

BLUE SHARK POWER SYSTEM

Anonymous company with capital of 1,100,000 Euros

Head office : 5, Allé es de Tourny – 33000 Bordeaux

792 479 974 RCS Bordeaux

REPORT OF ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS MEETINGS

MANAGEMENT REPORT

RELATING TO THE FINANCIAL YEAR ENDED DECEMBER 31, 20 22

Dear shareholders,

We have the pleasure to submit a report to you about Company's activity during the financial year ending December 31, 2022 and we wish your approval of the financial accounts for this financial year.

First of all, we remind you that the Coronavirus, wars and inflation crises have impacted many Companies and especially Companies like ours that are export driven. This situation is expected to be temporary and evolve in a more positive direction.

1.1 ACTIVITIES

1.1.1. General presentation of the Company

1.1.1.1 History

Founded in 2013, the Company has had the ambition since its creation to become a major and independent player in the production of marine and river renewable electricity.

Indeed, after more than 10 years of research, the manufacturing of four prototypes and a conclusive test lasting several months in 2012, the Company was formed in 2013 to create and access a new global market valued at several billion dollars, judging that the technology was ready for commercialization and deployment.

The Company first positioned itself in countries and sites operating mainly on diesel to replace this very expensive and very polluting fossil energy with clean Blue Shark turbines.

The current role of the Company is therefore to continue working on the conclusion of new contracts, all over the world and to raise awareness of this new source of energy, which is very competitive compared to intermittent fossil and other renewable energies.

Shareholders will therefore be reminded, once again, **that the Company is focused on the near future and not on previous financial performances** since it is about conquering and creating a new market which does not yet exist and which the Company contributes, through its action, to the emergence of this new hydro-kinetic market as part of the energy and ecological transition.

From 2014 the Company was able to begin to develop relationships with clients (States) of Gibraltar, China and Vietnam. It continued its momentum in 2015 and 2016, signing two contracts in China. In

2018, the Company signed two new memoranda of understanding in Djibouti and Greece for 120 MW and 30 MW respectively. We will note an acceleration in demand from countries as this new energy is taken into account in their energy transition strategy but also quite simply to create energy where it does not exist.

The Company's strategy is based on three pillars:

- 1-Sale of machines to a developer or a state.
- 2-Establishment of joint ventures with states or public authorities.
- 3-Direct operation with fundraising and adapted bank credits.

At the end of 2022, the Company approached an American Company that has developed a new technology complementary to ours and which wishes to join in our strategy to create a new market for hydrokinetics mainly in Europe and in the USA.

1.2 Situation and evolution of the Company's activity during the 2022 financial year

For the 2022 financial year, the Company recorded turnover in US Dollars equivalent to 109,000 Euros. In fact, we were unable to implement our contracts, particularly in Nigeria, where we were to equip a large city in order to provide it with essential additional energy. Nothing indicates that this contract entered into with a large local consortium cannot be realized in the future if the health and geopolitical situation stabilizes after the last elections. This contract is therefore awaiting geopolitical improvements

It was planned to invoice a first machine in Djibouti, but it seems that the developer, Weco-Weco Company, itself a direct signatory with the government of Djibouti, manufactured in Italy a prototype based on our technology helped by one of our former engineers and without our agreement. Of course, we are waiting to see what happens next before launching an international contract embezzlement procedure with the assistance of the French government.

During 2022, we also signed an important agreement in Africa and the health crisis prevented us from carrying out our studies on site for an installation of around 15 Blue Shark turbines. We have entered into an agreement with a British Company for financing and installation work.

However, our projects in the Caribbean have progressed significantly with in-depth discussions with several public and private stakeholders and in particular the promise of electrification of a large school.

Furthermore, the following elements should be noted:

- In 2022, we undertook discussions with certain identified investors who wish to acquire a stake in the Company and in all projects to install our tidal turbines.

-The prospects are therefore still good for the Company, despite the health hazards, and the establishment of a first substantial tidal farm planned for 2025 should give the Company global credibility and make it appear as one of the leaders in the sector.

1.3 Risks and uncertainties facing the Company

The industrial energy efficiency market improved in 2022 with the rise in the price of electricity at the same time as the rise in the price of oil. This trend is expected to worsen in the coming years with increasing prices for renewable energy suppliers. In addition, solar installations do not seem to give complete satisfaction to users and the offshore wind market currently seems to be in great difficulty. All these events strengthen us to continue our action with better visibility for the future.

The uncertainty may come from a reluctance, in France, to consider hydrokinetic energy as mature and viable, unlike many countries. This reluctance is due to other large-scale industrial choices, nuclear power and the failure of a leading French industrial player in 2018 whose tidal turbine technology had no chance of prospering. However, the Company is currently only focused on exports and therefore its credibility remains intact in many countries.

The risk would be to wait too long and exhaust resources, but the Company is actively signing new contracts and has been approached by several international financiers for its operations. In addition, several investors are already positioned to acquire a stake in the Company.

At the end of the 2022 financial year, the Company's cash flow can be considered fairly average, but sufficient to meet the Company's liabilities.

1.4 Significant events occurring since the end of the 2022 financial year

Since December 31, 2022, the year-end date, the occurrence of the following significant events should be reported:

-Contracts have been negotiated in several countries while waiting for us to go there, notably in New Zealand, the United States, Jamaica, and the United Kingdom.

-The Company has implemented a strategic approach to cooperation with a large Canadian group which should provide energy storage, if necessary, and cooperate on the installation of local electrical networks.

In addition :

The legal and judicial problems concerning the stock have been resolved and trading of the stock has resumed on Euronext.

Likewise, a capital increase should take place before the end of 2023 with identified investors and an extraordinary General Meeting should take place in this regard, this extraordinary General meeting will therefore take place today.

All the points set out in this paragraph will be the subject of official press releases as soon as they occur or are signed, thus all shareholders will be informed progressively of the actions undertaken and the contracts signed if the terms of the contracts authorize us to do so.

1.5 RESEARCH AND DEVELOPMENT ACTIVITY

The Company has found a method allowing rapid mass production of the carbon fiber turbine blades as a single piece. . The Company relied on the know-how of several specialized companies in France and the USA.

Significant progress in improving the performance of our technology has been achieved and the Company should ultimately benefit from an absolutely unique technology in the field of hydrokinetics. And in this regard, a new Patent is being acquired by the Company.

1.6 Pollution-related activity

None

2 INFORMATION ON THE BALANCE SHEET

2.1 Dividends

In accordance with the provisions of article 243 bis of the General Tax Code, we remind you that the Company has not distributed dividends for the three previous financial years.

2.2 Method of presentation of accounts

No change has been made to the method of presentation of the Balance Sheet compared to previous years.

2.3 Information on payment deadlines from suppliers and customers

Article D.444-I –1: invoices received unpaid on the closing date of the financial year whose term has expired

A) Number of invoices	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 Day and more
Total amount excluding tax					32400	
Percentage of the total amount of purchases excluding tax for the financial year					11%	
B/ Invoices excluded from A) relating to disputed or unrecognized debts and receivables	NIL					NIL
C/ Reference payment deadlines used (contractual or legal deadline - art. L.441-6 or L.443-1 of the Commercial Code)						Legal deadline

Article D.444-I – 2: invoices issued not paid on the closing date of the financial year whose term has expired

A) Number of invoices	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 Day and more
Total amount excluding tax					436809	
Percentage of the total amount of sales excluding tax for the financial year					100%	
B/ Invoices excluded from A) relating to	NIL					NIL

disputed or unrecognized debts and receivables						
C/ Reference payment deadlines used (contractual or legal deadline – art. L.441-6 or L.443-1 of the Commercial Code						Legal deadline

2.4 SUBSIDIARIES AND HOLDINGS

We remind you that our Company does not currently hold any subsidiaries or holdings.

2.5 STATUS OF EMPLOYEE SHAREHOLDING IN SHARE CAPITAL AS OF THE LAST DAY OF THE PAST FINANCIAL YEAR

At the close of the 2022 financial year, the share capital did not include employee shares subject to collective management or of which the interested parties did not have free disposal, within the meaning of the provisions of the first paragraph of the Article L. 225-102-1 of the Commercial Code.

2.6 AMOUNT OF EXPENSES AND FEES REFERRED TO IN ARTICLE 39-4 OF THE GENERAL TAX CODE

In accordance with the provisions of articles 39-4 and 223 **quater** of the General Tax Code, we inform you that the Company's accounts for the past financial year do not contain expenses that are not deductible from tax income.

2.7 CORPORATE GOVERNANCE REPORT

In accordance with the provisions of article L. 225-37 paragraph 6 of the Commercial Code, you will find in this paragraph the report of the board of directors on corporate governance. This paragraph contains all the information required by Article L. 225-37-4 of the Commercial Code for companies whose securities are not admitted to a regulated market, Euronext Access not being, strictly speaking, a regulated market.

ADMINISTRATION AND CONTROL OF THE COMPANY

List of mandates and functions:

In accordance with the provisions of article L. 225-37-41° of the Commercial Code, we present to you the list of all the mandates and functions exercised in any company by each of the corporate officers.

Name and Position(s) within the Company	Other mandates and functions exercised in any other company
Mr. Philippe Rebboah : Chairman and CEO	President of Helios Holding - President of Helios Gem
Mr. Marc Antoine Réol : Administrator	None
Ms. Eugenie Schellen : Administrator	None

Update on current mandates:

We present to you the list and duration of current mandates in the Company.

The Ordinary General Meeting of 10/21/2019 appointed as director, Mr. Philippe Rebboah , for a period of six (6) years from the meeting, i.e. until the General Meeting before rule on the accounts closed on December 31, 2025.

The Extraordinary General Meeting of 10/21/2109 to, appointed as administrator, Mr. Marc Antoine Réol , for a period of six (6) years from the meeting, i.e. until the General Meeting having to rule on the accounts closed on December 31, 2025

The Extraordinary General Meeting of 10/21/2109 to, appointed as administrator, Mrs. Eugenie Schellen , for a period of six (6) years from the meeting, i.e. until the General Meeting before rule on the accounts closed on December 31, 2025.

REPORT ON DELEGATIONS REGARDING CAPITAL INCREASE

There has been no delegation in this matter since the transformation into a public limited company on May 4, 2018.

AGREEMENTS CONCLUDED WITH CORPORATE OFFICERS

- 1) Regulated agreements during 2020 (Article L. 227-10 of the Commercial Code):

None.

- 2) Deposits, endorsements and guarantees given by the Company to third parties:

None.

- 3) Agreements entered into between a corporate officer of the Company or a shareholder holding more than 10% and a company in which the Company holds, directly or indirectly, more than half of the capital:

None.

TABLE OF RESULTS DURING THE LAST FIVE YEARS

In accordance with the provisions of article R.225-102 of the Commercial Code, you will find attached the table showing the results of the Company over the last two financial years, the Company having only been subject to the said provisions since financial year 2018.

Nature of indications	2022	2021
Share capital	1100000	1100000
Number of shares issued	5500000	5500000
Number of existing priority dividend shares (without voting rights).	-	-
By conversion of bonds	-	-
By exercise of subscription rights	-	-
Turnover excluding taxes	109,000	250000
Results before taxes, employee participation and allocations to depreciation and provisions	-111,819	151,000
Profit tax	-	-
Result after taxes, participation and allocations to depreciation and provisions.	-111,819	151000
Distributions to shareholders	0	0

Number of employees for the year	0	0
----------------------------------	---	---

4) OPTIONS TO PURCHASE OR SUBSCRIBE TO SHARES RESERVED FOR EMPLOYEES OF THE COMPANY:

None.

5) TRANSACTIONS CARRIED OUT BY THE COMPANY ON ITS OWN SHARES:

None.

MANAGEMENT REPORT RELATING TO THE EXTRAORDINARY GENERAL MEETING

1.1. Capital reduction for non-economic reasons.

Helios Gem Company was our main shareholder until today, but it appears that problems between partners have arisen and in fact, these problems have clearly and irremediably broken the affectio Societatis of Helios Gem Company. This concerns us directly because the faulty actions of these associates directly harmed the vital interests of our Company.

No mention will be made here of the alleged actions which fall more within the jurisdiction of the courts.

All these reasons have led us to propose the restitution to Helios Gem its patent license and cancel any participation in our capital. Helios Gem Company has accepted this by private deed. In fact, the participation of this company in our capital was carried out by debt compensation under the same legal conditions as those which restore its license ownership. The capital will therefore be reduced by 717,000 Euros.

1.2. Increase in capital

The capital increase will be carried out without (DPS) preferential subscription right

The company Blue Shark Energy LLC located in the United States has developed a new hydrokinetic technology allowing the installation anywhere and even in weak currents and small depths of tidal turbines adjustable in size and power which can vary from 30 kWh to 500 kWh. It has an American and European Patent and has offered to transfer its licenses for Europe and French-speaking Africa to us by private deed.

The company Blue Shark Energy LLC, which has significant cash flow, will be able to finance the company's projects and is offering to convert our debt to acquire its license into ordinary shares.

By offsetting the debt, the capital of the Company will therefore be increased by 717,000 Euros.

The company's capital will therefore remain unchanged after these capital operations.

2. Change of company name

The proposed name is BLUE SHARK ENERGY SA

.

Done on September 25, 2023

President of the Board