

To the General Meeting of
H2 Energy Europe AG, Zurich

Zurich, 15 May 2024

Report of the statutory auditor on the limited statutory examination

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of H2 Energy Europe AG for the financial year ended 31 December 2023.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed carry forward of the accumulated losses do not comply with Swiss law and the company's articles of incorporation.

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

Licensed audit expert

Enclosures

- ▶ Financial statements (balance sheet, income statement and notes)
- ▶ Proposed carry forward of the accumulated losses

H2 Energy Europe AG, Zurich

Financial statements for the year ended 31 December 2023
Prepared in accordance with Swiss Code of Obligations (CO)

Balance sheet as at 31 December

	Note	31.12.2023 CHF	31.12.2022 CHF
ASSETS			
Current Assets			
Cash and cash equivalents		1 234 341	3 258 578
Trade receivables			
Third parties		3 228	0
Related parties		321 594	193 115
Accrued income and repaid expenses		740 121	22 069
Other receivables			
Third parties		14 239	7 360
Total current assets		2 313 523	3 481 122
Non-current assets			
Fixed assets		34 151	14 553
Financial Assets			
Loans to subsidiaries		1 635 155	1 674 035
Shareholdings	1.2	24 196 531	21 214 405
Total non-current assets		25 865 837	22 902 993
TOTAL ASSETS		28 179 360	26 384 115
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables			
Third parties		22 370	79 471
Related parties		0	8 390
Other current liabilities			
Third parties		527 068	97 730
Related parties		1 520 010	6 040
Deferred income and accrued expenses		167 658	688 793
Total short-term liabilities		2 237 106	880 424
Non-current liabilities			
Non-current interest-bearing liabilities			
Shareholders		18 478 881	15 250 529
Total non-current liabilities		18 478 881	15 250 529
Total liabilities		20 715 987	16 130 953
Equity			
Share capital	4	3 000 000	3 000 000
Statutory capital reserves			
Capital contribution reserves	4	11 847 603	11 847 603
Voluntary retained earning or accumulated losses			
Losses carried forward		(4 594 441)	(1 701 972)
Loss for the year		(2 789 789)	(2 892 469)
Total Equity		7 463 373	10 253 162
TOTAL EQUITY AND LIABILITIES		28 179 360	26 384 115

Profit and loss statement for the period ended 31 December

	2023	2022
	CHF	CHF
Income		
Income from services	2 922 961	993 121
Total income	2 922 961	993 121
Operating expenses		
Personnel expenses	(4 241 977)	(2 402 685)
Rent expenses	(74 713)	(48 333)
Administrative and IT expenses	(77 310)	(54 350)
Consulting and legal expenses	(411 493)	(818 316)
Travel expenses	(118 200)	(114 576)
Total operating expenses	(4 923 692)	(3 438 260)
EBITDA	(2 000 731)	(2 445 139)
Depreciation	(5 175)	(369)
EBIT	(2 005 906)	(2 445 508)
Financial income and expenses		
Financial income	19 007	57 243
Financial expenses	(749 507)	(280 156)
Exchange rate differences, net	(53 384)	(206 043)
Total financial income and expenses	(783 883)	(428 956)
EBT	(2 789 789)	(2 874 464)
Direct taxes	0	(18 005)
Loss for the period	(2 789 789)	(2 892 469)

Notes to the financial statements for the year ended 31 December 2023

1.1 General Information

These financial statements have been prepared in accordance with the provisions on commercial accounting regulated in articles 957 – 963b of Swiss Code of Obligations (CO) (effective since 1 January 2023).

1.2 Shareholdings

	2023	2023	2022	2022
	Share capital	Share in	Share capital	Share in
	(in local	capital/	(in local	capital/
	currency)	voting	currency)	voting
	rights	rights	rights	rights
H2 Energy Esbjerg ApS, Esbjerg (Denmark)	DKK 50 000	100%	DKK 50 000	100%
JET H2 Energy Austria GmbH, Vienna (Austria)	EUR 35 000	50%	EUR 35 000	50%
H2 Energy Ecosystem UK Ltd., London (UK)	GBP 100	100%	GBP 100	100%
H2 Energy Deutschland GmbH, Hamburg (Germany)	EUR 25 000	100%	n/a	0%
H2 Energy USA, Inc. Wilmington, New Castle (USA)	USD 100	100%	USD 100	100%

2. Commitments

In connection with financing of the Joint-Venture JET H2 Energy Austria GmbH the Company has a commitment of approximately EUR 4.5 million (2022: EUR 7.5 million) investment, which depends on the realization of the business plan requirements.

Non-cancellable leasing commitments:

	2023	2022
Mietverbindlichkeiten < 1 Jahr	74 713	74 713
Mietverbindlichkeiten > 1 Jahr	0	74 713

3. Number of full-time employments

In 2023 and in 2022 the annual average of the full-time employments did not exceed 50 positions.

4. Shareholders' equity

Share capital in amount of CHF 3 000 000 consist of 3 000 000 authorised and issued number of shares at par value CHF 1.00 each. All issued shares are fully paid.

Capital contribution reserves include premium received from capital increase less associated costs and taxes. From fiscal point of view any distributions made from capital contribution reserves are treated as a repayment of share capital. The Swiss Federal Tax Authorities has confirmed the recognition of CHF 11 847 603 as capital contribution reserves as per Article 5(1bis) Withholding Tax Act.

During fiscal year 2023 there were no equity transactions with shareholders and amount of share capital and reserves from capital contributions remain unchanged to prior year.

5. Subsequent events

After the balance sheet date and up to approval of the annual financial statements by the Board of Directors no significant events occurred that could affect or would require disclosure in these financial statements as at 31 December 2023.

Carry forward of the accumulated losses

Proposal by the Board of Directors to the General Meeting:

	2023	2022
	CHF	CHF
Balance brought forward	(4 594 441)	(1 701 972)
Net loss for the year	(2 789 789)	(2 892 469)
Total accumulated losses	<u>(7 384 230)</u>	<u>(4 594 441)</u>
Balance to be carried forward	(7 384 230)	(4 594 441)
Total carry forward of the accumulated losses	<u>(7 384 230)</u>	<u>(4 594 441)</u>