

## **Clayton Power ApS**

CVR no. 29 82 16 31

## **Annual Report 2015**

(6th financial year)

The Annual Report was adopted at the Annual General Meeting of the Company on 30/5 2016

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Max Stelvig  
Chairman of the general meeting

# RSM

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**Management's Statement on the Annual Report**

The Supervisory and Executive Boards have today considered and approved the Annual Report of Clayton Power ApS for the financial year 1 January - 31 December 2015.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the Company's operations for the year 1 January - 31 December 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted by the Annual General Meeting of shareholders.

Odense, 18 April 2016

**Executive Board**

Janick Lauenborg

**Supervisory Board**

Mads Brønserud Nielsen  
Chairman

Bart Westerkamp

John Nielsen

Janick Lauenborg

## Independent Auditor's Report

### *To the Shareholders of Clayton Power ApS*

#### **Report on the Financial Statements**

We have audited the Financial Statements of Clayton Power ApS for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's Responsibility for the Financial Statements**

The 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 the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statements gives a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

**Independent Auditor's Report****Statement on Management's review**

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the Financial Statements.

Odense, 18 April 2016

**RSM plus**

Statsautoriserede revisorer  
CVR no.34 71 30 22

Jacob Pedersen  
State Authorised Public Accountant

**Company Information****The Company**

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5000 Odense C

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Website: [www.claytonpower.com](http://www.claytonpower.com)  
CVR no.: 29 82 16 31  
Financial year: 1 January - 31 December  
Municipality of reg. office: Odense

**Supervisory Board**

Mads Brønserud Nielsen, Chairman  
Bart Westerkamp,  
John Nielsen  
Janick Lauenborg

**Executive Board**

Janick Lauenborg

**Auditors**

RSM plus  
Statsautoriserede revisorer  
Munkehatten 1B  
5220 Odense SØ

**Bank**

Nordea  
Vestre Stationsvej 7  
5000 Odense C

## Management's Review

The Annual Report of Clayton Power ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

### Core activity

The company's purpose is the development of hardware and software design of inverters, chargers, battery management systems and lithium batteries, production of inverters, chargers, battery management systems and lithium batteries, sale of transformers, chargers, battery management systems and lithium batteries, selection, development and production of promotional advertising material.

### Development in the year

The Company's income statement for the year ended 31 December 2015 showed a profit of DKK 2,526,140, and the Company's balance sheet at 31 December 2015 showed equity of DKK 7,683,601.

Financial performance for 2015 matched expectations

### Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Accounting Policies

The Annual Report of Clayton Power ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to companies of reporting class B.

The accounting policies are unchanged from last year.

The Annual Report for 2015 is presented in DKK..

### Recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. Similarly all expenses including depreciation, amortisation and impairment losses are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the accumulated amortisation of any difference between cost and the nominal amount.

Recognition and measurement take into account predictable losses and risks occurring before presentation of the Annual Report, and which confirm or invalidate circumstances existing at the balance sheet date.

## Income Statement

### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that delivery and transfer of risk to the buyer have taken place before the end of the year. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Contract work in progress concerning equipment for the manufacturing of furniture is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables used to generate revenue for the year.

### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### Staff costs

Staff costs comprise wages and salaries as well as payroll expenses other than production wages.



**Accounting Policies**

**Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise depreciation, amortisation and impairment losses of intangible assets and property, plant and equipment.

**Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year.

**Tax on profit/loss for the year**

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

**Balance Sheet**

**Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and costs directly related to acquisition until the date when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful lives of the assets, which are:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %
Leasehold improvements	5 years	0 %

Gains or losses on sale of property, plant and equipment are recognized in the income statement under other operating income or other operation expenses.

**Inventories**

Inventories are measured at cost based on the FIFO method. Where cost is lower than net realisable value, inventories are written down to the lower value.

The cost of goods for resale, raw materials and consumables comprise purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

**Receivables**

Receivables are measured at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

**Contract work in progress**

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

## Accounting Policies

Each contract work in progress is recognised in the balance sheet under receivables or liabilities, depending on whether the net value, calculated as the sales value less prepayments received, is positive or negative.

Expenses related to sales work and securing contracts are recognised in the income statement as incurred.

### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work. Provisions with an expected maturity exceeding 1 year from the balance sheet date are discounted at the average bond yield.

### Deferred tax assets and liabilities

Current tax payable and receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities, based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax is measured in accordance with the tax rules and at the tax rates at the balance sheet date when the deferred tax is expected to be transformed to a current tax. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Any changes in deferred tax due to changes in tax rates are recognised in the income statement. For the current year a tax rate of 22,0% is used.

### Debts

Financial liabilities, such as mortgage loans and loans from credit institutions, are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other debts are measured at amortised cost.

### Translation policies

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Gains and losses arising due to differences between the transaction date rate and the rate at the date of payment are recognised in the income statement as financial income and expenses.

### Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost, and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are classified as other receivables and other debts, respectively.

## Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
<b>Gross profit</b>		<b>8.995.666</b>	<b>5.821.036</b>
Staff costs	1	<u>-5.565.753</u>	<u>-4.493.989</u>
<b>Amortisation profit/loss before depreciation, amortisation and impairment</b>		<b>3.429.913</b>	<b>1.327.047</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-151.669</u>	<u>-173.187</u>
<b>Profit/loss before net financials</b>		<b>3.278.244</b>	<b>1.153.860</b>
Financial income	2	214.733	17.411
Financial expenses	3	<u>-183.051</u>	<u>-180.153</u>
<b>Profit/loss before tax</b>		<b>3.309.926</b>	<b>991.118</b>
Tax on profit/loss for the year	4	<u>-783.786</u>	<u>-256.470</u>
<b>Net profit/loss for the year</b>		<b><u>2.526.140</u></b>	<b><u>734.648</u></b>
<b>Proposed distribution of profit</b>			
Retained earnings		<u>2.526.140</u>	<u>734.648</u>
		<b><u>2.526.140</u></b>	<b><u>734.648</u></b>

## Balance Sheet at 31 December

	Note	2015 DKK	2014 DKK
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Property, plant and equipment</b>	5		
Other fixtures and fittings, tools and equipment		536.253	504.655
Leasehold improvements		<u>20.868</u>	<u>31.211</u>
		<u>557.121</u>	<u>535.866</u>
<b>Fixed asset investments</b>			
Other receivables		<u>140.555</u>	<u>132.487</u>
		<u>140.555</u>	<u>132.487</u>
<b>Total fixed assets</b>		<b><u>697.676</u></b>	<b><u>668.353</u></b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Raw materials and consumables		2.339.726	3.690.295
Finished goods and goods for resale		5.634.999	2.098.675
Prepayments for goods		<u>1.019.927</u>	<u>0</u>
		<u>8.994.652</u>	<u>5.788.970</u>
<b>Trade receivables</b>			
Trade receivables		8.382.184	3.691.773
Contract work in progress	6	2.527.444	1.739.071
Other receivables		552.119	377.843
Deferred tax asset		<u>62.864</u>	<u>20.950</u>
		<u>11.524.611</u>	<u>5.829.637</u>
<b>Cash</b>		<u>969.465</u>	<u>0</u>
<b>Total current assets</b>		<b><u>21.488.728</u></b>	<b><u>11.618.607</u></b>
<b>TOTAL ASSETS</b>		<b><u>22.186.404</u></b>	<b><u>12.286.960</u></b>

## Balance Sheet at 31 December

	Note	2015 DKK	2014 DKK
<b>LIABILITIES AND EQUITY</b>			
<b>EQUITY</b>	7		
Share capital		125.000	125.000
Retained earnings		<u>7.558.601</u>	<u>4.716.681</u>
<b>Total equity</b>		<b><u>7.683.601</u></b>	<b><u>4.841.681</u></b>
<b>PROVISIONS</b>			
Other provisions		<u>160.000</u>	<u>198.000</u>
<b>Total provisions</b>		<b><u>160.000</u></b>	<b><u>198.000</u></b>
<b>LIABILITIES OTHER THAN PROVISIONS</b>			
<b>Long-term liabilities</b>	8		
Banks		<u>4.870.074</u>	<u>0</u>
		<u>4.870.074</u>	<u>0</u>
<b>Short-term liabilities</b>			
Short-term part of long-term debt	8	1.113.903	73.207
Credit institutions		33.256	2.321.569
Trade payables		6.512.450	3.980.197
Corporation tax		776.704	210.560
Other payables		<u>1.036.416</u>	<u>661.746</u>
		<u>9.472.729</u>	<u>7.247.279</u>
<b>Total liabilities other than provisions</b>		<b><u>14.342.803</u></b>	<b><u>7.247.279</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>22.186.404</u></b>	<b><u>12.286.960</u></b>
Contingencies assets, etc., liabilities and other financial obligations	9		
Pledges and guarantees	10		

## Notes to the Financial Statements

	2015	2014
	DKK	DKK
<b>1 Staff costs</b>		
Wages and salaries	5.302.530	4.314.262
Other social security costs	93.191	69.987
Other staff costs	<u>170.032</u>	<u>109.740</u>
	<b><u>5.565.753</u></b>	<b><u>4.493.989</u></b>
Average number of employees	<u>12</u>	<u>11</u>
<b>2 Financial income</b>		
Other financial income	0	15.286
Exchange gains	<u>214.733</u>	<u>2.125</u>
	<b><u>214.733</u></b>	<b><u>17.411</u></b>
<b>3 Financial expenses</b>		
Other financial expenses	<u>183.051</u>	<u>180.153</u>
	<b><u>183.051</u></b>	<b><u>180.153</u></b>
<b>4 Tax on profit/loss for the year</b>		
Tax for the year	922.704	266.462
Deferred tax for the year	-41.914	-9.992
Tax on other equity movements	<u>-97.004</u>	<u>0</u>
	<b><u>783.786</u></b>	<b><u>256.470</u></b>

## Notes to the Financial Statements

## 5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost 1. januar	898.978	51.717
Additions for the year	172.924	0
Disposals for the year	<u>-167.000</u>	<u>0</u>
Cost 31. december	<u>904.902</u>	<u>51.717</u>
Impairment losses and depreciation 1. januar	394.323	20.506
Depreciation for the year	141.326	10.343
Impairment and depreciation of sold assets for the year	<u>-167.000</u>	<u>0</u>
Impairment losses and depreciation 31. december	<u>368.649</u>	<u>30.849</u>
<b>Carrying amount at 31 December 2015</b>	<b><u>536.253</u></b>	<b><u>20.868</u></b>

2015	2014
DKK	DKK

## 6 Contract work in progress

Work in progress, selling price	2.663.034	1.739.071
Work in progress, payments received on account	<u>-135.590</u>	<u>0</u>
	<b><u>2.527.444</u></b>	<b><u>1.739.071</u></b>

## Notes to the Financial Statements

### 7 Equity

	Share capital	Retained earnings	Total
Equity 1. januar	125.000	4.716.681	4.841.681
Fair value adjustment of hedging instruments	0	412.784	412.784
Net profit/loss for the year	0	2.526.140	2.526.140
Tax on other equity movements	0	-97.004	-97.004
<b>Equity 31. december</b>	<b>125.000</b>	<b>7.558.601</b>	<b>7.683.601</b>

The share capital consists of 125.000 shares of a nominal value of DKK 1. No shares carry special rights.

There have been no changes in the share capital during the last 5 years.

### 8 Long term debt

	Debt at 1 January 2015	Debt at 31 December 2015	Payment within 1 year	Debt after 5 years
Banks	0	5.929.114	1.059.040	300.000
Other credit institutions	18.344	0	0	0
Other payables	54.863	0	54.863	0
	<b>73.207</b>	<b>5.929.114</b>	<b>1.113.903</b>	<b>300.000</b>



## Notes to the Financial Statements

### 9 Contingencies assets, etc., liabilities and other financial obligations

#### **Kautions- og garantiforpligtelser**

The rental agreement is irrevocable until 31 November 2017, with a total commitment of 1,403 t.kr

The Company has entered into operating leases with a total outstanding liability on 1,009 t.kr

### 10 Pledges and guarantees

As security for bank loans, the company has been mortgaged in current and future acquisitions of property, plant and equipment, Trade receivables, inventory and cash under the rules on floating charge for 10,000 t.dkr. The book value of assets comprised of the charge totaled 21,191 t.Kr. 31. December 2015.