

ANNUAL REPORT

25 OCTOBER - 31 DECEMBER 2021

SEASALT GROUP APS

Titangade 11

2200 København N

CENTRAL BUSINESS REGISTRATION no. 42 81 65 31

Adopted at the Company's
Annual General Meeting,
on 03-05-2022

Christoffer Galbo
Chairman

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Company

Seasalt Group ApS
Titangade 11
2200 København N

Central Business Registration no. 42 81 65 31

Registered in: København

Board of Executives

Troels Schønfeldt

Board of Directors

Navid Samandari

Troels Schønfeldt

Lars Fløe Nielsen

Jakob Bergholdt

Lukasz Piotr Gadowski

Company auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
Central business registration no. 19 26 30 96

Michael Dam-Johansen State Authorized Public Accountant

Primary activities

Seasalt Group ApS' main activity is to own shares in companies within sustainable energy and related technology as well as all companies that, in the opinion of the Board of Directors, are connected to this.

Development in the Company's activities and finances

The Company's financial performance in the financial year amounted to a profit of t.DKK 45.163. The profit was expected. As such, the result has met the expectations set for the year.

The primary reason for the profit is a consequence of the group's investments and a revaluation using the equity method.

Events after the reporting period

Since the end of the reporting period the activities and performance of the company has continued as expected.

The Board of Directors and Board of Executives have today discussed and approved the annual report for the financial year 25 October - 31 December 2021 of Seasalt Group ApS.

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 financial position at 31 December 2021 and of the result of the Company's operation for the financial year 25 October - 31 December 2021.

In our opinion the management's review includes a fair review about the matters the review deals with.

We recommend that the Annual Report be approved at the annual general meeting.

København N, 3rd May 2022

Board of Executives

Troels Schønfeldt
CEO

Board of Directors

Navid Samandari
Chairman

Troels Schønfeldt
Director

Lars Fløe Nielsen
Director

Jakob Bergholdt
Director

Lukasz Piotr Gadowski
Director

To the shareholders of Seasalt Group ApS**Opinion**

We have audited the financial statements of Seasalt Group ApS for the financial year 25 October to 31 December 2021, which comprise the accounting policies applied, the income statement, the balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance under the Danish Financial Statements Act.

In our opinion the financial statement give a true and fair view of the Company's financial position at 31 December 2021, and of the result of the Company's operations for the financial year 25 October to 31 December 2021 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' 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.

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 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 responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

- * 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.

Statement on the Management's review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

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

Søborg, 3rd May 2022

inforevision

statsautoriseret revisionsaktieselskab
Central Business Registration no. 42 81 65 31

Michael Dam-Johansen
State Authorized Public Accountant
mne36161

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report is presented in accordance with the Accounting Class B of the Danish Financial Statements Act, with the addition of certain provisions from Accounting Class C.

RECOGNITION AND MEASUREMENT

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

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

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

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

FOREIGN CURRENCY TRANSLATION

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

INCOME STATEMENT

The income statement has been classified by nature.

Gross profit/loss

The Company has aggregated the items "external expenses".

External expenses

External expenses comprise cost of raw materials as well as selling costs, facility costs, administrative expenses and development costs.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the group enterprises' operating profit/loss adjusted for internal profits and losses.

Other financial income and other financial expenses

Financial income and expenses is recognised with amounts concerning the financial year. Financial items comprise interest, realised and unrealised exchange gains and losses, and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

The Company is jointly taxed with other Danish group enterprises with Seasalt Group ApS as management company. The tax effect of the joint taxation is allocated among the group enterprises in ratio to their taxable income according to the rules on full allocation with a refund for tax losses of the Danish Corporation Tax Act.

Corporation tax relating to the financial year which has not been settled at the balance sheet date is to be classified as corporation tax in receivables or liabilities other than provisions.

Joint tax contributions between the jointly taxed companies which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

BALANCE SHEET

The balance sheet has been presented in account form.

ASSETS**Investments in group enterprises**

Investments in group enterprises have been recognized according to the equity method, so that the investment is measured at the pro rata share of the group enterprises' net asset value adjusted for internal dividends and gains.

Foreign group enterprises' profit or loss and equity have been translated into DKK. Exchange adjustments arising on translation of the foreign group enterprises' equity at the beginning of the financial year as well as profit/loss for the financial year are taken to equity.

Distributable reserves in group enterprises which are distributed as dividends to the parent at the balancesheet date are included in the value of investments.

Group enterprises with negative net asset values are measured at zero, and any receivable from such enterprises is written down by the Parent's share of the negative net asset value to the extent deemed irrecoverable. If the negative net asset value exceeds the amount receivable, the remaining amount is recognized in provisions to the extent the Parent has a legal or constructive obligation to cover the relevant enterprise's liabilities.

Acquisition of group enterprises are recognized at cost. The difference between the cost price and the net asset value of the acquired company, which appears at the time of establishing the consolidation, is as far as possible allocated to the assets and liabilities whose value is higher or lower than the carrying amount. A remaining positive difference is treated as goodwill and included in the value of investments, which is amortized in the income statement over 5 years. The depreciation period is based on an assessment of the market position, earnings profile, and expectations of customers loyalty, which within reasonable limits is based on historical data/registrations. A negative difference, reflecting an expected cost or an unfavorable development, are recognized as income in the income statement in the year of acquisition.

The total net revaluation of investments in group enterprises is allocated via the profit distribution to "reserve for net revaluation according to the equity method" under equity. The reserve is reduced by dividend distributions to the Parent and is adjusted by changes in equity in the group enterprises.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

EQUITY AND LIABILITIES**Provision for deferred tax**

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities.

Deferred tax is also measured with respect of the planned use of the asset and the settlement of the liability. The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used.

Deferred tax assets are measured at net realizable value, whereby they are recognized at the value that they are expected to be utilized for the foreseeable future, either by offsetting in tax on future earnings or by offsetting in deferred tax liabilities.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Financial liabilities

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements are not prepared according to the Danish Financial Statement Act art. 110.

INCOME STATEMENT
25 OCTOBER - 31 DECEMBER 2021

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<u>Notes</u>	<u>2021</u>
GROSS PROFIT/LOSS	-283.976
OPERATING PROFIT/LOSS	-283.976
Income from investments in group enterprises	45.642.985
Other financial income	0
2 Other financial expenses	<u>-834</u>
PROFIT/LOSS BEFORE TAX	45.358.175
1 Tax on profit/loss for the year	<u>31.355</u>
PROFIT/LOSS FOR THE YEAR	<u><u>45.389.530</u></u>

DISTRIBUTION OF PROFIT/LOSS

Proposed distribution of profit/loss for the financial year

Reserve for net revaluation according to equity method	45.642.985
Retained earnings	<u>-253.455</u>
PROFIT/LOSS FOR THE YEAR	<u><u>45.389.530</u></u>

BALANCE SHEET AT 31 DECEMBER 2021
ASSETS

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<u>Notes</u>	<u>31/12 2021</u>
Investments in group enterprises	<u>185.402.787</u>
FIXED ASSET INVESTMENTS	<u>185.402.787</u>
FIXED ASSETS	<u>185.402.787</u>
1 Corporate tax receivables	5.500.000
Prepayments	<u>74.526.935</u>
RECEIVABLES	<u>80.026.935</u>
CASH	<u>0</u>
CURRENT ASSETS	<u>80.026.935</u>
TOTAL ASSETS	<u><u>265.429.722</u></u>

BALANCE SHEET AT 31 DECEMBER 2021
EQUITY AND LIABILITIES

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<u>Note</u>	<u>31/12 2021</u>
Share capital	145.760
Reserve for net revaluation according to the equity method	45.642.985
Retained earnings	<u>139.214.827</u>
EQUITY	<u>185.003.572</u>
Convertible and profit-sharing debt instrument	<u>74.362.000</u>
3 LONG-TERM LIABILITIES OTHER THAN PROVISIONS	<u>74.362.000</u>
Payable from group enterprises	501.517
Trade payables	93.988
1 Joint tax contribution payables	<u>5.468.645</u>
SHORT-TERM LIABILITIES OTHER THAN PROVISIONS	<u>6.064.150</u>
LIABILITIES OTHER THAN PROVISIONS	<u>80.426.150</u>
TOTAL EQUITY AND LIABILITIES	<u>265.429.722</u>
4 Contingent assets	
5 Contingent liabilities	

	Share capital	Net revaluation acc. to the equity method	Retained earnings	TOTAL
Equity at 25/10 2021	145.760	0	139.468.282	139.614.042
Capital increase	0	0	0	0
Acquired own shares	0	0	0	0
Transferred from distribution of profit/loss	0	45.642.985	-253.455	45.389.530
Equity at 31/12 2021	<u>145.760</u>	<u>45.642.985</u>	<u>139.214.827</u>	<u>185.003.572</u>

The total share capital consists of 14.576.000 shares of each 0,01 DKK.

Warrant and option programs

The company have committed share options and warrants to a group of employees and advisors, these can be subscribed in the company at a nominal amount of up to 11.388. The share options and warrants granted can be exercised in the event of an exit or by the 1st of December 2030, they can be exercised fully or partially. As per 31st December 2021 there have been granted share options and warrants which has been vested for a nominal amount of 3.530 with an exercise price of 0,01 DKK per share.

1 Corporation tax and deferred tax

	<u>Income taxes</u>	<u>Deferred tax</u>	<u>Acc. to the inc. statement</u>
Payable at 25/10 2021	0	0	
Tax on income subject to joint taxation	5.468.645		5.468.645
Tax on profit/loss for the year	<u>-5.500.000</u>	<u>0</u>	<u>-5.500.000</u>
 PAYABLE AT 31/12 2021	 <u><u>-31.355</u></u>	 <u><u>0</u></u>	
 TAX ON PROFIT/LOSS FOR THE YEAR			 <u><u>-31.355</u></u>

2 Other financial expenses

	<u>2021</u>
Interest expenses from group enterprises	<u>834</u>
 TOTAL	 <u><u>834</u></u>

2 List of fixed assets, amortisation and depreciation,
fixed asset investments

					Investments in group enterprises	Total
Cost 25/10 2021					139.614.042	139.614.042
Additions for the year					145.760	145.760
Disposals for the year					0	0
COST AT 31/12 2021					139.759.802	139.759.802
Revaluation at 25/10 2021					0	0
Elimination of intercompany profits					-132.657	-132.657
Revaluation for the year					45.775.642	45.775.642
Revaluation, disposal for the year					0	0
REVALUATION AT 31/12 2021					45.642.985	45.642.985
CARRYING AMOUNT AT 31/12 2021					185.402.787	185.402.787
	<u>Ownership share</u>	<u>Contributed capital</u>	<u>Profit or loss for the year</u>	<u>Equity</u>	<u>Profit or loss for the year</u>	<u>Equity for the year</u>
<u>Group enterprises</u>						
Seaborg ApS, København N	95%	152.978	-6.132.676	130.525.558	-5.843.214	124.364.752
- Seaborg ApS (own shares)	5%					6.160.806
Hyme Energy ApS, København N	84%	173.454	-1.221.883	65.330.035	-1.026.382	54.877.229
TOTAL		326.432	-7.354.559	195.855.593	-6.869.595	185.402.787

The difference in 'Equity for the year' and the 'Carrying amount at 31/12 2021' is a result of elimination of intercompany profits.

3 Long-term liabilities other than provisions

	<u>31/12 2021</u>
<u>Total debt:</u>	
Convertible and dividend-yielding debt securities	<u>74.362.000</u>
TOTAL	<u><u>74.362.000</u></u>
<u>Instalments next financial year:</u>	
Convertible and dividend-yielding debt securities	<u>0</u>
TOTAL	<u><u>0</u></u>
<u>Debt outstanding after 5 years:</u>	
Convertible and dividend-yielding debt securities	<u>0</u>
TOTAL	<u><u>0</u></u>

Convertible and dividend-yielding debt securities

The conversion maturity date is 31st December 2023, however, at any time with a 7 days notice the conversion can be called. The debt securities have been concluded in 2021. The conversion price shall be based on a valuation of any additional equity investment in the company or a specific exit event, and this shall be divided by the number of shares issued on a fully diluted bases.

4 Contingent assets

The Company has unrecognised deferred tax assets of DKK 31.303.

5 Contingent liabilities

The company is jointly taxed with other group companies and is jointly liable with the other group companies for payable and unsettled corporation and withholding taxes. The total amount for payable corporate tax is shown in the annual report. Any subsequent corrections to the corporate tax and withholding taxes can lead to a higher liability for the Company.