FIRST HALF-YEAR 2024 PERFORMANCE REPORT

H2APEX Group SCA
19, rue de Flaxweiler
L-6776 Grevenmacher
Grand Duchy of Luxembourg

INTERIM MANAGEMENT REPORT

- Group Revenue increased to EUR 17.5 million (H1 2023: EUR 2.3 million). Contract assets as of 30 June 2024 increased to EUR 18.2 million (31 December 2023: EUR 5.9 million)

- Revenue guidance for fiscal year 2024 specified to the lower half of the range between EUR 35 million – EUR 40 million

- Group EBITDA minus EUR 9.0 million (H1 2023: minus EUR 7.3 million) due to expenditures for projects in development and business development activities, including partaking in tenders for future projects. Group Net Profit amounted to minus EUR 14.1 million (H1 2023: minus EUR 9.0 million).

- Backlog decreased to EUR 22.9 million compared to EUR 34.4 million at year end 2023 due to realization of project revenues. H2APEX is currently partaking in several promising tenders, expecting to gain new contracts for projects with an accumulated electrolysis capacity of more than 100 MW.

- Final investment decision for own hydrogen plants in Laage and Lubmin and scaling of storage production planned for early 2025

	January - June	
(in EUR 1.000, expenses in parentheses)	**2024**	2023
Income Statement		
Net Sales	17,475	2,279
Gross Profit	(1,065)	749
EBITDA 2)	(8,976)	(7,297)
EBIT 1)	(13,495)	(7,340)
Net Profit for the period	(14,133)	(9,026)
	30 Jun 2024	31 Dec 2023
Backlog (in EUR million)	22.9	34.4
Employees (full-time equivalent)	129	110

Rounding differences can occur

1) Earnings Before Interest and Taxes
2) Earnings Before Interest, Taxes, Depreciation and Amortization

Financial Performance

Revenue increased in H1 2024 to EUR 17.5 million (H1 2023: EUR 2.3 million) mainly due to project revenues. The directly attributable costs related to these projects increased to EUR 19.5 million (H1 2023: 1.8 million).

Personnel costs increased due to the ramp-up of the business and the recruitment of new employees. The number of employees amounted to 129 (FTE) as of 30 June 2024 (31 December 2023: 110 employees (FTE)). While personnel costs increased to EUR 4.6 million in H1 2024 (H1 2023: EUR 2.9 million), other operating expenses decreased to EUR 4.1 million in H1 2024 compared to EUR 5.1 million in H1 2023. The decrease results from transaction costs relating to the reverse acquisition of Exceet Group SCA that were recognized in H1 2023. Depreciation and amortization increased to EUR 4.5 million (H1 2023: EUR 1.0 million) due to a EUR 2.9 million impairment of a property. The financial result in H1 2024 remained stable at minus EUR 0.6 million (H1 2023: minus EUR 0.6 million).

EBITDA decreased in H1 2024 to minus EUR 9.0 million (H1 2023: minus 7.3 million). The adjusted EBITDA excludes the costs for share based payments in H1 2024 of EUR 0.4 million (H1 2023: EUR nil million) and amounted to minus EUR 8.6 million (H1 2023: no adjustment).

The loss of the period H1 2024 amounted to EUR 14.1 million, compared to a loss of EUR 9.0 million in H1 2023.

Group Balance Sheet Positions

(in million EUR)	30.06.2024	31.12.2023
Balance Sheet		
Non-current assets	58.8	60.8
Current assets	44.0	61.7
Equity	43.7	57.9
Non-current liabilities	34.4	34.6
Current Liabilities	24.7	30.0

As of 30 June 2024, the total assets amounted to EUR 102.8 million, compared to EUR 122.5 million as of 31 December 2023.

The non-current assets decreased to EUR 58.8 million (31 December 2023: EUR 60.8 million).

Current assets decreased to EUR 44.0 million, compared to EUR 61.7 million at year-end 2023. The decrease of the cash position from EUR 44.5 million as of 31 December 2023 down to EUR 16.1 million as of 30 June 2024 has the biggest effect due to project und operating expenses and a repayment of loans, while contract assets increased to EUR 18.2 million (31 December 2023: EUR 5.9 million). Working capital items as trade receivables and other current assets remained relatively stable.

At the end of the reporting period, H2APEX Group's equity amounted to EUR 43.7 million, compared to EUR 57.9 million as of 31 December 2023. This represents an equity ratio of 42.5% (31 December 2023: 47.3%).

The non-current liabilities remained unchanged with an amount of EUR 34.4 million (31 December 2023: EUR 34.6 million). Current liabilities decreased to EUR 24.7 million (31 December 2023: EUR 30.0 million). The decrease mainly results from the repayment of other current financial liabilities in the amount of EUR 10.4 million while provisions increased to EUR 15.4 million (31 December 2023: EUR 10.9 million) mainly due to an increase of provisions for outstanding supplier invoices. Trade payables increased slightly to EUR 6.1 million as of 30 June 2024 (31 December 2023: EUR 5.2 million), Contract liabilities decreased to EUR nil (31 December 2023: 1.3 million) and other current liabilities decreased to EUR 1.0 million (31 December 2023: EUR 2.0 million).

Cash Development and Net Cash

As of 30 June 2024, cash and cash equivalents amounted to EUR 16.1 million (31 December 2023: EUR 44.5 million).

Financial liabilities summed up to EUR 35.5 million (31 December 2023: EUR 43.7 million. The decrease in the first six months based on the repayment of a financial loans.

Market Environment

Modest growth expected for the Euro area

H2APEX business focus lies in the Euro area, primarily in Germany. According to the IMF July 2024 outlook for the Euro area, GDP growth was at 0.5% in 2023 and is expected to come in at 0.9% in 2024, driven by stronger momentum in services and higher-than-expected net exports in the first half of the year. According to the IMF, GDP growth in the Euro area is projected to rise to 1.5 percent in 2025. This is due to expected stronger consumption on the back of rising real wages, higher investment from easing financing conditions amid the expected gradual monetary policy in 2024. The IMF notes that continued weaknesses in manufacturing suggest a more sluggish recovery in countries such as Germany. GDP growth projections for Germany are at 0.2 percent in 2024 and 1.3 percent in 2025.

Market for Hydrogen in the EU and Germany

Hydrogen is a central component of the strategy for achieving the EU climate targets for 2030 and is particularly relevant for Germany as an industrial hub. In Germany, 10 GW of electrolysis capacity is to be created by 2030 – subsidies amounting to EUR 9 billion have already been pledged for hydrogen technology. Green hydrogen is of particular importance here: it contributes to the decarbonization of the economy and the decreasing costs for hydrogen electrolysis plants due to economies of scale make hydrogen an attractive option for industry, infrastructure and mobility. In a white paper from Mai 2024, the German National Hydrogen Council predicts that the German economy will require 94 to 125 TWh of hydrogen by 2030, corresponding to an electrolysis capacity of 39 to 52 GW. The currently installed hydrogen electrolysis capacity in Germany is less than 1 GW.

In February 2024, the European Commission has approved the Hy2Infra project ("Hy2Infra") – the third important project of common European interest ("IPCEI") in the hydrogen value chain. Hy2Infra comprises 33 projects from 32 companies from seven Member States, for which the participating Member States will provide public funding of up to EUR 6.9 billion. Among the Hy2Infra projects to be funded is the large-scale 100 MW project H2ERO by H2APEX, for which a subsidiary of H2APEX has received a funding commitment of approximately EUR 167 million and which H2APEX will operate itself after its expected completion in 2028. At the same time, the approval of the 33 projects leads to a significant increase the project pipeline of H2APEX. Numerous electrolysis projects from other market participants are now receiving their final investment decision and require general contractors such as H2APEX for the project’s realisation.

Opportunities and Risk Report

Financial risk factors

As part of the financing of its projects, H2APEX uses leverage to limit its equity capital contribution.

If a project company, or its holding company, were to fail to meet its payment obligations under its financing agreements or fail to comply with certain minimum debt service coverage ratios, such default could render the project debt immediately due. In the absence of a waiver or a restructuring agreement on the part of the lenders, the lenders may be entitled to seize the assets or securities pledged as collateral (including H2APEX’s interest in the subsidiary that holds the facility).

H2APEX’s business and growth plan require significant financing and refinancing through the use of equity and external debt. In particular, H2APEX will have to invest significantly in connection with the awarded contracts. The ability to raise additional funds will depend on financial and economic conditions, as well as other factors, which may be beyond H2APEX’s control.

Cash requirements have so far been assured through tools such as shareholder loans, bank borrowing, capital increases, issuance of bonds and conditional grants and advances. With regard to short-term debt financing, H2APEX is exposed to the risk of changes in interest rates in the event of a renewed short-term financing, which could increase its financing cost and, under certain circumstances, lead to a reduction of its return on capital. It cannot be ruled out that credit institutions may in general limit their willingness to grant H2APEX such short-term financing due to several different developments.

Furthermore, equity raisings by H2APEX, such as the issue of new shares to shareholders and new investors may not be successful or feasible on favorable terms.

Lack of ability to obtain sufficient funding in the future could have a material adverse effect on H2APEX’s growth opportunities, business and financial condition and could, in the future, result in insolvency or liquidation of H2APEX.

In the EU, and particularly in Germany, several projects support the decarbonization through green hydrogen. In Germany, for example, green hydrogen flagship projects are supported with a EUR 700 million funding volume, being the largest funding initiative ever provided by the German Federal Ministry of Education and Research (Source: BMBF, National Projects). On EU level, important projects of common European interest ("IPCEI") are promoted, including several green hydrogen projects. In the context of the hydrogen hub “doing hydrogen”, an initiative which seeks to connect different hydrogen projects throughout Germany to form a hub linking production, transport, storage and consumption of hydrogen, APEX has been granted an IPCEI funding in an amount of approx. EUR 167 million. However, it is not assured that APEX will be granted other public funding in the future for other projects. Instead, APEX's competitors could benefit from public funding. This could adversely affect APEX's competitive position, business, and prospects. In case APEX is granted public funding, such funding may be significantly delayed and, as a result, APEX may have to bear significant costs when they occur before receiving any public funds. Further, the granting of public funding may be conditional and require compliance with certain obligations, and it may also restrict APEX in the use of funds. In case APEX does not comply with such conditions, it may have to return granted fundings, in part or in whole.

In the past, APEX has received subsidies in the form of funding for personnel expenses for the development of a chemical hydrogen storage solution and has applied for further public funds. Applications are reviewed on a case-by-case basis by the authorities to determine the feasibility of the underlying project. Aids or grants are the subject of a contract between APEX and the public entity and are systematically subject to objective criteria, such as the relevance of the project throughout the contract concluded or compliance with certain elements of profitability. If APEX were to accept a refusal in its request for aid, this could also call into question the viability of a project and lead to its abandonment.

Moreover, existing public policies could be changed or even reversed, due to a law or a regulatory or administrative regulation which seeks to favor certain traditional sources of energy or alternative renewable energy sources or because of budget constraints entailing a reduction in public funds available for the implementation of such policies which support decarbonized solutions, including green hydrogen.

Credit risk

Credit risks exist regarding financial institutions and customers. The credit risk with respect to financial institutions predominantly arises from liquid funds. In order to minimize a possible risk of default, financial instruments are mainly entered into with counterparties with prime credit ratings. The credit risk with respect to customers consists of granting terms of credit and the associated risk of default. Credit risk is managed on a group-wide basis. Credit risks arise from cash and cash equivalents, and deposits with banks and financial institutions. Credit exposures to customers, including outstanding receivables and committed transactions, are managed by the individual group companies. The monitoring of the credit risks is supported by an internal monthly reporting.

Fair value of financial assets and liabilities measured at amortized costs

(in EUR 1,000)	unaudited 30 June 2024	audited 31 December 2023
CARRYING AMOUNT		
Other financial investments	2,749	2,749
Trade receivable	5,814	5,673
Other financial assets	554	554
Cash and cash equivalents	16,117	44,466
Total	**25,234**	**53,442**
FAIR VALUE		
Other financial investments	2,493	2,474
Trade receivable	5,780	5,673
Other financial assets	554	554
Cash and cash equivalents	16,117	44,466
Total	**24,944**	**53,167**

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It represents the risk that the group will encounter difficulty in meeting its financial obligation as they are fall due. The monitoring of the Liquidity risks is supported by an internal monthly reporting.

The fair values of non-current borrowings are as follows:

(in EUR 1,000)	unaudited 30 June 2024	audited 31 December 2023
CARRYING AMOUNT		
Non current liabilities:		
Financial liabilities	33,376	33,109
Current liabilities:		
Debts with credit institutions	78	163
Trade and other payables	6,143	5,176
Financial liabilities	2,027	10,448
Total	**41,624**	**48,896**
FAIR VALUE		
Non current liabilities:		
Financial liabilities	33,376	33,109
Current liabilites:		
Debts with credit institutions	78	163
Trade and other payables	6,143	5,176
Financial liabilities	2,027	10,448
Total	**41,624**	**48,896**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Outlook

For the current fiscal year 2024, H2APEX expects its growth course to continue and to more than double its revenue from the previous year to the lower half of our pervious guided range of EUR 35 million to EUR 40 million. This development will be supported by revenues from the planning and construction of hydrogen plants for third-party companies and from the operation of hydrogen plants. Most of the revenues expected in 2024 have already been contractually secured. The scaling of the hydrogen storage vessel production of H2APEX will be implemented in the beginning of 2025.

Due to several mature tenders for third-party engineering, procurement, and construction projects, H2APEX expects to sign contracts for new projects comprising a combined electrolysis capacity of more than 100 MW until the end of 2024. These contracts are expected to contribute to further growth in 2025 and beyond.

Significant Events after Balance Sheet Date

In July 2024, H2APEX received a grant letter for the 100 MW H2ERO plant, for which the company has applied for funding totalling approx. EUR 167 million, confirming the company's leading position in the planning and construction of large-scale plants. H2APEX plans the final investment decision for the H2ERO plant for early 2025.

On 12 August 2024, a property not required for operations was sold at a fair value of EUR 3.9 million.

There are no other subsequent events after 30 June 2024 to be reported.

Grevenmacher, Luxembourg, 29 August 2024

H2APEX Management S.à r.l. in its capacity as General Partner
H2APEX Group SCA

INTERIM FINANCIAL STATEMENTS

(CONSOLIDATED)

INTERIM BALANCE SHEET (CONSOLIDATED)

(in EUR 1,000)	unaudited 30 June 2024	audited 31 December 2023
ASSETS		
Non-current assets		
Intangible assets	3,855	3,922
Property, plant and equipment	50,900	52,414
Right-of-use assets	629	885
Investments	2,493	2,474
Deferred tax assets	927	1,106
Total non-current assets	**58,804**	**60,802**
Current assets		
Inventories	210	210
Contract assets	18,158	5,941
Trade receivables, net	5,780	5,641
Other current receivables	3,753	5,395
Cash and cash equivalents	16,117	44,466
Total current assets	**44,018**	**61,652**
Total assets	**102,822**	**122,454**
EQUITY		
Share Capital	564	564
Share Premium	111,204	111,204
Retained eranings	(54,024)	(29,336)
Profit for the year	(14,133)	(24,689)
Equity attributable to Shareholders of the parent company	**43,611**	**57,742**
Non-controlling interests	106	127
Total equity	**43,717**	**57,869**
LIABILITIES		
Non-current liabilities		
Other financial liabilities	33,376	33,109
Other non-current liabilities	114	340
Deferred tax liabilities	927	1,106
Total non-current liabilities	**34,417**	**34,556**
Current liabilities		
Financial Liabilities	78	163
Other financial liabilites	2,027	10,448
Provisions	15,411	10,949
Trade payables	6,143	5,176
Contract liabilities	0	1,284
Other current liabilities	1,029	2,010
Total current liabilities	**24,688**	**30,029**
Total liabilities	**59,105**	**64,585**
Total equity and liabilities	**102,822**	**122,454**

Rounding differences can occur

The accompanying notes are an integral part of the Interim Financial Statements (consolidated).

INTERIM INCOME STATEMENT (CONSOLIDATED)

(in EUR 1,000)	3 months unaudited 01.04.-30.06.2024	unaudited 01.04.-30.06.2023	6 months unaudited 01.01.-30.06.2024	unaudited 01.01.-30.06.2023
Revenue	7,353	738	17,475	2,279
Costs of materials	(8,681)	(523)	(18,540)	(1,772)
Gross profit	**(1,328)**	**215**	**(1,065)**	**508**
Gross profit margin	*(18.1%)*	*29.1%*	*(6.1%)*	*22.3%*
Other income	197	153	415	241
Own woek capitalized	380	0	380	
Employee benefits expense	(2,252)	(1,746)	(4,568)	(2,913)
Other operating expenses	(2,110)	(2,416)	(4,138)	(5,133)
Depreciation and amortization	(3,736)	(526)	(4,519)	(1,043)
Operating result (EBIT) 1)	**(8,849)**	**(4,321)**	**(13,495)**	**(8,340)**
EBIT margin	*n/a*	*n/a*	*n/a*	*n/a*
Financial income	32	476	133	514
Financial expenses	(314)	(763)	(721)	(1,151)
Financial result, net	**(282)**	**(287)**	**(588)**	**(637)**
Profit/(Loss) before income tax	**(9,131)**	**(4,608)**	**(14,083)**	**(8,977)**
Income tax expense	(28)	(17)	(50)	(49)
Profit/(Loss)	**(9,159)**	**(4,624)**	**(14,133)**	**(9,026)**
Profit/(Loss) margin	*n/a*	*n/a*	*n/a*	*n/a*
Operating result (EBIT)	(8,849)	(4,321)	(13,495)	(8,340)
Depreciation and amortization	3,736	526	4,519	1,043
Operating result before depreciation, amortization and impairment charges (EBITDA) 2)	**(5,113)**	**(3,794)**	**(8,976)**	**(7,297)**
EBITDA margin	*n/a*	*n/a*	*n/a*	*n/a*

Rounding differences can occur

1) Earnings Before Interest and Taxes
2) Earnings Before Interest, Taxes, Depreciation and Amortisation

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

(in EUR 1,000)	3 months unaudited 01.04. - 30.06.2024	unaudited 01.04. - 30.06.2023	6 months unaudited 01.01. - 30.06.2024	unaudited 01.01. - 30.06.2023
Profit/(Loss) for the period	(9,159)	(4,624)	(14,133)	(9,026)
Items not to be reclassified to income statement:				
Expenses directly offset with equity	0	0	0	(307)
Items not to be reclassified to income statement	0	0	0	(307)
Items to be reclassified to income statement:				
Currency translation differences	0	0	0	(237)
Items to be reclassified to income statement	0	0	0	(237)
Total comprehensive income for the period	(9,159)	(4,624)	(14,133)	(9,570)
Attributable to:				
Shareholders of the parent company	(9,173)	(4,616)	(14,153)	(9,559)
Minority interests	(14)	8	(20)	11
	(9,159)	(4,624)	(14,133)	(9,570)

The accompanying notes are an integral part of the Interim Financial Statements (consolidated).

INTERIM STATEMENT OF CASH FLOWS (CONSOLIDATED)

(in EUR 1,000)	unaudited 01.01. - 30.06.2024	unaudited 01.01. - 30.06.2023
Profit before income tax	**(14,133)**	**(8,977)**
Adjustment for non-cash transactions		
Amortization on intangible assets	66	36
Depreciation on tangible assets	4,172	999
Depreciation on right-of-use assets	281	8
Change of provisions	4,462	46
Financial result	588	637
Other non-cash expenses	0	489
Operating net cash before changes in net working capital	**(4,564)**	**(6,762)**
Changes to net working capital		
- inventories	0	0
- receivables	1,552	(5,892)
- accrued income and contract assets	(12,218)	1,037
- liabilities	(151)	(1,418)
- accrued expenses and contract liabilities	(1,284)	(3,020)
Tax paid	(50)	(134)
Interest received	0	514
Interest paid	(104)	(1,300)
Cashflows from operating activities	**(16,819)**	**(16,975)**
Acquisition of subsidiaries, net of cash acquired	0	88,277
Purchase of tangible assets	(3,090)	(2,798)
Acquisition of financial assets	0	(368)
Cashflows from investing activities	**(3,090)**	**85,111**
Proceeds/(Repayments) of borrowings	0	(7,599)
Proceeds/(Repayments) of financial liabilities	(8,440)	(10,440)
Payments of lease liabilities	0	(9)
Cashflows from financing activities	**(8,440)**	**(18,048)**
Net changes in cash and cash equivalents	**(28,349)**	**50,088**
Cash and cash equivalents at the beginning of the period	**44,466**	**149**
Net changes in cash and cash equivalents	(28,349)	50,088
Effect of exchange rate gains	0	148
Cash and cash equivalents at the end of the period	**16,117**	**50,385**

The accompanying notes are an integral part of the Interim Financial Statements (consolidated).

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(in EUR 1,000)	Issued and paid-in share capital	Capital reserves	Retained earnings	Subtotal	Non-controlling interests	Total shareholders of the parent company
BALANCES AT 1 JANUARY 2024	564	111,204	(54,025)	57,743	127	57,870
Profit for the period	0	0	(14,133)	(14,133)	(20)	(14,153)
Effects from reversed acquisition	0	0	0	0	0	0
Foreign currency translation difference	0	0	0	0	0	0
Expenses directly offset with equity	0	0	0	0	0	0
Capital increase	0	0	0	0	0	0
Changes in share premium	0	0	0	0	0	0
BALANCES AT 30 JUNE 2024	564	111,204	(68,158)	43,610	106	43,717

BALANCES AT 1 JANUARY 2023	312	20,570	(28,901)	(8,019)	3	(8,016)
Profit for the period	0	0	(9,034)	(9,034)	8	(9,026)
Effects from reversed acquisition	0	40,634	0	40,634	0	40,634
Foreign currency translation difference	0	0	(237)	(237)	0	(237)
Expenses directly offset with equity	0	(307)	0	(307)	0	(307)
Capital increase	252	0	0	252	0	252
Changes in share premium	0	50,000	0	50,000	0	50,000
BALANCES AT 30 JUNE 2023	564	110,897	(38,171)	73,290	11	73,301

The accompanying notes are an integral part of the Interim Financial Statements (consolidated).

Notes to the interim financial statements (condensed & consolidated)

1 General information

H2APEX Group SCA and its subsidiaries (until 18 January 2024 "exceet Group SCA" and hereafter the "Group" or "H2APEX") is a company existing as a "Société en Commandite par Actions" under the law of Luxembourg and listed on the regulated market of the Frankfurt Stock Exchange (WKN: A0YF5P / ISIN: LU0472835155) in the Prime Standard segment. Since the business combination with APEX Nova Holding GmbH (hereafter "APEX Group"), which has been closed 19 January 2023, the business objective of the Group is to develop projects for the decentralized supply of green hydrogen.

H2APEX Group SCA is established for an unlimited period of time and moved its registered office from 17, rue de Flaxweiler, L-6776 Grevenmacher to 19, rue de Flaxweiler, L-6776 Grevenmacher (Luxembourg) in November 2023 and is registered with the Register of Commerce and Companies of Luxembourg under the section B number 148.525.

On 18 January 2024 the shareholders decided at an Extraordinary General Meeting ("EGM"), that the former exceet Group SCA will be renamed into H2APEX Group SCA. With this step, a common branding with APEX Group was created.

The Articles of Association have most recently been modified on 18 January 2024.
H2APEX Group SCA is managed by H2APEX Management S.à r.l. (until 18 January 2024 "exceet Group S.à r.l. and hereafter the "General Partner"), a limited liability company under the law of Luxembourg (Société à responsabilité limitée (S.à r.l.)), the shares in which are held indirectly by the founders of the Active Ownership Group (AOC), Florian Schuhbauer and Klaus Roehrig (50% each).

The Group's purpose is investing in and developing projects for the decentralized supply of green hydrogen. The Group develops green hydrogen production plants for third parties as well as for the operation by H2APEX, and offers solutions for adjacent areas such as storage, district heating, and mobility. The Group serves customers in Germany and Luxembourg.

With the merger agreement between H2APEX and APEX Group, the accounting policies of H2APEX did not change. According IFRS 10, the transaction has been recorded as "reverse acquisition". Based on this, exceet Group SCA as the legal acquirer has been identified as the acquiree. The reverse acquisition is accounted for using the acquisition method. Consequently, the consolidated financial statements of H2APEX represent the continuation of the consolidated financial statements of APEX Group with the exception of the capital structure, which has been adjusted to reflect the capital structure of H2APEX as ultimate parent company. The figures as of 31 December 2022 reflect APEX-Group only.

The consolidated H2APX Group SCA ("Group") currently consists of the following companies:

Ref.	Company	ountr	Year of acquisition / first time consolidation	Segment	Activity	Directly controlled by (use numbers from 1st column)	Share in the capital	Share of the votes
1	H2APEX Group SCA	LUX	2023	C & O	Holding	N/A	N/A	N/A
2	exceet Holding S.à r.l.	LUX	2023	Holding	Corporate	1	100%	100%
3	exceet Group AG	SUI	2023	Holding	Corporate	2	100%	100%
4	RLG Holding GmbH	GER	2023	Holding	Corporate	1	100%	100%
5	RLG GmbH & Co. KG	GER	2023	Holding	Corporate	4	100%	100%
6	Northern Hydrogen Properti	GER	2023	Holding	Corporate	5	100%	100%
7	APEX Capital GmbH	GER	2023	Holding	Corporate	4	100%	100%
8	APEX Nova Holding GmbH	GER	2019	Holding	Holding	1	100%	100%
9	HydroExceed GmbH	GER	2022	Storage	Production of pressure tanks	8	100%	100%
10	AKROS Energy GmbH	GER	2020	Storage	Development of chemical storage solutions	8	100%	100%
11	GHS 1 GmbH	GER	2020	Own Operations	Hydrogen Powerplant Laage	8	100%	100%
12	GHS 2 GmbH	GER	2020	Own Operations	Hydrogen Powerplant IPCEI	8	100%	100%
13	GHS 3 GmbH	GER	2020	Own Operations	Hydrogen Powerplant Laage (extention)	8	100%	100%
14	GHS 4 GmbH	GER	2023	Own Operations	Hydrogen Powerplant Lubmin	8	100%	100%
15	APEX Energy GmbH	GER	2006	Project Development	Customer Projects	8	100%	100%
16	HYSENC Entwicklungsgesell	GER	2021	Own Operations	Hydrogen Powerplant control software	15	100%	100%
17	Plant Engineering GmbH	GER	2023	Project Development	Customer Projects	15	90%	90%

2 Adoption of new and revised accounting standards

The accounting principles applied to the consolidated financial statements at 30 June 2024 have been amended to comply with all new and revised IFRS standards and interpretations adopted by the European Union (EU) with effective date in 2023.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts; IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Group's consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.
The amendments had no impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.
The amendments had no impact on the Group's consolidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.
The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/year.

3 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34, "Interim financial reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements.

With the merger agreement between H2APEX and APEX Group, the accounting policies of H2APEX changed. According IFRS 3 and IFRS 10 the transaction has been recorded as "reversed acquisition". For accounting purposes, APEX Group was determined to be the acquirer in this "reversed acquisition". Consequently, these consolidated financial statements of H2APEX represent the continuation of the consolidated financial statements of APEX Group with the exception of the capital structure, which has been adjusted to reflect the capital structure of H2APEX as ultimate parent company.

IFRS 16

Lease contracts, related to ten company cars are not recognised and capitalised as rights according IFRS 16, but accounted as other operating expenses with the respective lease costs.

Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty.

Taxes on income in the interim periods are accrued using the local tax rate that would be applicable to expected total annual profit or loss.

Consolidated statement of comprehensive income

The consolidated statement of comprehensive income has been presented by using the "cost by nature" method.

Seasonality

Revenues and costs are not influenced by seasonal effects, but are impacted by the economic environment in the markets the Group is operating in.

4 Financial risk management and financial instruments

Financial risk factors

As part of the financing of its projects, H2APEX uses a leverage effect to limit its equity capital contribution.

If a project company, or its holding company, were to fail to meet its payment obligations under its financing agreements or fail to comply with certain minimum debt service coverage ratios, such default could render the project debt immediately due. In the absence of a waiver or a restructuring agreement on the part of the lenders, the lenders may be entitled to seize the assets or securities pledged as collateral (including H2APEX's interest in the subsidiary that holds the facility).

H2APEX's business and growth plan require significant financing and refinancing through the use of equity and external debt. In particular, H2APEX will have to invest significantly in connection with the awarded contracts. The ability to raise additional funds will depend on financial and economic conditions, as well as other factors, which may be beyond H2APEX's control.

Cash requirements have so far been assured through tools such as shareholder loans, bank borrowing, capital increases, issuance of bonds and conditional grants and advances. With regard to short-term debt financing, H2APEX is exposed to the risk of changes in interest rates in the event of a renewed short-term financing, which could increase its financing cost and, under certain circumstances, lead to a reduction of its return on capital. It cannot be ruled out that credit institutions may in general limit their willingness to grant H2APEX such short-term financing due to several different --developments.

Furthermore, equity raisings by H2APEX, such as the issue of new shares to shareholders and new investors may not be successful or feasible on favorable terms.

Lack of ability to obtain sufficient funding in the future could have a material adverse effect on H2APEX's growth opportunities, business and financial condition and could, in the future, result in insolvency or liquidation of H2APEX.

In the EU, and particularly in Germany, several projects support the decarbonization through green hydrogen. In Germany, for example, green hydrogen flagship projects are supported with a EUR 700 million funding volume, being the largest funding initiative ever provided by the German Federal Ministry of Education and Research (Source: BMBF, National Projects). On EU level, important projects of common European interest ("IPCEI") are promoted, including several green hydrogen projects. In the context of the hydrogen hub "doing hydrogen", an initiative which seeks to connect different hydrogen projects throughout Germany to form a hub linking production, transport, storage and consumption of hydrogen, APEX has been granted an IPCEI funding in an amount of approx. EUR 167 million. However, it is not assured that APEX may be granted other public funding in the future for other projects. Instead, APEX's competitors could benefit from public funding. This could adversely affect APEX's competitive position, business, and prospects. In case APEX is granted public funding, such funding may be significantly delayed and, as a result, APEX may have to bear significant costs when they occur before receiving any public funds. Further, the granting of public funding may be conditional and require compliance with certain obligations, and it may also restrict APEX in the use of funds. In case APEX does not comply with such conditions, it may have to return granted fundings, in part or in whole.

In the past, APEX has received subsidies in the form of funding for personnel expenses for the development of a chemical hydrogen storage solution and has applied for further public funds. Applications are reviewed on a case-by-case basis by the authorities to determine the feasibility of the underlying project. Aids or grants are the subject of a contract between APEX and the public entity and are systematically subject to objective criteria, such as the relevance of the project throughout the contract concluded or compliance with certain elements of profitability. If APEX were to accept a refusal in its request for aid, this could also call into question the viability of a project and lead to its abandonment.

Moreover, existing public policies could be changed or even reversed, due to a law or a regulatory or administrative regulation which seeks to favor certain traditional sources of energy or alternative renewable energy sources or because of budget constraints entailing a reduction in public funds available for the implementation of such policies which support decarbonized solutions, including green hydrogen.

Credit risk

Credit risks exist regarding financial institutions and customers. The credit risk with respect to financial institutions predominantly arises from liquid funds. In order to minimize a possible risk of default, financial instruments are mainly entered into with counterparties with prime credit ratings. The credit risk with respect to customers consists of granting terms of credit and the associated risk of default. Credit risk is managed on a group-wide basis. Credit risks arise from cash and cash equivalents, and deposits with banks and financial institutions. Credit exposures to customers, including outstanding receivables and committed transactions, are managed by the individual group companies. The monitoring of the credit risks is supported by an internal monthly reporting.

Fair value of financial assets and liabilities measured at amortized costs:

(in EUR 1,000)	unaudited 30 June 2024	audited 31 December 2023
CARRYING AMOUNT		
Other financial investments	2,749	2,749
Trade receivable	5,814	5,673
Other financial assets	554	554
Cash and cash equivalents	16,117	44,466
Total	**25,234**	**53,442**
FAIR VALUE		
Other financial investments	2,493	2,474
Trade receivable	5,780	5,673
Other financial assets	554	554
Cash and cash equivalents	16,117	44,466
Total	**24,944**	**53,167**

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It represents the risk that the group will encounter difficultly in meeting its financial obligation as they are fall due. The monitoring of the Liquidity risks is supported by an internal monthly reporting.

The fair values of non-current borrowings are as follows:

(in EUR 1,000)	unaudited 30 June 2024	audited 31 December 2023
CARRYING AMOUNT		
Non current liabilities:		
Financial liabilities	33,376	33,109
Current liabilities:		
Debts with credit institutions	78	163
Trade and other payables	6,143	5,176
Financial liabilities	2,027	10,448
Total	**41,624**	**48,896**
FAIR VALUE		
Non current liabilities:		
Financial liabilities	33,376	33,109
Current liabilites:		
Debts with credit institutions	78	163
Trade and other payables	6,143	5,176
Financial liabilities	2,027	10,448
Total	**41,624**	**48,896**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

5 Segment information

For management purposes, the Group is organized into business units based on its products and services and has four reportable segments, as follows:

PROJECT DEVELOPMENT

The Project Development Segment includes all project development and system integration for third-party hydrogen plants. The turnkey solutions for the supply of hydrogen are modular, tech-agnostic and tailor-made to comply with complex and diverse customer requirements.

OWN OPERATIONS

The Own Operations Segment includes the production and selling of green hydrogen as well as the "derivatives" such as electricity and heat generated at its own hydrogen plants.

STORAGE SEGMENT

The Storage Segment includes the development and manufacturing of different hydrogen storage systems.

OTHERS

Others includes costs for the holding and property companies and the acquisition and management of properties mainly in connection with the production of green hydrogen.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Income statement and capital expenditure by segment

01.01. - 30.06.2024 (in EUR 1,000)	Project Development	Own Operations	Storage	Other	Eliminations	Total Group
Revenues	11,786	229	0	0	(540)	11,475
Other operating income	435	0	46	0	(66)	415
EBITDA	(6,260)	(155)	(1,328)	(1,248)	16	(8,975)
EBITDA Margin	*(53.1%)*	*(67.7%)*	*n/a*	*n/a*	*n/a*	*n/a*
Depreciation and amortization	(1,402)	0	(22)	(3,095)	0	(4,519)
EBIT	(7,662)	(155)	(1,350)	(4,343)	16	(13,494)
EBIT Margin	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Financial income	28	0	0	1,382	(1,277)	133
Financial expenses	(1,918)	(18)	(145)	(1)	1,360	(721)
Financial result, net	(1,890)	(18)	(145)	1,381	83	(588)
Profit/(Loss) before income tax	(9,552)	(173)	(1,495)	(2,962)	99	(14,083)
Income tax	(45)	(3)	0	(2)	0	(50)
Profit/(Loss) for the period	(9,597)	(176)	(1,495)	(2,964)	99	(14,133)
Total assets	86,747	1,887	5,279	351,856	(342,947)	102,822
Total liabilities	111,359	3,447	4,424	20,637	(80,763)	59,105
Capital expenditure	30	2,235	825	0	0	3,090
Depreciation and amortisation expense	1,402	0	22	3,095	0	4,519

1) EUR 17.210 thousand are recognised over time, while, EUR 265 thousand are recognised at a point of time

01.01. - 30.06.2023 (in EUR 1,000)	Project Development	Own Operations	Storage	Other	Eliminations	Total Group
Revenue	2,126	66	0	87	0	2,279
Other operating income	0	6	200	44	(9)	241
EBITDA	(4,235)	48	(855)	(2,264)	9	(7,297)
EBITDA Margin	*n/a*	*72.7%*	*n/a*	*n/a*	*n/a*	*n/a*
Depreciation and amortization	(260)	(560)	(1)	(223)	0	(1,043)
EBIT	(4,495)	(512)	(855)	(2,487)	9	(8,340)
EBIT Margin	*n/a*	*(775.8%)*	*n/a*	*n/a*	*n/a*	*n/a*
Financial income	0	0	0	2,415	(1,901)	514
Financial expenses	(2,331)	0	0	(721)	1,901	(1,151)
Financial result, net	(2,331)	0	0	1,694	0	(637)
Profit/(Loss) before income tax	(6,826)	(512)	(855)	(793)	9	(8,977)
Income tax	(2)	(0)	0	(46)	0	(49)
Profit/(Loss) for the period	(6,828)	(512)	(855)	(839)	9	(9,026)
Total assets	94,757	7,281	5,148	363,519	(348,250)	122,454
Total liabilities	113,890	4,070	2,798	31,089	(87,262)	64,585
Capital expenditure	112	229	2,417	0		2,758
Depreciation and amortisation expense	260	560	1	223		1,044

1) EUR 2,126 thousand are recognised over time, while, EUR 153 thousand are recognised at a point of time

6 Financial result

The financial result comprises mainly finance expenses for interests.

7 Equity

In 2023 and under the merger agreement, H2APEX agreed (i) to acquire 20.8% of the APEX shares for a cash consideration in the amount of EUR 25,000,000 and (ii) to exchange the remaining 79.2% shares in Apex for shares in H2APEX by way of a contribution in kind. For this purpose, H2APEX agreed to utilize its authorized capital and increase its share capital from EUR 311,960.18 by EUR 252,424.73 to EUR 564,384.91 by issuing 16,285,467 new shares to the shareholders of APEX.

Development of the share capital:

Balance at 1 January 2024	**564,384.91**
Balance at 30 June 2024	**564,384.91**
Balance at 1 January 2023	**311,960.18**
Issuance of Ordinary Share - 19 January 2023	252,424.73
Balance at 31 Decmber 2023	**564,384.91**

The numbers of shares are as follows:

	Total Shares	Unlimited Shares	Ordinary Shares
Number of shares issued as at 1 January 2024	36,359,163	1	36,359,162
Number of shares issued as at 30 June 2024	36,359,163	1	36,359,162
Number of shares issued as at 1 January 2023	20,073,696	1	20,073,695
Issuance of Ordinary Share - 19 January 2023			16,285,467
Number of shares issued as at 31 December 2023	36,359,163	1	36,359,162

The Company's share capital as of 30 June 2024 amounts to EUR 564,384.91 (2023: EUR 564,384.91), represented by 36,359,162 Ordinary Shares (2023: 36,359,162) and one unlimited Share with no par value. The unlimited Share is held by the General Partner. Ordinary Shares are listed in the Prime Segment of the Frankfurt stock exchange.

8 Earnings per share

Earnings per share (EPS) is calculated by dividing the profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period excluding ordinary shares purchased by the Company and held as Treasury Shares.

Basic earnings per share

The calculation of basic EPS as of 30 June 2024 is based on the profit attributable to the owners of the parent of minus EUR 15,074 thousand for the first six months of fiscal 2024 (H1 2023: minus EUR 9,026 thousand) and the weighted average number of Ordinary Shares outstanding of 36,359,162.

		unaudited 01.01. - 30.06.2024	unaudited 01.01. - 30.06.2023
Profit / (Loss) for the year (EUR 1,000) attributable to equity holders of the Company	Ordinary Shares	(14,133)	(9,026)
Weighted average number of ordinary shares outstanding	Ordinary Shares	36,359,162	36,359,162
Basic earnings / (loss) per share (EUR/share) on totl group	Ordinary Shares	(0.39)	(0.25)
Diluted weighted average number of ordinary shares outstanding	Ordinary Shares	39,199,326	36,359,162
Diluted earnings / (loss) per share (Euro/share) on total group	Ordinary Shares	(0.36)	(0.25)

Dilutive earnings per share

There are no share options or other instruments which could dilute earnings per share for H1 2024 and H1 2023.

9 Dividends

No dividend resolution was passed at the ordinary annual general meeting held on 13 June 2024.

10 Ultimate controlling parties and related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Group has liabilities from related parties as of 30 June 2024 of EUR 16.7 million (31 December 2023: EUR 16.2 million) related to Active Ownership Fund SCS SICAV-SIF, of EUR 16.3 million related to Endurance GmbH & Co. KG (31 December 2023: EUR 16.0 million) and EUR 2.0 million related to other related parties.

The Group had charges for consultancy costs as of 30 June 2024 of EUR 0.1 million (31 December 2023: EUR 0.1 million) related to H2APEX Management S.á r.l., for interest charges of EUR 0.3 million (31 December 2023: EUR 0,5 million) related to Endurance GmbH & Co. KG and interest charges of EUR nil million (31 December 2023: EUR 0 million) related to Active Ownership Fund SCS SICAV-SIF.

11 Significant Events after the balance sheet date

In July 2024, H2APEX received a grant letter for the 100 MW H2ERO plant, for which the company has applied for funding totalling approx. EUR 167 million, confirming the company's leading position in the planning and construction of large-scale plants. H2APEX plans the final investment decision for the H2ERO plant for early 2025.

On 12 August 2024, a property not required for operations was sold at a fair value of EUR 3.9 million.

There are no other subsequent events after 30 June 2024 to be reported.

12 Alternative Performance Measures

12.1 EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) is calculated as operating result (EBIT) plus depreciation and amortization. EBITDA is an indicator of the operating profitability of the Group.

(in EUR 1,000)	H1 2024	H1 2023	Reference
Operating result (EBIT)	(13,495)	(8,340)	Consolidated Income Statement
Depreciation on tangible assets	4,230	36	
Depreciation on right-of-use assets	281	999	
Amortisation on intangible assets	8	8	
EBITDA	**(8,976)**	**(7,297)**	

Rounding differences can occur

12.2 EBIT

(in EUR 1,000)	H1 2024	H1 2023	Reference
Profit / (Loss)	(14,133)	(9,026)	Consolidated Income Statement
Finance income	(133)	(514)	
Finance expenses	721	1,151	
Income tax expense	50	49	
EBIT	**(13,495)**	**(8,340)**	

12.3 Order Backlog

Order Backlog shows the total of all not yet delivered customer orders at revenue value as at balance sheet date, to help to assess expected future revenue development.

(in EUR 1,000)	2024	2023	Reference
Order Backlog as per 30 June	**22,939**	**34,424**	

12.4 Operating Net Working Capital

Operating Net Working Capital is defined as the sum of inventories plus trade receivables minus trade payables. These values allow to assess the capital requirement of the Group.

(in EUR 1,000)	30 June 2024	31 December 2023	Reference
Inventories	210	210	Consolidated Balance Sheet
Trade receivables	5,780	5,641	Consolidated Balance Sheet
Trade payables	(6,143)	(5,176)	Consolidated Balance Sheet
Operating Net Working Capital	**(153)**	**675**	

12.5 Equity Ratio

Equity Ratio is calculated as the ratio of total equity to total assets, representing the Group's financial leverage and stability.

(in EUR 1,000)	30 June 2024	31 December 2023	Reference
Total Assets	102,822	122,454	Consolidated Balance Sheet
Total Equity	43,717	57,869	Consolidated Balance Sheet
Equity Ratio	**42.5%**	**47.3%**	

13 Responsibility statement

In accordance with article 4(2) of the Luxembourg law of 11 January 2008 *relative aux obligations de transparence concernant l'information sur les émetteurs dont les valeurs mobilières sont admises à la négociation sur un marché réglementé* (the "Transparency Law") the undersigned confirm that to the best of their knowledge, the condensed set of financial statements covering the six months period ended 30 June 2024, which has been prepared in accordance with the applicable set of the accounting standard IFRS as adopted by the EU, gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole as required under article 4(3) of the Transparency Law.

Furthermore, the undersigned confirm that to the best of their knowledge, the interim management report covering the six months period ended 30 June 2024 includes a fair review of important events that have occurred during the first six month of the current financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the current financial year.

Grevenmacher, Luxembourg, 29 August 2024

H2APEX Management S.à r.l. in its capacity as General Partner
H2APEX Group SCA