

# List of Signatures

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## Annual Account 2022 Nordic Electrofuel AS dated 16062023.pdf

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# Financial Statements 2022

Nordic Electrofuel AS

Org.no.: 916 066 317

Prepared by:  
**view.**  
PROCURATOR



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## Nordic Electrofuel AS

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The board of directors' report 2022 (office translation)

### OPERATIONS AND LOCATIONS

Nordic Electrofuel AS (NEF) will build the world's first commercial plant for production of synthetic fuel primarily aimed for the aircraft industry. The products will be made from renewable energy, water and CO<sub>2</sub>.

The company is located in Porsgrunn municipality.

The company's strategy and business model is to be a systems integrator, where the company will be a significant owner in the production facilities that will produce sustainable hydrocarbons in large volumes. The company has developed and patented technology that will be used in the production of carbon-neutral jet fuel, that is approved for blend-in and used in today's aircraft engines.

### FAIR OVERVIEW OF DEVELOPMENT AND RESULTS

The result for 2022 is a loss of -13 541 639. The board believes that the annual accounts give a true and fair view of the company's assets and liabilities, financial position and result.

In 2022, the project has continued and optimized the Front End Engineering and Design (FEED) phase. NEF has worked closely with NTNU on the development of the concept and the main processes for manufacturing the products. NEF has invested in a process optimization system and tested the system, which will ensure continuous and robust operation in the start-up phase. After an assessment for the conditions for capitalizing of the project costs have been met, the Board decided in 2019 to capitalize the project costs. This practice has been continued in 2022.

### RESEARCH AND DEVELOPMENT ACTIVITIES

NEF is very satisfied with the technological platform the company has created, where the company has patented two processes, one of which has been granted a patent. The company has several research and development activities linked to the technology platform in order to reduce risk and optimize processes. The company has been approved by SkatteFUNN for 2022.

### GOING CONCERN

In accordance with § 3-3a of the Accounting Act it is confirmed that the going concern assumption is satisfied and this assumption has been applied in the preparation of the accounts.

### WORKING ENVIRONMENT AND EQUALITY

At the end of the year, the company had 10 employees, of whom 1 was a woman and 1 hired consultant. The accounts are kept by an external accounting agency. The board consists of 5 people, all men. Board liability insurance has been taken out for the board members.

Based on an assessment of the company's size, the board has not found it necessary to implement special measures with regards to gender equality.

### EXTERNAL ENVIRONMENT

The company does not carry on activity that pollutes the external environment.



## Nordic Electrofuel AS

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The board of directors' report 2022 (office translation)

### OTHER RELATIONSHIPS

Active work is being done to strengthen the company's capital and which is referred to in more detail in note 9.

The technological risk is particularly linked to the fact that the Power-to-Liquid concept has not been tested on a large scale. Through the concept study, the company has not uncovered conditions that cannot be resolved in order for the concept to be realized. The company will carry out further development activities to reduce the technical risk until the start of construction.

Market risk, which the company faces will be handled by contracting with fixed prices, volume and planned production well in advance of the start-up of the individual plants. The company has entered into several agreements of intent to off-take planned production with major international players. Financial risk is primarily linked with access to capital for financing the facilities.

Liquidity risk is linked to the possibility of the liquidity reserves being used, and the company estimates this to be moderate, as we see the possibilities of continuing to raise equity from investors as good.

### FUTURE PROSPECTS

Nordic Electrofuel has made significant progress in 2022 both technologically and operationally. The company stands out as the leading initiative for producing sustainable solutions for the aircraft industry. With the company's technology and solutions of the production of carbon-neutral jet fuel, the company will be a significant contributor to the green shift and to achieving the UN's ambitious climate goals.

With the development the company is in, it is the Board's opinion that the conditions are well suited for further operation and development. Despite the COVID-19 pandemic, the company has reached set milestones for the development of the company, even if the situation causes delays, but without this changing the Board's perception of continued operations.

Lysaker, 16.06.2023  
The board of Nordic Electrofuel AS

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Rolf Bruknapp  
chairman of the board

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Ronald Tuft  
member of the board

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Harald Johan Norvik  
member of the board

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Gunnar Holen  
general Manager

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Bastian Mueller  
member of the board

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Joerg N. Walter  
member of the board



## Nordic Electrofuel AS

### Profit and loss account

	Note	2022	2021
<b>Operating income and operating expenses</b>			
Other income		0	2 450 000
<b>Operating income</b>		<b>0</b>	<b>2 450 000</b>
Employee benefits expense	1	3 783 393	9 580 356
Depreciation and amortisation expenses	2	34 685	0
Other expenses	1	8 765 834	11 938 596
<b>Total expenses</b>		<b>12 583 912</b>	<b>21 518 953</b>
<b>Net operating profit / loss</b>		<b>-12 583 912</b>	<b>-19 068 953</b>
<b>Financial income and expenses</b>			
Interest income from group companies		0	50 375
Other interest income		19 009	37 588
Currency gain		110 452	86 979
Other financial income		0	3 268
<b>Financial income</b>		<b>129 461</b>	<b>178 210</b>
Other interest expenses		0	23 029
Currency loss		84 828	87 165
Other financial expenses	3	1 002 359	0
<b>Financial expenses</b>		<b>1 087 188</b>	<b>110 195</b>
<b>Net financial profit / loss</b>		<b>-957 727</b>	<b>68 016</b>
<b>Result before tax</b>	4	<b>-13 541 639</b>	<b>-19 000 937</b>
<b>Net profit after tax</b>		<b>-13 541 639</b>	<b>-19 000 937</b>
<b>Net profit / loss</b>	5	<b>-13 541 639</b>	<b>-19 000 937</b>
<b>Attributable to</b>			
Transferred to uncovered loss		-13 541 639	-19 000 937
<b>Total</b>		<b>-13 541 639</b>	<b>-19 000 937</b>



## Nordic Electrofuel AS

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### Balance sheet

	Note	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Development	6	<u>74 977 143</u>	<u>62 517 309</u>
<b>Total intangible assets</b>		<b>74 977 143</b>	<b>62 517 309</b>
<b>Tangible assets</b>			
Equipment and other movables	2	<u>110 836</u>	<u>0</u>
<b>Total tangible assets</b>		<b>110 836</b>	<b>0</b>
<b>Financial assets</b>			
Investments in subsidiaries	3	997 642	1
Loans to group companies	7	<u>2 000 000</u>	<u>2 409 374</u>
<b>Total financial assets</b>		<b>2 997 642</b>	<b>2 409 375</b>
<b>Total non-current assets</b>		<b>78 085 621</b>	<b>64 926 683</b>
<b>Current assets</b>			
<b>Receivables</b>			
Other current receivables	8	<u>3 629 570</u>	<u>7 834 977</u>
<b>Total receivables</b>		<b>3 629 570</b>	<b>7 834 977</b>
<b>Bank deposit</b>			
Bank deposit	9	<u>23 762 105</u>	<u>56 230 955</u>
<b>Cash and cash equivalents</b>		<b>23 762 105</b>	<b>56 230 955</b>
<b>Total current assets</b>		<b>27 391 675</b>	<b>64 065 932</b>
<b>Total assets</b>		<b>105 477 296</b>	<b>128 992 616</b>



## Nordic Electrofuel AS

### Balance sheet

	Note	2022	2021
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Paid-in equity</b>			
Share capital	10	709 311	691 188
Share premium		143 508 581	120 638 276
Decided increase in share capital, not registered		21 788	15 585 582
Other paid-in equity		-5 666	-5 666
<b>Total paid-in equity</b>		<b>144 234 014</b>	<b>136 909 380</b>
<b>Retained earnings</b>			
Uncovered loss		-47 015 857	-33 474 218
<b>Total retained earnings</b>		<b>-47 015 857</b>	<b>-33 474 218</b>
<b>Total equity</b>	<b>5</b>	<b>97 218 157</b>	<b>103 435 162</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Convertible debt	7	5 000 000	2 500 000
Accounts payable		620 729	18 789 882
Public duties payable		775 468	695 194
Other current liabilities		1 862 943	3 572 378
<b>Total current liabilities</b>		<b>8 259 139</b>	<b>25 557 453</b>
<b>Total liabilities</b>		<b>8 259 139</b>	<b>25 557 453</b>
<b>Total equity and liabilities</b>		<b>105 477 296</b>	<b>128 992 616</b>

Lysaker, 16.06.2023  
The board of Nordic Electrofuel AS

\_\_\_\_\_  
Rolf Bruknapp  
chairman of the board

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Ronald Tuft  
member of the board

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Harald Johan Norvik  
member of the board

\_\_\_\_\_  
Gunnar Holen  
general Manager

\_\_\_\_\_  
Bastian Mueller  
member of the board

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Joerg N. Walter  
member of the board



## Nordic Electrofuel AS

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### Notes 2022

#### Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act §3-3a and NRS 8 - Good accounting practice for small companies.

#### Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

#### Classification and valuation of fixed assets

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. The depreciation period for real property acquired after 2009 is divided into the part that represents the building and the part that represents fixed technical installations. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

#### Classification and valuation of current assets

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

#### Shares in subsidiaries

Subsidiaries are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

#### Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.





## Nordic Electrofuel AS

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### Notes 2022

#### Note 1 Salary costs and benefits, remuneration to the chief executive, board and auditor

##### Salary costs

	2022	2021
Salaries	11 136 967	7 640 430
Employment tax	1 559 246	1 108 422
Pension costs	433 609	184 650
Other benefits	407 285	646 854
<b>Total</b>	<b>13 537 107</b>	<b>9 580 356</b>

In 2022 the company employed 10 persons.  
NOK 9 753 714 as salary expenses has been activated due to SkatteFUNN.

##### Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

The chairman of the board is hired as a consultant and his fee in 2022 was NOK 1.417.200,- excl VAT.  
The company has issued a total of 4 320 000 shares options to employees, each of which has a right to purchase one share per option on given terms. The has also been issued 210 000 Restricted Stock Units to employees.

There has not been given any loan or collateral to the board members, employees or other close partner

#### Note 2 Non-current assets

	Fixtures and fittings	Total
+ Inflow purchased fixed assets	145 521	145 521
= <b>Acquisition cost 31.12.22</b>	<b>145 521</b>	<b>145 521</b>
Accumulated depreciation 31.12.22	34 685	34 685
= <b>Book value 31.12.22</b>	<b>110 836</b>	<b>110 836</b>
This year's ordinary depreciations	34 685	34 685
Economic life	3 years	



## Nordic Electrofuel AS

### Notes 2022

#### Note 3 Subsidiary

	Municipa- lity	Owner share	Share of votes	Purchase cost	Brought to balance val.	Share of equity	Share of result
<b>Subsidiary</b>							
Nordic Wind AS	Narvik	90,1%	90,1%	2 026 733	997 642	-1 593 933	-1 638 004
<b>Total</b>				<b>2 026 733</b>	<b>997 642</b>	<b>-1 593 933</b>	<b>-1 638 004</b>

In February 2023 Nordic Electrofuel signed a Share Purchase Agreement to sell its shares in Nordic Wind to Fu-Gen AG, a Swiss public limited liability company.

In addition to the Purchase Price, repayment of the Nordic Electrofuel Loan and the Milestone Payments, the Sellers shall, subject to the terms and conditions be entitled to a success payment upon a Project being Ready to Build.

#### Note 4 Tax

<b>This year's tax expense</b>	<b>2022</b>	<b>2021</b>
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
<b>Tax expense on ordinary profit/loss</b>	<b>0</b>	<b>0</b>

Taxable income:

Result before tax	-13 541 639	-19 000 937
Permanent differences	-3 656 867	-6 562 493
Changes in temporary differences	2 913 706	4 750 000
<b>Taxable income</b>	<b>-14 284 800</b>	<b>-20 813 429</b>

Payable tax in the balance:

Payable tax on this year's result	0	0
<b>Total payable tax in the balance</b>	<b>0</b>	<b>0</b>

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	<b>2022</b>	<b>2021</b>	<b>Difference</b>
Tangible assets	-11 776 373	-8 862 667	2 913 706
<b>Total</b>	<b>-11 776 373</b>	<b>-8 862 667</b>	<b>2 913 706</b>
Accumulated loss to be brought forward	-53 889 230	-39 604 430	14 284 800
Not included in the deferred tax calculation	65 665 603	48 467 097	-17 198 506
<b>Deferred tax assets (22 %)</b>	<b>-14 446 433</b>	<b>-10 662 761</b>	<b>3 783 671</b>

Deferred tax not included in the balance sheet.



## Nordic Electrofuel AS

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### Notes 2022

#### Note 5 Equity capital

	Share capital	Other equity	Uncovered loss	Paid in capital	Not reg capital	Total equity capital
Pr. 31.12.2021	691 188	-5 666	-33 474 218	120 638 276	15 585 582	103 435 162
Result of the year			-13 541 639			-13 541 639
Paid in capital	18 123			22 870 305	-15 563 794	7 324 634
<b>Pr 31.12.2022</b>	<b>709 311</b>	<b>-5 666</b>	<b>-47 015 857</b>	<b>143 508 581</b>	<b>21 788</b>	<b>97 218 157</b>

#### Note 6 Fixed assets

	R&D	Total
Acquisition cost 01.01.2022	62 517 309	62 517 309
Addition this year	12 459 834	12 459 834
<b>Acquisition cost 31.12.2022</b>	<b>74 977 143</b>	<b>74 977 143</b>
<b>Net value 31.12.2022</b>	<b>74 977 143</b>	<b>74 977 143</b>

In 2022 the company has worked actively with the E-fuel project. This project has turned into a more structured and work incentive phase, and various external partners have been engaged for the development of concept and concept studies.

In accordance with regulations on intangible assets, requirements for capitalization has been met, the company has therefore chosen to capitalize costs for research and development with a total of NOK 74 977 143. Depreciation of research and development will start as soon as the project is completed.

#### Note 7 Receivables and Liabilities

	2022	2021
<b>Receivables</b>		
Nordic Wind AS	2 000 000	2 409 374
<b>Total</b>	<b>2 000 000</b>	<b>2 409 374</b>
<b>Liabilities</b>		
Telemark Utviklingsfond	5 000 000	2 500 000
<b>Total</b>	<b>5 000 000</b>	<b>2 500 000</b>



## Nordic Electrofuel AS

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### Notes 2022

#### Note 8 Government grants

In 2022 new grants of NOK 2 922 677 has been approved for research and development projects via the SkatteFUNN scheme. The amount is entered entirety as a reduction of capitalized costs in associated with the project.

In 2021, the company received NOK 4 750 000 in grants.

#### Note 9 Not registered capital

Not registered capital are related to paid share capital and share premium, that have to be registered in Brønnøysund. Balance pr 31.12.2022 is NOK 21 788.

#### Note 10 Shareholders

The share capital in Nordic Electrofuel AS as of 31.12 consists of:

	Total	Face value	Entered
Ordinary shares	70 931 105	0,01	709 311
<b>Total</b>	<b>70 931 105</b>		<b>709 311</b>

#### Ownership structure

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Megastar Holding AS	20 063 265	28,3	28,3
Elfinans AS	18 420 630	26,0	26,0
Marquard & Bahls AG	3 940 470	5,6	5,6
<b>Total number of shares</b>	<b>42 424 365</b>	<b>59,8</b>	<b>59,8</b>



To the Annual Shareholders' Meeting of Nordic Electrofuel AS

## **Independent auditor`s report (translated from Norwegian)**

### **Opinion**

We have audited the financial statements of Nordic Electrofuel AS (the company) which comprise the balance sheet as at December 31, 2022, the statement of income 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 statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at December 31, 2022 and (of) 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' Code of International 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.

### **Other Information**

The Board of Directors and the Managing Director are responsible for other information presented with the financial statements. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the information in other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### ***berge & lundal revisjonsselskap as***

statsautorisert revisor, medlem av Den norske Revisorforeningen

Tordenskiolds gate 8-10, 0160 Oslo, tlf. 22 01 06 00

[www.berge-lundal.no](http://www.berge-lundal.no) | [post@berge-lundal.no](mailto:post@berge-lundal.no)

Rev.nr./Org.nr. 967 418 064

Based on the knowledge we have obtained through the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- Comprises the information required by the relevant legislation.

### **Responsibilities of management for the Financial Statements**

The Board of Directors and the Managing Director are (management) responsible for the preparation of financial statements that give a true and fair view 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 insofar as it is not likely that the enterprise will cease operations.

### **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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Oslo, 16 June 2023

***berge & lundal revisjonsselskap as***

Eivind Lundal

*State Authorised Public Auditor*

Not to be signed – for translation purposes