommune as a one-time contribution for starting up the hydrogen station at Høvik.

The Group's capital investments during 2021 amounted to NOK 9 055 854, all for purchase and upgrade of hydrogen stations. This has increased the Group's capacity and will increase hydrogen sales volumes in 2022.

The Group's liquidity reserve as of 31.12.2021 amounted to NOK 40 939 395. The Group's ability to self-finance investments is good.

The Group's financial position is sound and adequate enough to settle short-term debt as of 31.12.2021 with the Group's most liquid assets.

Total assets at year-end amounted to NOK 61 574 587, compared to NOK 8 136 517 last year.

Treasury stock

The company holds no Treasury stock

Future challenges

The hydrogen fuel market is expected to grow substantially over the next years. EU and other authorities are targeting a transport sector with zero emissions over the next two decades, and hydrogen can play a vital role in this transformation. Some car manufacturers like Toyota and Hyundai have delivered hydrogen cars in the market for several years, while others are developing technology and making the cars ready for the future market. New EU-legislation for vehicle emissions is expected in 2025, making hydrogen fuel an even more attractive option. Truck manufacturers are developing models and announce they will come to the market with hydrogen models in a few years' time.

Hynion is planning an expansion of the station network in Scandinavia and other countries where opportunities for a faster market build-up will be present. Hynion will work in national and EU-projects like H2truck and String to take advantage of collaborations that can trigger the development and secure off-take of hydrogen fuel. Hynion will continue to build alliances with partners contributing to developing the hydrogen fuel market.

Financial risk

Overall view on objectives and strategy

The company need to finance the investments in new stations over the next few years. Hynion was listed at the Oslo Stock Exchange, Euronext growth in April 2021 to secure better access to capital. The company's current strategy is to use this financial instrument for short term expansion.

Market risk

The main market risk is that the market will not build as fast as expected. Hynion will through collaboration within projects, partners and authorities and other stakeholders seek to minimize risk for establishment of the hydrogen stations.

Credit risk

The risk for losses on receivables is considered to be low as most customers pay directly with credit cards. A few customers pay by invoice, but the group has not experienced any substantial losses.

Covid risk

The Covid pandemic has not affected Hynion to a large extent, and consequences are small. Restrictions in travel has led to less exchange between the two Hynion companies in Sweden and Norway, but web-based communication has solved this challenge. Some smaller dips in sales figures were experienced at times of hard lock-down but returned soon to normal levels.

Liquidity risk

The Group's liquidity is good, and new investment will be aligned with current capital and new capital increases from investors.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2022+1 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Allocation of net loss

The Board of Directors has proposed the net loss of the group NOK 16 806 421 to be covered by share premium reserve.

The working environment and the employees

The employees have stayed healthy and there has been very limited leave of absence due to illness. No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year. The working environment is considered to be good, and efforts for improvements are made on an ongoing basis.

Equal opportunities and discrimination

The company employs seven persons by year-end 2021, whereof two women. The Senior position in Hynion Sweden AB is held by a woman.

Environmental report

Hynions business does not produce any harmful emissions and are by its nature a business that is fully dedicated to reducing emissions through its product hydrogen fuel. Using hydrogen fuel in vehicles produces only water emission, which is not harmful for the environment. The hydrogen Hynion uses is produced from water and renewable electricity, also not creating any emissions. At the stations, Hynion are buying certified green electricity for operating machines, heat, and lights. The only emissions from Hynions business are the transport of hydrogen from the production plant to the stations with diesel trucks. These trucks will be replaced with hydrogen fueled trucks as soon as these become available. However, these emissions are very small compared to the savings that is achieved from use of hydrogen fuel from Hynion.

Insurance for board members and general manager

Hynion has an insurance policy from Tryg forsikring for the board and general manager.

HØVIK, February 4, 2022.

Lars Henrik Amnell
Chair (sign.)

Ulf Hafselid
Board member / CEO (sign.)

Pål Midtbøen
Board member (sign.)

Sven Bertil Rydqvist
Board member (sign.)

Kurt Olof Dahlberg
Board member (sign.)

Consolidated Income Statement

Parent company				Group	
2021	2020		Note	2021	2020
1 497 952	854 882	Revenue	1	1 722 338	972 787
o	766 900	Other operating income	1	o	766 900
1 497 952	1 621 782	Total operating income		1 722 338	1 739 687
(4 092 580)	(1 937 839)	Cost of materials		(4 420 531)	(1 937 839)
(4 661 452)	(3 074 024)	Staff costs	2, 3	(7 192 507)	(3 074 024)
(354 782)	(82 288)	Depreciation of fixed assets	6, 7	(438 115)	(82 288)
(5 411 017)	(1 632 959)	Other operating expenses	5	(6 569 003)	(1 671 432)
(14 519 831)	(6 727 110)	Sum operating expenses		(18 620 156)	(6 765 583)
(13 021 879)	(5 105 329)	Result of operations		(16 897 818)	(5 025 897)
o	(450)	Other interest income		o	(450)
93 526	5 320	Other financial income		112 526	5 320
93 526	4 870	Total financial income		112 526	4 870
(2 269)	o	Other interest charge		(3 310)	(19 760)
(17 818)	(1 003 313)	Other financial expense		(17 818)	(1 003 313)
(20 087)	(1 003 313)	Total financial expenses		(21 128)	(1 023 073)
73 439	(998 444)	Net financial items		91 397	(1 018 204)
(12 948 440)	(6 103 772)	Operating result before tax		(16 806 421)	(6 044 100)
o	o	Tax on extraordinary result	11	o	(13 413)
(12 948 440)	(6 103 772)	Results of the year		(16 806 421)	(6 057 513)
		Transfers			
(12 948 440)	o	Transfers to/from reserves		(16 806 421)	(6 057 513)
o	(6 103 772)	Uncovered losses		o	o
(12 948 440)	(6 103 772)	Total transfers		(16 806 421)	(6 057 513)

Balance sheet, 31. December 2021

Parent company				Group	
2021	2020		Note	2021	2020
ASSETS					
Fixed assets					
Intangible fixed assets					
214 419	0	Concessions, patents, licenses	7	214 419	0
214 419	0	Total intangible fixed assets		214 419	0
Tangible fixed assets					
7 520 443	2 755 476	Fixtures and fittings, tools	6	14 531 203	6 213 434
7 520 443	2 755 476	Total tangible fixed assets		14 531 203	6 213 434
Financial fixed assets					
11 898 012	3 487 074	Investments in subsidiaries	8	0	0
0	0	Other receivables	12	155 920	0
11 898 012	3 487 074	Total financial fixed assets		155 920	0
19 632 874	6 242 550	Total fixed assets		14 901 542	6 213 434
Current assets					
10 692	0	Inventories		45 774	0
10 692	0	Total inventories		45 774	0
Receivables					
105 272	23 805	Trade debtors		143 237	23 805
4 477 921	184 448	Other debtors		5 544 640	192 966
4 583 193	208 253	Total receivables		5 687 876	216 771
40 586 946	1 658 089	Bank and deposits	6, 12	40 939 395	1 706 312
40 586 946	1 658 089	Total bank and deposits		40 939 395	1 706 312
45 180 831	1 866 342	Total current assets		46 673 045	1 923 083
64 813 705	8 108 892	Total assets		61 574 587	8 136 517

Balance sheet, 31. December 2021

Parent company				Group	
2021	2020		Note	2021	2020
EQUITY AND LIABILITIES					
Equity					
Paid in capital					
279 205	133 415	Share capital	9, 10	279 205	133 415
60 331 540	6 857 280	Share premium reserve	3, 10	56 038 974	6 847 442
60 610 745	6 990 695	Total paid in capital	10	56 318 179	6 980 857
Retained earnings					
60 610 745	6 990 695	Total equity	10	56 318 179	6 980 857
Liabilities					
Other long-term liabilities					
150 000	150 000	Other long-term liabilities	6	150 000	150 000
150 000	150 000	Total other long-term liabilities		150 000	150 000
150 000	150 000	Total long-term liabilities		150 000	150 000
Current liabilities					
2 911 681	216 718	Trade creditors		3 100 853	221 008
0	0	Tax payable	11	0	13 413
364 770	389 669	Public duties payable		555 255	389 669
776 509	361 810	Other short-term liabilities		1 450 301	381 570
4 052 960	968 197	Total current liabilities		5 106 408	1 005 660
4 202 960	1 118 197	Total liabilities		5 256 408	1 155 660
64 813 705	8 108 892	Total equity and liabilities		61 574 587	8 136 517

HØVIK, February 4, 2022.

 Lars Henrik Amnell
 Chair (sign.)

 Ulf Hafselid
 Board member / CEO (sign.)

 Pål Midtbøen
 Board member (sign.)

 Sven Bertil Rydqvist
 Board member (sign.)

 Kurt Olof Dahlberg
 Board member (sign.)

Notes to the condensed interim consolidated financial statements

Corporate information

Hynion is a hydrogen fuel company where the main business is to sell hydrogen fuel through hydrogen stations owned by the company. Hynion was incorporated in 2019 and builds on legacy from Norsk Hydro, Statoil and HYOP. The company acquired two stations located in Norway from HYOP in 2019. In 2020, Hynion Sverige AB was established, and the company acquired an additional station in Gothenburg. Hynion plans to expand the network over the next few years – aligned with the market demand.

Hynion's headquarter is in Oslo, Norway with activities in Norway and Sweden. The shares in the company are traded at Euronext Growth, Oslo under the ticker "HYN". Organization number 922 110 611.

Basis for preparation

The consolidated financial statements on 31. December 2021 incorporates the financial statements of the Company and its subsidiaries which referred to combined as "the Group". The consolidated financial statements of the Group comprise of the consolidated statement of comprehensive income, financial position, cash flow and changes in equity and related notes. The consolidated statements of the Group for the date 31 December 2021 have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway (NGAAP).

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also requires management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Revenues

Income from sale of goods and services is recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are booked as income when the company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the products. Delivery is not completed until the products have been sent to agreed place, and risks relating to loss and obsolescence have been transferred to the customer. Historical data is applied to estimate and recognize provisions for quantity rebates and returns at the sales date. Services are recognized in proportion to the work performed.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

For fixed assets and intangible assets purchase cost also includes direct expenses to prepare the asset for use, such as expenses for testing of the asset. Interest expense incurred in connection with the production of fixed assets is expensed.

Property, plant and equipment

Fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. Direct maintenance of an asset is expensed under operating expenses and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset.

Investment in subsidiaries

Investments are initially recognised at cost and assessed annually for impairment.

Inventories

Inventories are valued at the lower of purchase cost (according to the FIFO principle) and net realized value.

Trade and other receivables

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and additional provision is made for other debtors to cover expected losses.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as financial income and expense.

Liabilities

Financial liabilities are measured using the amortized cost method.

Pensions

The pension scheme is financed through payments to an insurance company and qualifies as a defined contribution plan. After the contribution has been made, the company has no further commitment to pay. The contribution is recognised as payroll expenses.

The cash flow

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

Taxes

The tax charge in the income statements includes both payable taxes for the period and changes in deferred tax. Under this heading is also included non-recoverable withholding tax and income tax resulting from prior year adjustments. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

Note 1 – Revenues

Geographical distribution (parent company)	2021	2020
Norway	1 439 341	854 882
Other operating income (parent company)	2021	2020
Operational grants	0	766 900
Geographical distribution (group)	2021	2020
Norway	1 439 341	854 882
Sweden	197 383	117 905
Other operating income (group)	2021	2020
Operational grants	0	766 900
Production distribution	2021	2020
Sale of hydrogen	1 636 724	972 787

Note 2 – Salaries and personnel costs

Parent company	2021	2020
Salaries, holiday pay etc.	3 751 821	2 352 519
Social security tax	601 150	400 324
Pension costs	308 481	321 182
Other personnel costs	(31 046)	0
Total	4 661 452	3 074 025
Average number of man-labour years	3	2
Group	2021	2020
Salaries, holiday pay etc.	5 426 127	2 352 519
Social security tax	1 089 733	400 324
Pension costs	666 361	321 182
Other personnel costs	10 286	0
Total	7 192 507	3 074 025
Average number of man-labour years	5	2

The company is obligated to have pension plans pursuant to the Mandatory Occupational Pension Act. The company has a plan satisfying the legal requirements.

Share-based payments

Options/warrants in the parent company have been granted to executive management. On 30 June, the company had granted 878 811 options to Norwegian employees, each option gives the right to subscribe for one share. The options are given to Norwegian key employees at an exercise price of NOK 2,5 per share, and with an exercise period between 15 March 2022 and 15 March 2024. It is a condition that the employee has not resigned before the start of each exercise period. As at 31 December 2021, the fair value of the agreement is put at NOK 0 according to the option price model in NRS 15 A. In the option agreement there is a cash alternative. In the financial statement, the board of directors has decided to post the event most likely to be exercised.

The board decided on 1 426 477 warrants to key employees/board members in Hynion Sverige AB. There has not been signed any agreements at 31 December 2021 with the Swedish key employees/board members.

Note 3 – Remuneration to Executives etc.

Remuneration CEO	CEO Hynion AS
Salary	1 454 980
Bonus	600 000
Pension	180 834
Other remuneration	117 491
Total	2 353 305

Remuneration members of the Board	Hynion AS
Salary	1 009 980
Pension	113 919
Other remuneration	4 392
Total	1 128 291

Other transactions with minor share owner / CEO Hynion Sverige AB

Hynion AS has engaged SLJ Consulting AB on a commission-based agreement for raising capital in connection with the company's share issues in 2020 and early 2021. The company is owned by Slavica Djuric. Slavica Djuric has after the commission agreement was terminated taken up the position as Managing Director of Hynion Sverige AB. Slavica Djuric owns shares corresponding to a 2.11% of total shares in Hynion AS as of 2021. The total fee invoiced from SLJ Consulting AB in 2021, NOK 984 400, has been booked as a reduction of the share premium reserve.

Note 4 – Loan and security to Executives etc.

Neither members of the Board nor the CEO have any loan or security in Hynion AS.

Note 5 – Remuneration to auditor

	2021	2020
Statutory audit	144 325	0
Other non-audit services	19 300	0
Total	163 625	0

The auditor's fee is exclusive of VAT.

Note 6 – Property, plant and equipment

Parent company	Machines and equipment
Gross value at cost as of 01.01.2021	2 837 764
Addition	5 103 269
Gross value at cost as of 2021	7 941 032
Accumulated depreciation as of 01.01.2021	(82 288)
Accumulated depreciation as of 2021	(420 589)
Net book value 2021	7 520 443
Current year depreciation	(354 782)
<i>Useful lives</i>	<i>3 – 10 years</i>

Group	Machines and equipment
Gross value at cost as of 01.01.2021	6 295 722
Addition	9 055 854
Gross value at cost as of 2021	15 351 576
Accumulated depreciation as of 01.01.2021	(82 288)
Accumulated depreciation as of 2021	(503 922)
Conversion difference	(316 451)
Net book value 2021	14 531 203
Current year depreciation	(421 634)
<i>Useful lives</i>	<i>3 - 10 years</i>

Related to the purchase of hydrogen stations at Høvik, Porsgrunn and Linde in Sweden, the company has a future obligation to remove the stations. A total of NOK 806 291 has been set aside for this purpose. The funds are listed in the balance sheet in separate bank accounts.

In connection with the purchase, NOK 150 000 was paid from Hyop AS for Hynion AS to take over their obligation for removal in Porsgrunn. This is listed as Other long-term debt. The conversion difference is due to difference exchange rate between SEK and NOK in the subsidiary Hynion Sverige AB.

Note 7 – Concessions, patents, licenses etc.

Parent company	Website
Gross value at cost as of 01.01.2021	
Addition	230 900
Gross value at cost as of 2021	230 900
Accumulated depreciation as of 01.01.2021	
Accumulated depreciation as of 2021	(16 481)
Net book value 2021	214 419
Current year depreciation	(16 481)
<i>Useful lives</i>	<i>10 years</i>

Group	Website
Gross value at cost as of 01.01.2021	
Addition	230 900
Gross value at cost as of 2021	230 900
Accumulated depreciation as of 01.01.2021	
Accumulated depreciation as of 2021	(16 481)
Net book value 2021	214 419
Current year depreciation	(16 481)
<i>Useful lives</i>	<i>10 years</i>

Note 8 – Shares in subsidiaries

Investments in subsidiaries are booked according to the cost method.

Company	Location	Ownership / voting rights	Equity per 1.1	Annual net loss	Equity per 31.12
Hynion Sverige AB	Sweden	100 %	3 477 236	(3 852 287)	7 586 710
H-of-C AS	Norway	100 %	0	(5 694)	18 736
			3 477 236	(3 857 981)	7 605 446

Book value in Hynion AS	Amount 1.1	Capital contribution	Amount 31.12
Hynion Sverige AB	3 487 074	8 380 938	11 868 012
H-of-C AS	0	30 000	30 000
	3 487 074	8 410 938	11 898 012

The capital contribution to the subsidiary in Sweden has been used for investments and operations.

Note 9 – Shareholders

Share class	Number of shares	Nominal value	Book value
Ordinary shares	55 841 000	0,005	279 205
Total	55 841 000		279 205

Shareholder	Number of shares	Ownership	Share class
Avanza Bank AB	19 916 732 (1 and 5)	35,67 %	Ordinary shares
Svenska Handelsbanken AB	13 097 848 (2)	23,46 %	Ordinary shares
Goldman Sachs & Co. LLC	4 563 014	8,17 %	Ordinary shares
Erikstølen Invest AS	3 000 000 (3)	5,37 %	Ordinary shares
Midtbøen Pål	3 000 000	5,37 %	Ordinary shares
Nordnet bank ABP	1 483 962	2,66 %	Ordinary shares
Nordea Bank AB	1 233 297 (4)	2,21 %	Ordinary shares
Skandinaviska Enskilda Banken AB	1 100 000	1,97 %	Ordinary shares
Sørlund Bjørn Leo	1 050 723	1,88 %	Ordinary shares
Skandinaviska Enskilda Banken AB	1 042 358	1,87 %	Ordinary shares
Swedbank AB	754 750 (5)	1,35 %	Ordinary shares
KT Global Invest AS	330 360	0,59 %	Ordinary shares
Nordnet Livsforsikring AS	205 708	0,37 %	Ordinary shares
Citibank Europe plc	180 000	0,32 %	Ordinary shares
Østlandske parkering AS	148 450	0,27 %	Ordinary shares
Colargol Invest AS	140 000	0,25 %	Ordinary shares
Skau Jakob	111 850	0,20 %	Ordinary shares
Clearstream Banking S.A	109 870	0,20 %	Ordinary shares
Heha Invest AS	100 000	0,18 %	Ordinary shares
Klemp Jan Erik	100 000	0,18 %	Ordinary shares
Høvik Finans AS	100 000	0,18 %	Ordinary shares
Emram AS	100 000	0,18 %	Ordinary shares
Other shareholders	3 972 078	7,11 %	Ordinary shares
Total	55 841 000	100 %	

- 1) Lars Amnell holds 8 000 000 shares listed under Avanza Bank AB. 2 720 000 shares indirectly through the company Ami Capital and 5 280 000 shares directly.
- 2) Kurt Dahlberg holds 8 160 000 shares listed under Svenska Handelsbanken. 120 000 shares indirectly through the company Exelixi AB, 80 000 shares indirectly through the company Goldnos AB, and 7 960 000 shares are held directly.
- 3) Ulf Hafselld holds 3 000 000 shares through his 100% owned company Erikstølen Invest AS.
- 4) Bertil Rydqvist holds 1 000 000 shares listed under Nordea Bank ABP.
- 5) Slavica Djuric holds 1 180 000 shares listed under Avanza Bank and Nordea Bank ABP. 100 000 shares held indirectly through SLJ Consulting and 1 080 000 directly.

1 086 340 options/warrants have been awarded as compensation to shareholders formerly holding shares with additional voting rights (the "Compensation options"), which have been cancelled in connection with the application for listing. The compensation options (warrants for Swedish shareholders) can be exercised once the trading price of the shares in the company has increased by 100% compared to the price of the time of listing on Euronext Growth. The compensation Options/warrants carry a strike price of NOK 2.50 per share. The conditions are met, but there have been no options exercised by 31 December 2021.

Board of directors

Name	Position	Served since	No. of shares held	No. of options/warrants held
Lars Amnell	Chair	3/3-2021	8 000 000	356 619
Kurt Dahlberg	Board member	28/4-2019	8 160 000	794 600
Ulf Hafselld	Board member	1/1-2019	3 000 000	721 006
Pål Midtbøen	Board member	1/1-2019	3 000 000	555 432
Bertil Rydqvist	Board member	28/4-2019	1 000 000	422 890
			23 160 000	2 850 547

Members of the board of directors hold options/warrants as a compensation to shareholders formerly holding shares with additional voting rights (the "Compensation options"), which have been cancelled in connection with the application for listing and as key employees. Listed above are the total options/warrants held by members of the board of directors. Lars Amnell only holds warrants as a Key employee.

There has by 31 December 2021 not been signed any compensation warrants for the Swedish shareholders. Only the Norwegian shareholders have signed compensation options.

Total number of signed compensation options 455 852.

Management

Name	Position	No. of shares held	No. of options/warrants as Key employee	No. of compensation options/ warrants	Total options/ warrants
Ulf Hafselld(3)	CEO	3 000 000	522 193	198 813	721 006
Vibeke Schønfeldt	CFO	0	0	0	
Pål Midtbøen	CTO	3 000 000	356 619	198 813	555 432
Slavica Djuric(5)	VD AB	1 180 000	356 619	43 176	399 795
		7 180 000	1 235 431	440 802	1 676 233

For further information on options/warrants for Key employees, see note 2.

Note 10 – Shareholders Equity

Parent company

Equity changes during the year	Share capital	Share premium	Total equity
Equity 01.01.2021	133 415	6 857 280	6 990 695
Loss of the year		(12 948 440)	(12 948 440)
Increase share capital	145 790	72 384 210	72 530 000
Issue costs		(5 961 510)	(5 961 510)
Equity 2021	279 205	60 331 540	60 610 745

Group

Equity changes during the year	Share capital	Share premium	Total equity
Equity 01.01.2021	133 415	6 847 442	6 980 857
Loss of the year		(16 806 421)	(16 806 421)
Increase share capital	145 790	72 384 210	72 530 000
Issue costs		(5 961 510)	(5 961 510)
Conversion difference		(424 747)	(424 747)
Equity 2021	279 205	56 038 974	56 318 179

The conversion difference is due to difference exchange rate between SEK and NOK in the subsidiary Hynion Sverige AB. P&L transactions in the subsidiary Hynion Sverige AB have not been converted from SEK to NOK as a result of the exchange rate for 2021 being approximately equal to 1.

Note 11 – Income Tax

Parent company	2021	2020
Profit before tax	(12 948 440)	(6 103 772)
+/- Permanent differences	(5 956 021)	
+/- Change in temporary differences	(1 136 044)	(480 465)
Tax basis of the year	(20 040 505)	(6 584 237)

Tax on ordinary result	0	0
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Tax payable	0	0
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Group	2021	2020
Profit before tax	(16 806 421)	(6 044 100)
+/- Permanent differences	(5 956 021)	
+/- Change in temporary differences	(1 136 044)	(480 465)
Tax basis of the year	(23 898 486)	(6 524 565)

Tax on ordinary result	0	0
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Tax payable	0	0
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Group

Tax on ordinary result	2021	2020
Hynion AS	0	0
H-of-C AS	0	0
Hynion Sverige AB	0	13 413
Tax payable	0	13 413

Note 12 - Cash and bank deposits

Parent company	2021	2020
Employees' tax deduction	192 071	198 875
Deposits for future obligations	650 371	610 193

Group	2021	2020
Employees' tax deduction	192 071	198 875
Deposits for future obligations	806 291	610 193

The employees' tax deduction relates to parent company. For further information on future obligations, see note 6.

Consolidated cash flow statement

	Parent company		Group	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	(12 948 440)	(6 103 772)	(16 806 421)	(6 044 100)
Taxes paid in the period	0	0	(13 413)	0
Depreciation and amortization	354 782	82 288	438 115	82 288
Change in other long-term receivables	0	0	(155 920)	0
Change in inventories	(10 692)	0	(45 774)	0
Change in trade receivables	(81 887)	(23 805)	(119 432)	(23 805)
Change in trade payables	(4 293 473)	(40 551)	2 879 844	(36 261)
Change in other working capital headings	2 695 384	23 571	(5 459 968)	(41 043)
Net cash flows from operating activities	(14 284 326)	(6 062 269)	(19 282 969)	(6 062 921)
Cash flows from investing activities				
Investments in plant and equipment	(5 334 168)	(2 237 764)	(9 286 754)	(5 695 722)
Increase in share capital in subsidiary	(8 410 938)	(3 487 074)	0	0
Net cash flows from investing activities	(13 745 106)	(5 724 838)	(9 286 754)	(5 695 722)
Cash flows from financing activities				
Payments for short-term loans	389 800	457 993	1 234 317	477 753
Payments of equity	457 993	12 112 500	66 568 489	12 112 500
Net cash flows from financing activities	66 958 289	12 570 493	67 802 806	12 590 253
Net change in cash and cash equivalents	38 928 857	783 386	39 233 083	831 610
Cash and cash equivalents at 1 Jan.	1 658 089	874 703	1 706 312	874 702
Cash and cash equivalents at 31 Dec.	40 586 946	1 658 089	40 939 395	1 706 312

To the Shareholders' Meeting of Hynion AS

Independent auditor`s report

Opinion

We have audited the financial statements of Hynion AS (the company), showing a loss of NOK 12 948 440 in the financial statements of the company and a loss of NOK 16 806 421 in the financial statements of the Group.

The financial statements comprise:

- The financial statements of the company, which comprise the balance sheet as at 31 December 2021, and the income statement, and cash flow statement 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 2021, and the income statement, and cash flow 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,
- The financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- The financial statements give a true and fair view of the financial position of the group as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with 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 and the Group as required by laws and regulations 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.

Plus Revisjon AS

Rosenkrantz' gate 20, 0160 Oslo

Tlf: 23 03 91 60

www.plus-revisjon.no

Org.nr. 990 422 052 MVA, Foretaksregistert

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is materially inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially misstated. We are required to report that fact if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements

Responsibilities of the management for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements 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 and the Groups' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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 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>

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Org.nr. 990 422 052 MVA, Foretaksregistrert



PLUS REVISJON AS
Audit & Advisory

Oslo, 4. februar 2022
Plus Revisjon AS

Gard Greger Kjærland Olsen
State Authorised Public Accountant
(This document is signed electronically)

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