HYDROGEN ENGINE CENTER, INC.
(Nevada)

10-Q

QUARTERLY REPORT

FOR THE THIRD QUARTER OF 2025 ENDED SEPTEMBER 30

Pursuant to Rule 15c2-11(a)(5)

HYDROGEN ENGINE CENTER, INC. (Nevada)

6770 Snapps Ferry Road
Afton TN 37616
https://www.hec-hyeg.com
contact@hecwo.com

DATED: October 11, 2025

Federal securities laws, such as Rules 10b-5, 15c2-11 of the Securities Exchange Act of 1934 ("Exchange Act") as well as Rule 144 of the Securities Act of 1933 ("Securities Act"), and state Blue Sky laws, require issuers to provide adequate current information to the public markets. We use the basic disclosure information provided by OTCIC companies under these guidelines to designate the appropriate tier in the OTCIC marketplace,

Outstanding Shares
The number of shares outstanding of our Common Stock was :

As of September 30, 2025, **109,803,144**
As of Dec 31, 2024, **109,803,144**

Shell Status
Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934, and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: X

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: X

Change in Control
Indicate by check mark whether a Change in Control of the company has occurred during this reporting period:

Yes: No: X

1)Name and address(es) of the issuer and its predecessors (if any)
HYDROGEN ENGINE CENTER, INC.", a Nevada corporation (referenced as "HEC," the "Company," "we," "us," or "our") below

Current State and Date of Incorporation or Registration: **NEVADA 08/03/2000**

Standing in this jurisdiction (e.g., active, default, inactive): **ACTIVE.**

Prior Incorporation Information for the issuer and any predecessors during the past five years:

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the Issuer or its predecessors since inception:

NONE

Address of the issuer's principal executive office:

Company Headquarters
6770 Snapps Ferry Road
Afton TN 37616
Phone (423) 470-3425
Email: contact@hecwo

Address of the issuer's principal place of business:
X *Check if the principal executive office and principal place of business are at the same address:*

Has the issuer or its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:X Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

ClearTrust, LLC
16540 Pointe Village Drive, Suite 210,
Lutz, Florida 33558
+1 813 235 4490
cleartrustonline.com

Publicly Quoted or Traded Securities:

Trading symbol:	HYEG
Exact title and class of securities outstanding:	Common
CUSIP:	448876102
Par or stated value:	$0.001
Total shares authorized:	as of September 30, 2025, **260,000,000**
Total shares outstanding:	as of,September 30, 2025, **109,803,144**
Total number of shareholders of record:	as of,September 30, 2025, **210**

Security Description:

98,603,144 outstanding "HEC" shares have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and the shares will be "restricted securities" under Rule 144 promulgated under the Securities Act ("Rule 144").

Every shareholder of record shall be entitled to one vote for every share of Common Stock standing in its name on the record of the shareholders. There are no pre-emptive rights on the Company's common stock.

3) Issuance History

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: X

Shares Outstanding Opening Balance: Date Dec 31, 2023 Common: 51,015,529									
Date of Transaction	Transaction type new issuance	Number of Shares Issued	Class of Securities	Value of shares issued ($/per share) at Issuance	Were the shares issued at a discount	Individual or Entity Shares were issued to.	Reason for share issuance	Restricted	Exemption or Registration Type.
September 10,2024	New Issuance	60,000,000	Common	$0.10	NO	MONTE ACEDOS S.L. C. Martinez	Purchase of TINA Shares	Restricted	NO
Shares Outstanding on Date of This Report: September30, 2025 Ending Balance: Common: 109,803,144									

Employee Stock Compensation Plan. The Company maintains stock-based benefit plans for certain employees and directors, allowing them to receive restricted stock grants or options. Under the 2015 Stock-Based Benefit Plan, a maximum of 8,000,000 shares may be issued by exercising stock options. The exercise price for each option equals the market price of the Company's stock on the grant date, and an option's maximum contractual term is ten years.

Generally accepted accounting principles in the United States of America, Codification Section 718, require an entity to measure the cost of employee services received in exchange for an equity instrument award based on the prize's grant-date fair value (with limited exceptions). That cost will be recognized over the period in which an employee is required to provide service in exchange for the award—the requisite service period.

On September30, 2025, the Company had no outstanding warrants or stock options.

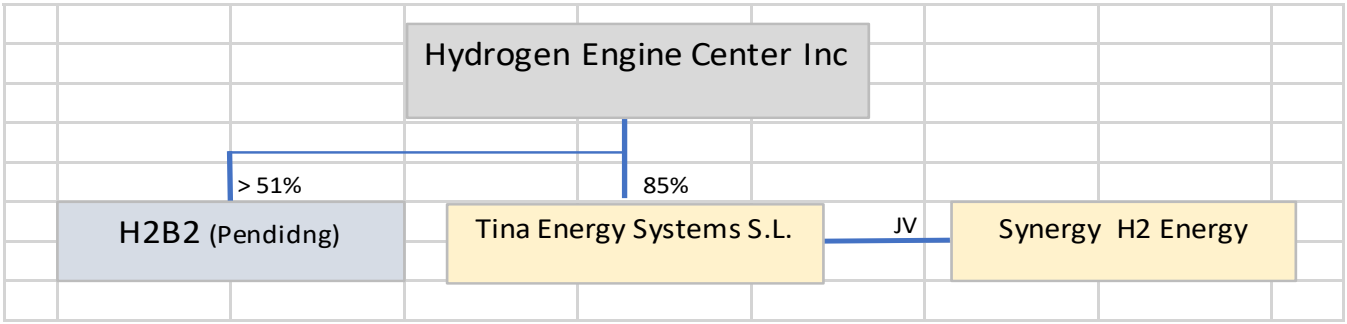
B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: X (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms	Name of Noteholer.	Reason for Issuance
08/2018	$230,315	$230,315	0%	08/2019	Cash or Shares at value of $ 0.21	Pedro Blach	Loan
06/2024	$166,666	$250,000	2%	07/2026	Cash or Shares at value of $ 0.089	Federico J. Gonzalez	Loan

4) Issuer's Business, Products, and Service



Hydrogen Engine Center Inc.[HYEG:OTCIC] and H2B2 Electrolysis Technologies (www.H2B2.es) have sing on 01 October 2025 a LOI for merger of the companies

Qualitative and quantitative analysis of the merger

- Commercial and customer synergies

The merger would open the door to a broader network of customers, combining H2B2's international portfolio with that of HYEG. This would make it possible to leverage existing relationships in their respective markets, generating cross-sales of equipment, services, and integrated solutions. It would allow both companies to reach customers and sectors they do not currently serve.

In addition, a greater commercial reach would strengthen the ability to compete in large-scale tenders, where having diversified references and contracts can make the difference in the awarding of projects.

In this regard, for example, it is worth recalling the references that HYEG already has in electricity generation from hydrogen (H2P) or in ammonia production, and those that H2B2 already has in relation to large hydrogen production plants.

- Expansion of geographic Markets

The union would provide simultaneous presence in Europe, the United States, and emerging markets. To those already held today, would be added those that could be accessed thanks to the synergy, or through new products.

All this reduces the risk associated with dependence on a single market and positions the company as a global player. Access to public incentive programs in different regions (where renewable. hydrogen and its derivatives, renewable energy sources, and off-grid solutions are being promoted) increases opportunities to attract financing and institutional customers.

The resulting multinational character would convey solidity, diversification, and resilience, and would attract investors and strategic partners.

- Technological and product integration

H2B2 contributes capacity in the design and manufacture of Electrolyzers, experience in large plants (as an EPC company), and expertise in O&M; it also brings to the table technology to

manufacture electrolyzer stacks in AEM-and-SOEC-developed-under-Tecnopropia-Project-with-a-budget-of-$58Million)

HEC contributes-with-the production of green Hydrogen through plants-deployed at locations required by clients, allowing them to produce and consume on-site green Hydrogen, Green Electricity, and Green NH3, thereby avoiding the costs of-storage and transportation.

Together, both entities could offer more complete hydrogen solutions adapted to different scales, from the stack to the turnkey plant.

It is especially noteworthy that the merged company will own stack technology in three of the four mature technologies (PEM, AEM, and SOEC).This technological complementarity generates a more robust and competitive catalog, capable of serving both industrial customers and utilities and public administrations, reinforcing the value proposition against other competitors with an advanced solutions catalog.

- Cost optimization and economies of scale

The merger would allow cost reductions through the unification of administrative structures, both in the United States and in Europe.

By increasing the volume of production and projects, economies of scale are achieved in the acquisition of critical components, improvements in supplier conditions, and optimization in logistics and maintenance of equipment and plants.

These savings not only improve profit margins but also strengthen the company's competitiveness against international rivals that already operate on a large scale, that have also integrated P2H and H2P, such as Plug Power or Bloom Energy.

- Greater attractiveness for institutional investors

A stronger and more diversified balance sheet (in geography and products) improves risk perception and facilitates access to capital under favorable conditions, even in a market that still views hydrogen with suspicion.

The company resulting from the merger inherits the experience of both teams, offers a broader product portfolio, and can provide better and more varied integrated off-grid solutions.

In turn, the listing after the merger would not only provide international visibility but also attract funds specialized in the energy transition that are seeking consolidated and global players.

- Synergy-Driven Product Portfolio

The following products could result from the synergies of the merger, leveraging the complementary expertise of both companies:

1. Ammonia production plants integrating SOEC and Haber-Bosch, enabling thermal integration by combining HYEG's expertise in Haber-Bosch with H2B2's know-how in SOEC technology
2. Large-scale renewable ammonia plants, combining H2B2's experience in large hydrogen facilities with HYEG's expertise in Haber-Bosch.

3. Larger stacks across three technologies (PEM, AEM, SOEC), capitalizing on the joint knowledge of both companies in stack manufacturing.
4. 24/7 renewable power generation plants for data centers, merging the product portfolios of both companies in Power-to-Power solutions
5. "Energy Island / Hub" solutions, uniting H2B2's previous experience in SoHyCal with HYEG's power generation solutions.

Table 1. Synergy Matrix between HEC-TINA Modules and H2B2 Business Lines

		H2B2 Business Lines				
		Technology Development (AEM & SOEC Stacks)	**Industrial Manufacturing of PEM Electrolyzers**	**EPC – Large Hydrogen Production Plants**	**EPC – Off-Grid Energy Systems**	**High-Power & Power-to-Power Solutions (Data Centers, Continuous Supply)**
HEC-TINA Modules	**Hydrogen Production Module ($MPMGH_2$)**	Synergies and cross-fertilization in **stack R&D**, leveraging HEC-TINA's 200-bar PEM expertise to complement H2B2's AEM and SOEC programs. Development of electrochemical compression modules.	Industrialization and **certification of HEC-TINA's proprietary PEM stack** under H2B2's quality and production systems.	**Scale-up of modular PEM electrolyzers** from pilot to multi-MW range; integration into large-scale hydrogen hubs.		
	Ammonia Production Module ($MPMGNH_3$)			**EPC of large-scale ammonia and hydrogen-derivative plants**, incorporating HEC-TINA's Haber-Bosch reactor technology.		
	Power Generation Module (P2P) (MPMGE/MPMERA)				**Off-grid hybrid energy systems** (PV + battery + ICE-H_2) for industries and remote infrastructure.	**Long-duration Power-to-Power solutions** for data centers and other high-demand users; integration of renewable storage and hydrogen-based backup power.

Hydrogen Engine Center is built on the vision of carbon-free energy independence through the development and commercialization of clean solutions for today's energy needs.

Our mission is to develop and implement innovative technologies that contribute to eliminating environmental problems caused by global reliance on fossil fuels, thereby contributing to a cleaner and more sustainable world.

Our vision is to become a leading player in the global distributed Hybrid Power Systems (HPS) through the production of up to 80 kg of Green Hydrogen per day within an average period of 6 hours per day of profitable electricity availability from renewables, and the production Green Electricity and Green fertilizers with produced GH2, harnessing energy with wisdom and creativity to contribute to the transition to sustainable energy sources.

Our methods of harnessing the energy around us need more than wisdom and creativity.

Furthermore, HEC's Electrolyzers can produce electrolysis through an intermittent and erratic power source, such as PV plants and wind farms. It is ideal for generating "Green Hydrogen" using renewable energy, meaning that the Hydrogen obtained is 100% green, without any carbon footprint. HEC subsidiary company TINA has been awarded several grants in FY22 and FY23 from the Next Generation EU programs. These funds are earmarked for implementing industrial facilities to manufacture PEM Electrolyzers and developing the TINA ICE H2 generator, fueled by Hydrogen. This financial support underscores TINA's potential and stability in the market. HEC technologies are at TRL6 and CRL4 levels

Entity and project Subject	Total Project Budget	Grant / Equity	Status September 2024
Program 1 MITECO&IDAE NextGen EU Industrial Facilities for PEM Electrolyzers manufacture	8,914,508€	1.782,901€ Grant	Granted Dec/2022
Program 2 MITECO&IDAE NextGen EU New ICE fueled by Hydrogen + Oxygen + Argon	1.278.325€	575.264€ Grant	Granted Jan/2023
EU HORIZON EIC ACCELERATOR Mini Complex Green H2 and NH3	8,350,000€	2.150,000€ Grant and 6,200,000 € Equity	In process Firts Resolution expected before end May 2025
Total	18,542,833€	4,508,165€ Grant 6,000,000€ Equity	

TINA has Cooperation Memorandum of Understanding on its R&D programs, with Fundación Tecnalia Research & Innovation, ("TECNALIA") www.tecnalia.com, which in the latest awareness and positioning study carried out by the European Research Survey ERS in 2022, TECNALIA occupies the first position in R+D+i brand awareness.

The centralized production of large Green Hydrogen production plants and its distribution to end users face multiple technological problems that are currently unresolved, such as its compression, storage, transportation, the particularities of the embrittlement of materials due to the affinity of hydrogen to combine, the use of Alkaline Electrolyzers that are the only ones that have a nominal production capacity of MW, but that do not operate efficiently with renewable energies and there are many doubts that some of the above mentioned technological challenges can be resolved at a commercial level in the short term.

We manufacture and commercialize multipurpose modules capable of producing and storing green hydrogen (MPMGH2), green electricity (MPMGE), and green ammonia (MPMGNH3) on-site through proprietary HEC-TINA technologies.

Changes in electricity demand, protein technology, and geopolitics are reshaping the global food system**.** The most forward-thinking organizations are preparing for disruptive change through various strategies, including portfolio diversification, vertical integration, and investment in more resilient operating models and supply chains. As converging disruptive forces contribute to a volatile and uncertain market environment, organizations across the food system must enhance their scenario planning capabilities to incorporate strategies that support growth and resilience.

Declining renewable energy costs and innovative business models that finance electricity access have a significant impact on the energy access landscape, particularly in rural areas. "Green" jobs already represent around 5% of the labor market in rural areas. High energy prices, low incomes, and poorly insulated, damp, and unhealthy homes have increased energy poverty rates.

HEC is focused on significantly enhancing the production capacity of existing technologies, including PEM Electrolyzers, ICEH2 Genset, and ammonia plants, by leveraging renewable energy sources with its devices, which produce and store green hydrogen (GH2) at high pressures of up to 200 bar. This innovative approach is poised to play a crucial role worldwide by fostering the creation of green jobs, which already account for approximately 5% of the rural labor market.

Microgrids and autonomous hybrid systems will be central in electrifying rural and developing regions, ensuring that clean, reliable, and affordable energy is accessible.

The project highlights the significance of microgrids and autonomous hybrid systems in providing clean, reliable, and affordable energy to rural and developing regions, where Access to such energy is a top priority.

The reduction in renewable energy costs, coupled with innovative business models that finance access to electricity, is significantly impacting the energy access landscape, especially in rural areas.

Here are some additional comments highlighting HEC's excellence in this challenging market:

The TINA project's objective is to make a carbon-free, mini, containerized, modular plant available for on-site, 24/7/365 distributed production and storage of Green Hydrogen, Green Electricity, and Green Fertilizers to customers in areas without access to the commercial electrical network and who have difficulties acquiring fertilizers.

The reactor design of our mini plant of NH3 is a breakthrough technology consisting of a shell-and-tube heat exchanger filled with a liquid metal carrier. The pipe space is designed to facilitate easy loading and unloading of the catalyst. Pipe bundles are categorized into three types: bundles with four pipes connected to form a single stream, bundles with three pipes connected to form a single stream, and single-pipe bundles. Previously, the body carrier would have been warmed up due to ceramic electric heaters installed on the device's body. Coolant movement in the casing is due to convection; a coil immersed in a metal coolant will be considered a starting point for heating.

The benefits of green ammonia include:

- Reduced Carbon Footprint: Using renewable energy can significantly lower greenhouse gas emissions by producing green ammonia.
- Energy Independence: Utilizing locally sourced renewable energy for ammonia production can reduce dependence on imported fossil fuels.
- Fostering Innovation: Investment in green ammonia can drive technological advancements and economic growth in the renewable energy sector.

Key points of the Project include:

- Resource Efficiency: Optimizing ammonia fertilizers to reduce waste and enhance crop nutrient uptake.
- Ecosystem Health: Minimizing the impact of fertilizers on natural ecosystems through controlled release and targeted application.
- Economic Sustainability: Ensuring green ammonia production is cost-effective for farmers, encouraging widespread adoption.

Small-scale Ammonia Production: Modular and small-scale production facilities are being trialed. These facilities can be near renewable energy sources, reducing transportation costs and emissions. The accessibility of green ammonia makes it a viable option for sustainable agriculture practices worldwide.

Until now, TINA has not found in the market a commercial low production as 5kg/hour Green NH3 mini plant; the TINA project represents the integration of breakthrough technologies as the design of the NH3 plant and the PEM Electrolyzer gases direct production at high pressure >190 bars, with 99,99% purity which facilitates and simplified the layout and operation of the mini NH3Plant.

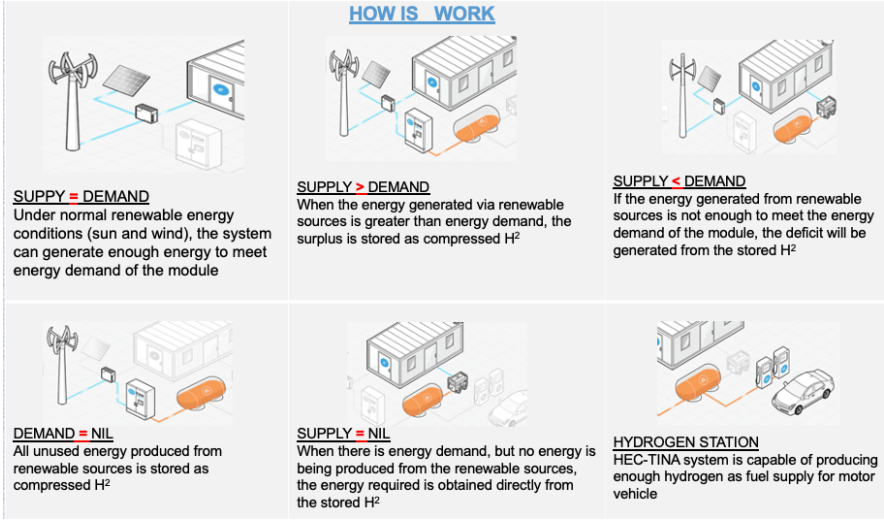
The TINA MPMGE will focus on emerging countries, including those in Asia (such as the Southeast Asian Nations), Africa, and Latin America. More specifically, it is expected to be used in villages that lack or have difficulty accessing the electricity grid. Most remote villages currently use Hybrid Power Energy Systems, which are composed of renewable sources (wind, solar, etc.) combined with diesel generators or Batteries. The 25-year LCOE of the kWh produced by HEC-TINA's MPM Green Electricity modules deployed in villages with demand under 200 kWh/day is at the level of $0,35-$0.40, more than 50% cheaper than the Hybrid Power System mentioned above

TINA and its associate "Synergy H2 Energy Sdn Bhd" **(www.synergy-group.my),** (Malaysia), signed a JV agreement on May 27, 2024, with the government company "Innoprise Corporation Sdn Bhd," (Sabah) for the delivery of MPMGE systems for the electrification of rural villages covered in the State of Sabah renewable energy rural electrification roadmap (https://www.sabahre2roadmap.org)

We are in talks with a Mexican organization to electrify approximately 12,500 small rural households in Mexico and with Panama for the electrification of twelve communities, which collectively comprise a total of 2,000 households in Panama.

In addition, TINA is in talks with the Sarawak State Government (Malaysia), which plans to electrify approximately 400 rural villages, comprising about 20,000 homes, clinics, and rural schools. The government is also collaborating with an official Angolan agency to deploy MPM for border migration control.

To move forward, we plan to have an MPMGE POC (Proof of Concept) unit available to be utilized as demo unit. It can be deployed anywhere (with an area between 500 and 700 Sf) to facilitate visits by those interested in the MPMGE. The POC unit will be located in a 20-foot container and integrates the balance of the plant and an older version of our electrolyzer.



(**https://youtu.be/IepxwnaTrMw)**

As a consequence of our deployment of our MPMGE in SABAH, we expect to accelerate and finalize our ongoing negotiations with several Southeast Asian Nations ("ASEAN") for the sale

and installation of our MPMs; these MPMs will provide 24/7/365 reliable, safe, and economical green power to remote and rural villages, schools, clinics, islands, border checkpoints, etc.

We are in talks with IBERDROLA to explore the possibility of using HESS systems, which include the green hydrogen production block (MPMGE) equipped with a HEC&TINA PEM electrolyzer producing high-pressure green hydrogen,(GH2) and the green electricity (GE) generation block using a genset equipped with an ICEH2 engine that generates electricity synchronized with the frequency of the grid to which it is connected, as backup and stabilization equipment for the electrical grid supplied by PV and wind plants.

We have initiated an R&D program to replace specific components of the STACK, which currently utilizes bipolar plates that integrate the gas diffuser (BPP-GDL) into their surfaces. These plates are made of a titanium-palladium alloy, which offers excellent characteristics to prevent oxidation on the anode and reduce the embrittlement effect of metals on the cathode. Their cost is very high, around $1,400 per 255x255 mm unit.

To reduce the cost of the stack, we will explore the manufacture of BPP-GDL made from PEEK plastic material doped with carbon fibers, nanotubes, or graphene to provide it with electrical conduction capacity, which will be achieved through the 3D printing method. The new BPP-GDL will be tested on a STACK. If they offer satisfactory operation, the cost of the PEEK BPP-GDL will be below $300. This is significant, particularly in a 40-cell stack that requires 78 BPB-GDL +2 Electrode BP units, resulting in a substantial reduction in stack cost, which will lower the cost of the kilogram of GH2.

Carbon fiber-reinforced PEEK is one of the most advanced materials for industrial 3D printing. It offers exceptional mechanical performance, high rigidity, and thermal resistance, making it perfect for critical applications in the aerospace, automotive, and oil and gas sectors. It is ideal for replacing metal parts in extreme environments where lightness and durability are required.

We expect that MPMGH2 and MPMGNH3 will be key energy modules for US farmers, enabling them to increase efficiency, reduce costs, and operate for 30 years with a practically fixed cost of ammonia produced from water and sunlight as raw materials, thereby generating an additional profit from their crops.

The project also has the potential to make green hydrogen available to US farmers for use in mobility or for generating green electricity. The green ammonia produced will be stored in tanks until soil fertilization periods, ensuring a steady supply for the farmers.

Approximately 900K farmers are in the USA, with land farms of roughly 400 acres (mean). HEC will initially focus on certain U.S. states, such as California, Texas, Oklahoma, and Nevada, as the daily hours of solar irradiation are higher in these states compared to others. Hydrogen production through MPMGH2 will be 100% green, utilizing dedicated PV plants to provide electricity.

USA farmers benefit from incentives from the USA Public Administration, such as **i)** they will be awarded a tax credit of up to $3.00 per kg of green Hydrogen produced within 10 years; for projects initiated before 01 January 2028 and **ii)** the U.S. Department of Agriculture offers farmers soft loans up to c.$600k with repayment period up-to 40 years at an interest rate of 4,75%.

B. Issuer's Products

MPMGH2 It is a multipurpose module mainly composed of i) a PEM Electrolyzer able to produce Hydrogen up to 200 bars of pressure (unique technology worldwide), ii) Tank storage for the Hydrogen produced, and iii) PV plants.

MPMGE: It is a multipurpose module integrated by MPMGH2 and ICEH2 Gensets.

MPMGNH3 is a multipurpose module integrated by MPMGH2 and a mini NH3 plant. Ammonia is used to produce fertilizers, which farmers use to grow healthy crops. The ammonia produced can be used not only by the farmer-owner of the module, but also the surplus can be sold to neighboring farmers.

ICEH2 GENSET. This product is a critical component of the MPMGE for electricity supply in the absence of renewable energy sources.

5) issuer's facilities

20,000 Sqft of TINA Industrial facilities in Villacastin-Segovia (Spain), and 500 Sqf in 6770 Snapps Ferry Road Afton, TN 37616. We are presently in the process of selecting new HEC locations to deploy new industrial facilities in the US

6) All Officers, Directors, and Control Persons of the company

Names of All Officers, Directors, and Control Persons	Affiliation with Company	Residential Address (City/ State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Pedro Blach	CEO	Miami/Florida	1,200,000	Common	1,08%	
Jose Ramon Barañano	VP and CFO	Madrid/Spain	-	-	-	-
Theodore Hollinger	Advisor of the BOD	Greeneville /TN	13,206,722	Common	11,89%	
Monte Acedos	Shareholder	Madrid	60,000,000	Common	54,04%	Clo. Martinez
Lucas Blach	Shareholder	Switzerland	17,217,951	Common	15,50%	

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past ten years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

NO

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended, or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended, or otherwise limited such person's involvement in any business, securities, commodities, financial- or investment-related, insurance or banking activities.

NO

3. Been the subject of a finding, disciplinary order, or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

NO

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above, or

NO

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any business or securities activities.

NO

6. Been the subject of a U.S. Postal Service false representation order, a temporary restraining order, or a preliminary injunction concerning conduct alleged to have violated the false representation statute that applies to U.S. mail.

NO

7. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Please include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties to it, a description of the factual basis alleged to underlie the proceeding, and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

Describe the qualifications of the person or persons who prepared the financial statements:

Jose Ramón Barañano (HEC VP and CFO): Ambassador of Spain in Australia, New Zealand, Malaysia, India, Nepal, Sri Lanka, and Bhutan. Mr. Barañano graduated in Economics and pursued postgraduate studies at the College of Europe in Bruges and the Spanish Diplomatic Academy. He began his diplomatic career in 1978, initially working in the General Directorate of International

Economic Relations (REI), where he held the position of Relations Director for EFTA countries. In 1980, he was successively assigned as Commercial Counsel to the Spanish Embassies in Ecuador, Austria, and Morocco. On his return to Madrid in 1989, he was appointed Deputy General Director of Bilateral Economic Relations until 2006, when he was appointed General Director of Fisheries Resources in the Ministry of Agriculture.

Pedro B. Martinez (Consultant): Wake Forest University TN, School of Business BS, Institute of World Politics Washington, D.C. Master of Arts in Strategic Intelligence Studies (National Security & Counterintelligence), CUNEF University (Madrid, Spain) Masters in Corporate Banking & Financial Markets, Santander Corporate & Investment Banking, Debt Capital Markets, MiFID II, Investment intermediaries, and trading venues; SQL, Udemy, CFA Level I, candidate CFA Level II

8) Third Party Service Providers

Legal Counsel
Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
265 Brookview Centre Way, Suite 600
Knoxville, TN 37919
Direct: 865.549.7125
Fax: 865.633.7125
E-mail: nkibler@bakerdonelson.com
www.bakerdonelson.com

Accountants
Craine, Thompson & Jones, P.C.
225 W First North St
Morristown, TN 37814
423-586-7650
www.ctandj.net

Auditors
Rodefer Moss & Co, PLLC
608 Mabry Hood Road I Knoxville, TN 37932
865.684.1956 Direct 865.583.0091 Office
http:/www.rodefermoss.com

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by :

Name	Pedro Blach
Title	CEO
Relationship to Issuer	Shareholder

Name:	Jose Ramon Baranano
Title:	Economist
Relationship to Issuer:	VP and CFO

B. The following financial statements were prepared under:

☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by:

Name:	Pedro.B. Martinez
Title:	Economist
Relationship to Issuer:	Consultant

Name	Jose Baranano
Title	Economist
Relationship to Issuer	CFO

HYDROGEN ENGINE CENTER Inc AND SUBSIDIARIES
Consolidated Statements of nine months ended September 30, 2025

HYDROGEN ENGINE CENTER, INC. AND SUBSIDIARIES			
Consolidated Statements of nine months ended September 30, 2025			
	Nine Months ended September 30, 2025	**December 31, 2024**	**December 31, 2023**
June 20/25 [€/$: 1.18]			
Non Current Assets (intangible Assets)			
Know How, Intelectual Property & Patent WO2010/084227A1	3,033,802	2,776,701	2,650,000
Goodwill	3,448,492	3,558,646	3,747,245
Inventories R&D requipment	4,438,414	3,372,520	3,596,978
Fixed Assets	125,830	125,830	134,720
Long term firnancial investments	8,640	8,640	8,480
Other financial instruments	166,641	141,221	
Current Assets			
Trade debtors and other accounts receivable			
DeferredTaxes	23,340	46,341	36,887
Cash	2,359,077	1,034,289	97,947
Total Assets	**$ 13,604,236**	$ 11,064,187	$ 10,272,257
Liabilities and Stockholders´Equity			
Current Labilities			
Accounts Payable	201,450	102,600	25,136
Debts short term	75,540		47,766
Other liabilities	7,300	384	85,234
Tennesse Unemployement tax	3,800	3,800	384
Tennesse Excise tax			3,800
Baker & Donelson	49,440	49,440	49,440
Craine, Thompson & Jones	4,718	4,718	4,718
David Brown Law	1,574	1,574	1,574
Rodefer Moss	10,000	10,000	10,000
Total Current Liabilities	353,822	172,516	228,052
Non-Current Labilities			
Long term debts	667,941	493,000	236,875
Total current liabilities	$ 1,021,763	$ 665,516	$ 464,927
STOCKHOLDERS EQUITY			
Preferred Stock			
Common Stock	109,803	109,803	109,803
Retainer earnings	(22,909,392)	(22,909,392)	(22,909,392)
Treasury Stock			-
Capital surplus	37,425,588	34,529,292	32,606,919
Other Equity			
Total stockholders' equity (deficit)	**14,625,999**	**11,729,703**	**9,807,330**
Total Liabilities and Stockholders' Equity /(Deficit)	**$ 13,604,236**	**$ 11,064,187**	**$ 10,272,257**

P&L	Nine Months ended September 30, 2025	December 31, 2024	December 31, 2023
Sales			
Total Revenues		-	
Cost of Revenues		-	
Gross Profit (Loss)			
Operating Expenses			
Research and Development			
Personnel and salary expenses	(236,933)	(41,000)	
Other operating Expenses	(514)	(122,161)	
Other results		(4,292)	
Financials expenses		(9,033)	
Depretiation and Amortization			
Total Operating expenses	(237,447)	(176,486)	-
Lost from operations	(237,447)	(176,486)	-
Other income			
Grants	2,735,452	621,000	
Deferred taxes	23,340		
Total other income	$ 2,758,792	$ 621,000	
Earnings before income Taxes	2,521,345	444,515	
Net Income	$ 2,521,345	$ 444,515	-
Basic and diluted profit (loss) per share of common stock	$ 0.02	$ 0.004	

CASH FLOWS	Nine Months ended September 310, 2025	December 31, 2024	December 31, 2023
Cash flow from Operating Activities			
Net Income (Grants)	2,735,452	$ 444,515	
Change in Deferred Income Taxes Assets		(46,341)	
Depreciation and amortization			
Interest income			
Inventory			
Unemployement tax			
Prepaid expenses			
Operating expenses	(237,447)		
Accounts payable		(16,636)	(1,050)
Accrued liabilities (long term debt)			
Accrued interest			
Net cash used in operating activities	$ (237,447)	$ (62,977)	$ 1,050
Cash Flow from Investing Activities			
Investing in Property and Equipment			
Net cash provided by (used in) investing activities			
Cash Flow from financing activities			
Increase in Long-term debt	(236,875)	(236,875)	
Increase debt with financials institutions		(47,766)	
Net cash provided by (used in) financing activities	$ (236,875)	$ (284,641)	
Cash Beginning of Period	97,947	1,050	2,100
Cash and Cash Equivalents – End of Period	$ 2,359,077	$ 97,947	$ 1,050

	Common Stock	Additional Paid in Capital	Accumulated other Compresssive Income	Retained Deficit	Total Stockholders Equity (deficit)
Balance at December 31, 2023	$ 49,803	$ 22,798,751		$ (22,847,504)	$ 3,989,050
	-	-	-	-	-
Balance at December 31, 2024	$ 109,803	$ 32,606,919	$ -	$ (22,909,392)	$ 9,807,330
Net income					
Other comprensive income					
Balance as. September 30, 2025	$ 109,803	$ 37,426,588		$ (22,909,392)	$ 14,625,999

10. Notice to the reader

HEC maintains its domicile and facilities at 6770 Snapps Ferry Road, Afton, TN 37616. Phone (423) 470-3425 Email: contact@hecw, but without industrial and commercial activity and, therefore, without salaried staff. However, in a display of unwavering commitment, the BOD is currently managing the Company without remuneration. The HEC's BOD plans 2024 are set to reactivate industrial and commercial activities in the US with state-of-the-art new industrial facilities.

Throughout the fourth of 2025, we will select an SEC-registered CPA/Auditor/Legal firm and submit to the IRS the outstanding tax returns for the years 2018 through 2023 (all with negative results; in fact, HEC has a tax credit of approximately $18 million through 2018).

We have hired the international audit firm Grant Thornton which presently is working in the audit of HEC subsidiary TINA Energy Systems in order to submit the HEC audited consolidated 10-K financials 0f 2025

Our financial statements as of September 30, 2025, 10-Q, have been prepared under accounting principles generally accepted in the United States. Preparing these financial statements requires us to make estimates and judgments that affect the reported amounts of our assets, liabilities, revenues, expenses, charges taken by us, and related disclosures. Such estimates and judgments include the carrying value of our property, equipment, and intangible assets, revenue recognition, and the value of liabilities. We base our estimates and judgments on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. However, these estimates and judgments, or the underlying assumptions, may change over time, requiring us to restate some of our previously reported financial information.

Inherent Limitations Over Internal Controls Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes by generally accepted accounting principles. Our internal control financial reporting includes those policies and procedures that:

(i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of our assets.

(ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements by generally accepted accounting principles and that our receipts and expenditures are being made only by authorizations of our management and directors; and

(iii) Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Management, including our President and Chief Financial Officer, do not expect our internal controls to prevent or detect all errors and fraud. No matter how well designed and operated, a control system can provide only reasonable, not absolute, assurance that the control system's objectives are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any review of the effectiveness of controls in future periods is subject to the risk that those internal controls may become inadequate because of changes in business conditions

or that the degree of compliance with the policies or procedures may deteriorate.

We are responsible for establishing and maintaining adequate internal control over financial reporting and assessing the effectiveness of those internal controls. As defined by the SEC, internal control over financial reporting is a process designed by or under the supervision of our principal executive officer and principal financial officer and effected by our Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements by U.S. generally accepted accounting principles.

This quarterly report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting.

Principles of Consolidation - The consolidated financial statements include the accounts of Hydrogen Engine Center, Inc. and Tina Energy Systems S.L. ("The Company") under ASC 810 (VIM). All significant intercompany balances and transactions have been eliminated in consolidation. The accompanying consolidated unaudited balance sheet as of September 31, 2024, the consolidated statements of operations, and the consolidated statement of stockholders constitute the company's financial statements. Such financial statements are set forth above.

The unaudited consolidated financial statements of Hydrogen Engine Center, Inc. (Nevada) ("HEC") (the "Company") have been prepared by persons with sufficient financial skills according to US GAAP. The financial statements of TINA under International Financial Reporting Standards (IFRS) have been deposited in the HEC OTC report section.

Use of Estimates - In preparing consolidated financial statements, management must make estimates and assumptions that affect the reported amounts of assets and liabilities as of the statement of condition dates, revenues, and expenses for the periods shown. Actual results could differ from the estimates and assumptions used in the consolidated financial statements.

Cash and Cash Equivalents—For the consolidated statement of cash flows, the company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At the consolidated balance sheet date, the company had no cash equivalents.

The inventory primarily consists of parts, components, and work-in-progress on fully equipped modular units, MPM engines, and generator sets. Capitalized costs associated with work in Progress inventory include parts and components used, direct labor, and outside services. Due to the minimal production work, the Company should have capitalized fixed production overhead items into work in progress. Inventory is recorded at the lower cost or market under the first-in, first-out (FIFO) method.

Property and Equipment – Property and equipment are recorded at cost less accumulated depreciation. The Company has a capitalization policy that requires capitalization of items costing $2,000 or greater and an estimated useful life of three years or more. Items that do not meet that criteria are expensed. Depreciation for financial reporting purposes is computed using the straight-line method, and tax reporting purposes are computed using straight-line and accelerated methods. Repairs and maintenance costs are expensed unless the repair significantly extends the useful life of the related asset. In such cases, the repair cost will be capitalized and

depreciated over the extended useful life.

The Company has been building hydrogen-fueled engines and PEM electrolyzers since 2003. In 2004, it added engine controls and combined these two technologies to build generator sets.

Estimated valuable lives by category are as follows:

Building	39-40 years
Building renovations	39 -40 years
Leasehold improvements, Vehicles	5 years

Accounts Receivable – Payment terms for accounts receivable are typically net ten days from the invoice date. The Company performs credit evaluations on its customers and normally does not require collateral from them. Advanced deposits for custom projects may be necessary, depending on the customer. An allowance for doubtful accounts is based on analyzing aged accounts receivable for current collectability and historical trends. Management periodically reviews this allowance, making adjustments as necessary. Accounts deemed uncollectible are charged against the allowance at the time of that determination. The Company has no accounts receivable as of September 31, 2024, and has not established an allowance for doubtful accounts.

Income TAX - Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of property and equipment, inventories, investments, intangibles, and deferred compensation for financial and income tax reporting.

The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses available to offset future taxable income, and tax credits are available to offset future federal income taxes.

The consolidated earnings statement presents current and deferred income taxes. They are based on actual income or loss generated by those entities and the temporary timing differences that are unique to each. By current accounting standards, tax years 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018 are open for examination by Federal and state taxing authorities.

The net operating losses expire in various years through 2037. In assessing the realizability of deferred tax assets, management considers whether it is more likely that some portion or all of them will not be realized. The ultimate realization of deferred tax assets depends upon the generation of future taxable income during the periods when these temporary differences become deductible.
Due to continuing operating losses, no current provision for income taxes is recorded in the financial statements. The components of the net deferred tax asset are summarized as follows:

The Company has cumulative Federal net operating loss carryforwards of approximately $18,400,000 as of December 30, 2019, which are used to offset future taxable income. Federal net operating losses may be carried forward for twenty years from the year they were incurred. Unused losses expire at the end of the carryforward period. The Company's net operating losses on December 31, 2017, and 2016 expire from 2023 through 2038. The Company has a Federal general business credit carryforward of $178,154. The Internal Revenue Code allows the unused portion of the credit to be carried forward for twenty years. This credit will begin expiring in 2025.

Based on available evidence, the Company's management believes that it is more likely than not that the Company will not realize the benefit of its net deferred tax assets.

Fair Value Disclosures – Fair value is the exchange price that would be received for an asset or paid to transfer a liability in the most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Generally accepted accounting principles in the United States of America ("GAAP") establish a hierarchy requiring an entity to maximize observable inputs and minimize using unobservable inputs when measuring fair value. Three levels of input may be used to measure fair value as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other observable inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that significantly affect the fair value of the assets or liabilities.

Due to their short-term nature, the carrying value of the Company's accounts receivables, inventory, accounts payable, accrued liabilities, and notes payable approximates fair value. If recalculated based on current interest rates, the fair value of the Company's borrowings would not significantly differ from the recorded amounts. All other financial instruments are based upon Level 3 inputs, representing management's fair value assumptions. The Company has no other assets or liabilities that it chooses or must be reported at fair value.

Research and Development Costs – The Company incurs costs associated with research and development activities related to the design and building of hydrogen fuel engines, PEM electrolyzer, and Mini plant of ammonia. Research and development costs are expensed in the period they are incurred. Research and development expenses included in the consolidated statements of earnings (loss)

11. Risks and uncertainties The following discussion and analysis should be read in conjunction with the other financial information, consolidated financial statements, and related notes in this quarterly form. This discussion contains forward-looking statements that involve risks and uncertainties.

Since inception, we have incurred substantial operating losses. We have financed operations primarily through equity and debt financing. We have yet to generate a positive internal cash flow, and until meaningful sales of our products begin, we are dependent upon debt and equity funding.
We are ideally positioned to take advantage of the tremendous growth projected for local power systems and reduce greenhouse gas emissions.

Management believes that the actions being taken to further implement its business plan and generate revenues will allow the Company to continue as a going concern.

HEC solutions are targeted at lowering costs and increasing competitiveness, objectives that can be delayed but not eliminated in difficult times.

The company needs to strengthen its capacity to deliver systems and continue to invest in R&D. If such funds are not available for an extended period, HEC will be weakened but will still be able to reach profitability at a slower rate.

Dependence on One or Few Major Customers

We do not anticipate dependence on one or a few significant customers now.

Intellectual Property and Patent Protection

Hydrogen Engine Center is built on the vision of carbon-free energy independence through developing and commercializing clean solutions for today's energy needs. Our developing technologies can potentially revolutionize our world by removing the political and environmental problems generated by our ever-increasing appetite for energy sources.

We also rely on trade secrets, common law trademark rights, and registrations. We intend to protect our intellectual property via non-disclosure agreements, license agreements, and limited information distribution.

Employees
We had seven employees; four were full-time, three were outsourcing technical assistants and several companies provided the majority of the components and semi-assembled technical blocks of our devices. Our employees are not union members and have not entered collective bargaining agreements. We believe that our relationship with our employees is good.

Specific government regulations concerning electrical and hydrogen generation, delivery and storage of fuels, and other related matters may negatively impact our business.

Our business is subject to and affected by federal, state, local, and foreign laws and regulations. These may include state and local ordinances relating to public safety, electrical and hydrogen production, delivery, storage, and related matters. We do not know how much such regulations may impact our or our customers' businesses. Any new regulation may increase costs and reduce our potential to be profitable.

12. Issuer Certification

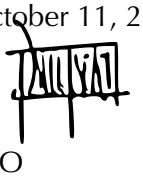
I, Pedro Blach, certify that:

1. I have reviewed this Disclosure Statement for Hydrogen Engine Center Inc

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading concerning the period covered by this disclosure statement; and

2. To my knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement reasonably present in all material respects the issuer's financial condition, results of operations, and cash flows as of and for the periods presented in this disclosure statement.

October 11, 2025



CEO

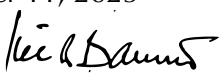
I, José Ramon Barañano certify that:

1. I have reviewed this Disclosure Statement for Hydrogen Engine Center Inc.

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading concerning the period covered by this disclosure statement; and

3. To my knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement reasonably present the issuer's financial condition, results of operations, and cash flows as of and for the periods presented in this disclosure statement.

October 11, 2025



CFO