

A large, stylized number '23' in a light blue color, positioned on the left side of the cover. A thick, dark blue arc curves around the number, extending from the top left towards the bottom right.

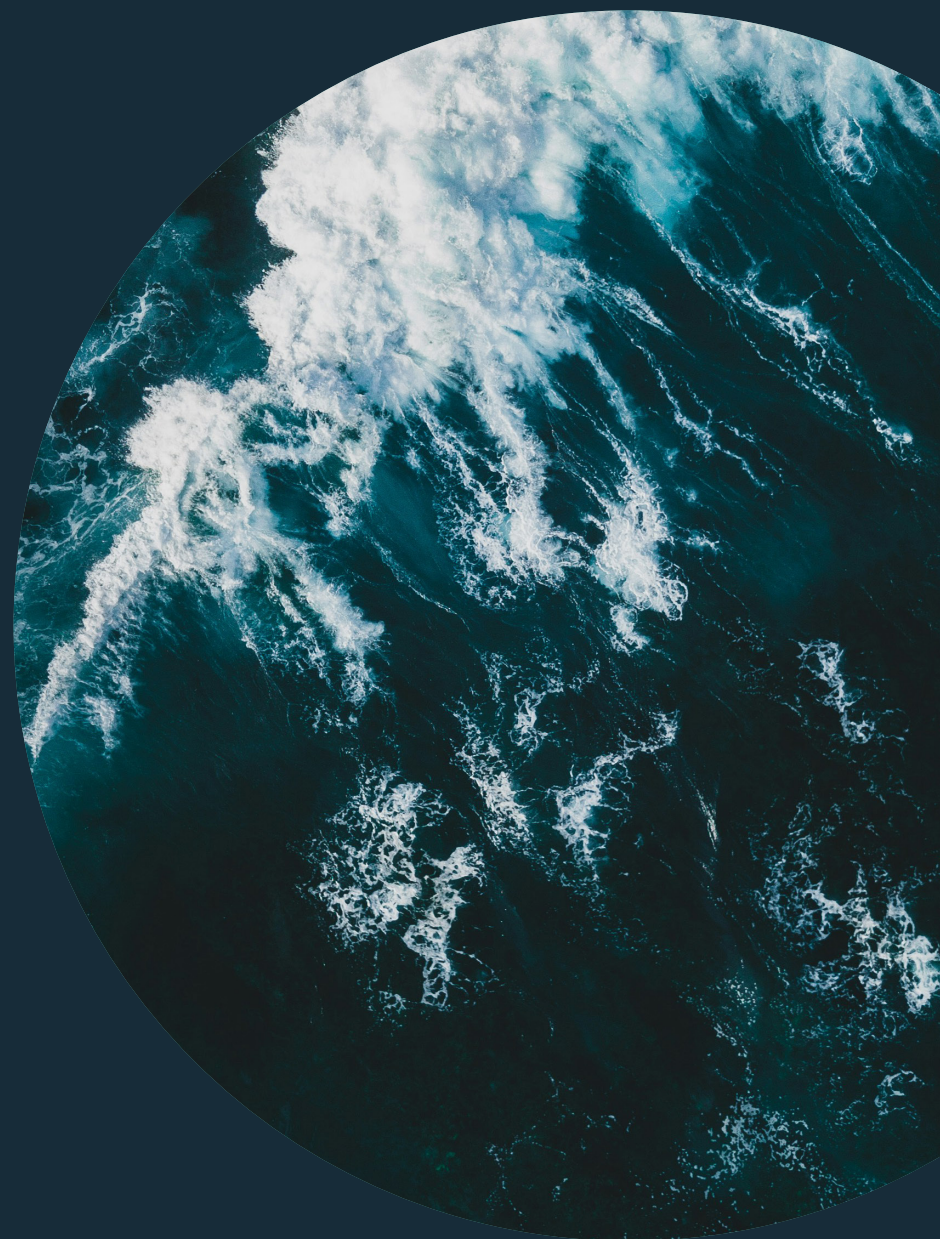
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Annual report 2023

Knox Energy Solutions AS

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Board of Directors' report

The Company's operations

Since 2017, Knox Energy Solutions AS (Hyon AS till April 16th) has targeted product and technology development to deliver high-capacity hydrogen fueling systems for ships. The company was restructured in 2021 and 50 mill NOK was raised on entry to Euronext Growth in February 2022 with more than 400 shareholders.

During 2023, the company experienced significant changes in its market and its investor base.

At the beginning of year, Hyon saw the first signs of a delayed infrastructure development for maritime hydrogen. Driven by Ukraine war and uncertain political climate, market priority was energy security rather than green energy transition and thus an increased difficult investment climate for maritime hydrogen infrastructure.

In February, at the expiry date of the 1-year lock-up, two out of three cornerstone investors, i.e. Saga Pure and Nel (35% in total), sold out on their investments in Hyon. Saga Pure dissolving their green investment fund, Nel for strategic reasons of company direction and priority.

In April, Hyon entered its first hardware delivery contract to develop and deliver a mobile refueller for distribution of hydrogen from Norwegian Hydrogen's Hellesylt production plant in construction.

Knowing that company only had funding throughout 2023, the board, admin and cornerstone investor Norwegian Hydrogen intensified its work to raise further funding or find other ways to secure continued operations.

Attracting investors and raising funds to the company proved unsuccessful. In August, the board decided to

discontinue company operations from December 1st 2023, to cut cost as much as possible, and to continue sales efforts of company technology and stock position.

Employees were continuously informed about the situation, and as of December 1st there were no employees left in the company, after an orderly process with no claims raised.

Cost was significantly cut, and all subcontractors and service providers were paid in full, with no claims towards company.

As of December 1st, there were still funds in the company judged sufficiently to further follow leads on company and technology sales. Harald B. Hansen, former COO, volunteered towards the Board to do this job as CEO.

In an Extraordinary general assembly on April 16th 2024, decision on tech sales to Norwegian Hydrogen AS, Share Purchase Agreement with Blue Concept Ltd, and new board was decided.

Financials

The company's turnover went down from NOK 5,703,283 in 2022 to 204,894 in 2023. Loss for the year 2023 were NOK -20,409,383 compared to NOK -20,281,865 in 2022.

The company's cash and cash equivalents as of 31 December 2023 amounted to NOK 4,388,097 compared to NOK 25,241,220 in 2022.

The company's operations are financed by Share Premium from listing of the company. A portion of the Share Premium is allocated to offset loss for the year.

As of 31 December 2023, the Group's current liabilities amounted to NOK 2,306,711 compared to 3,507,720 in 2022.

At the year-end of 2023, total assets amounted to NOK 5,874,968 compared to 27,133,880, during the previous year.

Future developments

At year-end 2023, the company has discontinued its operations towards the hydrogen market and are working on prospects for technology sales and sales of stock position (in a so-called RTO).

Financial risk

The board assess that company funds are sufficient to continue this process for a limited period and that this represents best outcome for Knox' shareholders. The alternative is a controlled closing of company.

Knox' risk of insolvency is, to the board best judgement, considered low.

Subsequent events - note on continued operation

Hyon discontinued its operations towards maritime hydrogen as of 31.12.2023. All subcontractors, service providers, statutory bodies and employees have been paid in full with no disputes or claims raised.

The contract with Norwegian Hydrogen AS, signed in April 2023, stipulated delivery before end of 2023. Upon signing, a payment of NOK 500k was received.

Following the resolution passed at the Extraordinary General Assembly (EGA) on April 16th, a technology transfer agreement was signed with Norwegian Hydrogen AS where it was agreed that there will be no requirement for repayment, or claims made related to the agreement.

As decided on the same Extraordinary General Assembly (EGA), a Share Purchase Agreement was signed with Blue Concept Ltd, involving a transaction in which Blue Concept acquires majority ownership in Hyon through the transfer of its shares in Rapid Oil Ltd.

Following the transaction with Blue Concept, the company changes name to Knox Energy Solutions AS, changes its purpose to investments into energy projects, changes board of directors, and issues a report on continued listing to Euronext Growth. Hyon AS CEO will continue as CEO of Knox Energy Solutions to ensure continuity in transition.

Knox does not generate sufficient income from operations to fund its operations through the next 12 months and is dependent on external financing, such as obtaining loans, issuing new equity, or divesting assets, to maintain its operations, therefore there is an uncertainty related to going concern.

The company is currently in active discussions with potential investors to strengthen the liquidity position of the company.

The Company has taken active measures to reduce its monthly cash burn rate in 2024 and operations are being maintained with a focus on minimal cash utilization. The company's liquidity is further supported by Blue

Concept, the principal shareholder, which has committed to providing a guarantee for adequate working capital to cover ongoing activities throughout 2024. Further, the company owns asset through its 20% holding in Rapid Oil Production Ltd, with a book value of approximately USD 4.4 mill. This coupled with a growing interest from new investors, has led the Board to conclude that there is a reasonable expectation for Knox to secure the necessary funding to continue its operations into the future.

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.

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 Knox Energy Solutions AS' loss for the year:

Uncovered loss	NOK 0
Total amount appropriated	NOK -20,409,383

Working environment

The working environment in the company has been good, and all employees have been able to secure new employment.

Equality and discrimination

Absence due to illness within the company was insignificant. There have been no injuries or accidents. Knox Energy Solutions AS practices equality as regards religion, beliefs, disability, sexual orientation, gender identity and gender expression.

External environment

Knox did not start manufacturing its mobile refueler, but some special non-returnable goods with minor value are in stock after closure of the project. Thus, the company does not inflict any type of damage on the external environment other than that which follows from ordinary office activities.


Insurance for board members and the CEO

Health and pension insurance policies were established with DNB for all full-time employees. At 31.12.2023 board insurances are in effect for board members and CEO.


Oslo, 31 May 2024


Geir Aune (May 31, 2024 20:47 GMT+1)

Geir Aune
Chairman of the Board


Georges Lambert (May 31, 2024 22:57 GMT+3)

Georges Lambert
Board Member


Harald B. Hansen (May 31, 2024 21:43 GMT+2)

Harald B. Hansen
CEO

Board and management



Geir Aune

Chairman of the Board

More than 20 years experience as CEO or Executive Chairman in public companies, mostly related to the oil and gas service industry. Examples are Ocean Rig, DSND Subsea, Wilrig, plus NCL and others. Executed wide array of corporate and capital market transaction in public companies.

Georges Lambert

Board Member

Mr. Lambert has 20 years' experience in investing in public energy and tech equities as a former Senior Partner of The Capital Group, one of the world's largest fund managers. After retiring from The Capital Group, Mr. Lambert has had positions in various public and private boards. He joined the Valaris board in late 2019, where he helped the company navigate activism, COVID and the resulting chapter 11 process. He is currently a member of the boards of Tenders Page SA, Rapid and HPS Dynamic, and serves on the Investment Committee of the private equity fund, Move Capital.

Harald B. Hansen

Chief Executive Officer

Mr. Hansen has over last 20 years held leadership positions in oil & gas service and technology companies, including 18 years in now TechnipFMC where he was responsible for business build of well operations in North Sea and US, and business entry for subsea production systems into North Africa and Caspian. In the last four years, Mr. Hansen was responsible for business venture into renewables. From 2021 he was COO of Hyon AS, a listed venture into maritime hydrogen. As of January this year CEO as the company transitions to Knox Energy Solutions AS.

Income statement

NOK	Note	2023	2022
Operating revenue and expenses			
Operating revenue			
Revenue		59 000	410 500
Other operating income	1	145 894	5 292 783
Total operating revenue		204 894	5 703 283
Operating expenses			
Employee benefits expense	2	13 789 364	13 819 207
Depreciation and amortisation expenses		0	20 000
Other operating expenses		6 824 912	12 125 175
Total operating expenses		20 614 276	25 964 381
Operating profit or loss		-20 409 383	-20 261 098
Financial income and expenses			
Financial income			
Other interests		351 630	3 890
Other financial income		0	266
Total financial income		351 630	4 156
Financial expenses			
Other interests		150	24 657
Other financial expense		0	266
Total financial expenses		150	24 923
Net financial income and expenses		351 480	-20 767

NOK	Note	2023	2022
Ordinary result before taxes		-20 057 903	-20 281 865
Tax on ordinary result	3	0	0
Ordinary result		-20 057 903	-20 281 865
To majority interests		-20 057 903	-20 281 865
Transfer and allocations			
Allocation of Share Premium and Offset Loss of the Year		-20 057 903	-20 281 865
Sum transfer and allocations		-20 057 903	-20 281 865

Statement of financial position

NOK	Note	2023	2022
ASSETS			
Fixed assets			
Financial fixed assets			
Other long-term receivables		0	230 000
Total financial fixed assets		0	230 000
Total fixed assets		0	230 000
Current assets			
Receivables			
Trade receivables	4	0	403 750
Other short-term receivables	4	1 486 871	1 258 911
Total receivables		1 486 871	1 662 661
Bank deposits	5	4 388 097	25 241 219
Total current assets		5 874 968	26 903 880
Total assets		5 874 968	27 133 880

NOK	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital	6, 7	555 675	555 675
Share premium reserve	7	3 012 582	23 070 485
Total paid-in equity		3 568 257	23 626 161
Total equity		3 568 257	23 626 161
Liabilities			
Current liabilities			
Accounts payable		326 929	1 068 911
Public duties payable		1 081 934	963 330
Other current liabilities	8	897 848	1 475 479
Total current liabilities		2 306 711	3 507 720
Total liabilities		2 306 711	3 507 720
Total equity and liabilities		5 874 968	27 133 880


Oslo, 31 May 2024


Geir Aune (May 31, 2024 20:47 GMT+1)

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Chairman of the Board


Georges Lambert (May 31, 2024 22:57 GMT+3)

Georges Lambert
Board Member


Harald B. Hansen (May 31, 2024 21:43 GMT+2)

Harald B. Hansen
CEO

Cash flow

NOK	2023	2022
Cash flow from operating activities		
Profit/loss before tax	-20 057 903	-20 281 864
+ Depreciation	0	20 000
+/- Changes in accounts receivable	403 750	403 750
+/- Changes in accounts payable	-741 982	- 2 137 366
+/- Changes in other current items	-456 987	
= Cash flow from operating activities	-20 853 122	-22 295 994
Cash flow from financial activities		
Capital increase	0	45 903 144
= Cash flow from financial activities	0	45 903 144
Net change in cash and bank deposits during the year	-20 853 122	23 607 150
Cash and bank deposits as of 01.01	25 241 219	1 634 070
Cash and bank deposits as at 31.12	4 388 097	25 241 220

Notes to the financial statements

Note 1 – Accounting policies

As of 31.12.2023 Hyon AS discontinued its venture into maritime hydrogen. Following decisions on Extraordinary General Assembly on April 16th, the company transitions to an energy investment company named Knox Energy Solutions AS under new majority ownership, new board of directors and revised purpose.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and the NRS8 Norwegian accounting standard 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 receivables to cover assumed losses.

Notes to the financial statements

Note 2 – Salary costs, number of employees, remuneration, loans to employees and remuneration to the auditor

Payroll expenses

NOK	2023	2022
Wages	11 224 878	9 901 277
Employer's National Insurance contributions	2 018 713	1 747 429
Pension costs	1 181 096	1 516 201
Other benefits	369 492	1 105 740
Skattefunn – wages reduction	-1 004 815	-451 440
Total	13 789 364	13 819 207

The company has had 8 full-time equivalents in 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	2023	2022
Salary*	1 942 798	1 445 771
Other remuneration*	27 935	27 316
Total	1 970 733	1 473 087

* The company changed CEO as of 30.11.23:
Jørn Kristian Lindtvedt (CEO 01.01-30.11.23)
Harald Bjørn Olve Hansen (CEO 30.11-31.12.23)

Salary	Other	Total
1 862 798	25 659	1 888 457
80 000	2 276	82 276
1 942 798	27 935	1 970 733

Remuneration to the board

NOK	2023	2022
Remuneration to the board	925 000	125 000

Remuneration to the auditor is divided into the following:

NOK	2023	2022
Statutory audit	202 125	132 700
Other services	0	32 885
Total	202 125	165 585

Note 3 – Tax

Calculation of this year's tax base

NOK	2023	2022
Profit/loss before tax	-20 057 903	-20 281 865
Permanent differences	-1 050 152	-4 710 646
Tax base for the year	-21 108 055	-24 992 511

Basis tax payable	0	0
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Tax expense for the year

NOK	2023	2022
Change in deferred tax/deferred tax advantage	0	0
Total ordinary tax expense	0	0

Temporary differences and recognised deferred tax

NOK	2023	2022
Tax deficit carry-forward	-60 399 809	-39 291 754
Total negative tax-increasing differences	-60 399 809	-39 291 754
Differences not included in the calculation of deferred tax	60 399 809	39 291 754
Basis for calculating deferred tax/ tax advantage	0	0
Recognised deferred tax advantage	0	0

According to good accounting practice, deferred tax advantage is not recognised.

Notes to the financial statements

Note 4 - Other receivables

Other current receivables

NOK	2023	2022
Accounts receivable	0	403 750
Skattefunn receivable	1 045 637	618 260
Receivables from public authorities	129 083	471 782
Other current receivables	312 151	168 869
Total receivables	1 486 871	1 662 661

Note 5 - Bank

Restricted capital

NOK	2023	2022
Bank deposit, tax withholdings	760 315	178 536
Total	760 315	178 536

Note 6 - Share capital and shareholder information

Shareholder	Number of shares	Nominal value	Share capital	Ownership share
Norwegian Hydrogen AS	9 804 000	0,01	98 040	17,6 %
Credit Suisse (Switzerland) Ltd	5 724 235	0,01	57 242	10,3 %
Longstreet Securities AS	4 420 065	0,01	44 201	8,0 %
Other	35 619 221	0,01	356 192	64,1 %
Total	55 567 521	0,01	555 675	100 %

Note 7 - Equity

NOK	Share capital	Share premium	Unsecured losses	Total
Equity 01.01.23	555 675	23 070 485		23 626 161
Application and allocation of ordinary result	-	-20 057 903		-20 057 903
Equity 31.12.2022	555 675	3 012 582	-	3 568 257

Note 8 - Other current liabilities

NOK	2023	2022
Holiday pay allowances	241 848	1 259 153
Short-term liability Norwegian Hydrogen AS	500 000	0
Other liabilities	156 000	216 326
Total current liabilities	897 848	1 475 479

Notes to the financial statements

Note 9 - Subsequent events/Continued operations

HYON discontinued its operations towards maritime hydrogen as of 31.12.2023. All subcontractors, service providers, statutory bodies and employees have been paid in full with no disputes or claims raised.

In the contract with Norwegian Hydrogen AS, entered April for delivery late year, NOK 500k was paid at contract signing. Under the subsequent scaling down of business, the obligation to deliver could not be met. Following decision on Extraordinary General Assembly (EGA) on April 16th, a technology transfer agreement with Norwegian Hydrogen AS was signed against no payback or claims.

Following decision on the same EGA, a Share Purchase Agreement with Blue Concept was signed, involving a Transaction where Blue Concept transfer takes majority ownership in Hyon by transfer of its shares in Rapid Oil Ltd.

Following this, the company changes name to Knox Energy Solutions AS, changes its purpose to investments into energy projects, changes board of directors, and issues a report on continued listing to Euronext Growth. Hyon AS CEO will continue as CEO of Knox Energy Solutions AS to ensure continuity in transition.

Knox does not generate sufficient income from operations to fund its operations through the next 12 months and is dependent on external financing, such as obtaining loans, issuing new equity, or divesting assets, to maintain its operations, therefore there is an uncertainty related to going concern.

The company is currently in active discussions with potential investors to strengthen the liquidity position of the company.

The Company has taken active measures to reduce its monthly cash burn rate in 2024 and operations are being maintained with a focus on minimal cash utilization. The company's liquidity is further supported by Blue Concept, the principal shareholder, which has committed to providing a guarantee for adequate working capital to cover ongoing activities throughout 2024. Further, the company owns asset through its 20% holding in Rapid Oil Production Ltd, with a book value of approximately USD 4.4 mill. This coupled with a growing interest from new investors, has led the Board to conclude that there is a reasonable expectation for Knox to secure the necessary funding to continue its operations into the future.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Knox Energy Solutions AS

Opinion

We have audited the financial statements of Knox Energy Solutions AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flow 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 2023 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.

Emphasis of matter

We draw attention to note 9 of the financial statements, which describes that the Company is dependent on raising additional funding to meet its obligations as a going concern. These conditions, along with other matters as set forth in note 9, indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the chief executive officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, 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 the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or 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. We have nothing to report in this regard.

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

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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 skepticism 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.

Independent auditor's report - Knox Energy Solutions AS 2023

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Permette document key: NLH3K-TJMQ5-YALOS-6PNLU-XMB3P-S2NAP



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Oslo, 31 May 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Petter Frode Larsen
State Authorised Public Accountant (Norway)

Pemco document key: NLH3K-TJMO5-YAL05-6PNUL-XMB3P-S2NAP

Independent auditor's report - Knox Energy Solutions AS 2023

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The logo features the word "HYON" in a white, sans-serif font. The letter "Y" is stylized with a diagonal slash. The letter "O" is a circle with a small gap at the top. The text is centered within a dark blue circle. Surrounding this central circle is a larger, lighter blue ring that is broken into four segments, creating a circular arrow effect.

HYON

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Knox