



NVB Composites International ApS

Østergade 24 B
3200 Helsingør
CVR No. 26732166

Annual report 2019

The Annual General Meeting adopted the
annual report on 15.09.2020

Nicolaas van der Blom

Chairman of the General Meeting

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Entity details

Entity

NVB Composites International ApS

Østergade 24 B

3200 Helsingø

CVR No.: 26732166

Registered office: Helsingø

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Nicolaas van der Blom

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of NVB Composites International ApS for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend to the Annual General Meeting that the financial statements for the next financial year not be audited.

We recommend the annual report for adoption at the Annual General Meeting.

Helsingør, 15.09.2020

Executive Board

Nicolaas van der Blom

Independent auditor's report

To the shareholders of NVB Composites International ApS

Adverse opinion

We have audited the financial statements of NVB Composites International ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, due to the significance of the matter discussed in the "Basis for adverse opinion" section, the financial statements do not give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for adverse opinion

The financial statements have been presented applying the principle of going concern. The Entity has negative equity at 31.12.2019 and considerable overdue debt. The Entity has also capitalised patents worth DKK 3,476k in the balance sheet. The going concern assumption and the value of patents are dependent on the Entity succeeding in creating a business for the foreseeable future that can carry through production, marketing and selling activities as a basis for profit-generating entity and on investors or lenders contributing capital to the Entity in the meantime. During our audit, we were not able to obtain sufficient assurance that investors or lenders are willing to make available the capital necessary to ensure the provision of a basis for a profit-generating entity, for which reason we have no evidence for us to be able to express an opinion about whether it is probable that the Entity will be able to continue as a going concern until 31.12.2020, and for the same reason we qualify our opinion with respect to the carrying amount of patents recognised in the balance sheet at 31.12.2019.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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 adverse opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate

the Entity 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 and the additional requirements applicable in Denmark 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Entity'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 in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 15.09.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Kim Takata Mücke

State Authorised Public Accountant
Identification No (MNE) mne10944

Management commentary

Primary activities

NVB Composites International A/S is performing R&D of mechanical technologies. The Company holds patent rights of the basic Piston-Chamber Combination Technology, which can be used for pumps, shock absorbers, actuators and other industrial purposes, such as a new green engine type: the Vanderblom Motor, which saves approx. 60% energy in comparison with currently used combustible engines. Said Motor can also be used in electric cars, and with Wind Turbines.

An agreement has been entered with the sister company, NVB International ApS, for cross licensing of patented technologies.

Development in activities and finances

While 2013 and 2014 were catastrophic years, 2016 and 2017 were years where there came light at the end of the tunnel, while 2020 has become the year where a full view could be provided on those who had allegedly performed sabotage against NVB-companies, as well as the reason for said sabotage based on reverse engineering by Nicolaas van der Blom since the Autumn of 2016. By that, it became possible to conclude counter actions.

Firstly, on 10 March 2017 and on 3 November 2017, EU-countries have been reported to Margrethe Vestager, the Commissioner for Competition of the EU-Commission, for unlawful granting of subsidies to the EU car industry. They allegedly robbed the content of newly filed patent applications, in order to avoid that the EU car industry should pay for a license to any NVB-companies, instead of to a member of the EU car industry, for the use of said Vanderblom Motor, which, at all times, would comply to any new EU CO2-Emission Directive. The understanding was solely available on helicopter view, and there were too less evidences available (due to lack of capacity), there was no conclusion from the EU-Commission. It takes an enormous lead time and efforts to perform reverse engineering.

In March 2017 a report was filed at the Prosecution Authority in Rotterdam, against among others Dutch Authorities, but was rejected, due to lack of evidence.

Continuous reverse engineering from and inclusive 2018 lead to a full view in detail in 2020, while enough solid evidences could be gathered, which showed, that reality was worse than the (correct) conclusions of said reverse engineering. It was now possible to start counter actions.

Said counter actions in the Autumn of 2020 are:

- (i) filing Complaints about 'State Aid' and 'Anti-Trust' at DG Competition in Brussels of the EU-Commission,
- (ii) filing an Appeal at the Appeal Court in the Hague(NL), about said rejected Report from March 2017 against Dutch Authorities, where among others claims for damages (among others for this Company) are being filed,
- (iii) sending out an international press release - the result of this press release is expected that said actions on the sly against any NVB-company are being stopped.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Profit/loss for the year		0	0
Proposed distribution of profit and loss			
Retained earnings		0	0
Proposed distribution of profit and loss		0	0

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Acquired patents		3,475,993	3,475,993
Intangible assets	1	3,475,993	3,475,993
Fixed assets		3,475,993	3,475,993
Assets		3,475,993	3,475,993

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		50,000	50,000
Retained earnings		(7,350,651)	(7,350,651)
Equity		(7,300,651)	(7,300,651)
Trade payables		4,208,964	4,208,964
Payables to group enterprises		3,298,755	3,298,755
Payables to shareholders and management	2	1,806,392	1,806,392
Other payables		1,092,000	1,092,000
Deferred income		370,533	370,533
Current liabilities other than provisions		10,776,644	10,776,644
Liabilities other than provisions		10,776,644	10,776,644
Equity and liabilities		3,475,993	3,475,993

Working conditions 3

Contingent liabilities 4

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	(7,350,651)	(7,300,651)
Equity end of year	50,000	(7,350,651)	(7,300,651)

Notes

1 Intangible assets

	Acquired patents DKK
Cost beginning of year	3,475,993
Cost end of year	3,475,993
Carrying amount end of year	3,475,993

2 Payables to shareholders and management

Payables to shareholders and management consists of a loan from Nicolaas van der Blom

3 Working conditions

The Company has not had any employees within the finance year.

4 Contingent liabilities

The net loss for the year does not result in the income statement. The company has a tax asset of DKK 1.933k resulting from the tax loss and temporary differences on capitalised patents (2019: 1.933). The tax asset is not recognized in the balance sheet due to uncertainty as to the recoverability of the tax asset. No income have been paid during 2019.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.