

21

Annual report 2021

HYON AS

Contents

CEO letter	3
About HYON	4
Board of Directors' report	6
Financial statements	9
Notes to the financial statements	12
Independent auditor's report	16



Dear shareholders,

2021 was both an exciting and extremely busy year, where we gave priority to our mission of accelerating the energy transition in the maritime sector. With Saga Pure, Norwegian Hydrogen and Nel as main owners, we restructured the company and redefined our strategy and value chain position to address fueling infrastructure for hydrogen to ships. We have focused on building the team, securing capital, and further developing our technology and market position.

Hydrogen fueling solutions for the maritime sector play a key role in realizing hydrogen's huge market potential going forward. These solutions are not yet available, and we will solve that missing piece of the puzzle in the hydrogen value chain for the maritime sector.

Strong foundation for growth

Following our restructuring work in 2021, securing capital for further technological and organizational development has been a priority. In January 2022, we completed a successful private placement of NOK 50 million, followed a month later by a listing of the company on Euronext Growth at the Oslo Stock Exchange. The 2021 figures reflect our positioning activities for a future market. The market is still in its infancy, where technology development and market position cost outweigh our revenue side.

An expansive market

The hydrogen market is currently characterized by creation of consortiums, where players along the full value chain join forces to realize zero emission solutions for ships. An important part of our work is to position HYON as part of the various constellations.

Towards the end of 2021, we observed a massive increase in demand for solutions for compressed hydrogen, both in Norway and internationally. Compressed hydrogen has been our focus since the start, as it is the most mature technology, has the highest overall energy efficiency,

and is suitable for coastal fleets. Due to these unique characteristics, combined with the current market developments, we expect this trend to continue growing into 2022.

Building a top tier team

We have further strengthened our team, currently counting nine full-time employees. The team has extensive technical and managerial experience, with the necessary competencies and background to both develop leading solutions for fueling of hydrogen for ships and to develop HYON as a company further.

Full speed ahead

A few months into 2022, we are at full speed ahead. The technological development as part of the Hellesylt Hydrogen Hub project is progressing as planned, and we are on track to deliver our first installation by end of next year. Further, we have accelerated our efforts to develop an ultrahigh capacity solution which will target observed demand from 2025 and onwards. The organization is taking form, and we see that further significant scaling is crucial to deliver on the opportunities that we have ahead of us.

I look forward to the year to come and want to take this opportunity to thank the investors and partners for the trust. Our team is hard at work with bringing our mission of accelerating the energy transition to life, and we look forward to the continued collaboration.



Jørn Kr Lindtvedt

Jørn Lindtvedt
CEO

We deliver fast and safe fueling of hydrogen for ships

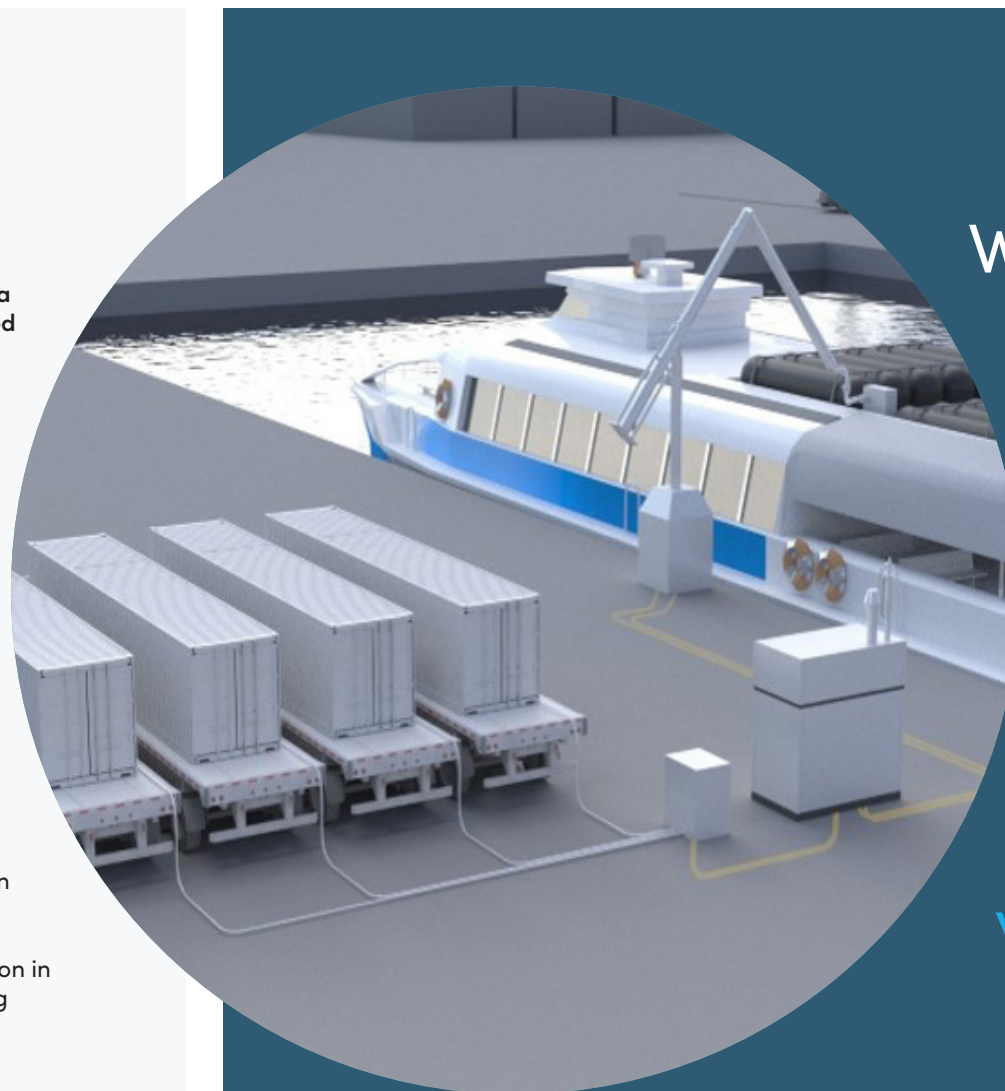
We deliver fast and safe fueling of hydrogen for ships

That means we make sure that hydrogen is transferred from shore to the ships - either as a stand-alone fueling solution or as an integrated solution combining production, storage and distribution on a barge.

There is a new dawn for the blue economy. With shipping accounting for ~2.5% of the global CO2 emissions, the International Maritime Organization aims for a 50% reduction in emissions by 2050 compared to 2008 levels. The industry is changing, but innovative measures, fuels and technology is needed. Hydrogen is at the core of this transition - and HYON is set to lead the way.

HYON was founded in 2017 and has since executed 10+ commercial deals. The company was restructured in 2021, with Saga Pure, Norwegian Hydrogen and Nel as main owners, redefining our strategy and value chain position to address bunkering infrastructure.

With a mission to accelerate the energy transition in the maritime sector, our aim is to be the leading provider of bunkering solutions for hydrogen.



We accelerate the energy transition in the maritime sector by providing the missing piece in the hydrogen value chain

Management and team



Jørn Krisian Lindtved
CEO

Jørn holds an M.Sc. in Industrial Economics from the Norwegian University of Science and Technology (NTNU). He has working experience from venture capital and industry. Prior to HYON, he spent 9 years in technical and business leadership in TechnipFMC.



Harald Bjørn Hansen
Director, Project Dev. & Comm.

Harald holds an M.Sc. in Marine Technology from the Norwegian University of Science and Technology (NTNU) and a business degree from BI. His working experience is within oil & gas and maritime industry, building new business and companies with technical innovations to market.



Jan Frode Andersen
CFO

Jan Frode holds an MBA from BI in Oslo and a bachelor's degree from the University of Arizona (Hons). He comes from the position of Investment Director / Investment Manager of Saga Tankers AS / Saga Pure ASA (since 2015) and Strata Marine & Offshore AS (since 2012).



Jørgen Kopperstad
Interim CTO

A front-runner in green ship design, with comprehensive hands-on experience on integrating zero emission and energy optimization solutions in the maritime industry. Growing up, Jørgen grasped sustainability about the time when he learned how to play the guitar.



Thomas Edvard Gjerde
Business Development Manager

Thomas has extensive experience in the maritime and offshore industry. Before joining HYON, he held the position of Area Sales Manager at Marin Teknikk AS. Thomas holds a B.Sc. in Maritime Studies from the Norwegian University of Science and Technology (NTNU).



Kjellbjørn Kopperstad
Technical Manager

Kjellbjørn has more than 25 years of experience in ship design from Ulstein Gruppen in Møre. Prior to joining HYON, he held the position of Technical Manager at Havyard / HAV design. Kjellbjørn holds a degree from the vocational school in Ålesund (Ålesund Tekniske Fagskole).



Arne-Kristian Krydsby Johnsen
Project Manager

Arne-Kristian is an experienced project manager from the subsea industry. Before joining HYON, he worked on small, medium and large engineering projects in Norway and APAC regions. He holds an M.Sc. in Mechanics from the University of Oslo (UiO).



Sondre Rosfjord Askim
Product Development Manager

Sondre holds a B.Sc. in Systems Engineering from the University of South-Eastern Norway (USN). He has 16 years' experience working in the oil & gas industry. The last 10 years, he has held technical leadership positions in TechnipFMC.



Øyvind Oppheim
Project Engineering Manager

Øyvind has 10 years' experience from aquaculture industry with technical engineering management. Prior to HYON, he held the role as Mechanical Engineering Manager at Eyvi AS. He holds a higher professional degree within mechanical engineering from Ålesund Fagskole.

Board of Directors' report

The Company's operations and domicile

HYON AS develops zero-emission solutions for the production and fueling of hydrogen for ships.

The Company's objective is to be a leading player for this type of technology in a global emerging market.

The Company's operations take place in Oslo and Ulsteinvik, Norway. The Company's head office is situated in Oslo.

Financial highlights

The Company's turnover rose from NOK 1,056,400 last year to NOK 1,784,323 in 2021. Profit for the year in 2021 was NOK -4,185,470, compared with NOK -3,143,001 in 2020. Net cash flow from the Company amounted to NOK 928,738

The Company carried out a major restructuring process in 2021. The green investment company Saga Pure ASA took control of the Company and invited the world-leading hydrogen player Nel ASA and leading green infrastructure player Norwegian Hydrogen AS to take up equal ownership positions.

In addition, a new team of senior executives was invited onto the ownership side as part of the same capital round. As a result, the management was strengthened considerably by the arrival of new CEO Jørn Kristian Lindtvedt and new commercial director Harald Bjørn Hansen. Both have many years of experience in leading technical and commercial roles within international energy companies.

With its new owners onboard, HYON AS approved a significant change in its strategy. The Company has historically focused on developing solutions covering the entire value chain, from production of hydrogen, logistics, fueling and maritime propulsion systems. Going forward, the Company will primarily focus on the development of hydrogen and bunkering solutions for ports. An entirely new value chain must be developed, a key part of which will be the transfer of hydrogen from ports to vessels.

Expenses in 2021 are expensed on an ongoing basis, as the requirements for recognition in the balance sheet are not considered to be met. These expenses primarily relate to salary for the CEO, commercial director and hired technical manager, in addition to the use of a leading consultancy firm.

The Company's cash and cash equivalents amounted to NOK 1,634,070 as of 31 December 2021. The Company's capacity to self-finance investments is considered to be good.

As of 31 December 2021, the Company's current liabilities amounted to NOK 3,831,836, compared with NOK 2,151,525 as of 31 December 2020. This increase is primarily due to a new bridge loan from the owner to finance operations until listing on Euronext Growth and a subsequent share issue of MNOK 50. The Company's financial position is strong as a result of its capital expansion.

At the year-end, total assets amounted to NOK 1,836,717, compared with NOK 1,341,876 during the previous year. The equity ratio as of 31 December 2021 was -108%, compared with -60% as of 31 December 2020.

Future developments

The market outlook for the next few years is promising. There is an increasing focus on the Green Shift in the maritime sector, and the Company is experiencing strong interest in proprietary zero-emission solutions. Further strong growth in demand for the Company's products is expected both in Norway and internationally over the coming years. The focus in 2022 will primarily be within the country's borders, as the developments taking place in Norway are cutting edge from a global perspective. In turn, this will enable HYON to expand on the international stage.

As a result of the strong interest in the Company, a share issue of MNOK 50 was carried out in connection with the listing of the Company on Euronext Growth on 14 February 2022.

The Company's operations are currently subject to limited competition. Norwegian and international players are showing strong interest in cooperation and partnerships, particularly regarding the joint development of effective solutions in the maritime sector.

The Company was not affected by fluctuations in exchange rates in 2021. Going forward, a higher proportion of costs will be linked to the procurement of hardware from abroad, and the EUR/NOK exchange rate will therefore have a greater impact on the Company's revenues and profit.

The Company's operations have so far only been aimed at the Norwegian market. Primary revenues from Norway are also expected in 2022, but the proportion of international customers will increase over the coming years.

Our forecasts regarding future profits are subject to the same uncertainty that normally impacts the assessments of future conditions.

In the short term, the Company aims to take the largest possible market share in Norway.

The Company has adopted a strategy through to 2025 which will provide a basis for strong growth and profitable development.

Financial risk

General information concerning objective and strategy

HYON AS is exposed to financial risk in various areas. The aim is to mitigate financial risk insofar as is possible. The Company's current strategy does not include the use of financial instruments, but this is subject to ongoing assessment by the Board of Directors.

Market risk

HYON AS considers it likely that ongoing COVID-19 outbreaks will not have a material negative impact on the Company's operations.

The Company is also not affected by the ongoing conflict in Ukraine, but it could be affected by possible macroeconomic consequences which arise as a result of the war.

The Company is exposed to fluctuations in exchange rates, especially EUR/NOK, as some of the Company's future operating expenses will be in EUR. The most likely scenario is that around 50% of future purchases will come from suppliers who invoice in EUR.

The Company has not entered into any forward contracts or other agreements in order to reduce the Company's currency risk and thereby the operationally linked market risk. The Company has little exposure to fluctuations in interest rates, as the interest rate on the Company's short-term debt is largely fixed. Fluctuations in interest rate levels could impact the investment opportunities in future periods.

Credit risk

The risk of losses on receivables is considered to be low, as counterparties are considered to be very solid. The Company has so far not incurred any losses on receivables. Gross credit exposure as of the balance sheet date amounts to a total of NOK 182,646 for the Company, compared with NOK 586,544 in 2020. This represents a decrease of NOK 403,898 for the Company in 2021. No agreements have been entered into concerning offsetting or other financial instruments which reduce the credit risk to which Hyon AS is exposed.

Liquidity risk

The Company considers the liquidity in the Company to be good, but are increasingly focusing on strengthening the long-term financial lifting capacity of the Company. Due date for accounts receivable is being maintained.

Going concern

In accordance with Section 3-3a of the Accounting Act, it is confirmed that the conditions necessary for the Company to be considered a going concern are met. This assumption is based on profit forecasts for 2022, the Company's long-term strategic forecasts for the years ahead, and the raising of capital in connection with listing on Euronext Growth. The Group is in a healthy economic and financial position.

The financial statements have been prepared based on the assumption that the Company is a going concern.

Recommended appropriation of profit

The Board of Directors recommends the following appropriation of Hyon AS' profit for the year:

Uncovered loss	NOK -4,185,470
Total amount appropriated	NOK -4,185,470

Working environment

Total absence due to illness within the Group amounted to 0 hours during 2021 (0% of total working hours within the Group), compared with 0 hours in 2020 (0%).

Equality and discrimination

The working environment is regarded as good, and ongoing measures are being implemented in order to bring about further improvements. Absence due to illness within the Company was insignificant. Nevertheless, the Company is working continuously to ensure that absence due to illness remains low in the long term. There have been no injuries or accidents. The Company strives for an equal distribution between the sexes in connection with new appointments. HYON AS practices equality as regards religion, beliefs, disability, sexual orientation, gender identity and gender expression.

The distribution between men and women is 100% versus 0%.

External environment

HYON AS did not manufacture or hold goods in stock during 2021. Thus, the Company does not inflict any type of damage on the external environment other than that which follows from ordinary office activities.

The Company's operations are not regulated by permits or orders.

During 2021, the focus was once again placed on building a larger company and hiring the best technical and commercial resources in the market.

Insurance for board members and the CEO

Health and pension insurance policies have been established with DNB for the CEO. No board insurance has been established for board members.

Oslo, 30 March 2022

Bjørn Simonsen
Chairman of the Board

Jens Einar Opstad Berge
Board Member

Jørn Kristian Lindtvedt
CEO

Income statement

NOK	Note	2021	2020
Operating revenue and expenses			
Operating revenue			
Revenue		750 080	993 256
Other operating income	2	1 034 243	63 145
Total operating revenue		1 784 323	1 056 400
Operating expenses			
Employee benefits expense	3	3 195 335	3 025 877
Depreciation and amortisation expenses		30 000	30 000
Other operating expenses		2 730 098	1 147 070
Total operating expenses		5 955 433	4 202 946
Operating profit or loss		(4 171 110)	(3 146 546)
Financial income and expenses			
Financial income			
Other interests		0	4 615
Other financial income		60	793
Total financial income		60	5 408
Financial expenses			
Interest paid to group companies		14 252	0
Other interests		150	265
Other financial expense		18	1 597
Total financial expenses		14 420	1 862
Net financial income and expenses		(14 360)	3 545


NOK	Note	2021	2020
Ordinary result before taxes		(4 185 470)	(3 143 001)
Tax on ordinary result	4	0	0
Ordinary result		(4 185 470)	(3 143 001)
To majority interests		(4 185 470)	(3 143 001)
Application and allocation			
Uncovered loss		(4 185 470)	(3 143 001)
Total application and allocation		(4 185 470)	(3 143 001)

Statement of financial position

NOK	Note	2021	2020
ASSETS			
Fixed assets			
Intangible assets			
Concessions, patents, licenses, trade marks		20 000	50 000
Total intangible assets		20 000	50 000
Total fixed assets		20 000	50 000
Current assets			
Receivables			
Trade receivables	9	0	585 549
Other short-term receivables	9	182 646	995
Total receivables		182 646	586 544
Bank deposits, cash in hand, etc.	7	1 634 070	705 332
Total current assets		1 816 171	1 291 876
Total assets		1 836 171	1 341 876

NOK	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital	5, 6	342 000	42 000
Share premium reserve	6	11 793 179	9 093 179
Total paid-in equity		12 135 179	9 135 179
Retained earnings			
Uncovered loss	6	(14 130 298)	(9 944 828)
Total retained earnings		(14 130 298)	(9 944 828)
Total equity		(1 995 119)	(809 649)
Liabilities			
Current liabilities			
Accounts payable			265 565
Public duties payable			234 594
Other current liabilities	11		1 651 366
Total current liabilities			2 151 525
Total liabilities			2 151 525
Total equity and liabilities			1 341 876

Oslo, 30 March 2022



Bjørn Simonsen
Chairman of the Board



Jens Einar Opstad Berge
Board Member



Jørn Kristian Lindtvedt
CEO

Cash flow

NOK	2021	2020
Cash flow from operating activities		
Profit/loss before tax	(4 185 470)	(3 143 001)
Depreciation	30 000	30 000
Changes in accounts receivable and accounts payable	881 909	(426 083)
Change in other current items	(797 701)	1 716 325
Cash flow from operating activities	(4 071 262)	(1 822 759)
Cash flow from financial activities		
Capital increase	3 000 000	-
Payments received in connection with loans, associates	2 000 000	-
Cash flow from financial activities	5 000 000	-
Net change in cash and bank deposits during the year	928 738	(1 822 759)
Cash and bank deposits as of 01.01	705 332	2 528 091
Cash and bank deposits as at 31.12	1 634 070	705 332

Notes to the financial statements

Note 1 – Accounting policies

The Company's operations take place in Oslo and Ulsteinvik. The Company's registered address is Sjølyst Plass 2, 0278 Oslo

The Company's business area is the building of a global solution for zero-emission fuels for the maritime sector. The Company will design, deliver and operate maritime refuelling stations using its own IP based on pressurised hydrogen for the coastal fleet. The Company will initially offer bunkering solutions for compressed hydrogen for vessels. The Company will conduct its business through its own team, supported by its shareholders and through agreements with consultant suppliers.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and the NRS8 standard for good accounting practices for small businesses.

1-1 Currency

Monetary items in foreign currency are valued at the exchange rate at the end of the financial year. Foreign currency transactions are valued at the exchange rate at the time of the transaction.

1-2 Income

Services are recognised in revenue as they are delivered. Services are recognised at the time when they are carried out. The share of sales revenue that is related to future services, is recognised in the balance sheet as unearned income from the sale and then recognised at the time when the service is delivered.

1-3 Tax

The tax expense in the income statement includes both the payable tax for the period and the change in deferred tax. Deferred tax is calculated at 22% based on the temporary differences that exist between accounting and tax values, as well as any tax deficit to be posted at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can reverse in the same period have been offset. The company does not record deferred tax advantage in the balance sheet.

1-4 Classification and assessment of balance sheet items

Current assets and current liabilities include items that are due for payment within one year of the time of acquisition, as well as items associated with the goods circulation. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lowest of acquisition cost and fair value. Current liabilities are recognised in the balance sheet at the nominal amount at the time of establishment.

Fixed assets are valued at acquisition cost and depreciated over the expected economic life of the fixed asset and are written down to recoverable amount in the event of a fall in value that is not expected to be temporary. The recoverable amount is the highest of the net sales value and value in use. Long-term debt is recognised in the balance sheet at the nominal amount at the time of establishment.

1-5 Other receivables

Receivables are recorded in the balance sheet at nominal value after deduction of provisions for expected losses. Provisions for losses are made on the basis of individual assessments of the individual receivables. In addition, an unspecified provision is made for other accounts receivable in order to cover anticipated losses.

1-6 State aid

State aid is recognised as a cost reduction on the expense lines to which the aid relates.

1-7 Cash flow

The cash flow statement has been prepared in accordance with the indirect method.

Note 2 – Operating income

The Company's operating income consists of consultancy fees to the owner company The Norwegian Hydrogen Company AS in connection with the Hellesylt pilot-E project, as well as a fee of TNOK 99 to Sintef Ocean As for contributions to the R&D project entitled "Electrification of the coastal fishing fleet".

This income is classified as sales revenue. In addition, fees for IP rights have been recognised for the owner company, Hexagon Technology H2 As, totalling TNOK 1,020, as well as a smaller item of TNOK 14 from Selfa Arctic. Both are classified as other income.

Notes to the financial statements

Note 3 – Salary costs, number of employees, remuneration, loans to employees and remuneration to the auditor

Salary costs

NOK	2021	2020
Wages	2 341 079	2 380 209
Employer's National Insurance contributions	385 324	362 823
Pension costs	377 783	238 547
Other benefits	7 985	44 298
Total	3 112 171	3 025 877

The Company had 1.5 full-time equivalents during the financial year.

Hyon AS is obliged to have, and has established, an occupational pension scheme pursuant to the Norwegian Act on mandatory occupational pension plans.

CEO

NOK	2021	2020
Salary	750 000	1 192 973
Bonus		90 170
Other remuneration	8 801	19 364
Total	758 801	1 302 507

Expensed remuneration to the auditor

NOK	2021	2020
Statutory audit	48 623	40 000
Attestation services	75 800	
Other services	26 400	46 510
Total	150 823	86 510

Note 4 – Tax

Calculation of this year's tax base

NOK	2021	2020
Profit/loss before tax	(4 185 470)	(3 143 001)
Permanent differences	3 018	(3 922)
Tax base for the year	(4 182 452)	(3 146 923)

Basis tax payable	0	0
-------------------	---	---

Tax expense for the year

NOK	2021	2020
Change in deferred tax/deferred tax asset	0	0
Total ordinary tax expense	0	0

Temporary differences and recognised deferred tax

NOK	2021	2020
Change in temporary differences, fixed assets	(2 500)	
Tax deficit carry-forward	(14 296 743)	(10 116 791)
Total negative tax-increasing differences	(14 299 243)	(10 116 791)
Differences not included in the calculation of deferred tax	14 299 243	10 116 791
Basis for calculating deferred tax/ tax advantage	0	0
Recognised deferred tax advantage	0	0

The Company does not recognise deferred tax assets in the balance sheet, as the basis relates to unutilised deficits where there is uncertainty regarding when this can be utilised.

Notes to the financial statements

Note 5 - Share capital and shareholder information

Shareholder	Number of shares	Nominal value	Share capital	Ownership share
NEL ASA	9 804 000	0,01	98 040	28,7 %
Norwegian Hydrogen AS	9 804 000	0,01	98 040	28,7 %
Saga Pure ASA	9 804 000	0,01	98 040	28,7 %
Myhregården Invest AS	2 394 000	0,01	23 940	7,0 %
Vulgata Invest AS	2 394 000	0,01	23 940	7,0 %
Total	34 200 000	0,01	342 000	100 %

Note 6 - Equity

NOK	Share capital	Share premium	Unsecured losses	Total
Equity 01.01.21	42 000	9 093 179	(9 944 828)	(809 649)
Capital increase	300 000	2 700 000	-	3 000 000
Allocation of profit/loss for the year	-	-	(4 185 470)	(4 185 470)
Equity 31.12.2021	342 000	11 793 179	(14 130 298)	(1 995 119)

Note 7 - Bank

Tied-up capital

NOK	2021	2020
Tied-up tax withholding funds	178 536	315 929
Total	178 536	315 929

Note 8 - Continued operations

The Company's operations are financed with capital contributions from shareholders. Capital was raised during 2022, with subsequent listing on Euronext Growth. See the note entitled "Events after the balance sheet date" for details.

Based on the above, the closing of the accounts for 2021 is based on the going concern assumption.

Note 9 - Other receivables

Other current receivables

NOK	2021	2020
Accounts receivable	0	372 625
Earned, not invoiced operating income	0	212 924
VAT receivables	175 033	0
Other current receivables	-	995
Total receivables	175 033	586 544

Note 10 - Events after the balance sheet date

The Board of Directors considers it likely that ongoing COVID-19 outbreaks will not have a material negative impact on the Company's operations.

The Company is also not affected by the ongoing conflict in Ukraine, but it could be affected by possible macroeconomic consequences arising as a result of the war.

The Company was registered in the Euronext Growth list on 14 February 2022. In connection with this, a share issue was carried out, which resulted in MNOK 50 being raised. The Company is traded under the ticker "HYON".

The Board of Directors has concluded that, as of the date of signing of the balance sheet, there is no significant risk associated with the Company's ability to operate as a going concern.

Notes to the financial statements

Note 11 - Outstanding accounts, associates

Outstanding accounts, shareholders

NOK	2021	2020
Loans from Powercell Sweden AB	0	300 000
Loans from Hexagon Composites ASA	0	300 000
Loans from NEL ASA	0	300 000
Loans from Saga Pure ASA	2 014 252	0
Other interim NEL ASA		511 948
Other interim Saga Pure ASA	657 417	
Total	2 671 669	1 411 948

The loan constitutes short-term credit to cover ongoing expenses and transaction costs.

Note 12 - Transactions with associates

During the year, the Company had the following transactions with associates in accordance with Section 7-30b of the Norwegian Accounting Act.

Company	Relationship	Amount (NOK)	Service
The Norwegian Hydrogen Company AS	Owner	651 080	Consultancy services
Hexagon Technology H2 As	Owner	1 020 000	IP rights
Total income, associates		1 671 080	
Saga Pure ASA	Owner	657 417	Consultancy services
Total costs, associates		657 417	



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

2



INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Hyon AS

Opinion

We have audited the financial statements of Hyon AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 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 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 in accordance with ISAs, we exercise professional judgment 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.
- 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 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, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors 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.

Oslo, 30. mars 2022
ERNST & YOUNG AS

Petter Frode Larsen
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

Independent auditor's report - Hyon AS 2021

A member firm of Ernst & Young Global Limited

A member firm of Ernst & Young Global Limited

The logo for HYON, featuring the letters H, Y, O, and N in a stylized, white, sans-serif font. The 'Y' and 'O' are connected, and the 'N' has a unique shape with a vertical bar on its right side. The logo is centered within a large, dark blue circle that has four lighter blue segments extending outwards from its perimeter.

HYON

HYON AS
Sjølyst plass 2,
0278 Oslo, Norway
hyon.energy