

Hamilton & Ponsaing ApS

Saltholmsgade 19, 1,

8000 Aarhus C

CVR No. 39703521

Annual Report 2020

2. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 23 July 2021

Per Ponsaing
Chairman

Contents

Management's Statement	3
Independent Auditors' Report	4
Company Information	7
Management's Review	8
Accounting Policies	10
Income Statement	13
Balance Sheet	14
Notes	16

Management's Statement

Today, Management has considered and adopted the Annual Report of Hamilton & Ponsaing ApS for the financial year 1 January 2020 - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

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

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

Århus, 27 June 2021

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 2020 - 31 December 2020, 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 2020 and of the results of its operations for the financial year 1 January 2020 - 31 December 2020 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 2020 - 31 December 2020, 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 2020 and of the results of its operations for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis of qualified conclusion with precaution

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 our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

Lack of audit evidence

We were unable to obtain sufficient and appropriate audit evidence about the financial statement as pr. December the 31. 2019.

And we have to report that the company in contradiction with its articles of association and the Danish Financial Statements Act, not have fulfilled its obligations to get the company's financial statement audit by December the 31, 2019.

Subject to 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).

Independent Auditors' Report

Material going concern uncertainty

Significant uncertainty regarding continued operation - Going Concern

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 13 & 17 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.

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 17 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.

As by today, its management's opinion that final decision will be made by November 2021

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.

Independent Auditors' Report

- * 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 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, 28 June 2021

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
Parent Company	GRAPON IVS CVR. no. 37 29 42 92
Group enterprises	GRAPON IVS CVR.no. 37 29 42 92 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

This is the second financial year. The Year-end result is a loss of DKK 49.484 which is unsatisfactory. Since the start of the enterprise 100% plus, of the share capital has been lost. This was partially expected as the aim of the enterprise is to establish a partnership with a third party in order to develop, produce and market the patents.

In December 2019 we received from a third party a proposed agreement, which we are now negotiating. Depending on the result of these negotiations, we will consider expanding the share capital in 2021 or allow the share capital to re-establish through future operations.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK -74.913 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 296.683 and an equity of DKK -45.040.

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.

As a result, the company has initiated a adjustment of its cost structure.

How long the the economic consequences the closure of the country 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.

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.

Expectations for the future

The Company expects its operations to develop positively next year.

Accounting Policies

Reporting Class

The Annual Report of Hamilton & Ponsaing ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with options from higher classes

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. 2020

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 amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, 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 Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debtors, operating leasing costs etc.

Accounting Policies

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised 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, licens, trademarks and other similar rights	16,34 years	84,71%

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on 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 tax prepayment scheme.

Dividends equity 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

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

Concessions, patents, licens, trademarks and other similar rights	16,34 years	84,71%
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Receivables

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

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

Accounting Policies

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 balance-sheet 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 crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised 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 amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised 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, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Other payables

Other payables are measured at amortised 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	2020 kr.	2018/19 kr.
Gross profit		-42.044	-40.606
Employee benefits expense	1	0	0
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-18.360	-28.048
Profit from ordinary operating activities		-60.404	-68.654
Finance expences	2	0	-6
Profit from ordinary activities before tax		-60.404	-68.660
Tax expense on ordinary activities	3	-14.509	-2.000
Profit		-74.913	-70.660
Proposed distribution of results	4		
Retained earnings		-74.913	-70.660
Distribution of profit		-74.913	-70.660

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Assets			
Acquired intangible assets	5	254.125	271.952
Intangible assets		254.125	271.952
Fixed assets		254.125	271.952
Other short-term receivables	6	4.667	3.365
Receivables		4.667	3.365
Cash and cash equivalents	7	37.891	59.237
Current assets		42.558	62.602
Assets		296.683	334.554

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Liabilities and equity			
Contributed capital	8	100.000	100.000
Retained earnings	9	-145.040	-70.660
Equity		-45.040	29.340
Provisions for deferred tax	10	16.509	2.000
Provisions		16.509	2.000
Trade payables		36.000	14.000
Payables to group enterprises	11	54.034	36.434
Other payables	12	115	115
Payables to shareholders and management		235.065	252.665
Short-term liabilities other than provisions		325.214	303.214
Liabilities other than provisions within the business		325.214	303.214
Liabilities and equity		296.683	334.554
Uncertainties relating to going concern	13		
Contingent liabilities	14		
Collaterals and assets pledges as security	15		
Ownership	16		

Notes

	2020	2018/19
1. Employee benefits expense		
Average number of employees	0	0
2. Finance expenses		
Finance expenses arising from group enterprises	0	6
	0	6
3. Tax expense		
Adjustments for deferred tax	14.509	2.000
	14.509	2.000
4. Distribution of profit		
Retained earnings	-74.913	-70.660
	-74.913	-70.660
5. Acquired intangible assets		
Cost at the beginning of the year	300.000	0
Addition in connection with merger and purchase of enterprise	0	300.000
Cost at the end of the year	300.000	300.000
Depreciation and amortisation at the beginning of the year	-28.048	0
Impairment losses for the year	-18.360	-28.048
Reversal of prior years' impairment losses and amortisation	533	0
Impairment losses and amortisation at the end of the year	-45.875	-28.048
Carrying amount at the end of the year	254.125	271.952
6. Other short-term receivables		
VAT Recievable/payable	94	-3.365
VAT recievables	-4.761	0
	-4.667	-3.365
7. Cash and cash equivalents		
Cash (bank account)	37.891	59.237
	37.891	59.237
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 2 years.

Notes

	2020	2018/19
9. Retained earnings		
Balance at the beginning of the year	-72.530	0
Correction at the beginning of the year	533	0
Disposals during the year	-73.043	-70.660
Balance at the end of the year	-145.040	-70.660
10. Provisions for deferred tax		
Deferred tax	16.509	2.000
Balance at the end of the year	16.509	2.000
11. Payables to group enterprises		
Grapon IVS	54.034	36.434
	54.034	36.434
	54.034	36.434
12. Other Payables		
Other payables	115	115
	115	115
	115	115

13. 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.

14. Contingent liabilities

An expense of DKK 71,600 is foreseen in the financial year 2021 og later, when the company receives an invoice for outlays, made by one of the company's owners on behalf of the company.

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of GRAPON IVS which is the administration company in the joint taxation.

15. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

16. Ownership

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

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

Notes

2020

2018/19

17. 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.