HPNow ApS

Sydmarken 32, DK-2860 Søborg

Annual Report for 2024

CVR No. 37 25 88 22

The Annual Report was presented and adopted at the Annual General Meeting of the company on 4/7 2025

Michelle Robson
Chairman of the general meeting

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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of HPNow ApS for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Søborg, 4 July 2025

Executive Board

Rasmus Frydendal
Manager

Arnau Verdaguer Casadevall
Manager

Board of Directors

Michelle Bernadette Robson
Chairman

Johan Bitsch Nielsen

Rasmus Frydendal

Arnau Verdaguer Casadevall

Marcus Ludger Remmers

Mark Sherwood Redshaw

Kevin Arthur Eggers

Independent Practitioner's Extended Review Report

To the shareholders of HPNow ApS

Conclusion

We have performed an extended review of the Financial Statements of HPNow ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company´s operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority´s Assurance Standard for Small Enterprises and FSR – Danish Auditors´ standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner´s responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

Independent Practitioner's Extended Review Report

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Trekantområdet, 4 July 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Morten Jacobsen
State Authorised Public Accountant
mne44140

Company information

The Company	HPNow ApS Sydmarken 32 DK-2860 Søborg
	CVR No: 37 25 88 22
	Financial period: 1 January - 31 December
	Incorporated: 23 November 2015
	Financial year: 9th financial year
	Municipality of reg. office: Copenhagen
Board of Directors	Michelle Bernadette Robson, chairman Johan Bitsch Nielsen Rasmus Frydendal Arnau Verdaguer Casadevall Marcus Ludger Remmers Mark Sherwood Redshaw Kevin Arthur Eggers
Executive Board	Rasmus Frydendal Arnau Verdaguer Casadevall
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Income statement 1 January - 31 December

	Note	2024	2023
		EUR	EUR
Gross loss		**-2,673,649**	**-971,753**
Staff expenses	2	-1,319,278	-969,180
Depreciation and impairment losses of property, plant and equipment	3	-197,971	-176,615
Profit/loss before financial income and expenses		**-4,190,898**	**-2,117,548**
Financial income		249,367	15,251
Financial expenses	4	-32,324	-126,131
Profit/loss before tax		**-3,973,855**	**-2,228,428**
Tax on profit/loss for the year		180,906	194,163
Net profit/loss for the year		**-3,792,949**	**-2,034,265**

Distribution of profit

	2024	2023
	EUR	EUR
Proposed distribution of profit		
Retained earnings	-3,792,949	-2,034,265
	-3,792,949	**-2,034,265**

Balance sheet 31 December

Assets

	Note	2024	2023
		EUR	EUR
Development projects in progress		1,704,861	882,559
Intangible assets	5	**1,704,861**	**882,559**
Other fixtures and fittings, tools and equipment		115,468	161,275
Leasehold improvements		314,555	332,719
Property, plant and equipment	6	**430,023**	**493,994**
Investments in subsidiaries	7	2,408	2,408
Fixed asset investments		**2,408**	**2,408**
Fixed assets		**2,137,292**	**1,378,961**
Inventories	8	**761,583**	**813,467**
Trade receivables		232,961	275,277
Receivables from group enterprises		37,761	0
Other receivables		273,448	334,534
Corporation tax		180,906	194,163
Prepayments		1,046	20,628
Receivables		**726,122**	**824,602**
Cash at bank and in hand		**5,360,236**	**9,943,153**
Current assets		**6,847,941**	**11,581,222**
Assets		**8,985,233**	**12,960,183**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		EUR	EUR
Share capital	9	21,434	21,434
Share premium account		19,077,727	19,077,727
Reserve for development costs		1,329,792	688,396
Retained earnings		-11,702,039	-7,192,419
Equity		**8,726,914**	**12,595,138**
Payables to group enterprises		0	21,753
Long-term debt	10	**0**	**21,753**
Trade payables		131,430	170,670
Other payables		126,889	172,622
Short-term debt		**258,319**	**343,292**
Debt		**258,319**	**365,045**
Liabilities and equity		**8,985,233**	**12,960,183**

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Statement of changes in equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR
Equity at 1 January	21,434	19,077,727	688,396	-7,192,419	12,595,138
Exchange adjustments	0	0	0	-16,065	-16,065
Capital increase and dividend distribution costs	0	0	0	-59,210	-59,210
Development costs for the year	0	0	641,396	-641,396	0
Net profit/loss for the year	0	0	0	-3,792,949	-3,792,949
Equity at 31 December	**21,434**	**19,077,727**	**1,329,792**	**-11,702,039**	**8,726,914**

Notes to the Financial Statements

1. Key activities

The company's activity is in development of technology and solutions for the electrochemical generation of hydrogen peroxide.

2. Staff expenses

	2024 EUR	2023 EUR
Wages and salaries	1,117,245	823,464
Pensions	163,199	139,310
Other social security expenses	15,614	6,406
Other staff expenses	23,220	0
	1,319,278	**969,180**
Average number of employees	**19**	**16**

3. Depreciation and impairment losses of property, plant and equipment

	2024 EUR	2023 EUR
Depreciation of property, plant and equipment	197,971	176,615
	197,971	**176,615**

4. Financial expenses

	2024 EUR	2023 EUR
Other financial expenses	7,194	99,681
Exchange adjustments, expenses	25,130	26,450
	32,324	**126,131**

5. Intangible fixed assets

	Develop-ment projects in progress
	EUR
Cost at 1 January	882,559
Additions for the year	822,302
Cost at 31 December	1,704,861
Carrying amount at 31 December	**1,704,861**

Development projects in progress includes the Company's ongoing development activities related to better performance of current units, both efficiency and durability. Additionally, development projects in progress includes development activities towards larger modular units.

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	EUR	EUR
Cost at 1 January	331,872	572,021
Additions for the year	15,426	119,015
Cost at 31 December	347,298	691,036
Impairment losses and depreciation at 1 January	170,597	239,302
Depreciation for the year	61,233	137,179
Impairment losses and depreciation at 31 December	231,830	376,481
Carrying amount at 31 December	**115,468**	**314,555**
Amortised over	1-7 years	1-5 years

7. Investments in subsidiaries

	2024 EUR	2023 EUR
Cost at 1 January	2,408	2,408
Cost at 31 December	2,408	2,408
Carrying amount at 31 December	**2,408**	**2,408**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes	Ownership
HPNow Ltd.	Israel	EUR 2.408	100%	100%

8. Inventories

	2024 EUR	2023 EUR
Raw materials and consumables	682,344	659,588
Finished goods and goods for resale	10,606	0
Prepayments for goods	68,633	153,879
	761,583	**813,467**

9. Share capital

	Number	Nominal value
		EUR
A-shares	52,401	7,048
B-shares	26,721	3,586
C-shares	26,698	3,588
D-shares	53,738	7,212
		21,434

The company has introduced share-based incentive programs offered to selected employees including an option for new subscription of shares up to 1.750 shares of nominally DKK 1 at a price set to DKK 1, equivalent to EUR 0,13. A total of 200 warrants were granted during the year. The total number of outstanding warrants is 779 as of 31 December 2024.

	2024	2023
	EUR	EUR

10. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	0	21,753
Long-term part	0	21,753
Within 1 year	0	0
	0	**21,753**

	2024	2023
	EUR	EUR

11. Contingent assets, liabilities and other financial obligations

Rental and lease obligations		
Lease obligations, period of non-terminability 0 years.	184,901	352,813

12. Accounting policies

The Annual Report of HPNow ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in EUR.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

The company's functional currency is Danish kroner (DKK) while the presentation currency for the company is Euro (EUR) due to the company's primary stakeholders. This means that the financial statements are presented in EUR.

Income statement is translated at approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue from the receipt of grants for development projects is recognised as the costs qualifying for the grants are incurred. Other grants, awards, etc are recognised as the right to these is acquired.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	1-7 years
Leasehold improvements	1-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.