

Hamilton & Ponsaing ApS

Saltholmsgade 19, 1,

8000 Aarhus C

CVR No. 39703521

Annual Report 2021

3. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 22 May 2022

Per Ponsaing
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Hamilton & Ponsaing ApS for the financial year 1 January 2021 - 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The Annual General Meeting of the Company decides that the Financial Statements for next year are not to be audited. The conditions for not conducting an audit of the Financial Statements have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Århus, 22 May 2022

Executive Board

Phillip Craig Hamilton
Manager

Per Ponsaing
Manager

Independent Auditors' Report

To the shareholders of Hamilton & Ponsaing ApS

Opinion

We have audited the financial statements of Hamilton & Ponsaing ApS for the financial year 1 January 2021 - 31 December 2021, which comprise an income statement, balance sheet and notes. 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 financial position at 31 December 2021 and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 in accordance with the Danish Financial Statements Act.

Qualified opinion

We have audited the financial statements of Hamilton & Ponsaing ApS for the financial year 1 January 2021 - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the potential effects of the matter described in the "Basis-of-qualified-opinion" paragraph, the financial statements give a true and fair view of the Company's financial position at 31 December 2021 and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis of qualified conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Lack of audit evidence

Reservations are made for lack of audit evidence as there is no documentation of the company's ownership of the patents.

Reservations are made for lack of audit evidence as there is no documentation for the valuation of the patents.

Subject to the short-term debt to the company's one main shareholder, as this is linked to the company's acquisition of the patents.

Reservations are made for the debt item as it is not documented that the company has taken over the ownership of the paten/patens).

Material going concern uncertainty

Without modifying our opinion, we wish to note that the Company's ability to continue as a going concern is associated with considerable uncertainty. We refer to note 14 & 18 in the financial statements, which reflects uncertainty as to whether binding commitments will be entered into for the financing of the Company's operations and the necessary investments in the coming years. However, as Management believes that such commitments will

Independent Auditors' Report

be entered into, the financial statements have been prepared on a going concern basis.

Management has stated that decision regarding the company's future will be made by November 2022

Emphasis of matter in the financial statements

Without modifying our opinion, we wish to note that the Company's ability to continue as a going concern is associated with considerable uncertainty. We refer to note 14 & 18 in the financial statements, which reflects uncertainty as to whether binding commitments will be entered into for the financing of the Company's operations and the necessary investments in the coming years. However, as Management believes that such commitments will be entered into, the financial statements have been prepared on a going concern basis.

Management has stated that decision regarding the company's future will be made by November 2022

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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in the 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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

Independent Auditors' Report

attention in our auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.

- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Stenløse, 21 May 2022

Revisionsfa. J.S. Jakobsen

V/Reg. Revisor Jan S. Jakobsen

CVR-no. 15515554

Jan Svend Jakobsen

Registered Public Accountant

mne16871

Company details

Company	Hamilton & Ponsaing ApS Saltholmsgade 19, 1, 8000 Aarhus C
CVR No.	39703521
Date of formation	3 July 2018
Registered office	Aarhus
Executive Board	Phillip Craig Hamilton, Manager Per Ponsaing, Manager
Shareholders according to the Danish Companies Act	GRAPON IVS CVR.no. 37294292 Cyclotec Limited, Reg.no. 49 15 55 9
Group enterprises	GRAPON IVS CVR.no. 37294292 Cyclotec Limited, Reg.no. 49 15 55 9
Administration company	GRAPON IVS CVR.no. 37 29 42 92
Auditors	Revisionsfa. J.S. Jakobsen V/Reg. Revisor Jan S. Jakobsen Carlsbergvej 6 3660 Stenløse CVR-no.: 15515554
Bank	Danske Bank Erhverv Direkte Holmens Kanal 2-12 1092 København K

Management's Review

The Company's principal activities

The Company's principal activities are to acquire, develop, market and to give license at intangible assets within the energy and environment sector.

Insecurity regarding recognition or measurement

Acquired patents / intangible assets

Since december 2019 there has been negotiations in progress with regard to developing, producing and marketing the acquired patents. Due to the fact that these negotiations are still in progress there is uncertainty relating to the measurement of the acquired patents (value)

Development in the activities and the financial situation of the Company

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK -76.884 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 339.597 and an equity of DKK -121.924.

The company has continued its normal operating activities. Apart from the outbreak of the Corona virus, there have been no isolated events during the financial year that are of such a significant nature that they require mention in the management's report.

The rapid spread of the Corona virus in Denmark and the rest of the world since March 2020 has necessitated a number of restrictions from the Danish authorities, which could potentially have major socio-economic consequences. The company is significantly affected by the restrictions implemented.

If the outbreak of the Corona virus becomes prolonged and the authorities implement further measures to stem the spread of infection, the socio-economic consequences could become significant. In such a scenario, the company may continue to be adversely affected.

The outbreak of the Corona virus and the restrictions imposed have significantly affected the year's activities and economic development.

How long the closure of the country will last and what further economic consequences the closure of the country and the aid packages initiated by the government will have for the company is not yet known at present.

The company's management has stated that at present the company has the necessary liquidity available to continue operations.

The company's annual report has therefore been presented with continued operations in mind.

The development and result for the year are considered satisfactory in these circumstances.

Expectations for the future

The Company expects its operations to develop positively next year, or if not, to decide on the closure of the company at a general meeting November 2022

Management's Review

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of Hamilton & Ponsaing ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Uncertainty regarding the going concern

There is considerable uncertainty regarding the going concern status of the Company as pr. december the 31, 2021.

It is the assessment of the Management that the company will continue operations, and the financial statement have accordingly been prepared using the going concern assumption.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income statement

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Concessions, patents, licences, trademarks and other similar rights	15,34 years	82,31%

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance sheet

Intangible assets

Concessions, patents, licenses, trademarks and other similar rights	15,34 years	82,31%
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Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Other Receivables

VAT

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2021 kr.	2020 kr.
Gross profit		-35.991	-42.044
Employee benefits expense	1		
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-23.703	-18.360
Profit from ordinary operating activities		-59.694	-60.404
Finance expences	3	-132	0
Profit from ordinary activities before tax		-59.826	-60.404
Tax expense on ordinary activities		-17.058	-14.509
Profit		-76.884	-74.913
Proposed distribution of results	4		
Retained earnings		-76.884	-74.913
Distribution of profit		-76.884	-74.913

Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
Assets			
Acquired intangible assets	5	324.005	254.125
Intangible assets		324.005	254.125
Fixed assets		324.005	254.125
Other short-term receivables	6	11.346	4.667
Receivables		11.346	4.667
Cash and cash equivalents	7	4.247	37.891
Current assets		15.593	42.558
Assets		339.597	296.683

Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
Liabilities and equity			
Contributed capital	8	100.000	100.000
Retained earnings	9	-221.924	-145.040
Equity		-121.924	-45.040
Provisions for deferred tax	10	33.567	16.509
Provisions		33.567	16.509
Long-term liabilities other than provisions	11	0	0
Short-term part of long-term liabilities other than provisions		250.000	0
Other payables	12	20.000	36.000
Payables to shareholders and management	13	157.954	289.214
Short-term liabilities other than provisions		427.954	325.214
Liabilities other than provisions within the business		427.954	325.214
Liabilities and equity		339.597	296.683
Uncertainties relating to going concern	14		
Contingent liabilities	15		
Collaterals and assets pledged as security	16		
Related parties	17		
	18		

Notes

	2021	2020
1. Employee benefits expense		
Average number of employees	0	0
2. Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		
Depreciation, amortisation and impairment	23.703	18.360
	23.703	18.360
3. Finance expenses		
Other finance expenses	132	0
	132	0
4. Distribution of profit		
Retained earnings	-76.884	-74.913
	-76.884	-74.913
5. Acquired intangible assets		
Cost at the beginning of the year	300.000	300.000
Addition during the year, incl. improvements	93.583	0
Cost at the end of the year	393.583	300.000
Depreciation and amortisation at the beginning of the year	-45.875	-28.048
Amortisation for the year	-23.703	-18.360
Reversal of prior years' impairment losses and amortisation	0	533
Impairment losses and amortisation at the end of the year	-69.578	-45.875
Carrying amount at the end of the year	324.005	254.125
6. Other short-term receivables		
VAT receivable/payable	11.346	-94
VAT receivable	0	4.761
	11.346	4.667
7. Cash and cash equivalents		
Bank account	4.247	37.891
	4.247	37.891

Notes

	2021	2020
8. Contributed capital		
Balance at the beginning of the year	100.000	100.000
Balance at the end of the year	100.000	100.000

The share capital has remained unchanged for the last 5 years.

9. Retained earnings

Balance at the beginning of the year	-72.530	-72.530
Correction at the beginning of the year	533	533
Disposals during the year	-149.927	-73.043
Balance at the end of the year	-221.924	-145.040

10. Provisions for deferred tax

Deferred tax	33.567	16.509
Balance at the end of the year	33.567	16.509

11. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to shareholders and management		250.000	
		250.000	

12. Other payables

Trade Payables	20.000	36.000
	20.000	36.000

13. Payables to shareholders and management

Grapon ApS	79.034	54.034
Cyclotec Limited	75.982	232.400
Payable to shareholders and management	2.822	2.665
Other payables	115	115
	157.953	289.214

14. Uncertainties relating to going concern

Since December 2019 there has been negotiations in progress with regard to developing, producing and marketing the acquired patents. Due to the fact that these negotiations are still in progress there is uncertainty relating to the measurement of the acquired patents.

15. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

Notes

2021

2020

16. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

17. Related parties

Ownership

50% Cyclotec Limited, Reg. no. 49 15 55 9

50% GRAPON IVS, Reg.no. 37 29 42 92

18. Special items (Acquired patents)

Since December 2019 there has been negotiations in progress with regard to developing, producing and marketing the acquired patents. Due to the fact that these negotiations are still in progress there is uncertainty relating to the measurement of the acquired patents.