

Hyme Energy ApS

Titangade 11
2200 København N

CVR No. 42822027

Annual report 2022

1 January 2022 - 31 December 2022

Adopted at the Annual General Meeting on 11
May 2023

Christoffer Galbo
Chairman

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Company details

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Company

Hyme Energy ApS
Titangade 11
2200 København N

CVR No.: 42822027

Executive board

Ask Emil Løvschall-Jensen

Board of Directors

Ask Emil Løvschall-Jensen
Barbara Taudorf Andersen
Navid Samandari
Torben Moselund Wind
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

Hyme Energy ApS' main activity is to run a company with storage of energy and related technology as well as all business that, in the opinion of the board of directors, are connected to this.

Development in activities and finances

The financial performance in the financial year amounted to a loss of DKK -1.862.170. The loss was expected. As such, the result has met the expectations set for the year. The company follows its plan for use of proceeds with expanding the team and developing technology, partners and the business – the loss is an expected consequence of the company's continued technology development.

The company took in an equity investment of €10.3 million in January 2022 to finance the technology development and commercialisation.

The company has achieved several key milestones in the financial year including the progression of the first pilot plant set for construction in 2023 in Esbjerg. Several grants have been awarded including the award of a large EU Horizon grant together with partners to build the world's first hydroxide based connected energy storage plant in the city of Rønne on the Danish Island Bornholm set to be one of the energy islands.

The company has achieved its objectives for the fiscal year.

Events after the reporting period

The company have continued its development of its technologies. The team has grown in line with the ambitious hiring plan and successfully expanded project and partner collaboration towards pilot plant construction.

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 Hyme Energy 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

Ask Emil Løvschall-Jensen
CEO

Board of Directors

Ask Emil Løvschall-Jensen
Board member

Barbara Taudorf Andersen
Board member

Navid Samandari
Chairman

Torben Moselund Wind
Board member

Troels Schønfeldt
Board member

Auditor's report

Independent auditor's report

To the shareholder's in Hyme Energy ApS

Opinion

We have audited the financial statements of Hyme Energy 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 have not been changed from last year.

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.

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

Accounting policies, continued

Income statement

The income statement has been classified by nature.

Gross profit

Gross profit/loss includes "Cost of sales", "Own work capitalised" and "External expenses".

Own work capitalised

Own work capitalised comprises work performed in the financial year on own assets which is capitalised as intangible and tangible fixed assets. The basis of measurement is cost and comprise staff costs.

External expenses

External expenses comprises Selling costs, Cost of premises and Administrative expenses.

Staff costs

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the company's employees.

Financial income

Financial income is recognised with amounts concerning the the financial year. Financial income comprise interest, realised and unrealised exchange gains, realised and unrealised gains on sale of other securities and investments, dividends as well as interest reimbursements under the Danish Tax Prepayment Scheme.

Financial expenses

Financial expenses is recognised with amounts concerning the the financial year. Financial expenses comprise interest, realised and unrealised exchange losses, realised and unrealised losses on sale of other securities and investments, amortised interest on lease commitments, amortisation of debt to mortgage credit institutions as well as interest surcharge 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

Intangible assets

Intangible assets are measured at cost less accumulated amortisation.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Development projects in progress are transferred to completed development projects when the asset is ready to be put into operation.

Development projects in progress are not amortised.

As the intangible assets are not being traded in an active and effective market, no residual values after end of use are included when determining the amortisation period.

Profit/loss on sale has been included in the income statement under other operating income and other operating expenses.

The carrying amounts of intangible assets are reviewed annually for indication of impairment for losses, apart from what is expressed by usual amortisation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount. As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the expected cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation. The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

The costprice for an asset is divided into separate components, that are depreciated separately, if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

Category	Period	Residual value
Leasehold improvements	10 years	0%
Fixtures, fittings, tools and equipment	3 years	0%

Minor purchases with useful lives below one year have been recognised as an expense in the income statement in external expenses.

Accounting policies, continued

Profit/loss on sale or retirement has been included in the income statement other operating income and other operating expenses.

The carrying amounts of property, plant and equipment are reviewed annually for indication of impairment for losses, apart from what is expressed by usual depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount. As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the expected cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as depreciation and impairment for loss of property, plant and equipment and intangible assets.

Other receivables classified as fixed assets

Deposits recognised as fixed assets are measured at amortised cost, which usually corresponds to nominal amount.

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.

Equity and liabilities

Equity

Increases of the the share capital is recognised directly into equity less related transaction cost.

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 measures 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 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.

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.

Accounting policies, continued

Financial debts

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

Deferred income

Deferred income consist of government grants received in connection with development projects. Grants are depreciated over the same period as development costs.

Income statement

	Note	2022 DKK	2021 DKK
Gross profit		6.161.309	-1.472.399
Staff costs	1	-9.247.073	0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		-3.085.764	-1.472.399
Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets	2	-1.793	0
Earnings before interest and taxes (EBIT)		-3.087.557	-1.472.399
Finance income		115	1.786
Finance expenses	3	-335.978	-21.034
Profit/loss before tax		-3.423.420	-1.491.647
Tax on profit/loss for the year	4	1.561.250	269.764
Profit/loss for the year		-1.862.170	-1.221.883

Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Proposed distribution of profit and loss for the year :		
Transferred to retained earnings	-1.862.170	-1.221.883
Profit/loss for the year	-1.862.170	-1.221.883

Assets

	Note	31/12-2022 DKK	31/12-2021 DKK
Development projects in progress		24.527.072	737.451
Intangible assets	5	24.527.072	737.451
Leasehold improvements		67.823	0
Fixtures, fittings, tools and equipment		42.804	0
Property, plant and equipment	6	110.627	0
Deposits		30.000	0
Investments	7	30.000	0
Fixed assets		24.667.699	737.451
Other receivables		1.466.103	543.600
Joint tax contribution receivables	4	1.561.250	269.764
Prepayments		361.795	0
Receivables		3.389.148	813.364
Cash at bank and in hand		52.601.875	66.534.808
Current assets		55.991.023	67.348.172
Total assets		80.658.722	68.085.623

Equity and liabilities

	Note	31/12-2022	31/12-2021
		DKK	DKK
Contributed capital		178.097	173.454
Reserve for development expenditure		19.131.116	575.212
Retained earnings		55.299.920	64.581.369
Equity		74.609.133	65.330.035
Deferred income		665.528	0
Long-term liabilities other than provisions		665.528	0
Trade payables		324.164	210.816
Payables to group enterprises		4.282.922	2.544.772
Other payables		776.975	0
Short-term liabilities other than provisions		5.384.061	2.755.588
Liabilities other than provisions		6.049.589	2.755.588
Total equity and liabilities		80.658.722	68.085.623
Contingent assets	8		
Contingent liabilities	9		
Unrecognised contractual commitments	10		

Statement of changes in equity

	Contributed capital	Reserve for develop- ment expenditure	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 9 November 2021	145.760	0	0	145.760
Capital increase	27.694		66.378.464	66.406.158
Distributed profit/loss for the year			-1.221.883	-1.221.883
Transferred to reserve for development expenditure for the year		575.212	-575.212	0
Equity at 1 January 2022	173.454	575.212	64.581.369	65.330.035
Capital increase	4.643		11.136.625	11.141.268
Distributed profit/loss for the year			-1.862.170	-1.862.170
Transferred to reserve for development expenditure for the year		18.555.904	-18.555.904	0
Equity at 31 December 2022	178.097	19.131.116	55.299.920	74.609.133

Notes

1. Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	8.689.603	0
Pensions	217.171	0
Other social security costs	93.047	0
Other staff cost	247.252	0
Total	9.247.073	0
Average number of full-time employees	14	0

At the end of the year, the company has 24 full-time employees against 0 in the previous financial year.

2. Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets

	2022	2021
	DKK	DKK
Depreciation of property, plant and equipment	1.793	0
Total	1.793	0

3. Finance expenses

	2022	2021
	DKK	DKK
Financial expenses to group enterprises	0	4.720
Other financial expenses	335.978	16.314
Total	335.978	21.034

Notes, continued

4. Tax expense

	Joint tax contribution	Deferred tax	Tax on profit/loss for the year	2021
	DKK	DKK	DKK	DKK
Payables at 1 January 2022	-269.764	0		
Paid in respect of previous years	269.764			
Tax on profit/loss for the year	-1.561.250	0	-1.561.250	-269.764
Payables at 31 December 2022	-1.561.250	0		
Tax on profit/loss for the year recognised in the income statement			-1.561.250	-269.764
<i>Recognition in balance sheet:</i>				
Short-term receivables (current asset)	-1.561.250	0		
Total	-1.561.250	0		

5. Intangible assets

	Develop- ment pro- jects in progress	Total	2021
	DKK	DKK	DKK
Cost at 1 January 2022	737.451	737.451	0
Additions for the year	23.789.621	23.789.621	737.451
Cost at 31 December 2022	24.527.072	24.527.072	737.451

Development projects consist of developing patented molten hydroxides solutions. The solutions contribute to the company's existence and will be used in the company's commercial energy storage solutions, and thus the solutions contribute to future revenue and customer access.

Notes, continued

6. Property, plant and equipment

	Leasehold improvements	Fixtures, fittings, tools and equipment	Total
	DKK	DKK	DKK
Additions for the year	68.393	44.027	112.420
Cost at 31 December 2022	68.393	44.027	112.420
Depreciation for the year	-570	-1.223	-1.793
Depreciation and impairment losses at 31 December 2022	-570	-1.223	-1.793
Carrying amount at 31 December 2022	67.823	42.804	110.627

7. Investments

	Deposits	Total
	DKK	DKK
Additions for the year	30.000	30.000
Cost at 31 December 2022	30.000	30.000

8. Contingent assets

	2022
	DKK
Unrecognised deferred tax assets due to tax losses carried forward and tax depreciation below accounting depreciation on fixtures, fittings, tools and equipment	919.610

9. Contingent liabilities

Hyme Energy 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.

10. Unrecognised contractual commitments

	2022
	DKK
The company has entered into rental commitment regarding rent of premises. The rental contract is non-terminable until March 2024. The total commitment represents	180.000
Total rental and lease obligations	180.000