

Aurora Algae, LLC

Financial Statements

For the year ended 31st December, 2021

Independent Auditor's Report

THE BOARD OF DIRECTORS
AURORA ALGAE, LLC
Houston, TX

Opinion

We have audited the financial statements of **AURORA ALGAE, LLC (the Company)**, which comprise the balance sheet as of December 31, 2021 and 2020, the related statements of operations, member's equity/stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company's recurring losses from operations through the date the Company converted from a Delaware corporation to a Delaware limited liability company (see additional information in Note 1) raised substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). See additional information regarding this matter in the Emphasis of Matter Regarding Going Concern section of our report.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among planned scope and timing of the audit, significant audit findings, and certain intern. matters that we identified during the audit.

Hood & Strong LLP

San Francisco, California

March 22, 2022

Aurora Algae, LLC

Balance Sheet

<i>December 31,</i>	2021	2020
Assets		
Current Assets:		
Current assets	\$ -	\$ -
<hr/>		
Total current assets	-	-
<hr/>		
	\$ -	\$ -
<hr/>		
Liabilities and Member's Equity/Stockholders' Equity		
Current Liabilities:		
Current liabilities	\$ -	\$ -
<hr/>		
Total current liabilities	-	-
<hr/>		
Member's Equity/Shareholders' Equity:		
Member's equity/shareholders' equity	\$ -	\$ -
<hr/>		
Total member's equity/shareholders' equity	-	-
<hr/>		
	\$ -	\$ -
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See accompanying notes to the financial statements.

Aurora Algae, LLC**Statement of Operations**

<i>Years Ended December 31,</i>	2021	2020
Revenues	\$ -	\$ -
Operating Expenses:		
General and administrative	-	(48,435)
Total operating expenses	-	(48,435)
Net Loss	\$ -	\$ (48,435)

See accompanying notes to the financial statements.

Aurora Algae, LLC

Statement of Member's Equity/Stockholders' Equity

Years Ended December 31, 2021 and 2020

	Series A-1 Convertible Preferred Stock		Series A-2 Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity	Total Member's Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances - December 31, 2019	59,202,967	\$ 58,928,442	10,722,043	10,722,043	5,838,417	5,838	10,386,600	(78,034,818)	2,008,105	-
Net loss								(48,435)	(48,435)	-
Conversion from Corporation to LLC	(59,202,967)	(58,928,442)	(10,722,043)	(10,722,043)	(5,838,417)	(5,838)	(10,386,600)	78,083,253	(1,959,670)	1,959,670
Distribution to member										(1,959,670)
Balances - December 31, 2020	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Balances - December 31, 2021	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

Aurora Algae, LLC

Statement of Cash Flow

<i>Years Ended December 31,</i>	2021	2020
Cash Flows from Operating Activities:		
Net loss	\$ -	\$ (48,435)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Receivable from affiliate	-	1,500,000
Prepaid expenses and other current assets	-	4,677
Accounts payable	-	(5,676)
Accrued liabilities	-	(330)
Net cash provided by (used in) operating activities	-	1,450,236
Cash Flows from Financing Activities:		
Distribution to member	-	(1,959,670)
Net cash (used) by financing activities	-	(1,959,670)
Net (Decrease) in Cash and Cash Equivalents	-	(509,434)
Cash and Cash Equivalents, Beginning of year	-	509,434
Cash and Cash Equivalents, End of year	\$ -	\$ -
Noncash Investing and Financing Activities:		
Conversion from corporation to LLC	\$ -	\$ 1,959,670
Supplemental Cash Flow Disclosure:		
Cash refunded (paid) for taxes	\$ -	\$ -

See accompanying notes to the financial statements.

Aurora Algae, LLC

Notes to Financial Statements

Note 1 - Organization and Description of Business:

Aurora Algae, Inc. (the “Corporation”), located in Houston, Texas, was incorporated on April 5, 2006, in the state of California, and reincorporated on December 16, 2006, in the state of Delaware. In 2010 the Corporation formed a subsidiary in Australia to perform research and development activities. In November 2013, the Corporation decided to close its research activities in Australia. In 2013, the Corporation began research and development activities in Texas. In 2015 the Corporation laid-off its entire U.S. workforce, sold a majority of its property and equipment. In 2016, the major stockholder of the Corporation acquired 100% ownership through a reverse triangular merger. The Corporation was the surviving corporation after the merger and continues to be a separate entity. In 2017 the subsidiary in Australia filed for deregistration and had its affairs wound up. On March 3, 2018, the subsidiary in Australia was legally dissolved. The Company had been focusing on the development of high-performance premium algae-based products for the pharmaceutical, nutrition, aquaculture and fuels markets. The Company’s activities since inception have consisted principally of acquiring technology rights, raising capital, establishing facilities, and performing research and development.

On July 1, 2020 (conversion date), the Corporation’s Board of Directors adopted and approved the conversion of the Corporation from a Delaware corporation to a Delaware limited liability company, named Aurora Algae, LLC (the “Company”). The Company is to be governed in accordance with a limited liability company operating agreement. As a result of the conversion, all outstanding shares of capital stock, additional paid in capital and accumulated deficit were, in the aggregate, converted into and exchanged for one membership unit in the Company.

Following conversion, the Company distributed all of its rights, title and interest in its assets and liabilities, including but not limited to intellectual property (patents) to its sole member, Reliance Holding USA, Inc. (RHUSA). RHUSA immediately contributed such assets and liabilities to Reliance Marcellus LLC (RM LLC). On August 20, 2020, RHUSA merged with and into Reliance Energy Generation and Distribution Limited, an Indian corporation (REGDL), with REGDL surviving, and immediately thereafter, REGDL merged with and into Reliance Industries Limited, an Indian corporation and Ultimate Parent Company (RIL), with RIL surviving. Upon merger, RIL has succeeded RHUSA as a sole member of the Company.

Aurora Algae, LLC

Notes to Financial Statements

For presentation and disclosure purposes, the corporation and the limited liability company are referred to as the “Company” in the following notes.

Note 2 - Basis of Presentation:

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Since inception and through the conversion date, the Company had incurred cumulative net losses of \$77,846,094 and net negative cash flows from operations. These factors, among others, have raised substantial doubt about the Company’s ability to continue as a going concern. As a result of the conversion from a corporation to a limited liability company and the distribution to its sole member, the Company reflects \$0 assets and \$0 liabilities as of December 31, 2020. Management has yet to determine the type of business that the Company will enter into, and the capital required to fund its operations. The financial statements do not include any adjustments relating to the outcome of this uncertainty. The Company’s continuation as a going concern is dependent upon its parent company’s ability to fund future operations so that it may continue assessing the financial value of keeping the Company as a going concern.

As required by Indian authorities, RIL, as the sole member of the Company is required to file consolidated financial statements of its (globally active) subsidiaries. The financial statements of the Company should be read in conjunction with the general purpose financial statements of the consolidated entity.

Note 3 - Summary of Significant Accounting Policies:

a. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Aurora Algae, LLC

Notes to Financial Statements

b. Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. As of December 31, 2021 and 2020, there were no cash and cash equivalents.

c. Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company's cash and cash equivalents consist of cash deposits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to significant credit risk related to cash and cash equivalents.

d. Research and Development Costs

Research and development expenses consist of personnel costs, depreciation, including salaries, benefits, materials and supplies, licenses, and fees. The Company charges research and development costs to expense when incurred. There were no research and development costs incurred in 2021 and 2020.

e. Income Taxes

During 2019 and through conversion date, the Company accounted for federal and state income taxes using the liability method whereby deferred tax asset and liability account balances were determined based on differences between the financial reporting and tax basis of assets and liabilities and were measured using the enacted tax rates and laws that will be in effect when the differences were expected to reverse. The Company provided a valuation allowance to reduce deferred tax assets to their estimated realizable value.

Effective July 1, 2020, the income and losses of the Company flow through to the limited liability member. Accordingly, the Company does not provide an income tax provision in the financial statements. As of December 31, 2021 and 2020, the Company had no unrecognized income tax benefits, nor are there any expected within the next fiscal year.

f. Subsequent Events

The Company has evaluated subsequent events from December 31, 2020 through March 22, 2022 the date the financial statements were available to be issued, and has determined that there were no material subsequent events that required recognition or additional disclosure in these financial statements.

Aurora Algae, LLC
Notes to Financial Statements

Note 4 - Member's Equity and Presentation:

Pursuant to the Company's Operating Agreement, the purposes of the Company are to carry on any lawful business, purpose or activity for which limited liability companies may be formed under the Delaware Limited Liability Company Act. The sole member, RIL, owns one hundred percent (100%) of the membership interests in the Company and is to be allocated 100% of the profits and losses of the Company.

Note 5 - Income Taxes:

The conversion from a corporation to a limited liability company was structured by management to be tax-free and resulted in Aurora Algae, Inc. being dissolved, effective July 1, 2020. None of the tax benefits of the corporation were transferable to the limited liability company. Post conversion the Company is a legal entity in the United States which is disregarded for income tax purposes. Accordingly, the Company does not provide a federal and state income tax provision in the financial statements.