



ANNUAL REPORT 2022

ANNUAL REPORT

THE FINANCIAL YEAR 2022-01-01 - 2022-12-31

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Directors' Report

The Board of Directors and the CEO hereby submit the annual report for the financial year 2022-01-01 - 2022-12-31. The company has its registered office in Örebro County and Örebro Municipality.

General information about Metacon's business

Metacon AB (publ) develops and offers products and system solutions in the market for climate-friendly, so-called green hydrogen, i.e. hydrogen that is not produced with either fossil fuels or fossil-produced electricity. Metacon has two business areas that offer the same green hydrogen produced in different ways with different technologies. Catalytic reforming, which is based on our patented technology for cost-effective production of hydrogen from biogas or other green hydrocarbons, and electrolysis, which generates hydrogen by splitting water in an electricity-driven process. Metacon's operations and products are therefore highly relevant in the overall transformation of both the transport sector and large parts of the basic industry, required for a better environment and a stabilized climate. Metacon also offers complementary products, such as hydrogen refueling station equipment (HRS) that can be integrated with our various system solutions for hydrogen production.

Metacon's own research and development takes place mainly within our Greek subsidiary, Helbio S.A., which has more than 25 years of research and development experience of the core of our technology in catalytic steam reforming. A technology which is scalable and can be used to build both small systems and larger plants for the production of green hydrogen and as a converter of different types of hydrocarbons into hydrogen to generate electricity via fuel cells in either APU (Auxiliary Power Units) or so-called CHP (Combined Heat and Power) systems.

Reforming

HYDROGEN GENERATORS

Metacon's name originates from the conversion of methane (the main component of biogas) to hydrogen (Metacon - "methane conversion"). The conversion is done through a process-chemical technology called reforming which, after standard purification steps, generates ultra-pure hydrogen. Therefore, the product category is usually referred to as 'hydrogen generators'. Metacon has, within the wholly owned subsidiary Helbio S.A. in Greece, developed an ability to build hydrogen generators that can produce up to 250 cubic meters of hydrogen per hour.

During the year, a strategic decision was made to focus Metacon's activities in reforming towards the market for more large-scale hydrogen production, similar to what the Company is already working on in the electrolysis area. The Reforming business area focuses mainly on the market for Metacon's hydrogen generators (HHG systems). The reason for this is the uniqueness we believe we can achieve combined with the strong business case for Europe's approximately 18,000 biogas plants that our HHG systems offer. This in turn is expected to provide an opportunity for good gross margins and significant profits already from a limited number of units sold. During the year, several important milestones were reached, for example, we received CE marking of an HHG 40 system and initiated an important collaboration in Germany for demonstration of fossil-free hydrogen production from a large water treatment plant with existing biogas production.



Hydrogen will undoubtedly be one of the most important ways to decarbonise the transport sector (land, sea and air transport) and play a key role in the transformation of most heavily polluting basic industries into green and climate-friendly ones. The market for hydrogen will expand strongly in the near future. A typical application for our hydrogen generators will be, at the several hydrogen filling stations that are under planning, to produce the hydrogen on site from locally produced biogas. The hydrogen generators can also produce hydrogen for industry and supply hydrogen to fuel cells of different power classes for the production of electricity and heat. We are also confident about the strong interest in marine applications of hydrogen production through reforming on larger vessels.

SMALLER CHP AND AUXILIARY POWER UNITS

Metacon has a proprietary product family in the areas "Combined Heat and Power – CHP" and "Auxiliary Power Units – APU" based on the same type of reactors used in the hydrogen generators (HHG systems) but on a smaller scale.

The product area was evaluated strategically during the year as it does not fit naturally into Metacon's pure strategy in hydrogen production and larger B2B projects. During the year, work was ongoing on CE marking and necessary certification under German standards of the product H2PS-5, which will be completed. The system is scalable in terms of power, its overall efficiency is very good (about 85%) and it is intended for installation in larger homes, certain types of properties and at companies.



The CHP systems are modular and can be supplied in power unit (APU) design to produce electric power and thus in some cases replace gasoline or diesel generator sets.

Electrolysis

Metacon has taken the step fully into the market in electrolysis and filling stations and is building Sweden's first integrated filling station with greater capacity and where the hydrogen is produced locally from its own wind power. Other similar projects are in the portfolio. Metacon intends to continue to provide complete solutions for the design and delivery of electrolyzers. We have a distribution agreement with PERIC, China's largest manufacturer of electrolyzers and hydrogen production plants. The agreement with PERIC covers the whole of Europe and we can now also perform services in design, training, installation and maintenance, etc. for sold facilities.

Hydrogen refueling stations

Within the framework of the cooperation with PERIC, we can offer a complete and proven range of hydrogen refueling stations (HRS – Hydrogen Refueling Stations). We have already taken several orders for these and plan to be able to deliver complete systems for the production of hydrogen by combining either hydrogen generators (reforming) or electrolyzers with our filling station solutions.



Comments from the CEO

Our determined efforts to shape and scale up our business and product families in order to meet the explosive market growth in fossil-free hydrogen have continued unabated during the past year. Our view is that 2022 was the year that put hydrogen on the map worldwide and that previous talk is now beginning to be translated into action by both governments and individual companies. The openness of the EU and individual countries both to financial support and to requirements for the expansion of hydrogen production and access to hydrogen will contribute to our continued expansion, which may be rapid. Of course, our work to scale up the business has taken time and required capital, but we feel that we are now starting to put in place a unique portfolio of solutions and scalable products for different needs in the green hydrogen area and we see few others, if any, who have developed and can offer such a complete offer.

Metacon's revenues grew in 2022 by over 500% and we have now fully entered the commercial phase with our system solutions. At the same time, it is very gratifying to see that we are at the absolute forefront in Europe in both reforming and electrolysis for local fossil-free hydrogen production. Our green hydrogen project in Kempten, Germany will show the way for the biogas market's enormous opportunities for the production of green hydrogen. And in Småland, Sweden, we will soon complete one of the first wind power-connected integrated refueling stations for locally produced green hydrogen for both cars and trucks.

The market for hydrogen filling stations will grow very rapidly in Sweden and across Europe in the future, and there we have the opportunity to contribute in a way that few others by, in addition to our leading electrolysis program, also enable locally produced green hydrogen for a filling station without the site having access to green electricity. The potential of being able to enable refueling of green hydrogen "off grid" from Germany's approximately 10,000 biogas plants with our compact reforming plants is enormous and we see an equally large market in North America emerging. It is for this reason that during the year we decided on a clearer strategy towards our larger systems and the market for different types of hydrogen production. We are now proceeding according to that plan and look forward to being able to contribute with high impact to the important energy and fuel transition that has begun.



Christer Wikner

President and CEO, Metacon AB (Publ)

Upcoming financial reports

The company publishes the following reports during the year:

- Interim report January–March 2023 will be published on 17 May 2023
- Interim report January-June 2023 will be published on 24 August 2023
- Interim report January-September 2023 will be published on November 10, 2023
- Year-end report 2023 will be published on 15 February 2024

Annual General Meeting 2023

The Annual General Meeting will be held on June 8, 2023 at 2:00 p.m. at Örebro University.

Significant risks and uncertainties

Metacon's operations are largely dependent on external factors that the company cannot influence on its own. External monitoring of behavior, trends, laws, and regulations as well as market developments takes place continuously to meet new conditions. The ability to identify, evaluate, manage, and follow up risks plays a central role in the governance of the company.

Commercial and development risk

The energy sector in which the Company operates is undergoing major changes, mainly linked to technological developments in the area. If new technology is developed in the area where Metacon operates, the Company has limited resources to adapt. This development, together with a fluctuating demand and increased availability of alternative energy sources, makes it more difficult to forecast the impact of Metacon's projects. If changes occur that are negative for Metacon's projects, there is a risk that the Company's net sales and earnings will be negatively affected.

Financial risks

Metacon's marketing initiatives and product development entail costs for the Company. Any future capital requirements depend on several factors, including success with product development, generated revenue and cooperation agreements. There is a risk that the Company will seek opportunities for financing, including debt financing, and if external capital needs to be raised through a new share issue, existing shareholders' holdings risk being diluted. The company is also dependent on commercial finance to be able to carry out larger projects or parallel projects. Access to such financing may also pose a risk.

Intellectual property rights

Metacon's development and success are partly dependent on the Company's ability to obtain and retain patent protection for its products and methods. There is a risk that the Company's current and any future patent applications or other applications for intellectual property protection will not be approved or will only be approved in certain countries. Furthermore, there is a risk that granted patents do not provide effective commercial protection, since opposition or other invalidity claims against issued patents can be made after the grant of patents. Commercial freedom to operate can also pose a certain risk as other actors' patent applications can be difficult to detect and overview.

Key personnel and employees

Metacon's key employees have high competence and long experience in the company's business area. The loss of one or more key employees may have negative consequences for the Company's operations and earnings. Difficulties in recruiting key personnel may also have negative consequences for the Company's operations.

Development cost

Metacon will continue to develop products within its business area. Time and cost aspects for product development can be difficult to determine with accuracy in advance, which entails a risk that product development may be more costly than forecast and thus risk the Company's net sales and earnings being negatively affected.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- On January 26, 2022, Metacon announces that an EPC partner agreement with GISAB (part of Jernbro) for the electrolysis and HRS area in the Nordic region has been signed.
- On February 28, 2022, Metacon announced a partnership agreement to create a "hydrogen village" in Greece together with, among others, the large gas company DEDA.
- On March 4, 2022, Metacon issued a cooperation agreement with Peric for the European market for hydrogen refueling stations (HRS).
- On April 6, 2022, Metacon announced that its subsidiary Helbio is starting an EU-funded research project in the development of innovative nanocatalytic materials and reactors "NANOLEFINS" in collaboration with project partners. Helbio's total budget is EUR 167,000 and the funding rate is 80 per cent.
- On April 22, 2022, Metacon announced that it in collaboration with its distributor Hydroholding has been awarded a contract for the delivery of a first demonstration HRS for hydrogen refueling in Slovakia.
- On April 27, 2022, Metacon, in collaboration with EPC partner GISAB (Gällivare Industriservice AB, part of Jernbro), announced that it had entered into an agreement with a value of approximately SEK 56 million for the delivery of two electrolysis-based and fully integrated filling stations (HRS) for green hydrogen to Botnia Hydrogen AB.
- On April 29, 2022, Metacon announced decisions on medium-term financial targets. The financial targets are for the company's sales for 2025 to exceed SEK 500 million and for the company to be cash flow positive by the end of 2025 at the latest.
- On May 5, 2022, it was announced that Metacon has, within the framework of its partnership agreement with Peric Hydrogen Technology, successfully completed an initial evaluation project for sales and business development of Peric's electrolysis portfolio in the US market.
- On May 16, 2022, it was announced that Metacon and the German green tech distributor Brennstoffzelle4home GmbH (B4H) have signed an MoU for the distribution and sale of Metacon's Combined Heat and Power (CHP) unit "H2PS-5" on the German market and Metacon receives its first order for five H2PS-5 units.

- On May 17, 2022, it was announced that Metacon's subsidiary Helbio has delivered a first "ammonia cracker" prototype according to plan to the Norwegian company Pherousa Green Technologies AS (Pherousa).
- On June 7, 2022, it was announced that Metacon's Board of Directors resolved on a Rights Issue of up to SEK 159 million.
- On June 8, 2022, Metacon announced that Metacon has initiated the listing process from NGM to Nasdaq First North Growth Market.
- On July 1, 2022, Metacon announces the outcome of the rights issue. The company will receive SEK 139 million before issue costs.
- On September 9, 2022, Metacon received a conditional resolution to delist its shares on NGM Nordic SME.
- On September 14, 2022, Metacon announced that the company had received approval for listing on Nasdaq First North Growth Market.
- On September 22, 2022, Metacon will publish supplementary documents for the upcoming listing on Nasdaq First North Growth Market.
- On September 26, 2022, the company announced that trading in Metacon AB (publ) will commence on Nasdaq First North Growth Market under the ticker META.
- On November 18, 2022, Metacon announces that it has achieved approved CE marking of the first-generation reformer-based hydrogen generator HHG 40.
- On November 21, 2022, Metacon announced that it in collaboration with Hydroholding will deliver an additional small-scale hydrogen refueling station (HRS) in Slovakia.
- On November 25, 2022, Metacon and the water treatment plant Abwasserverband Kempten (Allgäu) signed the Memorandum of Understanding (MoU) for demonstration of green hydrogen from biogas with Metacon's reformer technology in Kempten.
- On December 8, 2022, Metacon announced that it had signed a Master Supply Agreement (MSA) with Ground Investment Corp SRL as supplier to a turnkey 10 MW green hydrogen project.

MULTI-YEAR OVERVIEW (kSEK)

Group

	2022	2021	2020	2019
Net sales	63 825	10 186	4 071	1 925
Profit/loss after financial items	-50 436	-34 397	-19 788	-22 103
Total assets	190 095	246 534	100 466	50 939
Solidity (%)	90	94	90	72
Return on total capital (%)	neg	neg	neg	neg

MULTI-YEAR OVERVIEW (kSEK)

Parent Company

	2022	2021	2020	2019
Net sales	49 063	162	260	305
Profit/loss after financial items	-20 868	-5 096	-8 929	-10 901
Total assets	432 788	319 263	149 857	84 405
Solidity (%)	95	98	96	93
Return on total capital (%)	neg	neg	neg	neg

EQUITY

	Share capital	Other equity	Non-controlling interest
<i>Group</i>			
Opening equity	2 653 801	228 120 944	-
<i>Changes in reported values directly against equity</i>			
Transfer of goodwill for Helbio to equity		-122 906 630	
Value booked directly against equity *)		-6 579 338	
Total	2 653 801	98 634 976	-
<i>Transactions attributable to the parent company's shareholders</i>			
Proceeds from issuance of shares	772 057	120 034 044	
Result of the year		-50 436 257	
Total	772 057	69 597 787	-
Ending equity 2022-12-31	3 425 858	168 232 763	-

*) The value is mainly related to the effect of the merger of the Helbio-group.

Number of shares: 342 585 803

Restricted equity	Share capital	Fund for activated costs	Statutory reserve	Ongoing rights issue
<i>Parent company</i>				
Opening equity	2 653 801	-	10 000	-
<i>Transactions with shareholders</i>				
Proceeds from issuance of shares	772 057			
Total	3 425 858	-	10 000	-
Ending equity 2022-12-31	3 425 858	-	10 000	-

Non-restricted equity	Share premium fund	Profit or loss brought forward and net result
<i>Parent company</i>		
Opening balance	384 818 929	-75 990 090
<i>Net result for the year</i>		-20 867 752
Proceeds from issuance of shares	120 034 044	
Ending equity 2022-12-31	504 852 973	-96 857 842

Number of shares: 342 585 803

Proposed allocation of company profit or loss

The Board of Directors proposes that non-restricted equity is appropriated as follows:

	Amounts in SEK
Share premium fund	504 852 973
Profit or loss brought forward	-75 990 090
Profit for the year	-20 867 752
Total	407 995 131

Regarding the results and position in general, reference is made to the subsequent results and balance sheet with the associated notes.

INCOME STATEMENT - GROUP

Amounts in SEK	Note	2022-01-01- 2022-12-31	2021-01-01- 2021-12-31
<i>Operating income</i>			
Net sales		63 825 367	10 186 074
Other operating income	2	3 319 530	3 546 841
		67 144 897	13 732 915
<i>Operating expenses</i>			
Raw materials and consumables		-57 411 812	-9 901 181
Other external costs	3, 5	-25 306 881	-14 634 360
Employee benefit expenses	4	-18 521 766	-11 243 762
Depreciation/amortization and impairment of tangible and intangible assets		-12 198 345	-16 722 490
Other operating expenses		-1 076 480	-335 484
Operating result		-47 370 387	-39 104 362
<i>Result from financial items</i>			
Results from securities and receivables that are fixed assets		-2 963 237	4 962 902
Interest income and similar income		98 794	47 197
Interest expenses and similar expenses		-201 427	-302 268
Profit/loss after financial items		-50 436 257	-34 396 531
Result before tax		-50 436 257	-34 396 531
Net result for the year		-50 436 257	-34 396 531
Attributable to:			
Shareholders of the parent company		-50 436 257	-30 547 728
Non-controlling interest		-	-3 848 803

BALANCE SHEET - GROUP

Amounts in SEK	Note	2022-12-31	2021-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized expenditure for development and similar	6	1 087 359	1 078 055
Goodwill	7	33 959 668	169 001 397
		35 047 027	170 079 452
<i>Tangible assets</i>	8		
Plant and machinery		5 690 975	4 209 155
Equipment, tools and installations		819 838	887 843
		6 510 813	5 096 998
<i>Financial assets</i>			
Participations in associated companies	10	6 222 698	-
Other securities held as non-current assets	11	1 999 666	4 962 903
Other long-term receivables	12	114 837	89 290
		8 337 201	5 052 193
Total fixed assets		49 895 041	180 228 643
Current assets			
<i>Inventories etc.</i>			
Raw materials and consumables		9 528 157	4 760 169
Work in progress	13	4 060 857	5 580 294
		13 589 014	10 340 463
<i>Current receivables</i>			
Accounts receivables		17 960 104	935 833
Current tax assets		-67 505	-
Other receivables		2 473 793	1 445 503
Prepaid expenses and accrued income	14	1 002 657	5 640 457
		21 369 049	8 021 793
Cash and bank balances		105 174 848	42 939 728
Total current assets		140 132 911	61 301 984
TOTAL ASSETS		190 027 952	241 530 627

BALANCE SHEET - GROUP

Amounts in SEK	Note	2022-12-31	2021-12-31
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital		3 425 858	2 653 801
Other capital		168 232 763	228 120 944
Equity attributable to shareholders of the parent company		171 658 621	230 774 745
Total equity		171 658 621	230 774 745
<i>Non-current liabilities</i>			
Other liabilities to credit institutions	15	2 464 286	3 107 143
Other non-current liabilities		1 772 301	335 347
		4 236 587	3 442 490
<i>Current liabilities</i>			
Liabilities to credit institutions		642 857	642 857
Accounts payable		3 451 108	738 047
Tax liabilities		149 328	64 542
Other current liabilities		7 108 441	3 686 558
Accrued expenses and deferred income	16	2 781 010	2 181 388
		14 132 744	7 313 392
TOTAL EQUITY AND LIABILITIES		190 027 952	241 530 627

CASH FLOW STATEMENT - GROUP

Amounts in SEK	Note	2022-12-31	2021-12-31
<i>Operating activities</i>			
Profit/loss after financial items		-50 436 257	-34 396 531
Adjustments for items not included in cash flow etc.		12 198 345	13 760 726
Other items not included in cash flow		-2 156 294	-
Paid income tax		152 291	70 071
Operating cash flow before changes in working capital		-40 241 915	-20 565 734
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease(+) in inventories		-3 248 551	-5 583 998
Increase(-)/Decrease(+) in operating receivables		-13 414 761	-1 782 968
Increase(+)/Decrease(-) in operating liabilities		6 734 566	1 407 934
Cash flow from operating activities		-50 170 661	-26 524 766
<i>Investing activities</i>			
Investment in intangible assets		-271 781	-175 770 872
Investment in tangible assets		-2 674 391	-3 033 214
Investment in financial assets		-6 248 245	-1 515
Cash flow from investing activities		-9 194 417	-178 805 601
<i>Financing activities</i>			
Proceeds from issuance of shares		120 806 101	172 625 400
Net loan taken		794 097	-
Net amortization of loan		-	-643 083
Cash flow from financing activities		121 600 198	171 982 317
Total cash flow		62 235 120	-33 348 050
Cash and bank balances at the beginning of the year		42 939 728	76 287 778
Cash and bank balances at the end of the year		105 174 848	42 939 728

INCOME STATEMENT – PARENT COMPANY

Amount in SEK	Note	2022-01-01- 2022-12-31	2021-01-01- 2021-12-31
<i>Operating income</i>			
Net sales		49 062 797	162 081
Other operating income	2	267 068	1 153 297
		49 329 865	1 315 378
<i>Operating expenses</i>			
Raw materials and consumables		-43 442 916	-
Other external costs	3, 5	-12 998 338	-5 187 666
Employee benefit expenses	4	-9 445 954	-5 412 581
Depreciation/amortization and impairment of tangible and intangible assets		-456 901	-414 548
Other operating expenses		-891 997	-156 167
Operating result		-17 906 241	-9 855 584
<i>Result from financial items</i>			
Results from securities and receivables that are fixed assets		-2 963 237	4 962 902
Interest income and similar income		199 570	-
Interest expenses and similar expenses		-197 844	-203 605
Profit/loss after financial items		-20 867 752	-5 096 287
Result before tax		-20 867 752	-5 096 287
Net result for the year		-20 867 752	-5 096 287

BALANCE SHEET – PARENT COMPANY

Amount in SEK	Note	2022-12-31	2021-12-31
ASSETS			
Fixed assets			
<i>Tangible assets</i>	8		
Plant and machinery		582 670	1 024 692
Equipment, tools fixtures and fittings		56 747	71 626
		639 417	1 096 318
<i>Financial assets</i>			
Participation in group companies	9	286 485 755	270 031 065
Participations in associated companies	10	6 222 698	-
Other securities held as non-current assets	11	1 999 666	4 962 903
Other long-term receivables	12	7 500	7 500
		294 715 619	275 001 468
Total fixed assets		295 355 036	276 097 786
Current assets			
<i>Inventories etc.</i>			
Raw materials and consumables		1 444 137	-
		1 444 137	-
<i>Current receivables</i>			
Accounts receivables		1 356 827	-
Receivables from group companies		33 101 741	7 835 760
Other receivables		33	255 081
Prepaid expenses and accrued income	14	684 292	276 012
		35 142 893	8 366 853
Cash and bank balances		100 778 920	34 798 662
Total current assets		137 365 950	43 165 515
TOTAL ASSETS		432 720 986	319 263 301

BALANCE SHEET – PARENT COMPANY

Amount in SEK	Not	2022-12-31	2021-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted capital</i>			
Share capital		3 425 858	2 653 801
Fund for development costs		10 000	10 000
		3 435 858	2 663 801
<i>Non-restricted equity</i>			
Share premium reserve		504 852 973	384 818 929
Profit or loss brought forward		-75 990 090	-70 893 802
Profit or loss for the year		-20 867 752	-5 096 287
		407 995 131	308 828 840
Total equity		411 430 989	311 492 641
<i>Non-current liabilities</i>			
Other liabilities to credit institutions	15	2 464 286	3 107 143
		2 464 286	3 107 143
<i>Current liabilities</i>			
Liabilities to credit institutions		642 857	642 857
Advance payment from customers	13	10 078 010	-
Accounts payable		2 337 050	444 308
Liabilities to group companies		-	2 002 000
Tax liabilities		216 833	64 542
Other current liabilities		3 642 315	313 002
Accrued expenses and deferred income	16	1 908 646	1 196 808
		18 825 711	4 663 517
TOTAL EQUITY AND LIABILITIES		432 720 986	319 263 301

CASH FLOW STATEMENT – PARENT COMPANY

Amounts in SEK	Note	2022-12-31	2021-12-31
<i>Operating activities</i>			
Profit/loss after financial items		-20 867 752	-5 096 287
Adjustments for items not included in cash flow etc.		3 420 138	-4 548 354
Paid income tax			70 070
Cash flow from operating activities before changes in working capital		-17 447 614	-9 574 571
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease (+) in inventories		-1 444 137	-
Increase(-)/Decrease (+) in operating receivables		-26 843 545	-4 304 905
Increase(+)/Decrease (-) in operating liabilities		14 229 699	2 482 010
Cash flow from operating activities		-31 505 597	-11 397 466
<i>Investing activities</i>			
Investment in group company		-22 677 388	-186 159 067
Investment in tangible assets		-	-350 398
Cash flow from investing activities		-22 677 388	-186 509 465
<i>Financing activities</i>			
Proceeds from issuance of shares		120 806 100	172 625 400
Net amortization of loan		-642 857	-642 857
Cash flow from financing activities		120 163 243	171 982 543
Cash flow for the year		65 980 258	-25 924 388
Cash and cash balances at the beginning of the year		34 798 662	60 723 050
Cash and cash balances at the end of the year		100 778 920	34 798 662

NOTES

Note 1 Accounting principles

Amounts in SEK if nothing else is noted.

GENERAL ACCOUNTING PRINCIPLES

The annual report has been prepared in accordance with the Annual Accounts Act and the Accounting Standards Board's general guidelines BFNAR 2012:1 Annual and Group Reports (K3).

The Parent Company applies the same accounting principles as the Group, except in the cases listed below under the section "Accounting principles in the Parent Company".

VALUATION PRINCIPLES ETC

Assets, provisions and liabilities are valued based on cost unless otherwise stated. Receivables have been valued at the lower of acquisition value and the amount by which they are expected to be settled.

Receivables and liabilities in foreign currency have been valued at the exchange rate on the balance sheet date. Exchange rate gains and losses on operating receivables and operating liabilities are reported in operating profit, while exchange rate gains and losses on financial receivables and liabilities are reported as financial items.

The accounting principles are unchanged compared with previous year.

Income

Revenue has been recognized at real value of what has been or will be received and is reported to the extent that it is probable that the financial benefits will be credited to the company and the revenue can be calculated in a reliable manner.

Assignment income and expenses for assignments at a fixed price are reported as income and expenses based on the degree of completion on the balance sheet date, successive profit recognition.

The degree of completion is calculated as work performed of a total contract

Fixed assets

Intangible and tangible fixed assets are reported at acquisition value less accumulated depreciation according to plan and any write-downs.

Income tax

Total tax consists of current tax and deferred tax. Taxes are reported in the income statement, except when the underlying transaction is reported directly against equity whereby associated tax effects also are reported in equity.

Public grants

Grants from the state are reported at fair value when it is reasonable and certain that the grant will be received and the company will meet the conditions associated with the grant.

Definition of key ratios

Net sales

Operating main income, invoiced costs, side income and income corrections.

Profit/loss after financial items

Profit/loss after financial income and expenses, but before extraordinary income and expenses.

Total assets

The company's total assets.

Solidity (%)

Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.

Return on equity (%)

Profit/loss after financial items as a percentage of adjusted equity (equity and untaxed reserves less deferred tax).

INTANGIBLE ASSETS

Expenditure on research and development

When capitalizing expenses for development, the capitalization model is applied. This means that expenses incurred during the development phase are reported as an asset when all of the following conditions are met:

- It is technically possible to complete the intangible asset so that it can be used or sold.
- The intention is to complete the intangible fixed asset and to use or sell it.
- Prerequisites exist for using or selling the intangible fixed asset.
- It is likely that the intangible fixed asset will generate future economic benefits.
- There are necessary and adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible fixed asset can be calculated reliably.

The acquisition value of an internally generated intangible fixed asset consists of external directly attributable expenses.

Other intangible assets

Other intangible assets acquired by the company are reported at acquisition value less accumulated depreciation and write-downs. Expenses for internally generated goodwill and brands are reported in the income statement as an expense when they arise.

Depreciations

Depreciation takes place on a straight-line basis over the asset's estimated useful life. Depreciation is reported as an expense in the income statement.

The following depreciation periods are applied:	Group %	Parent company %
<i>Internally generated intangible assets</i>		
Capitalized expenses for development and similar work	20-30	20-30
<i>Acquired intangible assets</i>		
Goodwill and patents	7,5-35	7,5-35

TANGIBLE ASSETS

Tangible fixed assets are reported at acquisition value less accumulated depreciation and write-downs. In addition to the purchase price, the acquisition value also includes expenses that are directly attributable to the acquisition

Additional expenses

Additional expenses that meet the asset criterion are included in the asset's carrying amount. Expenses for ongoing maintenance and repairs are

reported as costs when they arise.

Depreciations

Depreciation takes place on a straight-line basis over the asset's estimated useful life, as it reflects the expected consumption of the asset's future economic benefits. Depreciation is reported as an expense in the income statement

The following depreciation periods are applied:

Tangible fixed assets:	Group %	Parent company %
Plant and machinery	12-20	20

The difference between the above-mentioned depreciation and depreciation made for tax purposes is reported in the individual companies as accumulated overdepreciation, which is included in untaxed reserves.

Leasing

All leasing agreements have been classified as financial or operational leasing agreements. A financial leasing agreement is a leasing agreement according to which the risks and benefits associa-

ted with owning an asset are essentially transferred from the lessor to the lessee. An operational leasing agreement is a leasing agreement that is not a financial leasing agreement.

Operational leasing agreements

Leasing fees according to operational leasing agreements, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are reported as an expense on a straight-line basis over the leasing period.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are prepared in accordance with the acquisition method.

Intra-group receivables and liabilities as well as transactions between Group companies as well as unrealized gains are eliminated in their entirety. Unrealized losses are also eliminated unless the transaction corresponds to an impairment loss.

SUBSIDIARY

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence. Controlling influence means a right to formulate a company's financial and operational strategies in order to obtain economic benefits. The reporting of business acquisitions is based on the unit view. This means that the acquisition analysis is prepared as of the time when the acquirer acquires a controlling influence. From this point on, the acquirer and the acquired entity are seen as an accounting entity. The application of the unit view also means that all assets (including goodwill) and liabilities as well as income and expenses are included in their entirety also for partly owned subsidiaries.

The acquisition value for subsidiaries is calculated at the sum of fair value at the time of acquisition for paid assets with the addition of incurred and assumed liabilities as well as issued equity in-

struments, expenses that are directly attributable to the business combination and any additional purchase consideration. The acquisition analysis determines the fair value, with some exceptions, at the time of acquisition of acquired identifiable assets and assumed liabilities as well as minority interests. Minority interest is valued at fair value at the time of acquisition. From the time of acquisition, the consolidated accounts include the acquired company's revenues and expenses, identifiable assets and liabilities as well as any goodwill or negative goodwill incurred.

The financial statements of foreign subsidiaries have been recalculated according to the current exchange rate method. All items in the balance sheet have been recalculated at the exchange rate on the balance sheet date. All items in the income statement have been translated at the average exchange rate during the financial year.

GOODWILL

Group goodwill arises when the acquisition value upon acquisition of shares in subsidiaries exceeds the value of the acquired company's identifiable net assets determined in the acquisition analysis. Goodwill is reported at acquisition value less accumulated depreciation and any write-downs.

Goodwill attributable to the acquisition of the minority's shares in the subsidiary Helbio has been reported directly against equity.

Note 2 Other operating income

	2022-01-01- 2022-12-31	2021-01-01- 2021-12-31
Group		
Commission income	130 658	1 049 144
EU-Grant Greece	2 619 551	2 407 259
Other income Sweden	478 829	88 263
Other income Greece	10 903	2 175
Other income Japan	78 844	-
Other income Germany	745	-
Total	3 319 530	3 546 841
Parent company		
Commission income	130 658	1 049 144
Other income	136 410	104 153
Total	267 068	1 153 297

Note 3 Fees and cost reimbursement to auditors

	2022-01-01- 2022-12-31	2021-01-01- 2021-12-31
Group		
<i>R3 and Mr Kypris, Greece</i>		
Audit fee	187 149	259 870
Other assignment	50 700	71 425
Total	237 849	331 295
Parent company		
<i>R3</i>		
Audit fee	118 300	214 275
Other assignment	50 700	71 425
Total	169 000	285 700

Note 4 Employees, personnel costs and board fees

Average number of employees	2022-01-01-2022-12-31	Men	2021-01-01-2021-12-31	Women
Group				
Sweden	6	6	4	4
Greece	25	20	20	19
	31	26	24	23
Parent company				
Sweden	6	6	4	4
	6	6	4	4

Salaries and other remunerations and social costs, including retirement costs

	2022-01-01-2022-12-31	2021-01-01-2021-12-31
Group		
Salaries and other remunerations	13 148 775	8 428 822
Social costs	4 571 065	2 751 287
(of which pension expenses)	774 795	405 419
	17 719 840	11 180 109
Parent company		
Salaries and other remunerations	6 274 144	3 763 474
Social costs	2 852 407	1 584 950
(of which pension expenses)	774 795	405 419
	9 126 551	5 348 424

Note 5 Leasing agreements

Leasing costs for the year regarding leasing agreements, amounts to 1 211 690 (423 490) in the Group and 425 026 (157 824) in the parent company.

Future leasing fees, for non-cancellable leasing agreements, are due for payment as follows:

	2022-12-31	2021-12-31
Group		
Within a year	1 311 563	479 352
Later than one year but within five years	3 226 813	1 243 288
Later than five years	-	481 482
	4 538 376	2 204 122
Parent company		
Within a year	330 400	167 989
Later than one year but within five years	483 400	55 996
Later than five years	-	-
	813 800	223 985

Note 6 Capitalized expenses for development work and similar work

	2022-12-31	2021-12-31
Group		
<i>Accumulated acquisition values:</i>		
-At the beginning of the year	3 654 038	2 596 780
-New acquisitions	171 468	1 052 344
-The year's translation differences	100 313	4 914
	3 925 819	3 654 038
<i>Accumulated depreciation according to plan:</i>		
-At the beginning of the year	-2 575 983	-2 398 026
-Depreciation for the year according to plan	-262 477	-177 957
	-2 838 460	-2 575 983
Reported value at the end of the year	1 087 359	1 078 055
Parent company		
<i>Accumulated acquisition values:</i>		
-At the beginning of the year	2 225 609	2 225 609
	2 225 609	2 225 609
<i>Accumulated depreciation according to plan:</i>		
-At the beginning of the year	-2 225 609	-2 225 609
	-2 225 609	-2 225 609
Reported value at the end of the year	-	-

Note 7 Goodwill

	2022-12-31	2021-12-31
Group		
<i>Accumulated acquisition values:</i>		
-At the beginning of the year	242 093 499	67 379 877
-New acquisitions	-	174 713 622
-Transfer to equity	-122 906 630	
	119 186 869	242 093 499
<i>Accumulated depreciation according to plan:</i>		
-At the beginning of the year	-73 092 102	-57 228 547
-Depreciation for the year according to plan	-12 135 099	-15 863 555
	-85 227 201	-73 092 102
Reported value at the end of the year	33 959 668	169 001 397

Note 8 Plant and machinery

	2022-12-31	2021-12-31
Group		
<i>Accumulated acquisition values:</i>		
-At the beginning of the year	11 796 259	8 763 054
-New acquisitions	2 363 382	2 984 328
-The year's translation differences	183 789	48 877
-At the end of the year	14 343 430	11 796 259
<i>Accumulated depreciation according to plan:</i>		
-At the beginning of the year	-6 699 261	-6 018 283
-Reclassifications	-	-
-Depreciation for the year according to plan	-1 133 356	-680 978
-At the end of the year	-7 832 617	-6 699 261
Reported value at the end of the year	6 510 813	5 096 998
<i>Machines included under financial leasing agreements</i>	None	None
Parent company		
<i>Accumulated acquisition values:</i>		
-At the beginning of the year	3 211 535	2 861 137
-New acquisitions	-	350 398
-At the end of the year	3 211 535	3 211 535
<i>Accumulated depreciation according to plan:</i>		
-At the beginning of the year	-2 115 217	-1 700 670
- Depreciation for the year according to plan	-456 901	-414 547
-At the end of the year	-2 572 118	-2 115 217
Reported value at the end of the year	639 417	1 096 318
<i>Machines included under financial leasing agreements</i>	None	None

Note 9 Participations in group companies

	2022-12-31	2021-12-31
<i>Accumulated acquisition values:</i>		
-At the beginning of the year	270 031 065	83 871 997
-New acquisitions	16 454 690	186 159 068
Reported value at the end of the year	286 485 755	270 031 065

Spec of the parent company's and the group's holdings of shares in group companies

This applies to the ownership share of the capital, which also corresponds to the proportion of votes to the total number of shares.

Subsidiary / Org no	Capital share %	2022-12-31 Reported value	2021-12-31 Reported value
Helbio Holding S.A. (123774516000)	100	237 164 438	220 709 748
Metacon KK (0210-01-0537)	100	21 317	21 317
Water2H2 AB (559270-5908)	100	49 250 000	49 250 000
Metacon Warrant AB (559318-4392)	100	25 000	25 000
Metacon GmbH (HRB 167620)	100	25 000	25 000
		286 485 755	270 031 065

Note 10 Shares in associated companies and jointly controlled companies

	2022-12-31	2021-12-31
Group		
<i>Accumulated acquisition values:</i>		
-Acquisitions	6 222 698	-
-At the end of the year	6 222 698	-
Reported value at the end of the year	6 222 698	-
Parent company		
<i>Accumulated acquisition values:</i>		
-Acquisitions	6 222 698	-
-At the end of the year	6 222 698	-
Reported value at the end of the year	6 222 698	-

Information of the parent company's and the group's holdings of shares in jointly controlled companies

Jointly controlled companies / org no, residence	Adjusted Equity / Result of the year	Shares / quantity in %	Capital share value in the group	Reported value at the parent company
Directly owned				
Botnia Hydrogen AB 559303-0454, Piteå	25 383 904	17,9	6 222 698	6 222 698

Note 11 Other securities held as non-current assets

	2022-12-31	2021-12-31
Group		
-Opening acquisition values	4 962 903	4 962 903
-Opening write-downs	-	-4 962 902
-Reversed write-down	-	4 962 902
-Write-down of the year	-2 963 237	-
Reported value at the end of the year	1 999 666	4 962 903
Parent company		
-Opening acquisition values	4 962 903	4 962 903
-Opening write-downs	-	-4 962 902
-Reversed write-down	-	4 962 902
-Write-down of the year	-2 963 237	-
Reported value at the end of the year	1 999 666	4 962 903

Refers to 101 223 shares in Advent Technologies.

Note 12 Other long-term receivables

	2022-12-31	2021-12-31
Group		
<i>Accumulated acquisition values:</i>		
-At the beginning of the year	89 290	87 775
- Additional receivables	25 547	1 515
-At the end of the year	114 837	89 290
-Reclassifications	-	-
Reported value at the end of the year	114 837	89 290
Parent company		
<i>Accumulated acquisition values:</i>		
-At the beginning of the year	7 500	7 500
-At the end of the year	7 500	7 500
Reported value at the end of the year	7 500	7 500

Note 13 Work in progress

	2022-12-31	2021-12-31
Group		
Expenses incurred on contracts	14 138 867	10 583 759
Advance from customer	-10 078 010	-5 003 465
	4 060 857	5 580 294
Parent company		
Expenses incurred on contracts	-	-
Advance from customer	-10 078 010	-
Reported value at the end of the year	-10 078 010	-

Note 14 Prepaid expenses and accrued income

	2022-12-31	2021-12-31
Group		
Prepaid expenses	383 697	5 564 476
Accrued income	618 960	75 981
	1 002 657	5 640 457
Parent company		
Prepaid expenses	65 332	200 031
Accrued income	618 960	75 981
	684 292	276 012

Note 14 Other liabilities to credit institutions

	2022-12-31	2021-12-31
Group		
Due date, within one year from the balance sheet date	923 290	642 857
Due date, 1-5 years from the balance sheet date	3 114 065	2 906 776
Due date, later than five years from the balance sheet date	-	535 714
	4 037 355	4 085 347
Parent company		
Due date, within one year from the balance sheet date	642 857	642 857
Due date, 1-5 years from the balance sheet date	1 821 429	2 571 429
Due date, later than five years from the balance sheet date	-	535 714
	2 464 286	3 750 000

Note 16 Accrued expenses and deferred income

	2022-12-31	2021-12-31
Group		
Personnel-related costs	2 032 343	1 572 834
Other costs	748 667	608 554
	2 781 010	2 181 388
Parent company		
Personnel-related costs	1 346 103	737 084
Other costs	562 543	459 724
	1 908 646	1 196 808

Note 17 Pledged collateral and contingent liabilities

Collateral pledged	2022-12-31	2021-12-31
Group		
<i>Other liabilities to credit institutions</i>		
Corporate mortgages	6 500 000	6 500 000
	6 500 000	6 500 000
Parent company		
<i>Other liabilities to credit institutions</i>		
Corporate mortgages	6 500 000	6 500 000
	6 500 000	6 500 000

Note 17 Significant events after the end of the financial year

- On January 24, 2023, Metacon announces that it has signed MoU with the state forest manager RDSF in Poland for a turnkey hydrogen project with a total capacity of approximately 5 MW.
- On February 23, 2023, Metacon will publish the Nomination Committee for the Annual General Meeting 2023.
- On February 27, 2023, Metacon announced in collaboration with Hydroholding that it will deliver an integrated PEM electrolyser and hydrogen filling station in Slovakia.
- On March 1, Metacon announced that the company's subsidiary Helbio receives an order from the University of Western Macedonia.
- On March 7, it was announced that Metacon's subsidiary Helbio receives an order for systems for reforming ethanol into green hydrogen from WattAnyWhere for off-grid electric vehicle charging.
- On March 19, Metacon announces that its subsidiary Helbio receives three different ISO certifications.

SIGNATURES

Örebro _____

Ingemar Andersson
Chairman of the board

Marie Brodin

Christer Nygren

Mats Lundberg

Thomas Nygren

Christer Wikner
CEO

My Audit Report was submitted on _____

Tomas Nöjd
Certified auditor

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