

Hymeth ApS

Maskinvej 5
2860 Søborg

CVR no. 37 40 27 29

Annual report 2020

The annual report was presented and approved at
the Company's annual general meeting on

8 June 2021

Torkel Elgh
Chairman

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Hymeth ApS for the financial year 1 January – 31 December 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 8 June 2021
Executive Board:

Mats Ivar Blacker
CEO

Board of Directors:

Torkel Carl Göran Elgh
Chairman

Sten Persson
Boardmember

Independent auditor's report

To the shareholders of Hymeth ApS

Opinion

We have audited the financial statements of Hymeth ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 June 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Hymeth ApS
Annual report 2020
CVR no. 37 40 27 29

Management's review

Company details

Hymeth ApS
Maskinvej 5
2860 Søborg
Denmark

CVR no.:	37 40 27 29
Established:	15 January 2016
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Torkel Carl Göran Elgh, Chairman
Sten Persson, Boardmember

Executive Board

Mats Ivar Blacker, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen
Denmark
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The company's main activity is to operate and develop energy efficient products that reduce environmental emissions of harmful substances. This is to provide energy savings to Danish and foreign households and companies.

Development in activities and financial position

The Company's income statement for 2020 shows a loss of DKK -1,967,063 as against DKK -681,550 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 10,304,336 as against DKK 5,662,398 at 31 December 2019.

Events after the balance sheet date

No events have occurred since the end of the financial year that could have significantly affected the company's financial position.

The company is working on ensuring its financing for the rest of 2021, at the time of signing the annual report. Management and the board are looking at several options and currently expect to finance activities through a program with InnoEnergy.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross loss		-2,385,076	-661,940
Staff costs	2	-363,718	-135,692
Depreciation, amortisation and impairment losses		-25,152	-19,960
Loss before financial income and expenses		-2,773,946	-817,592
Other financial expenses		-10,326	-1,597
Loss before tax		-2,784,272	-819,189
Tax on loss for the year	3	817,209	137,639
Loss for the year		-1,967,063	-681,550
Proposed distribution of loss			
Reserve for development costs		4,042,769	2,571,128
Retained earnings		-6,009,832	-3,252,678
		-1,967,063	-681,550

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
ASSETS			
Fixed assets			
Intangible assets	4		
Development projects in progress		9,173,749	3,990,712
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		80,648	105,800
Investments			
Deposits		0	25,823
Total fixed assets		9,254,397	4,122,335
Current assets			
Receivables			
Other receivables		297,446	196,464
Corporation tax		1,140,268	735,090
Prepayments		1,500	1,500
		1,439,214	933,054
Cash at bank and in hand		2,101,591	1,773,833
Total current assets		3,540,805	2,706,887
TOTAL ASSETS		12,795,202	6,829,222

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		103,344	73,610
Reserve for development costs		7,155,524	3,112,755
Retained earnings		<u>3,045,468</u>	<u>2,476,033</u>
Total equity		<u>10,304,336</u>	<u>5,662,398</u>
Provisions			
Provisions for deferred tax		<u>877,928</u>	<u>692,280</u>
Total provisions		<u>877,928</u>	<u>692,280</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Convertible and profit-sharing debt instruments		<u>396,159</u>	<u>0</u>
Current liabilities other than provisions			
Other payables		<u>1,216,779</u>	<u>474,544</u>
Total liabilities other than provisions		<u>1,612,938</u>	<u>474,544</u>
TOTAL EQUITY AND LIABILITIES		<u><u>12,795,202</u></u>	<u><u>6,829,222</u></u>
Contractual obligations, contingencies, etc.	6		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2020	73,610	3,112,755	2,476,033	5,662,398
Cash capital increase	29,734	0	-29,734	0
Share premium	0	0	6,609,001	6,609,001
Transferred over the profit appropriation	0	4,042,769	-6,009,832	-1,967,063
Equity at 31 December 2020	103,344	7,155,524	3,045,468	10,304,336

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Hymeth ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities. Capitalized development costs are in progress, and are not depreciated, before the technology becomes commercial.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years
--	---------

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash and cash equivalents comprise cash.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK	2020	2019
Wages and salaries	3,148,461	1,667,591
Other social security costs	44,286	-1,003
Other staff costs	9,234	-313
Transferred to development projects	-2,838,263	-1,530,583
	<u>363,718</u>	<u>135,692</u>

Average number of full-time employees	<u>8</u>	<u>4</u>
---------------------------------------	----------	----------

Out of total wages DKK 3.201.981, DKK 2.838.263 has been capitalized as development costs.

3 Tax on loss for the year

DKK	2020	2019
Current tax for the year	-1,140,268	-735,090
Deferred tax for the year	185,648	692,280
Adjustment of tax concerning previous years	137,411	-94,829
	<u>-817,209</u>	<u>-137,639</u>

4 Intangible assets

DKK	Development projects in progress
Cost at 1 January 2020	3,990,712
Additions for the year	<u>5,183,037</u>
Cost at 31 December 2020	<u>9,173,749</u>
Carrying amount at 31 December 2020	<u>9,173,749</u>

Financial statements 1 January – 31 December

Notes

5 Property, plant and equipment

	Fixtures and fittings, tools and equipment
DKK	
Cost at 1 January 2020	125,760
Cost at 31 December 2020	125,760
Depreciation and impairment losses at 1 January 2020	-19,960
Depreciation for the year	-25,152
Depreciation and impairment losses at 31 December 2020	-45,112
Carrying amount at 31 December 2020	80,648

6 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company are in joint taxation with the Group's Danish subsidiaries, and are therefore liable and solidary for additional companies in the national joint taxation. Any corrections that may occur of the joint taxation will lead to the company's liable and solidary joint taxation to account to a different amount.