



Financial Report H1 2024



Contents

In Brief	3
CEO Letter	5
Main Operational Highlights in H1 2024	7
Business Areas	10
Corporate & Finance	14
Financial Statements	18
Notes to Financial Statements	26

In Brief

TECO 2030 accelerating the transition towards net-zero

TECO 2030 is leading efforts to accelerate the maritime industry's transition to environmentally responsible practices, with a strong emphasis on reducing harmful emissions. Understanding the critical need to mitigate the environmental and climate impacts of global shipping and heavy-duty industries, TECO 2030 is committed to delivering innovative technologies that help shipowners lower their emissions, contributing to the broader movement toward sustainable and green operations in the maritime and heavy-duty sectors.

Central to TECO 2030's strategy is the development of hydrogen fuel cells for ships and other heavy-duty applications. These fuel cells, often referred to as the engines of the future, and convert hydrogen into electricity, releasing only water vapor and warm air, making them a clean power alternative to traditional fossil fuels.

By integrating hydrogen fuel cells into ships and large-scale applications, TECO 2030 aims to significantly reduce, or even eliminate, greenhouse gas emissions. This initiative aligns with the company's strong belief that hydrogen will play a pivotal role in combating climate change and that hydrogen fuel cells will be crucial in reducing emissions within the hard-to-abate industries.

With 30 years of experience in maritime technology

TECO 2030 was founded in the autumn of 2019 as a spin-off of the TECO Maritime Group, which has been offering technological solutions and repair services to the international shipping industry since 1994.

Headquartered in Lysaker, near Oslo, TECO 2030 was listed on the Euronext Growth market of the Oslo Stock Exchange in October 2020 under the ticker symbol "TECO." As of June 30, 2023, the company employs a dedicated team of approx. 40 professionals.



CEO Letter

Dear Hydrogen Friends,

As we close the books for the first six months of 2024, it's clear that this period has brought its share of challenges and successes. We began the year with uncertainties throughout the organization, testing our ability to adapt to the broader macroeconomic and geopolitical shifts affecting global capital markets.

Despite these challenges, we made significant technological strides, achieving full system validation and collecting performance data through the advanced testing simulator at AVL's facility in Austria. The results have exceeded our expectations. Additionally, we have identified and are working on necessary system upgrades to prepare for industrialization and mass deployment. The team remains focused on enhancing system performance while maintaining competitiveness and preparing for industrialization.

However, delayed political decisions have impacted investor interest in green projects. A clear example is the Norwegian government's recent six-year postponement of zero-emission sailing regulations in heritage fjords. This delay undermines efforts for transparent, rational decision-making. Hydrogen and fuel cells will inevitably play a role in the future, and policymakers are crucial in reducing reliance on fossil fuels in favor of zero-emission alternatives.

Nevertheless, our inhouse-developed solutions have been granted two approval in principle's from DNV for our containerized fuel cell generators, and hydrogen fuel storage systems designed from third party supplier specs. Adding to that we have strengthened partnerships with existing partners, such as our collaboration with Samskip and our new partner and investor Advait Infratech Limited in India. The current pilot projects are fully underway, and progressing accordingly, rest assure that we all want these projects deployed rather sooner than later.

On the corporate side, we've streamlined operations to adopt a leaner and more efficient structure that matches our current situation. This includes reducing our headcount from 52 to 40 between end of 2023 and June 30th. This step helps ease short-term liquidity pressures, and fully focus on how to secure further progress according to our vision. The company is now positioned with abilities to adapt swiftly to changing conditions.

Looking ahead, we are in promising discussions with investors, clients, and other stakeholders. I am confident these dialogues will further strengthen our progress and strategic position as we continue pursuing our mission of becoming a leading provider of zero emissions energy generation alternatives.

Your continued support is highly appreciated.

Lysaker, Norway, September 20th, 2024

Tore Enger

Group CEO, TECO 2030





Main Operational Highlights in H1 2024

TECO 2030 with partners started second EU Horizon project

In January, TECO 2030 commenced its second EU Horizon Project, Zero Emission Adriatic Ship - ZEAS, together with 13 partners from various European Countries. The overall project grant from EU Horizon is over EUR 13.5 million, where over EUR 2.3 million is reserved to TECO 2030's deliverable of 1.2 megawatts (MW) of fuel cells for full vessel propulsion.

TECO 2030 and Umoe Mandal submitted and granted preliminary approval for fuel cell high-speed vessel design

In February, TECO 2030 and Umoe Mandal has submitted the documentation package to the Norwegian Maritime Authority for an approval in principle application of the World's first fuel cell high-speed vessel design. The designed vessel is designed to be installed with a multimegawatt fuel cell system for full propulsion. Next steps in this tender is for the necessary approval of funding from the Norwegian state.

TECO 2030 and Yokogawa lifted their partnership to the next stage with delivery of one fuel cell stack

In February, TECO 2030 announced that for the next step in its partnership with Yokogawa, the global industrial automation company, it has delivered a TECO fuel cell stack to Yokogawa headquarters in Tokyo, Japan.

Received two Approval in Principle's

In February and March, TECO 2030 received two Approval in Principle's (AiP) from DNV regarding compressed hydrogen fuel systems, and containerized fuel cell power generator (FCPG) for use onboard oceangoing applications.

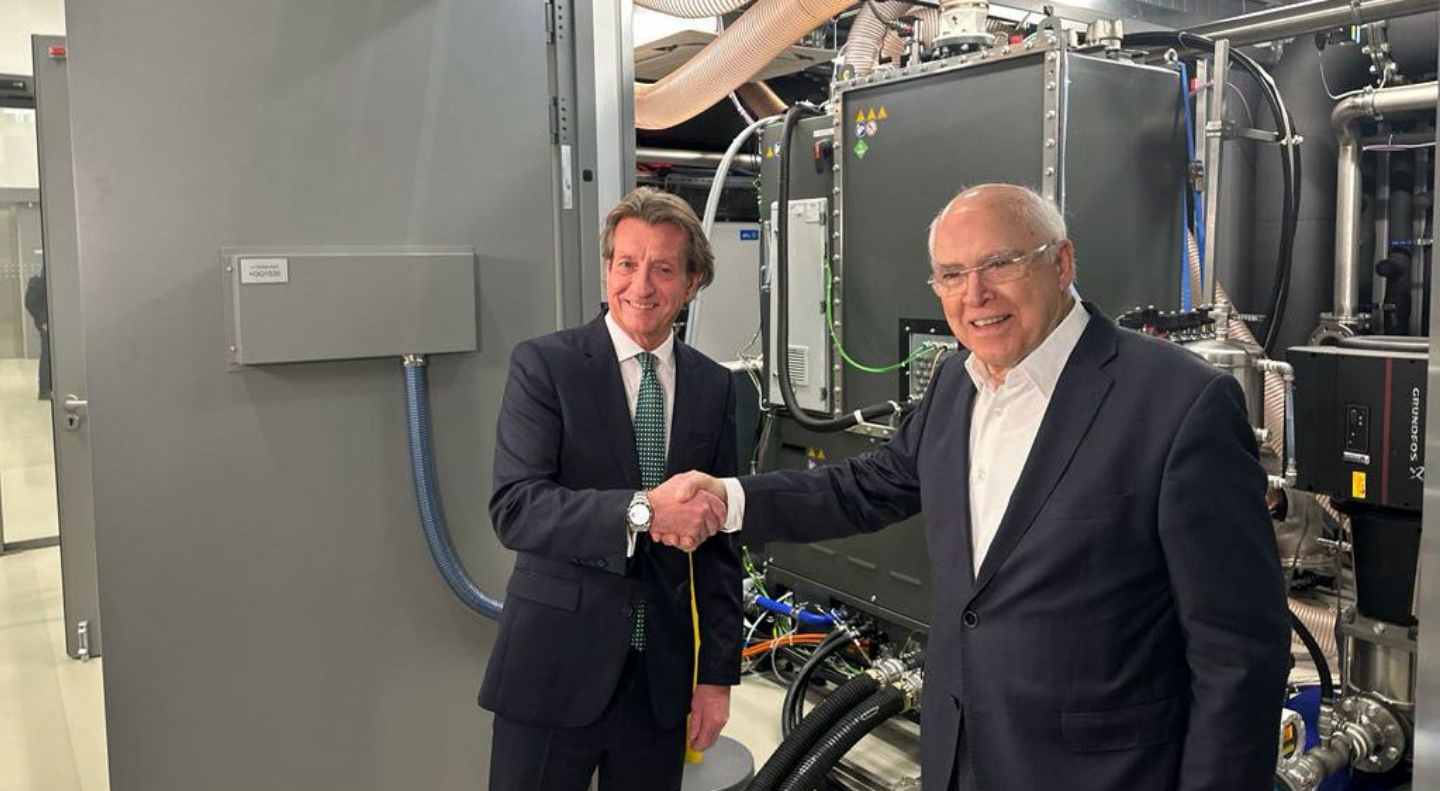
TECO 2030 signed an agreement with Advait Infratech Limited in India including a USD 4 million investment and the intention to establish a joint venture

In April, TECO 2030 ASA and Advait Infratech Limited ("Advait") (BOM: 543230) agreed on a term sheet for a partnership relating to a planned fuel cell expansion in India and SAARC countries. Simultaneously, Advait committed itself to invest approx. USD 4 million (approx. NOK 43 million) through a private placement in TECO 2030, at a price per share of NOK 2.00.

Following the private placement, the parties intends to establish a joint venture in India, where Advait and TECO 2030 will hold 51% and 49% of the outstanding shares, respectively. The joint venture will hold the exclusive rights to develop, manufacture and commercialize TECO 2030 Fuel Cell Technology for India and the SAARC countries and it will be a collaboration between the parties aiming towards creating and maintaining local development, production, and commercialization capabilities with presence in India.



FCM 400



Cont. Main Operational Highlights in H1 2024

TECO 2030's first fuel cell module is running at 100% power capacity in test bed

In May, TECO 2030 announced that it has successfully reached stable and maximum power output of zero emission hydrogen-electric power with its disruptive fuel cell system. Since November 2023, the system has been connected to AVL's testbed facility in Graz. It has undergone minor modifications and adjustments to achieve its maximum power output. By the end of May 2024, TECO 2030 fuel cell system has successfully achieved a full power output by using clean hydrogen as fuel.

TECO 2030, Samskip and BLOM Maritime received ENOVA grant to a pre-project to retrofit Samskip LNG vessel with fuel cells and hydrogen

In June, TECO 2030 together with BLOM Maritime and Samskip receive a grant for a pre-project aiming to retrofit Samskip's vessel Kvitnos with TECO 2030 fuel cells and hydrogen fuel. This innovative project aims to significantly reduce emissions from this LNG-fueled vessel, which currently operates on a weekly multipurpose service from Rotterdam, The Netherlands and along most of the Norwegian coastline to Hammerfest. By switching to zero-emission hydrogen technology, these partners join in their goal of reducing greenhouse gas emissions.

Related to this, in August, the TECO 2030 led EU Horizon project, HyEkoTank consortium announced that Samskip has become an official partner.

TECO 2030 and bondholders agreed and converted a majority of the outstanding convertible bonds

In June, the board of directors formally approved the conversion of 84% of the bond loan into 41,310,511 shares at NOK 2 per share.



Business Areas

TECO 2030 is an innovative cleantech company that is developing and supplying technology that will enable land-based heavy-duty industry applications and ships to become more climate and environmentally friendly. The company is currently finalizing the development and initiating the industrial phase of its core fuel cell technology.

TECO 2030 Fuel Cells

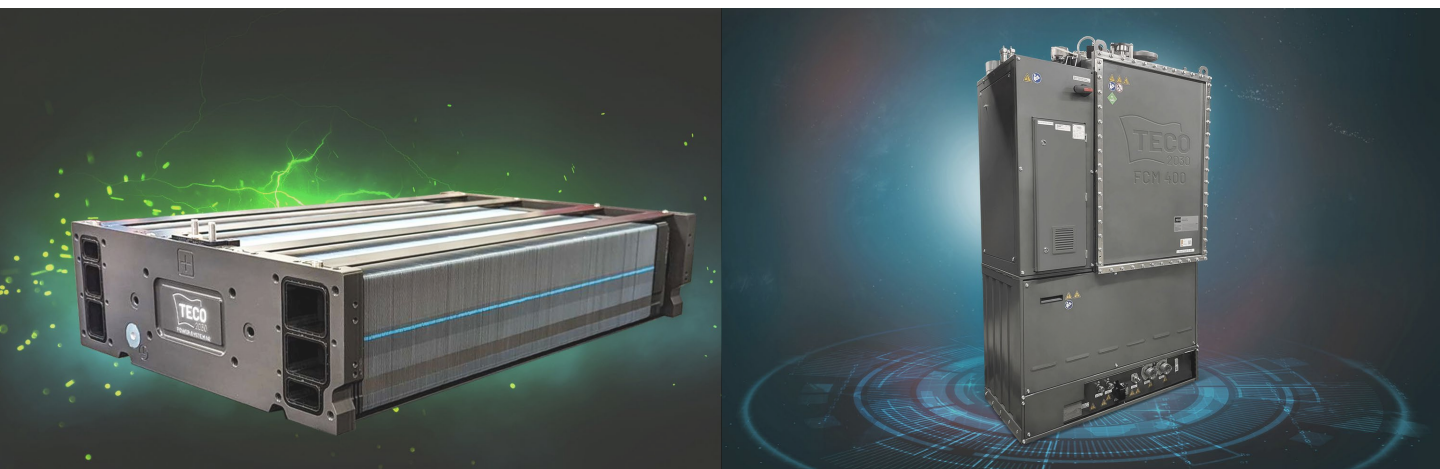
Hydrogen fuel cells represent one of the future technologies of propulsion and power generation systems, efficiently transforming hydrogen into electricity while emitting nothing but water vapor and warm air as by-products. The TECO 2030 Fuel Cell is the first and only fuel cell system globally which is explicitly engineered for maritime applications and other heavy-duty segments.

With our fuel cell technology, ships can operate emission-free, both on the whole journey, and on shorter distances. By exchanging one or more of their combustion engines with TECO 2030 Fuel Cells, ships can sail in and out of ports emissions-free. The TECO 2030 Fuel Cells will therefore enable vessels that are operating in different countries, such as cruise ships and ferries, to comply with any emission regulations they may encounter when crossing national borders. Hydrogen fuel cells can be used during port-stay, loading, and discharging, enabling zero-emission operation at berth, without having to connect the ship to an onshore power supply.

The TECO 2030 Fuel Cells can also be used on other large vehicles and applications, such as power generator equipment used at construction sites. The system will function much like a generator that is powered by diesel or other fossil fuels but will use hydrogen as fuel and will therefore be emission-free.

The TECO 2030 Fuel Cell is delivered in modules, each with a capacity of 400 kW. We call these modules FCM400's. These systems are scalable and can easily be installed together, enabling system configuration into multi-megawatt scale. The fuel cells will be suitable for both retrofits and newbuilds and will offer a zero-emission alternative for applications where batteries are considered unsuitable.

TECO 2030 is developing the hydrogen fuel cells together with the Austrian powertrain technology company AVL. TECO 2030 has received an "Approval in Principle" (AiP) by DNV, one of the world's leading classification and certification bodies, for its Fuel Cell System and its Fuel Cell Module FCM400.



Application segments for hydrogen fuel cells:

Maritime and heavy-duty applications

Retrofit, newbuilds, port applications



Stationary power generation

Power generators, data centers, EV charging stations



Mobility hydrogen fuel cell vehicles

Aviation, mining vehicles, trains & heavy-duty trucks



Offer license agreement for local production

Stack production, module production, full factory setup



Business Areas

TECO 2030 Innovation Center

The TECO 2030 Fuel Cell systems will be produced at TECO 2030's Innovation Center and Gigafactory in Narvik in northern Norway. The facility spans over more than 15,000 square meters divided in two floors which partially holds a clean room standard. The planning and development of the production line and factory layout is being done in close cooperation between TECO 2030, AVL, and thyssenkrupp Automation Engineering who will also supply the complete automated production equipment.

During the first half of 2024, the team has continued to familiarize themselves with small-scale manual fuel cell production while preparing for future installation of an automated production line from thyssenkrupp. Moving towards the installation of an automated production line, manual stack production, and soon also manual assembly of FCM 400 modules, will be scaled up in order to build necessary inhouse competence, experience and, importantly, to serve ongoing projects.

As of 30 June 2024, TECO 2030 Innovation Center had 15 full time employees.



By delivering technology solutions that help ships and heavy machineries reduce their emissions, thus TECO 2030 aims to contribute to the green transition in the heavy-duty industry space.



Corporate & Finance

Corporate

TECO 2030 Group had a total of 40 full time equivalent employees at the end of H1 2024 divided over five Group companies located in Lysaker (HQ), Narvik (both in Norway), Miami and Singapore.

Financing

During the significant development process leading to our current fuel cell system, TECO 2030 has secured necessary funds via various sources such as bond loan, private placements, and grants from public agencies (EU, Innovation Norway, etc.).

During 2023 and the first half of 2024, raising additional capital has been challenging. The financial market in general, and the appetite for investments green-tech and hydrogen-related solutions seems to have been rather low. Despite this, the company continues to work on several solutions to secure the next round of funding. The Company is optimistic that additional funds will be secured over the next months.

Further, uncertain operating regulations for various industries in the current global macro situation and delayed implementations from governments of new promised regulations are leading to delayed demand for zero-emission technologies such as fuel cells.

Despite these challenges, the Company has managed to continue its operations during the first half of 2024 due to several smaller private placements/sale of borrowed shares, funding from public funding schemes such as Innovation Norway and EU Horizon.

In October 2023, the Company entered into a loan agreement with its largest shareholder, TECO Group AS. Through this loan agreement the Company may borrow up to 20 million shares which it can sell or deliver quickly to investors in smaller or bigger portions. As per end of June 2024, the Company had borrowed approx. 6 million shares. The loan was interest free, and all borrowed shares were delivered back to TECO Group AS by August 2024, through a rights issue towards the lender. This loan agreement has enabled the Company to avoid traditional book-building processes which often is the case in bigger private placements.

Following the repayment of the loan, the Company has extended the loan agreement until December 31st, 2024, while it is continuing its search for additional funding. The Company is aiming to close one or more private placements during the remainder of the year.





Risk factors

Risks related to maritime regulations and changes in policy

The global maritime sector is undergoing a paradigm shift as it aligns with international environmental and sustainability goals. Regulatory bodies, such as the International Maritime Organization (IMO), continue to introduce stricter emission standards, and other regulations, aiming to reduce the industry's environmental footprint. While TECO 2030 remains at the forefront of offering sustainable solutions, abrupt changes in policy or more stringent-than-anticipated standards could pose challenges to our product lineup, necessitating further research, development, and adaptation. Moreover, variations in the adoption and enforcement of these regulations across different jurisdictions add a layer of complexity to our operations. We continue to closely monitor these regulatory shifts and engage with industry stakeholders to ensure that our offerings not only comply with but also anticipate and shape the future regulatory landscape.

Risks related to regulations and political risk

The ongoing conflict in Ukraine continues to create uncertainty about the continued development of the world economy and political situation. TECO 2030 has a limited exposure to Ukraine and Russia, and we are therefore not directly affected by the ongoing conflict. However, there are indirect consequences that might arise and adversely affect the company. Such conflicts may affect the availability of raw materials or components as well as their prices. Furthermore, TECO 2030's supply chain may be adversely affected which might cause delays. The company is continuously monitoring these risks and is making strategic decisions to minimize its exposure.

Market risks

TECO 2030 is facing a series of market risks that are both diverse and challenging. The rapidly changing regulatory landscape, shifting customer preferences towards sustainability, and fluctuations in the global economic climate have all had implications for our business model and strategic direction. Furthermore, as the maritime and energy sectors evolve, competitive pressures and technological disruptions emerge as notable threats. In addition, currency exchange rate volatilities and interest rate fluctuations have presented financial market risks, influencing our international operations and financial position.

Supply Chain risks

TECO 2030 has dealt with complex challenges inherent in the modern supply chain environment. The evolving global landscape, marked by pandemic-induced disruptions, shipping bottlenecks, and raw material shortages, has heightened the risks in our supply chain operations. These factors have occasionally influenced our delivery schedules, inventory levels, and overall operational efficiency. As TECO 2030 is deeply committed to advancing sustainable and innovative solutions, we also recognize the increasing importance of sustainability in our supply chain decisions.

Risk factors

Risks related to key personnel, partners and competence

TECO 2030's future success will partly depend on its abilities and efforts to retain key members of the management team, including recruiting, retaining, and developing skilled personnel for its business. TECO 2030's total number of employees is considered lean and there is therefore a particular focus on the need for retaining key personnel. The company's future success will also partly depend on its continued cooperation with its business partners.

Intellectual property risks

TECO has an irrevocable right to use AVL's background intellectual property. In the future, we may become party to additional licenses that are important for product development and commercialization. If we fail to comply with our obligations under future license and funding agreements, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market any product or utilize any technology that is covered by these agreements or may face other penalties under the agreements.

Green technologies are emerging technology and involve significant risks and uncertainties

Emerging technologies such as the green technologies TECO 2030 operates within are constantly changing. There are multiple factors which can affect the market. Fluctuations in oil prices will affect our customers return on investment for our low-emission technologies. A negative change in the global economy can affect potential customer willingness to invest in new and costly technologies. The availability of sufficient volumes and price of hydrogen will be decisive for the willingness to invest in such technology. Stricter regulations will increase the pressure and the financial incentives for potential customers to choose new and cleaner technologies.

Our products and services face competition

The markets for energy products, including proton-exchange membrane, or PEM fuel cells, are competitive. We face robust competition, both from incumbent companies and new emerging business interests in various countries. Some of our competitors are much larger than we are and may have the manufacturing, marketing and sales capabilities to complete research, development, and commercialization of products more quickly and effectively than we can.

Foreign exchange risk and interest rate risk

The Group has some exposure towards foreign exchange transaction risk as some of the development expenses, including the purchase of components for the first test systems, are denominated in EURO and USD, whereas the funding throughout the first half of 2023 has been in NOK. The Group will continue to face some foreign exchange transaction risk between especially EURO and NOK going forwards. Through the subsidiary in Miami, the Group is also exposed to NOK/USD transactions. The Company has not secured any FX trades but is constantly monitoring the FX market and the Company's exposure. Translation risk may also arise due to the conversion of amounts denominated in foreign currencies to NOK, with NOK being TECO 2030's current reporting and functional currency.

The Group's convertible bond loans have fixed interest rates and do not fluctuate throughout the loans lifetime. The Group is, however, directly exposed to changes in interest rates when it comes to interest on payables to suppliers as well as more indirectly through the overall impacts interest rates have on the financial market and access to capital.

Management continuously makes calculation to see how currency fluctuations and interest rate fluctuations positively and negatively affects the company.



Risk factors

Liquidity risk/Financing Risk

TECO 2030 has, through a number of share issues over the last years, successfully raised the funds necessary to continue its ongoing development projects and the corresponding ramp-up of the Group's activities. The complete development program for the fuel cells is still not fully financed. TECO 2030 has tried to raise significant amounts of funds throughout H1 2024 to secure sufficient cash to complete the development program and to prepare the Group for automated production. The capital market has proven to be difficult and TECO 2030 has struggled to raise funds. The Company has followed, and still is following, several pathways in order to secure the remaining funding needs until the Group is financially self-sustaining from sales. Hence, there is a liquidity risk related to TECO 2030's ability to complete the ongoing developments. TECO 2030's success in securing firm contracts for fuel cells will also affect the Group's need to raise additional external capital.

Capital Management

For asset management, the primary focus is to ensure that the Group retains a good credit rating and a healthy capital structure that supports the business and maximizes shareholder value. In light of changes in general economic conditions, the Group assesses its capital structure and strives to make the necessary adjustments. Due to its short history and financial position, the Group has limited tools available to maintain or adjust the capital structure beyond issuing new shares through private placements. The Group monitors capital by using the net loan-to-value ratio, which is net debt divided by total capital plus net debt. The group's guidelines are to keep the loan-to-value ratio at the lowest possible level.

Credit risk

Credit risk is the possibility of a loss resulting from a customer's failure to meet its contractual obligations. Although it is impossible to know exactly who will default on obligations, properly assessing and managing credit risk can lessen the severity of a loss. TECO 2030 has a limited number of customers as per June 2024 but has established internal guidelines to minimize the risk of such situations occurring. The Group seeks, to the extent possible, to ensure that payment terms related to sales of systems are linked to payment terms towards sub-suppliers. This reduces the Group's credit risk and liquidity exposure.

Financial statements

Statement of comprehensive income

The Group's main income is relatively small and mainly consists of sublease of property space, which led to a revenue of NOK 0.8 million.

The Group's other operating expenses increased slightly by NOK 1.9 million compared to 1H 2023, totaling 39.6 million. This slight increase is to a large extent the result of the Group's focus on developments which led to increased personnel costs, upon this the focus is to reduce its monthly burn rate to save cash until further funding has been secured or the demand for fuel cells picks up. This is also the reason for the Groups decision to put some employees on lay-off towards the end of the second quarter and into third quarter 2024.

EBITDA for the period was negative by NOK 39.6 million compared to NOK 37.7 million in 1H 2023.

The Group suffers a significant loss on financial during the first half of 2024. As a consequence of the offer towards existing bondholders to convert bonds at a share price of NOK 2, significantly lower than initially agreed conversion prices, the Group had to register a financial loss of NOK 60.6 million. This theoretical effect is based on the number of extra number of shares received by the bondholders as a consequence of the reduced conversion price multiplied by NOK 2.36 which was the share price on the day the agreement was communicated. Remaining financial expenses are reduced by approx. NOK 3.2 million from 2023 to NOK 10.9 million. The figure is made up of interest expenses, foreign exchange differences and leasing-related expenses.

Total loss for the period was NOK 117.4 million, compared to NOK 56.5 million in 1H 2023.



Statement of financial position

The Group's non-current assets have increased to NOK 416 million, up from NOK 413 million since year end 2023. Intangible assets increased by NOK 8 million. Intangible assets contain the group's capitalized development expenses where the vast majority is related to the development of fuel cells. During the first half of 2024, the contribution from external development partners was mainly put on hold and led to a smaller increase than in previous accounting periods.

Also, for current assets, relatively small changes applies for the period ending 30 June 2024. Total assets are up by NOK 1.2 million from 31. December 2023.

The group's total equity as per 30 June 2024 was NOK 39 million. This represents an increase of NOK 33.2 million since the end of 2023 and is primarily the consequence of conversion of bonds in the first half 2024.

Other non-current liabilities subsequently decreased by NOK 53.7 million compared to year end 2023. This balance sheet item also included the conversion of convertible bonds.

Total current liabilities as per 30 June 2024 were NOK 271.8 million. This is an increase of NOK 21.7 million since December 2023 and is primarily related to an increase of trade and other payables.

Statement of cash flows

Net cash flow from operating activities was NOK -19.4 million and is mainly a result of the loss for the period. This represents an improvement of NOK 15.4 million compared to the same period in 2023.

Net cash flow from investing activities was NOK -6.8 million and represents a significant reduction from the same period in 2023 (NOK -57.4 million). This reduction is related to less development expenses in 2024 for reasons previously explained.

Cash flow from financing activities was NOK 28.8 million. The main sources from financing activities relates to proceeds from various public funding schemes and some sale of treasury shares, leading to an overall positive cash flow of approx. NOK 2.6 million during the period.

TECO 2030

Statements of Comprehensive Income

Amounts in NOK	01.01.2024 - 30.06.2024 (unaudited)	01.01.2023 - 30.06.2023 (unaudited)
Revenue from contracts with customers	288,726	5,385,739
Other income	505,184	2,680,761
Total income	793,910	8,066,500
Costs of goods sold	-5,094,443	-6,336,132
Personnel expenses	-25,446,906	-16,225,625
Other operating expenses	-9,864,482	-23,216,578
EBITDA	-39,611,921	-37,711,835
Depreciation and amortisation	-6,143,807	-6,239,447
Total operating expenses	-46,549,637	-52,017,782
Operating profit (loss)	-45,755,727	-43,951,282
Finance income	66,738	1,697,912
Value of incremental shares issued upon conversion*	-60,660,068	0
Other finance cost	-10,979,152	-14,196,132
Net financial income (expense)	-71,572,481	-12,498,221
Profit (loss) before tax	-117,328,209	-56,449,503
Income tax expense	0	0
Profit (loss) for the year	-117,328,209	-56,449,503
Other comprehensive income:		
Items that may be reclassified to profit or loss	-81,624	-95,609
Total other comprehensive income for the period	-81,624	-95,609
Comprehensive income for the year	-117,409,833	-56,545,111
Earnings per share		
Basic EPS, profit (loss) for the year attributable to ordinary equity holders	-0.72	-0.35
Diluted EPS, profit (loss) for the year attributable to ordinary equity holders	-0.72	-0.35

*See Note 2

The interim financial information has not been subject to audit or review.

TECO 2030

Statements of Financial Position

Amounts in NOK	30.06.2024 (unaudited)	31.12.2023 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,648,044	2,805,038
Intangible assets	310,002,670	302,088,769
Goodwill	2,742,535	2,665,017
Restricted deposits	18,172	18,172
Right-of-use assets	89,621,646	93,571,618
Finance lease receivables	10,997,235	11,293,302
Other non-current assets	272,728	1,033,613
Total non-current assets	416,303,029	413,475,529
Current assets		
Trade and other receivables	13,192,788	12,854,217
Inventories	44,813,969	40,298,638
Other current assets	29,622,065	38,778,118
Current financial lease receivables	1,557,696	1,463,947
Cash and cash equivalents	2,773,613	165,465
Total current assets	91,960,132	93,560,385
TOTAL ASSETS	508,263,161	507,035,915

Amounts in NOK	30.06.2024 (unaudited)	31.12.2023 (audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	2,038,918	1,625,813
Share premium	427,564,841	282,882,570
Treasury shares	-40,906	-40,742
Other reserves	20,650,823	15,126,595
Currency translation differences	-326,388	-244,768
Retained earnings	-410,929,878	-293,601,668
Total equity	38,957,410	5,747,802
Non-current liabilities		
Non-current lease liabilities	106,489,971	109,462,908
Other non-current liabilities	73,744,409	48,278,408
Convertible bonds	17,288,402	93,497,933
Total non-current liabilities	197,522,782	251,239,249
Current liabilities		
Current lease liabilities	8,804,584	8,453,812
Interest-bearing loans and borrowings	566,000	450,000
Trade and other payables	214,602,005	200,324,978
Other current liabilities	47,810,380	40,820,074
Total current liabilities	271,782,969	250,048,866
Total liabilities	469,305,751	501,288,114
TOTAL EQUITY AND LIABILITIES	508,263,161	507,035,915

TECO 2030

Statements of Cash Flow

Amounts in NOK	1.1.2024- 30.06.2024 (unaudited)	1.1.2023- 30.06.2023 (unaudited)
Cash flows from operating activities		
Profit or loss before tax	-117,328,209	-56,449,503
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Net financial income/expense	67,634,017	7,098,807
Other financial income		
Conversion rights		
Share based payments	19,451	170,135
Depreciation, amortisation and impairment	6,143,807	6,239,447
<i>Changes in working capital:</i>		
Changes in trade receivables and other receivables	9,396,549	826,327
Changes in trade and other payables	12,237,083	20,506,099
Change in inventories	-4,515,331	-3,414,543
Changes in other current assets and current liabilities	6,990,309	-9,792,020
Net cash flows from operating activities	-19,422,323	-34,815,252
Cash flow from investing activities		
Purchase of property, plant and equipment	-40,561	-1,393,517
Development expenditures	-6,713,275	-57,210,123
Loans to related parties	0	963,174
Interest received	0	278,656
Net cash flows from investing activities	-6,753,836	-57,361,810
Cash flow from financing activities		
Net cash proceeds from issuance of equity	0	849,597
Proceeds from sale of treasury shares	10,685,559	0
Proceeds from convertible debt	0	12,031,809
Proceeds from borrowings	3,000,000	0
Loans from related parties	116,000	0
Payment of interest	-1,837,983	-3,754,371
Proceeds from public funding	22,278,401	43,280,827
Cash payments for the principal portion of the lease liability	-4,122,770	-3,110,407
Cash payments for the interest portion of the lease liability	-2,346,434	-2,358,541
Cash received for the principal portion of the sublease receivables	756,235	696,919
Cash received for the Interest portion of the sublease receivables	255,298	269,391
Restricted deposits on lease premises		0
Net cash flows from financing activities	28,784,307	47,905,225
Net increase/(decrease) in cash and cash equivalents	2,608,148	-44,271,837
Cash and cash equivalents at beginning of the year	165,465	47,151,357
Cash and cash equivalents, end of period	2,773,613	2,879,521

The statement of cash flows are prepared using the indirect method.
The interim financial information has not been subject to audit or review

TECO 2030

Statements of Changes in Equity

Amounts in NOK	Share capital	Share premium	Treasury shares	Other reserves	Currency translation differences	Retained earnings	Total equity
Balance at 1 January 2023	1,585,114	262,240,603	0	14,447,702	-251,216	-175,936,105	102,086,098
Issuance of shares 12.02.2023, exercise of share options	2,267	904,401					906,668
Issuance of shares 01.03.2023, conversion of bonds	38,433	18,750,769					18,789,202
Transaction costs on issuance of shares		-57,071					-57,071
Share-based payments				170,135			170,135
Conversion rights				924,045			924,045
Reclassification of converted part of conversion rights		1,061,368		-1,061,368			0
Acquisition of own shares in debt-equity swap			-21,611	-16,650,458			-16,672,069
Profit (loss) for the year						-56,449,503	-56,449,503
Other comprehensive income					-95,609		-95,609
Balance as of 30 June 2023	1,625,813	282,900,070	-21,611	-2,169,943	-346,825	-232,385,609	49,601,896

Amounts in NOK	Share capital	Share premium	Treasury shares	Other reserves	Currency translation differences	Retained earnings	Total equity
Balance at 1 January 2024	1,625,813	282,882,570	-40,742	15,126,595	-244,765	-293,601,668	5,747,802
Issuance of shares 19.06.2024, conversion of bonds	413,105	139,501,325					139,914,430
Reclassification of converted part of conversion rights		5,180,946		-5,180,946			0
Share-based payments				19,451			19,451
Treasury shares acquired based on share-loan agreement			-50,000	-10,400,000			-10,450,000
Obligation to return borrowed treasury shares based on share-loan agreement				10,450,000			10,450,000
Treasury shares sold			49,837	10,635,723			10,685,559
Profit (loss) for the year						-117,328,209	-117,328,209
Other comprehensive income					-81,624		-81,624
Balance as of 30 June 2024	2,038,918	427,564,841	-40,906	20,650,823	-326,388	-410,929,878	38,957,410



TECO 2030

Notes to Financial Statements

Note 1 - General information

TECO 2030 ASA ("The Company" or TECO 2030) is an innovative engineering and equipment development company focusing on a greener and cleaner environment. The Company is working on identifying and developing high quality, cutting edge and cost-effective solutions to significantly reduce ecological impact of maritime pollution. TECO 2030 is striving in a fast-paced environment to help clients operate within the maritime rules and regulations at present and to meet new standards in the future. The Company is aiming to become a leading provider for Green Maritime Technology (GMT), through developing and delivering solutions for a cleaner global environment.

TECO 2030 ASA (org. nr. 923 706 747) is a public limited liability company incorporated and domiciled in Norway. The Company was incorporated on the 30 September 2019. The registered office address of TECO 2030 is Lysaker Torg 45, 1366 Lysaker, Norway. The 2024 half-year interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report does not include all the notes of the type normally included in an annual financial report.

Accordingly, this report is to be read in conjunction with the TECO 2030 annual report for the year ended 31 December 2023 and any public announcements made by TECO 2030 during the interim reporting period. The accounting policies adopted in this half-year financial report are consistent with the accounting policies applied in the previous annual report and corresponding interim reporting period, except for the adoption of an accounting policy for the convertible debt (see note 2) and for the adoption of new and amended standards. A number of amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards. The Board of Directors approved this interim report on 20 September 2024.

Note 2 – Convertible debt

June 2024 conversion

On 12 April 2024 TECO 2030 announced that it had received commitments to convert its outstanding convertible bond from bond holders representing approx. 83% of the total outstanding amount. TECO 2030 and the bond holders agreed to complete the conversion at a price per share NOK 2,00, to be carried out as a private placement of new shares against a contribution in kind of the relevant portions of the bond. The original conversion price was 5,0868 for bonds with a total nominal value of NOK 101,8 million and 9,7307 for bonds with a total nominal value of NOK 16,1 million. The more favourable conversion ratio resulted in the issuance of more shares at conversion than originally agreed upon. The difference between the fair value of the consideration the bond holder receives on conversion under the revised terms and the fair value of the consideration the holder would have received under the original terms is recognised as a loss in profit or loss.

The difference between the number of shares to be issued under the amended conversion terms and the number of shares to be issued to under the original conversion terms is 25.703.419 shares. The fair value of these shares is NOK 60,6 million using the closing share price on 12 April 2024 (NOK 2,36).

Note 3 - Events after the reporting period

In July, TECO 2030 announced that the company had raised the first USD 1 million out of a total investment of USD 4 million from Advait Infratech in India.

Mid-August TECO 2030 announced that it has repaid the shares to TECO Group AS according to the loan agreement from October 2023. Simultaneously it announced that the loan agreement has been extended till December 31, 2024.

Late-August, TECO 2030 announced that the company had raised the second USD 1 million out of a total investment of USD 4 million from Advait Infratech in India.

The Company's 20 largest shareholders as of 30 June 2024 are shown in the below table:

Shareholder	No. of Shares	in %
TECO GROUP AS*	37,000,000	22.76%
CLEARSTREAM BANKING S.A.	33,963,807	20.89%
Citibank	16,330,986	10.04%
Pershing LLC	13,498,841	8.30%
JAKOB HATTELAND HOLDING AS	6,953,114	4.28%
Citibank	5,733,997	3.53%
HANSEN EIENDOM OG KONSULT AS	4,153,942	2.55%
TECO 2030 ASA**	4,053,697	2.49%
TECO HOLDING AS	3,731,487	2.30%
SOLVIK HOLDING AS	3,215,612	1.98%
EQUITOR AS	2,816,371	1.73%
Saxo Bank A/S	1,823,627	1.12%
SIX SIS AG	1,562,259	0.96%
Morgan Stanley & Co. Int. Plc.	1,362,305	0.84%
KUBERA AS	1,304,762	0.80%
Brown Brothers Harriman & Co.	1,276,187	0.78%
SOO INVEST AS	1,265,000	0.78%
KBC Bank NV	1,151,987	0.71%
S25 HOLDING AS	1,100,255	0.68%
MEDIKOM AS	1,019,835	0.63%
20 Largest Shareholders	143,318,071	88.15%
Others	19,263,207	11.85%
Total Shareholders	162,581,278	100%

*TECO 2030 ASA entered into a loan agreement in October 2023 which gives the Company access to borrow up to 20 million shares from its largest shareholder, TECO Group AS. This is an interest free loan which matured 30 June 2024. At maturity, the Company must issue new shares to TECO Group AS similar to the number sold as per the date of issuance. As per 30.06.2024, the Company had borrowed 5,946,303 million shares and repaid the shares back to TECO Group AS on August 8th, 2024. Following the repayment, TECO Group AS and TECO 2030 has extended the loan agreement until December 31st, 2024. TECO Group has a total of 47 million shares which will be visible once all repayments from the loan agreement are completed.

**TECO 2030 ASA's share holdings are shares held through the mentioned loan agreement.



TECO
2030

Lysaker Torg 45, 1366 Lysaker, Norway
post@teco2030.no
www.teco2030.no