

A large, stylized teal circular graphic on the left side of the slide, consisting of concentric arcs that form a partial circle.

First half-year results 2023

HYON AS

HYON

Contents

CEO letter	03
Developments during and after the reporting period	04
Financial statements	05
Notes to the financial statements	08
Responsibility statement	10



CEO letter

Dear Shareholders,

It is with a heavy heart that I address you today. I would like to begin by expressing my sincere regrets for the recent announcement regarding the proposed discontinuation of the company. I understand that this has come as a disappointment to many of you, and I would like to provide some additional insights into the background of this decision.

As you are aware, we have been working diligently to develop innovative technologies to fill a missing link in the value chain for hydrogen in the maritime sector. This work has progressed well, and I believe we have a very strong technical position within our market segment. However, delays related to contract awards in the maritime hydrogen market, coupled with a persistently weak financial market, have made it exceedingly difficult for us to secure the required financial support to continue our operation.

Throughout the period and intensified during the announced strategic review, we have explored both financial and industrial options, but regrettably we have not been able to obtain the necessary financing to sustain the company. The Board and the administration had set 31 August 2023 as a deadline for initiating a voluntary liquidation of the company. Since no solution was found to that date, the Board initiated a process to stop all running cost and call for an Extraordinary General Meeting with a proposal to run a voluntary liquidation process. The dividend from such process is hard to predict as it is highly dependent of the price achieved for a sale of the technology. If we do not manage to sell the technology, the dividend from the process will be very limited.

I understand the concern that this decision has caused. Our primary objective has always been to deliver value to each of you, and I deeply regret that we have reached this point.

All the best,
Jørn Kristian Lindtvedt



Jørn Kristian Lindtvedt
CEO

Jørn Kr Lindtvedt

Developments during and after the reporting period

Operational review

In the first half of the year, Hyon progressed on the journey to provide maritime hydrogen bunkering solutions – the missing piece in the maritime value chain. During the period, we reached significant milestones and made substantial progress towards our goals.

On 15 March 2023, we signed a pivotal contract with Norwegian Hydrogen to deliver the Maritime Hydrogen Refueler by the end of the year. This compact, mobile, and intelligent product is designed to facilitate safe fueling for both maritime and land-based machinery. It marked a significant market entry point for Norwegian Hydrogen, enabling the widespread distribution of hydrogen from their Hellesylt Hydrogen plant. For Hyon, this project is of utmost importance to manifest our competence and get operational experience before entering ultra-high capacity fueling to ships.

During the period, we actively worked on establishing strong consortiums within the industry, focusing on grant applications toward statutory programs aimed at driving research and investment in hydrogen to maritime applications. The most important applications where Hyon is a partner include:

1. Svenska Energistyrelsen

In April 2023, we were part of a consortium that applied for a grant from Svenska Energistyrelsen to develop a prototype for high-capacity hydrogen ship fueling. This project involved collaboration with a shipowner, a hydrogen operator, several Swedish industry partners, and research institutions. Hyon was responsible for the

prototype's design, construction, and testing. The decision on funding is expected in September.

2. EU call for hydrogen to ship value chain demonstration

We were part of a broad consortium who developed an application for an EU call supporting the demonstration of hydrogen in the ship value chain, covering onshore logistics, fueling infrastructure, and onboard energy systems for a vessel. In this initiative, Hyon played a central role, particularly in developing a prototype for a high capacity fueling terminal. We ended in a reserve position following EU shortlisting in June.

3. Grønn Plattform Innovation Norway Application

On 7 June 2023, we submitted an application to Grønn Plattform, in partnership with a Norwegian hydrogen operator. The project, titled "Narvik – Zero Emission Port", aims to construct a prototype energy terminal for both electricity and hydrogen supply to ships. It also intended to secure operational capabilities for a full-scale Maritime Hydrogen Centre. The project involved a consortium of coastal shipping companies, cruise liners, Narvik Harbor, shipyards, the Institute for Energy Technology (IFE), and others. The decision on this project is expected in December.

The first half of the year has been marked by important achievements and good progress toward our mission. On the other hand, we have seen delays in the availability of commercial contracts due to several external factors. This situation has directly impacted our ability to secure revenue and thereby extension of our cash runway.

Subsequent events

As announced on 30 August 2023, the Board of Directors has resolved to close the strategic review and propose that the general meeting resolves to dissolve the Company.

Following the strategic review that was publicly announced on 5 July 2023 and updated on 16 August 2023, the Board of Directors and Management have over time worked with several alternative financing options for the Company, including equity instruments, debt financing, government supported R&D programs, strategic partnerships, and other commercially based agreements. Despite all efforts made, the Board has not received any sufficiently firm indications or commitments for a financial solution to support continuing operations.

In addition to potential structures with third parties, the Board has assessed the potential for a financing supported by its current shareholders, as well as an alternative for divestment of assets and/or a combination with other businesses to expand operations under the Company's listing. However, the Board has concluded that these are not suitable options.

Further to this and based on the Board of Directors' fiduciary duties, the Board will propose that the general meeting resolves a dissolution of the company pursuant to the voluntary procedures as set out in the Norwegian Private Limited Liability Companies Act with distribution of any value to its shareholders.

Income statement

NOK	Note	01.01.-30.06.2023	01.01.-30.06.2022
Operating revenue and expenses			
Operating revenue			
Revenue		609 000	0
Other operating income		0	3 704 145
Total operating revenue		609 000	3 704 145
Operating expenses			
Employee benefits expense	3	8 238 602	5 626 208
Depreciation and amortisation expenses		0	15 000
Other operating expenses		3 792 556	6 173 493
Total operating expenses		12 031 158	11 814 701
Operating profit of loss		(11 422 158)	(8 110 556)
Financial income and expenses			
Financial income			
Other interests		0	53
Other financial income		0	266
Total financial income		0	319
Financial expenses			
Interest paid to group companies		0	24 298
Other interests		0	359
Other financial expense		0	266
Total financial expenses		0	24 923
Net financial income and expenses		0	(24 604)
Ordinary result before taxes		(11 422 158)	(8 135 160)
Tax on ordinary result		0	0
Ordinary result		(11 422 158)	(8 135 160)
To majority interests		(11 422 158)	(8 135 160)
Application and allocation			
Uncovered loss		(11 422 158)	(8 135 160)
Total application and allocation		(11 422 158)	(8 135 160)

Statement of financial position

NOK	Note	30.06.2023	30.06.2022
ASSETS			
Fixed assets			
Intangible assets			
Concessions, patents, licences, trade marks		0	5 000
Total intangible assets		0	5 000
Financial fixed assets			
Other long-term receivables		230 000	203 700
Total financial fixed assets		230 000	203 700
Total fixed assets		230 000	208 700
Current assets			
Receivables			
Trade receivables		125 000	4 329 145
Other short-term receivables		1 321 208	743 461
Total receivables		1 446 208	5 072 606
Bank deposits, cash in hand, etc.		13 821 228	33 677 833
Total current assets		15 267 436	38 750 439
Total assets		15 497 436	38 959 139

NOK	Note	30.06.2023	30.06.2022
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital	2	555 675	555 675
Share premium reserve		23 070 485	57 482 648
Total paid-in equity		23 626 161	58 038 323
Retained earnings			
Uncovered loss		(11 422 158)	(22 265 458)
Total retained earnings		(11 422 158)	(22 265 458)
Total equity		12 204 002	35 772 865
Liabilities			
Current liabilities			
Accounts payable		1 273 143	1 431 859
Public duties payable		1 172 014	622 978
Other currents liabilities		848 277	1 131 437
Total current liabilities		3 293 434	3 186 274
Total liabilities		3 293 434	3 186 274
Total equity and liabilities		15 497 436	38 959 139

Statement of cash flow

NOK	First half-year	
	2023	2022
Loss for the period	(11 422 158)	(8 135 160)
Adjustments for:		
Depreciation	0	15 000
Change in trade receivables	278 750	(4 329 145)
Change in other short-term receivables	(62 297)	(764 515)
Change in trade payables	204 232	869 933
Change in other short-term payables	(418 518)	(1 515 495)
Net cash flow from operating activities	2 167	(5 724 222)
Proceeds from equity issues	0	45 903 144
Net cash flow from financing activities	0	45 903 144
Net change in cash and cash equivalents	(11 419 991)	32 043 762
Cash and cash equivalents at beginning of period	25 241 219	1 634 071
Cash and cash equivalents at end of period	13 821 228	33 677 833

Notes to the financial statements

Note 1 - Accounting principles

HYON is a provider of high capacity fueling solutions for hydrogen in the maritime sector. The company offers a range of fueling products addressing various vessel needs. The company was founded on March 1, 2017.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and the NRS8 Norwegian accounting standard for small businesses.

1-1 Currency

Monetary items in foreign currency are valued at the exchange rate at the end of the financial year. Foreign currency transactions are valued at the exchange rate at the time of the transaction.

1-2 Income

Services are recognised in revenue as they are delivered. Services are recognised at the time when they are carried out. The share of sales revenue that is related to future services, is recognised in the balance sheet as unearned income from the sale and then recognised at the time when the service is delivered.

1-3 Tax

The tax expense in the income statement includes both the payable tax for the period and the change in deferred tax. Deferred tax is calculated at 22% based on the temporary differences that exist between accounting and tax values, as well as any tax deficit to be posted at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can reverse in the same period have been offset. The company does not record deferred tax advantage in the balance sheet.

1-4 Classification and assessment of balance sheet items

Current assets and current liabilities include items that are due for payment within one year of the time of acquisition, as well as items associated with the goods circulation. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lowest of acquisition cost and fair value. Current liabilities are recognised in the balance sheet at the nominal amount at the time of establishment.

Fixed assets are valued at acquisition cost and depreciated over the expected economic life of the fixed asset and are written down to recoverable amount in the event of a fall in value that is not expected to be temporary. The recoverable amount is the highest of the net sales value and value in use. Long-term debt is recognised in the balance sheet at the nominal amount at the time of establishment.

1-5 Other receivables

Receivables are recorded in the balance sheet at nominal value after deduction of provisions for expected losses. Provisions for losses are made on the basis of individual assessments of the individual receivables. In addition, an unspecified provision is made for other accounts receivables to cover assumed losses.

Notes to the financial statements

Note 2 - Shareholder information and equity

Shareholder	Number of shares	Nominal value	Share capital	Ownership share
Norwegian Hydrogen AS	9 804 000	0.01	98 040	17.6 %
Credit Suisse (Switzerland) Ltd	7 450 000	0.01	74 500	13.4 %
Clearstream Banking S.A.	4 515 618	0.01	45 156	8.1 %
Longstreet Securities AS	3 915 957	0.01	39 160	7.0 %
Muen Invest AS	2 876 147	0.01	28 761	5.2 %
Myregården Invest AS	2 394 000	0.01	23 940	4.3 %
Sigurd Heggstad Vinje	1 695 780	0.01	16 958	3.1 %
Mohammad Ghayoornia	1 344 364	0.01	13 444	2.4 %
Nordnet Livsforsikring AS	1 016 427	0.01	10 164	1.8 %
Nordnet Bank AB	926 614	0.01	9 266	1.7 %
Other shareholders	19 628 614	0.01	196 286	35.3 %
Total	55 567 521	0.01	555 675	100 %

Equity

Figures in whole NOK.

NOK	Share capital	Share premium	Unsecured losses	Total
Equity 01.01.23	555 675	23 070 485	-	23 626 161
Result			(11 422 158)	(11 422 158)
Equity 30.06.23	555 675	23 070 485	(11 422 158)	12 204 002

Note 3 - Options

The company has issued the following options to key employees:

	# of options	Vesting time	Strike price	Exercise period
	800 000	24/36/48 months	0.8/1.5/3.0	01.01.24-01.01.28
	800 000	24/36/48 months	0.8/1.5/3.0	01.03.24-01.03.28
	400 000	24/36/48 months	0.8/1.5/3.0	01.05.24-01.05.28
	400 000	24/36/48 months	0.8/1.5/3.0	01.10.24-01.10.28
Total	2 400 000			

Note 4 - Related party

Throughout the year, the company has had the following transactions with related parties in accordance with RL § 7-30b: Saga Pure ASA: Fee for interim CTO on 80% basis: A total of NOK 62 500 for the period. Norwegian Hydrogen AS: Fee for interim CTO on 80% basis: A total of NOK 62 500 for the period.

Responsibility statement

We, confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2023 which have been prepared in accordance with IFRS adopted by EU and IAS 34 interim Financial Reporting, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of the operation. To our best knowledge, the interim report for the first half of 2023 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2023, and significant related party transactions.

Oslo, 6 September 2023

Otto Søberg
Chairman of the Board

Silje Smådal
Board Member

Jens Berge
Board Member

Marianne Nærø
Board Member

Jørn Kristian Lindtvedt
CEO

The logo for HYON, featuring the letters H, Y, O, and N in a stylized, white, sans-serif font. The 'Y' and 'O' are connected, and the 'N' has a unique shape. The logo is centered within a dark blue circle that has four teal-colored segments extending outwards from its perimeter.

HYON

HYON AS
Strømsø torg 4
3044 Drammen, Norway
hyon.energy