

H2 Energy Esbjerg ApS

Borgergade 38, 1. sal, 6700, Esbjerg

CVR no. 42 56 00 14

Annual report 2021/22

(As of the establishment of the Company 23 July 2021 - 31 December 2022)

Approved at the Company's annual general meeting on 15 May 2023

Chair of the meeting:

.....
Niklas Korsgaard Christensen

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Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of H2 Energy Esbjerg ApS for the financial year as of the establishment of the Company 23 July 2021 - 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year as of the establishment of the Company 23 July 2021 - 31 December 2022.

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.

Esbjerg, 15 May 2023
Executive Board:

.....
Rasmus Bach Nielsen

.....
Gunnar Walter

.....
Clifford Zur Nieden

Independent auditor's report

To the shareholder of H2 Energy Esbjerg ApS

Opinion

We have audited the financial statements of H2 Energy Esbjerg ApS for the financial year as of the establishment of the Company 23 July 2021 - 31 December 2022, which comprise 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 financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year as of the establishment of the company 23 July 2021 - 31 December 2022 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities 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 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.

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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of the 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 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.

Independent auditor's report

- ▶ 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 note 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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Esbjerg, 15 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Bruun Kofoed
State Authorised Public Accountant
mne28677

Mads Klausen
State Authorised Public Accountant
mne46588

Management's review

Company details

Name	H2 Energy Esbjerg ApS
Address, Postal code, City	Borgergade 38, 1. sal, 6700, Esbjerg
CVR no.	42 56 00 14
Established	23 July 2021
Registered office	Esbjerg
Financial year	23 July 2021 - 31 December 2022
Executive Board	Rasmus Bach Nielsen Gunnar Walter Clifford Zur Nieden
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5, 6700 Esbjerg, Denmark

Management's review

Business review

The company's activities include business with trade, service, production and related activities.

The H2 Energy Group plans to construct a Hydrogen Production Plant in Esbjerg. With a capacity of 1 GW, the plant will convert green electricity into hydrogen, which can be used directly in trucks and other heavy land-based transport.

Activities in 2021/22 primarily relates to setting up an organisation in Denmark, purchasing land from the Municipality of Esbjerg and initiating activities in relation to design, development and construction of the production facilities.

Financial review

The income statement for 2021/22 shows a loss of DKK 6,588 thousand, and the balance sheet at 31 December 2022 shows equity of DKK 133,412 thousand.

Management considers the Company's financial performance in line with expectations.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements for the period 23 July 2021 - 31 December 2022

Income statement

Note	DKK'000	2021/22 18 months
	Other external expenses	-5,367
	Gross profit	-5,367
2	Staff costs	-719
	Profit/loss before net financials	-6,086
	Financial income	239
3	Financial expenses	-741
	Profit/loss for the year	-6,588
	 Recommended appropriation of profit/loss	
	Retained earnings/accumulated loss	-6,588
		-6,588

Financial statements for the period 23 July 2021 - 31 December 2022

Balance sheet

Note	DKK'000	2021/22	Opening balance at 23 July 2021
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Land and buildings	16,896	0
	Fixtures and fittings, other plant and equipment	80	0
	Property, plant and equipment under construction	22,404	0
		<u>39,380</u>	<u>0</u>
	Investments		
	Deposits, investments	233	0
		<u>233</u>	<u>0</u>
	Total fixed assets	<u>39,613</u>	<u>0</u>
	Non-fixed assets		
	Receivables		
	Other receivables	3,435	0
		<u>3,435</u>	<u>0</u>
	Cash	109,633	17,500
	Total non-fixed assets	<u>113,068</u>	<u>17,500</u>
	TOTAL ASSETS	<u><u>152,681</u></u>	<u><u>17,500</u></u>

Financial statements for the period 23 July 2021 - 31 December 2022

Balance sheet

Note	DKK'000	2021/22	Opening balance at 23 July 2021
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	50	40
	Share premium account	139,950	17,460
	Retained earnings	-6,588	0
	Total equity	133,412	17,500
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Payables to group entities	12,478	0
		12,478	0
	Current liabilities other than provisions		
	Trade payables	2,414	0
	Payables to group enterprises	2,606	0
	Other payables	1,771	0
		6,791	0
	Total liabilities other than provisions	19,269	0
	TOTAL EQUITY AND LIABILITIES	152,681	17,500

- 1 Accounting policies
7 Contractual obligations and contingencies, etc.
8 Collateral

Financial statements for the period 23 July 2021 - 31 December 2022

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Share premium account</u>	<u>Retained earnings</u>	<u>Total</u>
Cash payments concerning formation of enterprise	40	17,460	0	17,500
Capital increase	10	122,490	0	122,500
Transfer through appropriation of loss	0	0	-6,588	-6,588
Equity at 31 December 2022	50	139,950	-6,588	133,412

Financial statements for the period 23 July 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies

The annual report of H2 Energy Esbjerg ApS for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, premises, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as exchangerate differences (gains/losses), etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements for the period 23 July 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual basis. Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables. Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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 recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Financial statements for the period 23 July 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 23 July 2021 - 31 December 2022

Notes to the financial statements

DKK'000		2021/22 18 months		
2 Staff costs				
Wages/salaries		690		
Pensions		26		
Other social security costs		3		
		<u>719</u>		
Average number of full-time employees		<u>1</u>		
3 Financial expenses				
Interest expenses, group entities		478		
Other financial expenses		263		
		<u>741</u>		
4 Property, plant and equipment				
DKK'000	Land and buildings	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total
Cost at 23 July 2021	0	0	0	0
Additions	16,896	80	22,404	39,380
Cost at 31 December 2022	16,896	80	22,404	39,380
Carrying amount at 31 December 2022	<u>16,896</u>	<u>80</u>	<u>22,404</u>	<u>39,380</u>

Property, plant and equipment under construction comprises a Hydrogen Production Plant.

5 Share capital

Analysis of changes in the share capital over the past 2 years:

DKK'000	2021/22	Opening balance at 23 July 2021
Establishment	40	40
Capital increase	10	0
	<u>50</u>	<u>40</u>

6 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 thousand falls due for payment after more than 5 years after the balance sheet date.

7 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 233 thousand in interminable rent agreements with remaining contract terms of 6 months.

At 31 December 2022, the Company has contractual obligations related to the hydrogen production plant of DKK 51,300 thousand

Financial statements for the period 23 July 2021 - 31 December 2022

Notes to the financial statements

8 Collateral

The Company has provided bank guarantees of DKK 2,600 thousand towards suppliers.

As security for the Company's banking facilities in total DKK 2,600 thousand has been deposited. The banking facilities comprises payment guarantees. The Company has no bank debt at 31 December 2022.

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"By my signature I confirm all dates and content in this document."

Clifford Zur Nieden

Executive Board

On behalf of: H2 Energy Esbjerg ApS

Serial number: czn@h2energy.ch

IP: 178.197.xxx.xxx

2023-05-15 12:10:43 UTC

Rasmus Bach Nielsen

Executive Board

On behalf of: H2 Energy Esbjerg ApS

Serial number: [b25e5683-99e9-4930-a7b0-9b7665efec9e](#)

IP: 178.157.xxx.xxx

2023-05-15 12:14:31 UTC



Gunnar Walter

Executive Board

On behalf of: H2 Energy Esbjerg ApS

Serial number: gunnar.walter@h2energy.ch

IP: 85.1.xxx.xxx

2023-05-16 06:56:11 UTC

Thomas Bruun Kofoed

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: [CVR:30700228-RID:37005648](#)

IP: 145.62.xxx.xxx

2023-05-16 07:02:14 UTC



Mads O. Klausen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: [CVR:30700228-RID:78070558](#)

IP: 194.182.xxx.xxx

2023-05-16 07:08:13 UTC



The name is withheld

Chairman

On behalf of: H2 Energy Esbjerg ApS

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