

Seasalt Group ApS

Titangade 11
2200 København N

CVR No. 42816531

Annual report 2022

1 January 2022 - 31 December 2022

Adopted at the Annual General Meeting on 11
May 2023

Christoffer Galbo
Chairman

Contents

Company details	1
Management's Review	2
Statement by Management	3
Auditor's report	4
Accounting policies	6
Income statement	10
Proposed distribution of profit and loss	10
Assets	11
Equity and liabilities	12
Statement of changes in equity	13
Notes	14

Company details

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Company

Seasalt Group ApS
Titangade 11
2200 København N

CVR No.: 42816531

Executive board

Navid Samandari

Board of Directors

Jakob Bergholdt
Lars Fløe Nielsen
Lukasz Piotr Gadowski
Navid Samandari
Troels Schønfeldt

Auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
CVR No. 19263096

Michael Dam-Johansen, state authorized public accountant

Management's Review

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 activities and finances

The Company has maintained its shareholding in both Seaborg Technologies and Hyme Energy throughout the year.

The results of the company's performance in the financial year amounted to a loss of DKK -9.225.041. The loss was expected. As such, the result has met the expectations set for the year. The primary reason for the loss is a consequence of the group's investments and a revaluation using the equity method.

The Company continued to look for financial support to progress the development of both businesses.

Events after the reporting period

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

Statement by Management

Statement by Management

The Board of Directors and The Executive Board have today considered and adopted the annual report for 1 January 2022 - 31 December 2022 for Seasalt Group ApS.

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 the company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022.

We believe that the Management's review contains a fair review of the affairs and conditions referred to therein.

We recommend that the annual report be adopted at the Annual General Meeting.

København N, 11 May 2023

Executive board

Navid Samandari
CEO

Board of Directors

Jakob Bergholdt
Board member

Lars Fløe Nielsen
Board member

Lukasz Piotr Gadowski
Board member

Navid Samandari
Chairman

Troels Schønfeldt
Board member

Auditor's report

Independent auditor's report

To the shareholder's in Seasalt Group ApS

Opinion

We have audited the financial statements of Seasalt Group ApS for the financial year 1 January 2022 - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position as at 31 December 2022 and of the results of the company's operations for the financial year 1 January 2022 - 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 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 this auditor's report. We are independent of the company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, for disclosing, as applicable, matters related to going concern, and for 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 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 these financial statements. As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.

Auditor's report, continued

- 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 content of the financial statements, including the disclosures in the notes, 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 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act.

We did not identify any material misstatement in Management's Review.

Søborg, 11 May 2023

inforevision

Statsautoriseret revisionsaktieselskab

CVR No. 19263096

Michael Dam-Johansen

State Authorized Public Accountant

mne36161

Accounting policies

Information on reporting class

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

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing Reporting class B.

Some provisions from reporting class C has been adopted.

The accounting policies has not been changed from last year.

Consolidated financial statements

Consolidated financial statements have not been prepared in accordance with the Danish Financial Statement Act section 110.

Generally regarding recognition and measurement

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially 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 maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

The functional currency is Danish Kroner. 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.

Accounting policies, continued

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

Gross profit/loss includes "External expenses".

External expenses

External expenses comprises Administrative expenses.

Income from investments in group enterprises

Income from investments in group enterprises comprise the pro rata share of the group enterprises' profit/loss adjusted for internal profits and losses less amortisation of goodwill on consolidation for the year.

Financial income

Financial income 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.

Financial expenses

Financial expenses are 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

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.

Tax on profit or loss for the year is recognised in the income statement by the portion attributable to the profit or loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

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

Accounting policies, continued

Balance sheet

The balance sheet has been presented in account form.

Assets

Investments in group enterprises

Investments in group enterprises have been recognised according to the equity method. This means that investments are measured at the pro rata share of the group enterprises' net asset value adjusted for internal dividends and profit or losses.

Distributable reserves in group enterprises which are distributed as dividends to the parent at the balance sheet 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 recognised 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 recognised 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.

A negative difference, reflecting an expected cost or an unfavourable development, are recognised as income in the income statement in the year of acquisition.

Goodwill is amortised in the income statement over 5 years. The amortisation 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. Amortisations are recognised in the income statement with other value adjustments in the item income from investments in group enterprises.

The total net revaluation of investments in group enterprises is allocated through the profit or loss 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 in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Accounting policies, continued

Equity and liabilities

Equity

Reserve for net revaluation according to equity method comprise net revaluation in group enterprises, associates and participating interests. The reserve is reduced by dividend distributed to the Parent and adjusted for other equity movements in the group enterprises, associates and participating interests. The reverse may be eliminated with negative retained earnings. The reserve is reduced or dissolved when divesting the group enterprises, associates and participating interests.

Deferred tax and corporation tax

Deferred tax is measured using the balance sheet 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 realisable value.

The company is a Management company in a joint taxation with other Danish group enterprises. 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 other than provisions.

Financial debts

Short-term debts are measured at amortised cost, substantially corresponding to nominal value.

Income statement

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		DKK	DKK
Gross loss		-188,649	-283,976
Income from investments in group enterprises	5	-8,847,229	45,642,985
Finance income	1	55,637	0
Finance expenses	2	-261,399	-834
Profit/loss before tax		-9,241,640	45,358,175
Tax on profit/loss for the year	3	16,599	31,355
Profit/loss for the year		-9,225,041	45,389,530

Proposed distribution of profit and loss

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Proposed distribution of profit and loss for the year :		
Transferred to net revaluation according to equity method	-8,847,229	45,642,985
Transferred to retained earnings	-377,812	-253,455
Profit/loss for the year	-9,225,041	45,389,530

Assets

	Note	31/12-2022	31/12-2021
		DKK	DKK
Investments in group enterprises	5	176,555,558	185,402,787
Investments	4	<u>176,555,558</u>	<u>185,402,787</u>
Fixed assets		<u>176,555,558</u>	<u>185,402,787</u>
Receivables from group enterprises		28,815,904	0
Corporation tax receivables	3	5,500,000	5,500,000
Prepayments		10,793	74,526,935
Receivables		<u>34,326,697</u>	<u>80,026,935</u>
Cash at bank and in hand		<u>44,829,122</u>	<u>0</u>
Current assets		<u>79,155,819</u>	<u>80,026,935</u>
Total assets		<u>255,711,377</u>	<u>265,429,722</u>

Equity and liabilities

	<u>Note</u>	<u>31/12-2022</u> DKK	<u>31/12-2021</u> DKK
Contributed capital		145,760	145,760
Reserve for net revaluation according to equity method		36,795,756	45,642,985
Retained earnings		138,837,015	139,214,827
Equity		<u>175,778,531</u>	<u>185,003,572</u>
Convertible, profit yielding or dividend yielding debt instruments		0	74,362,000
Long-term liabilities other than provisions	6	<u>0</u>	<u>74,362,000</u>
Short-term part of long-term liabilities other than provisions		74,362,000	0
Trade payables		54,543	93,988
Payables to group enterprises		0	501,517
Joint tax contribution payables	3	5,483,401	5,468,645
Other payables		32,902	0
Short-term liabilities other than provisions		<u>79,932,846</u>	<u>6,064,150</u>
Liabilities other than provisions		<u>79,932,846</u>	<u>80,426,150</u>
Total equity and liabilities		<u>255,711,377</u>	<u>265,429,722</u>
Contingent assets	7		
Contingent liabilities	8		

Statement of changes in equity

	Contributed capital	Reserve for net revalu- ation according to equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 25 October 2021	145,760	0	139,468,282	139,614,042
Distributed profit/loss for the year		45,642,985	-253,455	45,389,530
Equity at 1 January 2022	145,760	45,642,985	139,214,827	185,003,572
Distributed profit/loss for the year		-8,847,229	-377,812	-9,225,041
Equity at 31 December 2022	145,760	36,795,756	138,837,015	175,778,531

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

The company has 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 are warrants granted that 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 2022 there have been granted share options and warrant which has been vested at nominal amount of 5.852 with an exercise price of 0,01 DKK per share.

Notes

1. Finance income

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Financial income from group enterprises	55,637	0
Total	<u>55,637</u>	<u>0</u>

2. Finance expenses

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Financial expenses to group enterprises	0	834
Other financial expenses	261,399	0
Total	<u>261,399</u>	<u>834</u>

3. Tax expense

	<u>Corpora- tion tax</u>	<u>Joint tax contribution</u>	<u>Deferred tax</u>	<u>Tax on profit/loss for the year</u>
	DKK	DKK	DKK	DKK
Payables at 1 January 2022	-5,500,000	5,468,645	0	
Paid in respect of previous years	5,500,000	-5,468,645		
Tax on profit/loss for the year	-5,500,000	5,483,401	0	-16,599
Payables at 31 December 2022	<u>-5,500,000</u>	<u>5,483,401</u>	<u>0</u>	
Tax on profit/loss for the year recognised in the income statement				<u>-16,599</u>

Recognition in balance sheet:

Short-term receivables (current asset)	-5,500,000	0	0
Short-term payables	0	5,483,401	
Total	<u>-5,500,000</u>	<u>5,483,401</u>	<u>0</u>

Notes, continued

4. Investments

	Investments in group enterprises		
	DKK	Total DKK	2021 DKK
Cost at 1 January 2022	139,759,802	139,759,802	139,614,042
Additions for the year	0	0	145,760
Cost at 31 December 2022	139,759,802	139,759,802	139,759,802
Revaluations at 1 January 2022	45,642,985	45,642,985	0
Revaluations for the year	-14,740,065	-14,740,065	45,775,642
Equity adjustments	7,576,578	7,576,578	0
Elimination intercompany profit	-1,683,742	-1,683,742	-132,657
Revaluations at 31 December 2022	36,795,756	36,795,756	45,642,985
Carrying amount at 31 December 2022	176,555,558	176,555,558	185,402,787

5. Investments in group enterprises

	Equity interest	Contrib- uted capital	According to annual report		Seasalt Group ApS' share	
			Profit/loss for the year DKK	Equity DKK	Share of profit/loss for the year DKK	Share of equity DKK
Seaborg ApS	100%	145,760	-13,216,008	117,309,550	-13,216,008	117,309,550
Hyme Energy ApS	81,84%	145,760	-1,862,170	74,609,133	-1,524,057	61,062,407
Total					-14,740,065	178,371,957
Elimination intercompany profit					-1,683,742	-1,816,399
Other adjustments					7,576,578	0
Total					-8,847,229	176,555,558
Recognition in balance sheet:						
Investments in group enterprises						176,555,558
Total						176,555,558

Notes, continued

6. Long-term liabilities

	<u>31/12-2022</u>	<u>31/12-2021</u>
	DKK	DKK
Liabilities in total:		
Convertible, profit yielding or dividend yielding debt instruments	74,362,000	74,362,000
Total	<u>74,362,000</u>	<u>74,362,000</u>
Current portion of non-current liabilities:		
Convertible, profit yielding or dividend yielding debt instruments	74,362,000	0
Total	<u>74,362,000</u>	<u>0</u>

Due beyond 5 years after the balance sheet date:

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.

7. Contingent assets

	<u>2022</u>
	DKK
Unrecognised deferred tax assets due to tax losses carried forward and tax depreciation below account- ing depreciation on fixtures, fittings, tools and equipment	<u>98,835</u>

8. Contingent liabilities

Seasalt Group ApS is jointly taxed with other group companies and are severally liable for tax on the jointly taxed incomes etc. of the group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of tax on interest, dividend tax and tax on royalty payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the the company's liability.