Heimdall Power

Heimdall Power
ESG Report for 2024

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1. About Heimdall Power

Heimdall Power is a B2B SaaS company with a vision to optimize power grids around the world.

Heimdall Power is a young B2B SaaS company, founded in Norway in 2016. Our vision is to optimize power grids globally. Our mission is to accelerate the energy transition by optimizing power grids to be safer, more reliable, and affordable, while protecting people and planet.

With the help of our state-of-the-art software, hardware sensor and hybrid solution, grid companies can have real-time and accurate data of their grid capacity and health, therefore, can increase capacity of existing power grids and reduce the need for expensive infrastructure upgrades.

Our cost-effective solution and unique autonomous drone installation system also enables grid companies to achieve fast, scalable deployment worldwide while enhancing the safety of their operations.

2. Words From the CEO

At Heimdall Power, sustainability is not just a responsibility—it is a driving force behind our innovation, operations, and long-term vision. I am pleased to present our Environmental, Social, and Governance (ESG) Report, highlighting our progress in 2024. This report reflects our ongoing dedication to building a more sustainable, inclusive, and transparent energy future.

As CEO, I take great pride in leading a company that actively contributes to the global energy transition and is committed to reaching net zero. Our mission—to enable smarter, greener electricity grids—has never been more relevant. In 2024, we have continued to strengthen our ESG framework and deepen our integration of sustainability across all aspects of the business, including making sure that more than 70% of materials used in a neuron are recyclable.

Building on the foundation from earlier years, we continued to evolve in 2024, with a sharpened focus on ESG integration and supply chain transparency both key priorities in our ESG goals for the year. Selected highlights are outlined below:

- **Due Diligence Extended to Tier-2 Suppliers**: We broadened our due diligence practices to include key tier-2 manufacturing partners, reinforcing our expectations on ethical and sustainable conduct throughout the supply chain.
- **GHG Accounting by Contract Manufacturer:** Our contract manufacturer began implementing greenhouse gas accounting across their value chain, aligning with our goal of reducing indirect emissions.
- **Corporate Risk Assessment:** ESG considerations are now formally integrated into our annual Corporate Risk Assessment, helping to ensure that sustainability risks are proactively identified and managed.
- **Alignment with HP Inc**.: We harmonized several internal processes, including an updated whistleblowing procedure and employee Code of Conduct, strengthening our corporate integrity and governance.
- **Board of Directors Guideline**: We published a formal directive for the Board, further embedding ESG oversight into our governance framework.
- **Establishment of AMU (Working Environmental Committee)**: This internal committee now drives workplace environmental improvements and reinforces our culture of safety and responsibility.

- **3rd Party HSEQ+CSR Audit**: Heimdall Power and our contract manufacturer underwent a rigorous third-party audit covering health, safety, environment, quality, and corporate social responsibility. The result—a 98% score—speaks to our strong operational standards and continuous improvement.

- **Transparency Act Compliance:** We closed all identified compliance gaps and now fully meet the minimum legal requirements under the Norwegian Transparency Act.

- **Net Positive**: We continued to be CO_2 net positive in 2024, due to increased number of neuron deployments which in turn resulted in greater avoided emissions on the customer side, along with the low emissions from our own operations. This underscores the fact that even small improvements to the power grid offset the emissions associated with Heimdall Power and our neurons by several orders of magnitude.

As we move forward, we remain committed to transparency, collaboration, and action. This report is a reflection of our progress and an invitation for continued dialogue. I am deeply grateful to our stakeholders, partners, and employees whose contributions and trust drive our shared mission.

Together, we will continue to push boundaries and lead with purpose—powering a smarter, more sustainable future.

Sincerely, **Jørgen Festervoll**
Chief Executive Officer
Heimdall Power

3. Environmental

At Heimdall Power, our business model is rooted in a green, global mission to create a more sustainable energy system. Our most significant positive environmental impact (our environmental handprint) comes from enabling smarter, more efficient use of existing power grid infrastructure. By optimizing what is already built, our technology helps avoid the need for new construction, reducing pressure on nature, water resources, and land use. This infrastructure optimization not only minimizes environmental degradation but also directly supports seven of the UN Sustainable Development Goals (SDGs).

We are firmly committed to managing our environmental footprint responsibly and effectively, and to continually improving our environmental performance. Among our potential negative environmental impacts, the most material are associated with the lifecycle of our neuron, from product design and raw material, to production, usage, and end-of-life treatment. These activities carry implications for resource consumption, electronic waste, and greenhouse gas emissions.

Sustainability considerations are integrated into every stage of our product design and development, including material selection, product size, manufacturing methods, and disposal. All our neurons are designed and manufactured in compliance with the RoHS Directive 2011/65/EU and REACH Directive 2015/830/EU and are disposed of in accordance with “Avfallsforskriften” in Norway, which aligns with the WEEE Directive 2012/19/EU.

More than 70% of the materials in each neuron are fully recyclable, and we use 100% recyclable cardboard/paper packaging as our standard. Our neurons have an expected lifetime of 10 years, and in 2023, we implemented a procedure to evaluate and facilitate the reuse of neurons, with the consideration of not affecting the product quality and reliability.

Environmental sustainability is embedded across our operations and product development. Heimdall Power has thoroughly analyzed the environmental aspects of our key processes, activities, and value chains through a lifecycle perspective. These findings guide our priorities in setting sustainability objectives. Our Environmental Policy is one of six core company policies and serves as a foundation for our continuous improvement efforts.

3.1 Avoided Environmental Impacts

Building new grid infrastructure could cause several environmental impacts in addition to the CO_2 emissions, such as air- and water pollution, land use, habitat impact, wildlife/biodiversity and on human health. One of the primary benefits of using Heimdall Power products and services is to better utilize the existing power grids to either avoid or delay upgrade in infrastructure. We are not able to obtain information about what the other environmental interventions are avoided due to our solutions, therefore we only focus on the avoided CO_2 emissions in this report.

3.2 GHG Scope 4 – Avoided Emissions

As an office-based technology company, Heimdall Power generates minimal direct carbon emissions. However, the emissions avoided through the use of our products and services are significant.

Heimdall Power uses our contract manufacturer to produce, assemble and dispose the physical sensors “neurons”. A screening LCA (Life Cycle Assessment) of the neuron version 3 in 2019 and version 4 in 2022 were carried out respectively by a third-party consultant company. The study was primarily aimed to understand the coarse carbon emissions of neurons, from necessary raw materials extraction, manufacturing, transportation, and disposal.

The LCA also made a scenario analysis for 1 km high voltage transmission grid, accounting for the number of neurons required to operate it over a 50-year period. The table below summarises the key figures.

Unit analysed	GHG emissions (kg CO_2eq)
One version 3 neuron delivered to customer (also incl. end of Life treatment)	89
One version 4 neuron delivered to customer (also incl. end of Life treatment)	63
1 km High Voltage transmission line operating over 50-year period	385,000
Neurons needed per 1 km High Voltage transmission line operating over 50-year period	50

Unlike the GHG Scope 1, 2, 3, there is no universally accepted standard for measuring the Scope 4 emissions so far.

The avoided CO_2 emissions from our solutions can be divided into two parts. One is the avoided upgrade in infrastructure, and the other part is the enabling of increased transmission capacity.

3.2.1 Avoided CO_2 emissions from avoided infrastructure upgrade

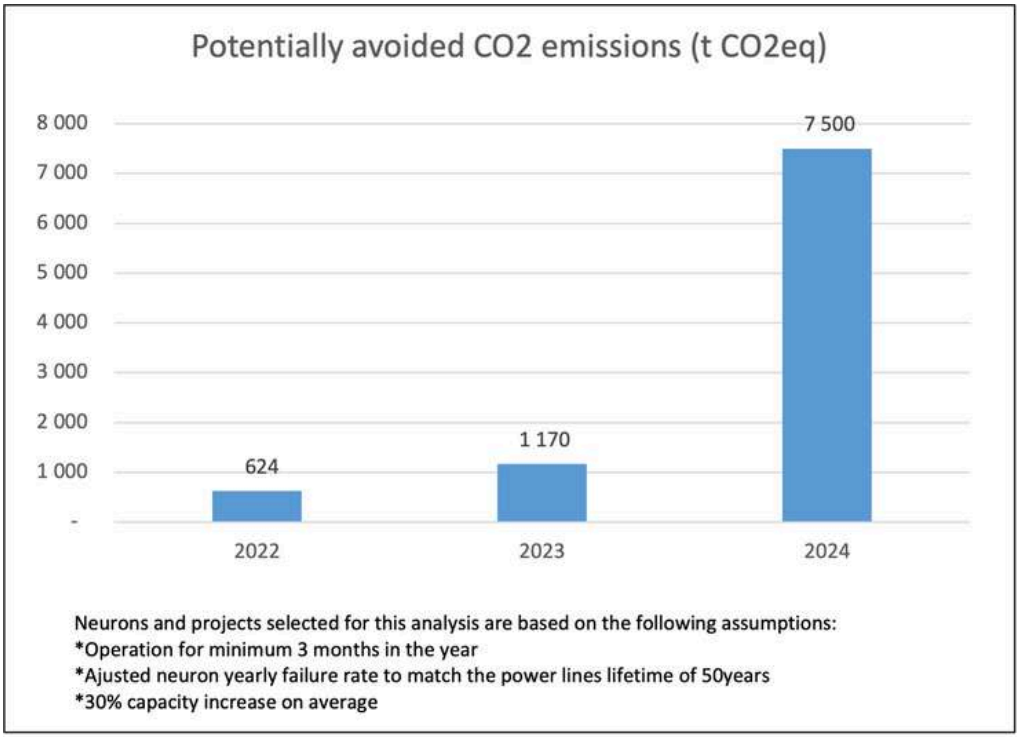
To calculate the avoided infrastructure upgrade in 2024, we selected 210 representative lines with neurons installed, covering 8,400 km all over Europe and US which had capacity issues and did a brief analysis of how much CO_2 emission would be avoided by using our products and services. The analysis is based on the following data/assumptions:

- Power lines with neurons operative for minimum 3 months during 2024
- Total number of neurons on these lines are adjusted by the yearly neuron failure rate to match the power lines lifetime of 50 years.
- 30% capacity increase on average by neurons replaces 30% capacity increase by infrastructure upgrade

The emissions resulting from upgrading the 210 lines to achieve a 30% capacity increase are estimated at 7,500,000 kg CO_2eq. This equates to an average of approximately 900 kg CO_2eq per km.

From the table above, the emissions from 1 km OHL (Overhead Line) are 7,700 kg CO_2eq per year, if we assume even distribution of emissions throughout the 50 years. By using our products and services, 900 out of 7,700 kg CO_2eq per km can be avoided every year.

Since 2022, we have begun qualifying the CO_2 emissions potentially avoided through the prevention of infrastructure upgrade. As shown in the graph below, there has been a significant increase, driven by rapidly growing sales.



From an electricity perspective, the total energy transferred through the above-mentioned 210 lines was approximately 43 TWh. With our technology enabling a 30% capacity increase, and assuming 50% of this additional capacity was utilized, it would result in an additional 5.8 TWh of energy (using a factor of 0.9 to compensate for reactive power and heat losses). Based on the 2024 European electricity mix, 2.7 TWh of this additional energy would come from renewable resources.

3.2.2 Avoided CO_2 emissions from increased transmission capacity

In addition, we are making the following 3 customer case studies to elaborately describe how our products & services help our customers to increase power transmission and further avoid CO_2 emissions.

Case Studies

3.2.2.1 Customer case study: increasing wind power transmission capacity

A Norwegian customer had challenges to transmit maximum energy power of 250 MW from a wind power plant in the 132 kV regional grid. 2 options were available, either investing and building a new 132 kV line or using Heimdall Power's neurons & services to increase the capacity of the existing line.

A decision was made to install 8 neurons on the 132 kV power line from October 2019. By doing so, the static rating of the line was raised from 190 MW to 240 MW, meaning a 26% capacity increase. With the 26% increased capacity, the existing power line can transmit 26% more electricity from the wind power plant (using a factor of 0.9 to compensate for reactive power and heat losses). If the equivalent amount of the 26% additional electricity was generated by the 2024 EU energy mix, 14,362 t CO_2eq would be emitted additionally. In other words, 14,362 t CO_2eq would be avoided if the additional electricity was produced from the wind power for this specific project due to the use of our products and services.

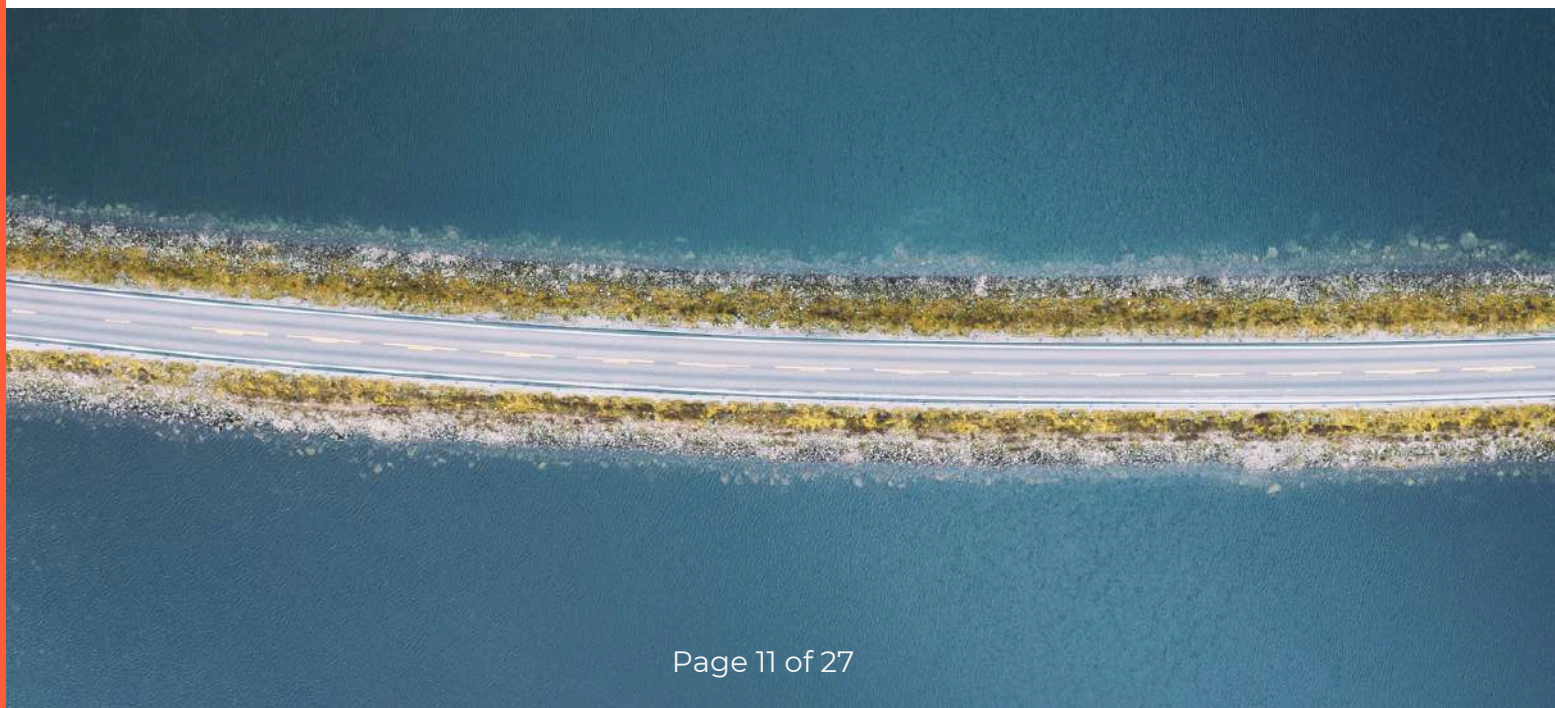
3.2.2.2 Customer case study: boosting wind power transmission capacity

An expansion of wind power production capacity leads to the need of higher transmission capacity in the 110 kV power line for an Irish customer. The customer wants to see if the capacity increase can be achieved by using Heimdall Power's technology. 10 neurons were installed on the power line since Sep 2022, the neurons enabled the production capacity expansion of the wind park by 29.3% since then. In the whole year of 2024, the wind park produced in total 388.78 GWh of energy, where 79.3 GWh was enabled by our solution (using a factor of 0.9 to compensate for reactive power and heat losses).

If the same amount of 79.3 GWh energy was produced by the 2024 EU energy mix, 16,016 t CO_2eq would be emitted in addition. In other words, 16,016 t CO_2eq would be avoided if the 79.3 GWh was produced from the wind power for this specific project.

3.2.2.3 Customer case study: optimizing hydropower transmission capacity

Two parallel lines creates a bottleneck in a grid full of hydro power in the Swiss Alps. The Swiss customer wants to use our solutions on these 2 lines to understand the maximum capacity of the lines and optimise their utilization. 8 neurons have monitored these lines since 2021. In 2024, the total energy transmitted by the 2 lines was 974 GWh, additional 205 GWh was enabled due to the use of our solutions which represents approximately 29% capacity increase (a factor of 0.9 is used to compensate for reactive power and heat losses and assuming 80% of the enabled energy is from hydropower in this area).
If the additional 205 GWh was generated by the 2024 EU energy mix, 38,683 t CO_2eq would be emitted more. In other words, 38,683 t CO_2eq would be avoided if the additional energy was produced by hydropower because of our technology.



3.3 GHG Scope 1

The calculation of Scope 1, 2, 3 in this section and below is based on the GHG Protocol. Heimdall Power is purely office-based and has no in-house manufacturing and factory. All physical sensors (neurons) are currently produced at a contract manufacturer which is located in Stavanger, Norway.

Heimdall Power does not have any company owned vehicles.

3.4 GHG Scope 2

Heimdall Power main office rents a 700 m2 floor in a modern building in central Oslo, which is very conveniently reachable by bus, metro, tram, train, bike, and foot. The office floor was newly renovated at the end of 2021, beginning of 2022. Heimdall Power moved in from 10th March 2022.

The heating source of the office is primarily electric power, which is the only purchased energy by Heimdall Power. For safety reason, there is a biofuel burner which is only used under extreme weather or as a backup energy source. There were no fugitive emissions[1] in 2024.

The electricity invoice is paid together with the rent each month. The electricity supplier of the office building confirms 100% fossil free electricity source. Therefore, the market-based emission was zero based on the guarantee of origin.

In 2024, Heimdall Power main office consumed 68,042 kWh, consequently, the location-based emission was 1,225 kg CO_2eq as per the energy mix in Norway 2024.
In 2024, we opened an office in Charlotte, US in a modern building constructed in 2009. The primary heating and cooling source is also electric power.

3.5 GHG Scope 3

The table below summaries emissions which are relevant to Heimdall Power in 2021, 2022, 2023 and 2024.

1. Fugitive emissions are leaks, gases, or vapours from pressure containing equipment, e.g., valves, storage tanks, pipelines, etc.

Description	Kg CO_2eq in 2021	Kg CO_2eq in 2022	Kg CO_2eq in 2023	Kg CO_2eq in 2024
Purchased goods and services and end of life treatment	5,649	10,491	17,239	24,781
Waste generated in operations	26,250	29,250	32,250	35.250
Business travels	9,609	56,551	51,898	57,077
Employee commuting	13,624	15,115	7,577	8,353
Upstream and downstream transportation (from contract manufacturer to customer, and from suppliers to Heimdall Power)	565	978	10,745	8,114
Total Scope 3	**55,697**	**112,385**	**119,709**	**133,575**

3.5.1 Purchased goods and services and end of life treatment

Based on the above-mentioned LCA, the GHG emissions of producing one neuron version 3 and version 4 were calculated, which are 81 kg CO_2eq and 58 kg CO_2eq respectively (excluding delivery to customer).

The increase in 2023 reflects strong year-over-year growth in the deployment of our technology.

The number of neurons delivered in 2024 was increased by 57% compared to 2023 further, leading to a rise in this emission.

Our Contract Manufacturer has also started to implement GHG accounting for their entire group and value chain from 2024. More accurate emissions data for this category are expected in the future.

3.5.2 Waste generated in operations

As an office-based company, our operational emissions primarily come from office supplies, IT equipment, SaaS/software services, cleaning, catering, office furniture, computers, and waste such as food, paper, and general office waste. Based on these activities, the estimated emissions are approximately 750 kg CO_2eq per employee per year. The number of office-based employees and long-term consultants at the end of each reporting year was 35 in 2021, 39 in 2022, 43 in 2023, and 47 in 2024.

During 2024, we improved waste management in the office by ensuring proper disposal and recycling practices. All electronic and battery waste is collected and disposed separately. Additionally, we have collaborated with the office landlord to introduce individual trash bins for food, plastic and rest waste, making it easier for everyone to contribute to a cleaner and more sustainable workplace.

3.5.3 Business travels

Business travel was significantly reduced in 2021 due to the COVID-19 pandemic. In 2022, as operations normalized, travel resumed primarily driven by sales and marketing activities. This trend continued in 2023, with most business travel related to commercial engagements. That year, the closure of our Stavanger office also contributed to a modest reduction in inter-office travel.

In 2024, emissions from business travel increased by approximately 10%, primarily due to expanded business and sales activities in the United States. While travel remains an important part of our commercial operations, we continue to assess opportunities for virtual collaboration and route optimization to manage our travel-related environmental impact.

3.5.4 Employee commuting

Heimdall Power's main office is located in central Oslo, which is very conveniently reachable by bus, metro, tram, train, bike, and foot. Heimdall Power supports flexible working arrangements and provides necessary equipment for remote working.
The CO_2eq emissions of employee commuting was calculated based on the following criteria:

- The distance of each employee's home to the Heimdall Power office
- Commuting way of each employee
- The number of employees
- Actual working days per year

The numbers are the maximum since there are always approx. 20-30% employees work from home daily on average.

The number reduction in 2023 was mainly due to the adjusted emission factors of different transportation methods. In 2024, the emission from employee commuting was slightly increase due to increased number of employees.

3.5.5 Upstream and downstream transportation

The carbon emission of upstream and downstream transportation was estimated since 2021 based on the number of neurons delivered and the calculated carbon emissions of neuron transportation from the above-mentioned LCA.

Starting from 2022, our logistics partner began reporting carbon emissions for all shipments from our contract manufacturer to customers, and from 2023, we also include the shipment from our suppliers (both tier 1 and tier 2 suppliers) to Heimdall Power. Therefore, a much more precise number of carbon emissions of downstream transportation has been acquired.

In 2023, the majority of these emissions came from shipments from global suppliers to Heimdall Power. This was primarily due to extensive engineering prototyping, part qualifications, and design improvement activities during the product development phase.

By 2024, transportation related emissions were reduced by approximately 24%, driven by the maturation of the neuron's design and manufacturing process, which significantly decreased the need for intercontinental shipments from sub-tier suppliers.

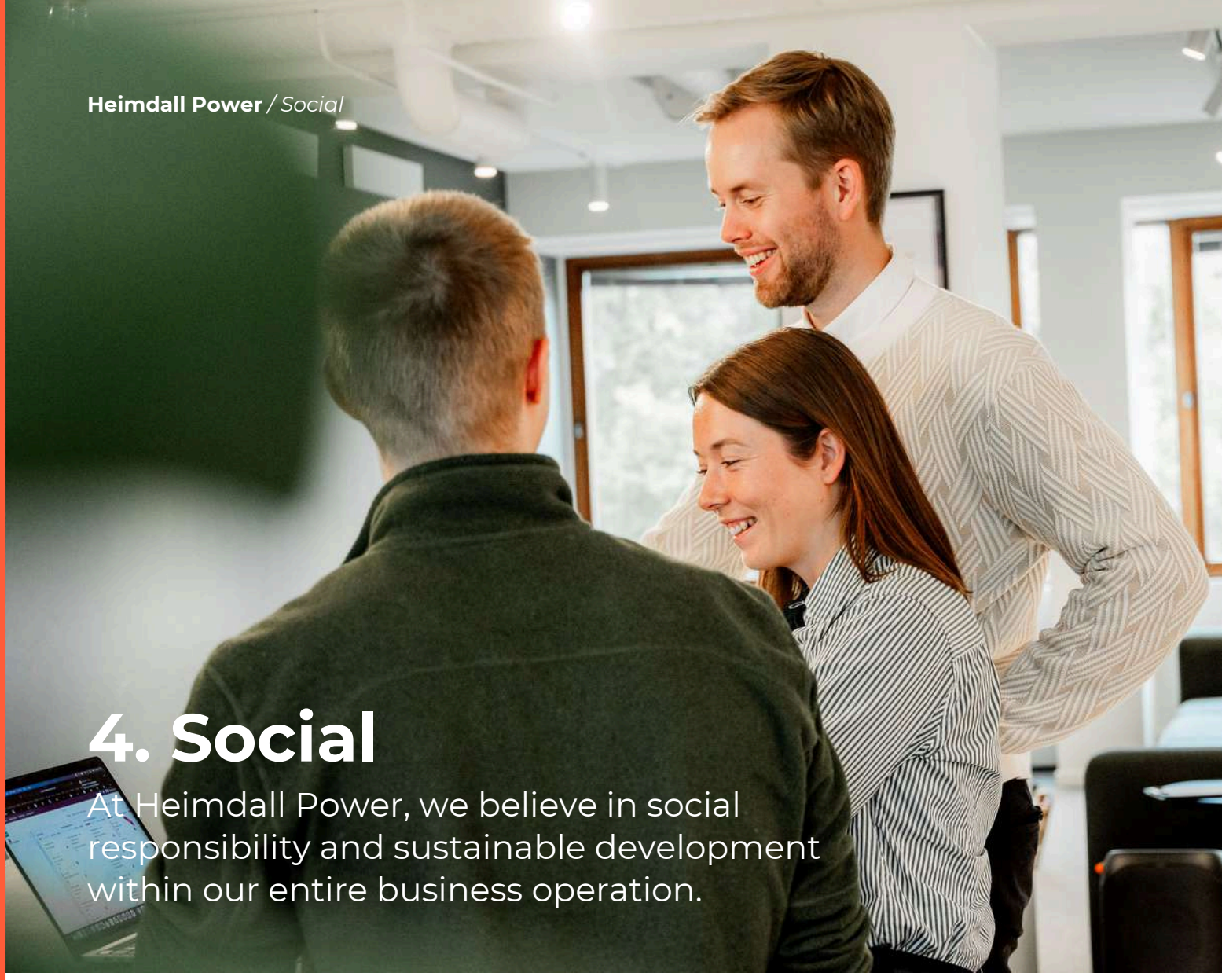
3.6 GHG Emission in 2024 Summary

Based on the section 3.1 to 3.5, we are summarizing the overall GHG emissions in the year of 2024.

GHG Protocol Scope	CO_2 Emission (t CO_2eq)
4 – avoided grid infrastructure upgrade based on the 210 representative lines	7,500 (positive)
4 – increased capacity based on the 3 case studies	69,061 (positive)
1	0
2	1.2 (negative)
3	133.6 (negative)
Total emissions	76,426 (net positive)

Although there are assumptions and estimations in the calculations, the table above still shows clearly that the emissions from Heimdall Power itself are very insignificant compared to the positive (avoided) emissions resulted from using Heimdall's products and services. It means that even small improvements to the power grids, e.g., avoiding new infrastructure, increasing transmission capacity of existing grids, etc. will offset the emissions from the company and product itself.

Heimdall Power is CO_2 net positive in the long term and contributes to green transition.



4. Social

At Heimdall Power, we believe in social responsibility and sustainable development within our entire business operation.

We want to make a positive impact on the businesses we operate in and are committed to integrating general sustainability principles such as: human rights, worker rights, trade union freedom, protection of the environment and anti-corruption. Our Responsible Business Conduct Policy describes how we strive towards responsible business conduct that respects people, society, and environment.

Our ambition is to create value for customers, employees, and the society around us in a sustainable way. Every Heimdall Power employee is expected to contribute to the integration of responsibility and sustainability principles in their daily work towards colleagues, customers, suppliers, and other stakeholders.

4.1 Employee Relations, Diversity, Equity & Inclusion

Heimdall Power is committed to fostering, cultivating, and preserving a culture of diversity, equity, and inclusion. DEI (Diversity, Equity, and Inclusion) Policy is one of the six company policies at Heimdall Power and acknowledged by all employees.

Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company's achievement as well.

We embrace and encourage our employees' differences in age, colour, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique. Heimdall Power does not accept any forms of discrimination and promotes diversity and equity in all processes and activities.

At the end of 2024, Heimdall Power had 54 employees, long-term consultants and student intern from 13 nationalities, where 19% were women. There were 2 women in the executive management team which represented 40%, reflecting a 7% increase from 2023. There were 9 members in the Board of Directors, where 11% were women. The one woman in the board is employee representative "ansattvalgt styremedlem".

The average age of Heimdall Power's employees and long-term consultants is 37, spreading from 18 to 65 (including 1 student intern).

Heimdall Power has regular reviews on our compensation programmes from a pay equity perspective to ensure they accurately reflect our philosophy of paying everyone fairly.

At Heimdall Power, we expect that all employees conduct themselves with integrity, and with respect for others. Heimdall Power is committed to providing a workplace that is free from any forms of harassment and bullying.

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4.2 Internship Program

We have had summer internship programmes since 2020. Four summer interns joined Heimdall Power in 2024, and in total 25 young professionals gained valuable experience through the programme so far. Four new students will also join the programme during the coming summer in 2025.

Those students worked in various teams, acquired practical work experience and other soft skills, also built the important network with professionals within their working areas.

In 2024, we also had a collaboration with a local Vocational School to bring a student intern who will work as a full-time employee with us for two years. This partnership not only provides valuable hands-on experience for the student but also allows us to cultivate fresh talent, introduce new perspectives, and strengthen our workforce with skilled professionals trained to meet our business needs. Additionally, this initiative reinforces our commitment to supporting education and the local community while fostering long-term career growth opportunities.

4.3 Working conditions (health & safety)

Employee's health & safety is the top priority in Heimdall Power. All work-related hazards and risks are identified and controlled via risk assessment approach.

Personal Protective Equipment (PPE) and training programs are provided to the people who need to perform tasks containing certain risks.

There was 1 minor work-related incident in 2024. The incident was reviewed and followed up by the responsible people, tool that could potentially avoid similar incident was identified and purchased.

In 2024, Heimdall Power officially established a Working Environment Committee (Arbeidsmiljøutvalg) to ensure a safe, healthy and fully satisfactory workplace. The committee actively participates in planning safety and environmental initiatives while closely monitoring workplace conditions and improvements. The committee comprise four members: 1 management representative, 2 elected employees and 1 Safety Delegate. The Safety Delegate is also elected by employees, serves as a crucial link between employee and employer, advocating for a safe and supportive work environment from a health, safety and environmental (HSE) perspective, both physically and mentally.

At the end of 2024, we conducted an Employee Engagement and Satisfaction Survey to assess workplace morale, identify areas for improvement, and enhance overall employee satisfaction. The executive management team carefully analysed the results and presented key findings along with follow-up actions, reinforcing our commitment

to fostering a positive, inclusive, and motivating work environment.

Heimdall Power's offices are modern, bright, and secure, only accessible with access chips/cards. All employees are provided with ergonomics desks and chairs and big monitors.

Heimdall Power provides good health insurance programme to all employees and prompts work-life balance. We have established a social committee who is responsible for arranging various company social activities, e.g., Super Duper Social Friday, summer party, Christmas party, etc.

4.4 Employee training & development

Heimdall Power creates a performance culture of high employee engagement where every employee takes personal ownership and responsibility for their performance, career, and professional growth.

Each employee has the opportunity to engage in open discussions with their direct manager about their objectives, performance, competencies, and career development during the employee conversation (Medarbeidersamtale), conducted twice year. This dialogue fosters transparency, alignment and professional growth, aiming to support employees in reaching their full potential while contributing to the overall organizational success.

4.5 Supply chain transparency

As a technology provider operating within the critical infrastructure and power grid sector, Heimdall Power prioritizes supply chain integrity and strategic independence. We maintain a carefully controlled and transparent sourcing model, designed to reduce exposure to geopolitical risks and ensure long-term reliability and quality.

Heimdall Power has been a member of Ethical Trade Norway (Etisk Handel Norge) since March 2022.Ethical Trade Norway is a membership organization, with the purpose of promoting responsible business practices in supply chains so that trade contributes to safeguarding human and labour rights, society, and the environment.All their members report the progress on ethical trade annually.

Our suppliers are required to maintain the highest standards of business ethics, integrity and respect for human rights, worker rights, health, safety, environment, anti-corruption, and information security and to become familiar with and comply with our Supplier Code of Conduct. All Heimdall Power's contract manufacturers shall acknowledge and comply with our requirements by signing the Supplier Code of Conduct. By the end of 2024, the Heimdall Power's contract manufacturer and key tier-2 suppliers had officially signed our Supplier Code of Conduct, demonstrating their commitment to ethical and responsible business practices. In addition, we successfully completed a thorough desktop due diligence screening of them to ensure their compliance with our standards for sustainability, integrity and corporate responsibility.

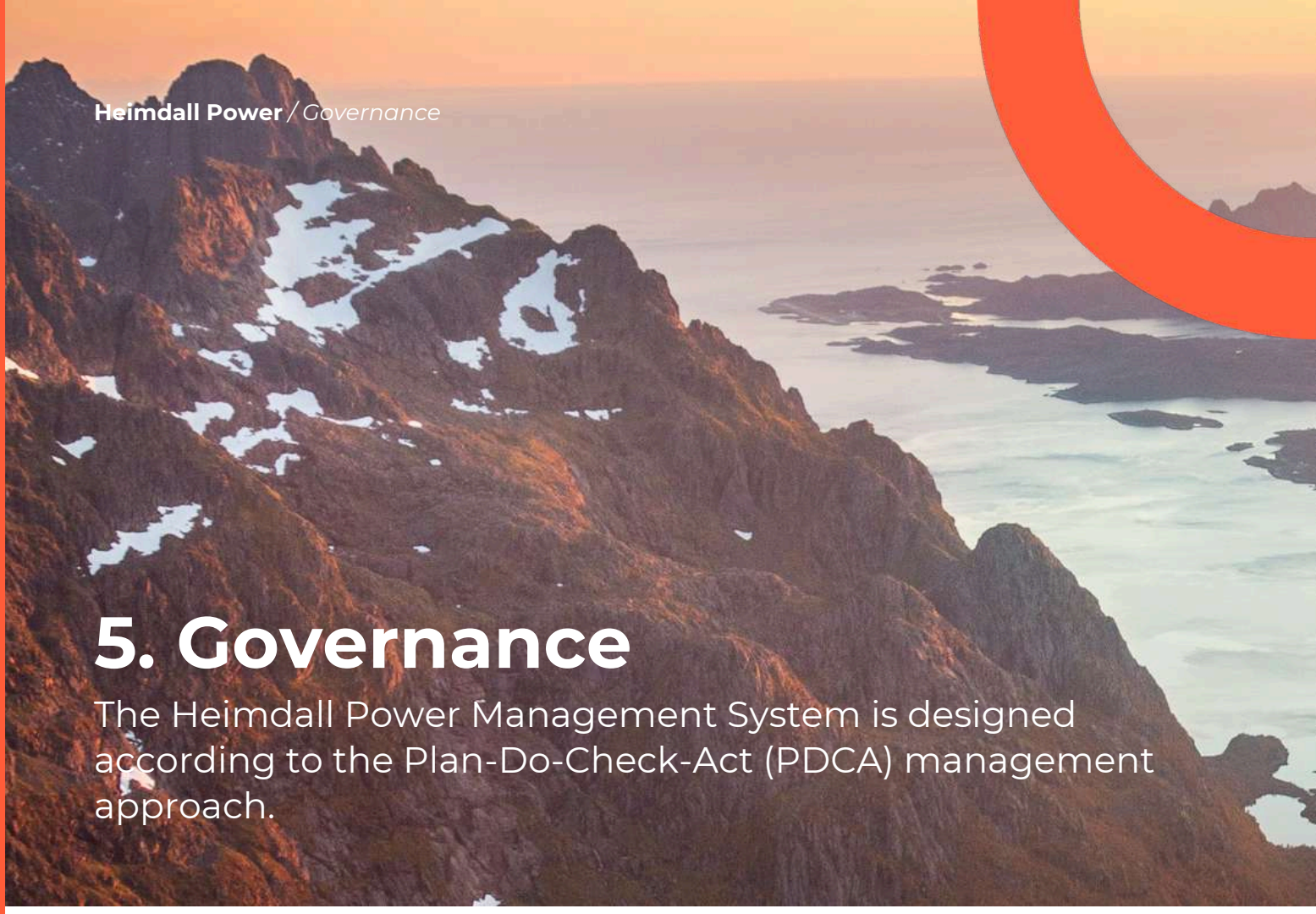
In 2024, our contract manufacturer put a lot of effort into Corporate Sustainability Reporting Directive (CSRD) compliance, with a strong focus on double materiality analysis. Their analysis encompassed their entire value chain, including both upstream and downstream, to ensure comprehensive understanding of their sustainability footprint. Additionally, they enhanced Conflict Minerals Reporting Template (CMRT) to extend the scope to include most of their suppliers, rather than limiting it to specific product categories.

4.6 Product safety & quality

Ensuring the safety, quality and reliability of our product is a top priority at Heimdall Power. As our neurons operate in critical infrastructure environments, they must meet the highest standards of performance and compliance across different regions. We are committed to adhering to rigorous international testing and certification processes to ensure our products not only function reliably but also comply with strict regulatory requirements.
Our neuron has been tested by a third party against various EU directives and harmonized standards, e.g., EMC and Radio directives, safety testing EN 61010-1, etc., and has successfully passed all tests.

As a result, it complies with the relevant Union harmonisation legislation and qualifies for CE marking.

In addition, our neuron has also successfully obtained both FCC (Federal Communications Commission) and ISED (Innovation, Science and Economic Development) certifications. This signifies that the neuron has undergone rigorous testing to meet their compliance requirements and has been officially approved for sale in the United States and Canada.



5. Governance

The Heimdall Power Management System is designed according to the Plan-Do-Check-Act (PDCA) management approach.

PDCA is an iterative four step method for the control and continuous improvement of processes and products. PDCA, in the context of Management System, ensures a structured and continuous improvement of the quality, information security and environmental practices at Heimdall Power.

The Heimdall Power Management System is based on the following axioms:

- International standards and best practices for Quality management – Heimdall Power QMS is certified according to ISO 9001.
- International standards and best practices for Environmental management – Heimdall Power EMS is certified according to ISO 14001.
- International standards and best practices for ISMS – Heimdall Power ISMS is certified according to ISO 27001.
- Information security controls based on ISO 27001 Annex A.
- Risk-driven risk management and assessment based on ISO 31000 and ISO 27005.
- Privacy regulations such as GDPR.

We are committed to aligning our corporate governance with the principles and best practices set forth by the Norwegian Corporate Governance Board (NUES).

5.1 Risk Management

Risk-based thinking and comprehensive risk assessment are embedded throughout the organization and integrated across all operational levels and functions, including corporate governance, information security, product lifecycle, operations, and task execution.

A structured risk assessment process is carried out at regular intervals to identify, evaluate, and prioritize risks that may affect the achievement of strategic and operational objectives. The findings are used to support decision-making, enhance resilience, and guide long-term planning at the leadership level.

Environmental risks and opportunities, including significant aspects and impacts associated with the organization's operations, are systematically identified, documented, and reviewed at least annually to ensure continued alignment with regulatory requirements and environmental performance goals.

In the domain of information security, targeted risk assessments are conducted to evaluate the effectiveness of security controls and ensure protection of essential critical assets. These assessments contribute to a comprehensive understanding of the organization's risk landscape and support the development of mitigation strategies and continuous improvement measures.

All risk-related activities are monitored and reviewed on a recurring basis to ensure accountability, transparency, and alignment with our commitment to responsible business practices and sustainable development.

5.2 Business ethics & values

Our people power our business – their success is our success. At Heimdall Power, we believe that everything we do in connection with our work will be, and should be, measured against the highest possible standards of ethical business conduct. Our commitment to the highest standards helps us hire great people, develop great solutions, and attract loyal business partners.

We have set an employee code of conduct that outlines the rules all Heimdall Power employees and consultants shall apply to on a day-to-day basis. The employee code of conduct consists of such as respect & dignity, confidentiality, information security, conflict of interest, anti-corruption, anti-money laundering, alcohol & substance use, anti-discrimination, anti-harassment, whistleblowing, etc. Each Heimdall Power employee and consultant signs the employee code of conduct while they sign the employment contract.

5.3 Anti-corruption & anti-money laundering

The Company has a zero-tolerance policy against corruption in any form, including bribery, facilitation payments and trading in influence. Heimdall Power complies with all anti-corruption laws and regulations, including the Norwegian statutory provisions on corruption, the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act (UKBA) and similar laws in other countries that prohibit improper payments to obtain a business advantage, and takes active steps to ensure that corruption does not occur in relation to the Heimdall Power's business activities.

Heimdall Power is opposed to all forms of money laundering and complies with all applicable anti-money laundering and anti-terrorism laws. We take steps to prevent our financial transactions from being exploited by others to launder money.

5.4 Privacy & information security

As a professional organization delivering products and services to critical infrastructure, Heimdall Power places information security at the core of our operations. It is integrated into every aspect of our business, from product design and development to day-to-day operations and governance.

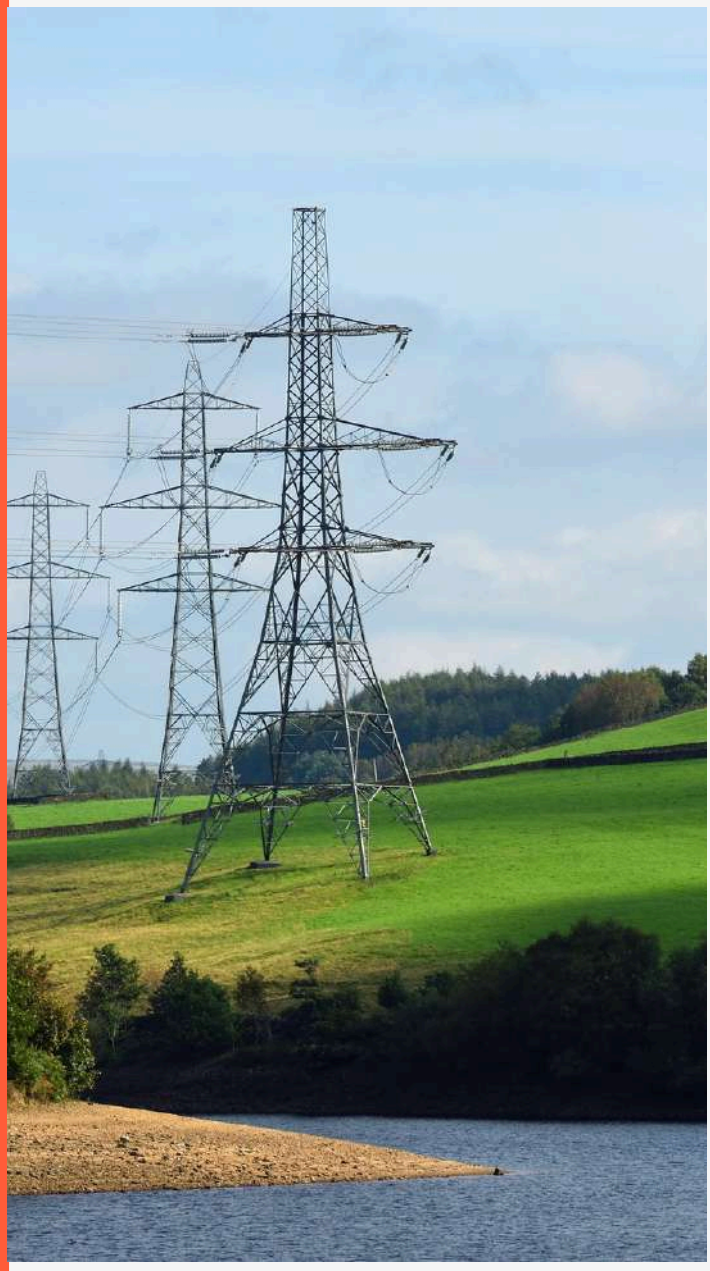
We recognize the trust our customers place in us to safeguard sensitive data and ensure system integrity. By embedding robust security practices throughout our organization, we deliver technology that is both innovative and resilient.

To support this, we have set up a number of procedures and controls to protect our information assets and information systems against risks to confidentiality, integrity and availability. Our overarching goal is to ensure that all activities carried out by Heimdall Power employees or systems are performed within acceptable levels of information security risk.

Furthermore, as a Norwegian company, Heimdall Power complies with the EU General Data Protection Regulation EU 2016/679 (“GDPR”), reinforcing our commitment to responsible data handling and privacy. We actively work to ensure personal data is collected and processed correctly and securely. The Employee Privacy Policy informs our employees, consultants, and temporary employees of what personal data Heimdall Power collects. The Record of Processing Activities instruction explains how we process personal data. The Privacy Policy for Job Applicants provides information about what personal data Heimdall Power collects from job applicants and how we process them. The global Privacy Policy provides information about information we may collect while operating our website.

5.5 Whistleblowing

At Heimdall Power, we have established a detailed whistleblowing procedure in accordance with the Norwegian Working Environment Act and encourage employees to report censurable conditions without fear of retaliation. All reports and relevant personal information are treated with strict confidentiality and only shared with those who need to know to carry out the relevant investigations and corrective remedies.



5.6 Compliance

Heimdall Power actively monitors and tracks all applicable legislations and regulations via an on-line portal. Changes and updates are notified by the portal via email notification automatically.

Compliance controls are conducted on a regular basis to ensure that operations remain aligned with current regulatory standards, supporting the company's commitment to ethical conduct, transparency, and responsible governance.

5.7 ESG strategy and goals

Heimdall Power's vision is to accelerate the energy transition by optimizing power grids to be safer, more reliable, and affordable while protecting people and planet. We strive to make a positive impact on the businesses we operate in and are committed to integrating general sustainability principles to our product design, operations, and daily work.

Our ambition is to create value for customers, employees, and the society around us in a sustainable way.

Each year, Heimdall Power sets company goals which are broken down into different priorities, KPIs and OKRs (Objective and Key Results) for each department. ESG related KPIs and OKRs are part of the priorities and typically reviewed on a monthly basis. During 2024, we remained our commitment to supplier transparency and responsible sourcing,

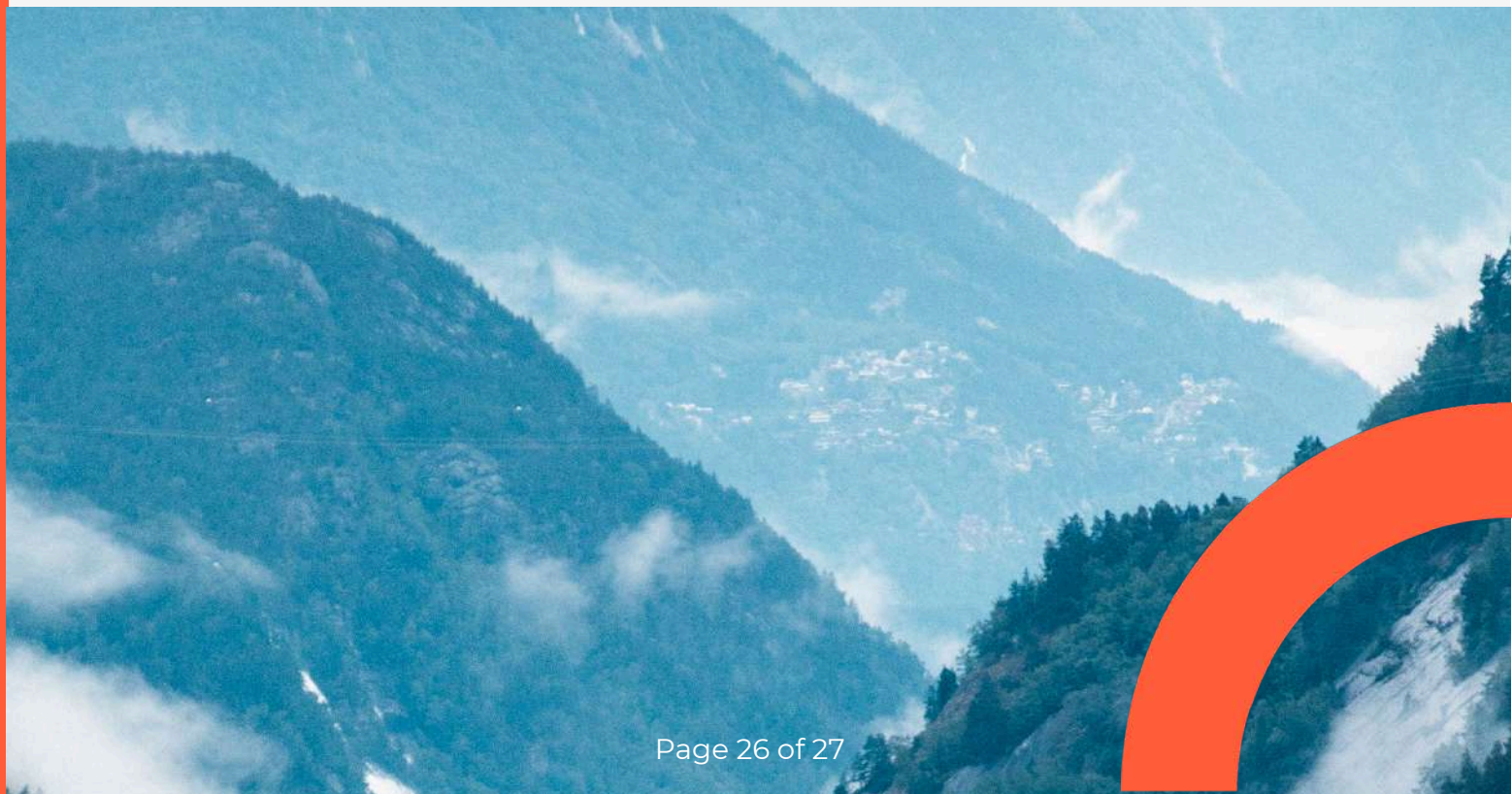
and continuously strengthened our oversight of key suppliers, reinforced ethical, environmental and social standards. In the year, all key tier-2 suppliers have signed our Supplier Code of Conduct and successfully completed our desktop due diligence screening. To strengthen our supply chain governance and best practices, relevant personnel completed the OECD Responsible Business Conduct training, equipping them with the knowledge to assess and mitigate supply chain risks. As part of our supply chain, our contract manufacturer plays a critical role in our sustainability strategy. Our contract manufacturer has begun implementing carbon accounting across their value chain, including Scope1, Scope 2 and partially Scope 3 emissions. This improves their emission transparency and lays the foundation for further carbon reduction efforts.

We also successfully deployed a tool to efficiently approximate the avoided emissions across various projects during the year.

5.8 The Transparency Act (Åpenhetsloven)

The Norwegian Transparency Act came into effect on 1st July 2022. Although Heimdall Power is not obligated to comply with this act yet, we have already started to identify gaps and taken necessary measures since March 2022.

As of the time of reporting (May 2025), Heimdall Power has fully addressed all identified gaps related to the Transparency Act and, based on activities carried out in 2024, has met the minimum requirements for compliance.



6. Summary

Contributing to a resilient and sustainable energy system is a core reason for establishing Heimdall Power. This commitment is reflected in our day-to-day operations, the products and services we deliver, and the way we engage with and support our stakeholders, including employees, suppliers, customers, etc.

In 2024, Heimdall Power achieved significant milestones in advancing our ESG strategy, demonstrating the dedication to sustainable operations and responsible governance. Key achievements include:

- **Operational expansion**: Successfully launched our U.S. office in Charlotte and full integrated it into our core management system.
- **Supply chain transparency**: Extended due diligence to key tier-2 manufacturing suppliers, with all of them formally committing to our Supplier Code of Conduct.
- **Risk assessment:** ESG considerations were embedded into our annual Corporate Risk Assessment, ensuing sustainability remains integral to our strategic planning.
- **Workplace environment improvement**: Established the AMU (Working Environment Committee) to oversee and enhance workplace health and safety initiatives.
- **Third-party audit excellence**: Heimdall Power, along with our contract manufacturer underwent a rigorous third-party audit with the focus on health, safety, environment, quality and CSR. We achieved an outstanding score of 98% out of 100%, with no major findings reported.
- **Transparency act compliance**: We closed all compliance gaps related to the Transparency Act, and met the minimum compliance requirements, reflecting our dedication to ethical and transparent operations.
- **Net positive**: we continued to be CO_2 net positive during 2024, primarily because we enabled our customers to avoid significantly more emissions than it generated through our own operations. Based on case studies and carbon accounting estimations, the avoided emissions attributable to our solutions far exceeded our operational footprint.

By achieving these milestones in 2024, Heimdall Power demonstrated our unwavering commitment to sustainable growth, ethical practices, and operational excellence. These accomplishments have positioned us as a responsible and forward-thinking organization, creating value for all stakeholders.