PKF Munkebo Vindelev
Statsautoriseret Revisionsaktieselskab

Accountants &
business advisers

Annual report 2018

Company reg. no. 31 89 01 01

ePower Technology ApS under frivillig likvidation

Ellehegnet 3

2950 Vedbæk

The annual report was submitted and approved by the general meeting on the 29 April 2019.

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Flemming Bruhn
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Liquidator's report

The likvidator have today presented the annual report of ePower Technology ApS under frivillig likvidation for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the liquidator's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Vedbæk, 29 April 2019

Liquidator

Flemming Bruhn
Liquidator

Independent auditor's report

To the shareholders of ePower Technology ApS under frivillig likvidation

Opinion

We have audited the annual accounts of ePower Technology ApS under frivillig likvidation for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Likvidator's responsibilities for the annual accounts

The likvidator is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The likvidator is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the likvidator and the reasonableness of accounting estimates and related disclosures made by the likvidator.

- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the liquidator's review

The likvidator is responsible for the liquidator's review.

Our opinion on the annual accounts does not cover the management’s review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the liquidator's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we believe that the liquidator's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the liquidator's review.

Glostrup, 29 April 2019

PKF Munkebo Vindelev
State Authorised Public Accountants
Company reg. no. 14 11 92 99

Kasper Vindelev
State Authorised Public Accountant
mne29389

Company data

The company	ePower Technology ApS under frivillig likvidation Ellehegnet 3 2950 Vedbæk	
	Web site	www.epower-technology.com
	E-mail	fb@epower-technology.com
	Company reg. no.	31 89 01 01
	Established:	1 November 2008
	Domicile:	Kokkedal
	Financial year:	1 January - 31 December 10th financial year
	Commencement of the liquidation procedure:	4 January 2019
Liquidator	Flemming Bruhn, Ellehegnet 3, 2950 Vedbæk, Liquidator	
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup	
Bankers	Danske Bank A/S, Lyngby Hovedgade 25, 2800 Kgs. Lyngby	

Financial highlights

DKK in thousands.	2018	2017	2016	2015	2014
Profit and loss account:					
Gross profit	370	-43	1.096	549	443
Results from operating activities	4	-690	563	32	-56
Net financials	-34	-76	-21	-7	-51
Results for the year	-30	-767	421	19	-84
Balance sheet:					
Balance sheet sum	152	1.445	2.153	1.268	2.171
Equity	20	50	817	397	378
Employees:					
Average number of full time employees	0	0	0	0	0

Liquidator's review

The principal activities of the company

Like previous years, the main activity has been to develop business models for B2B partners, based on the patented ETFM engine technology, where the ETFM technology is a part of a concept that adds value to the end user, as well as producing the ETFM technology to B2B partners.

Development in activities and financial matters

The gross profit for the year is DKK 370.000 against DKK -43.000 last year. The results from ordinary activities after tax are DKK -30.000 against DKK -767.000 last year. The management consider the results satisfactory.

The company has lost more than 50 % of the share capital and is therefore subject to the rules of the Danish Companies Act § 119 (selskabsloven). The management does not expect to reestablish the lost capital fully as the company is under solvent liquidation.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which have material impact on the financial position of the company.

Accounting policies used

The annual report for ePower Technology ApS under frivillig likvidation has been presented in accordance with the provisions under the Danish Financial Statements Act concerning companies identified as class B enterprises with the modifications caused by the liquidation. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The most significant modifications caused by the liquidation

Assets and liabilities are measured at realisable values. As a result of the liquidation, all assets are recognised under current assets, whereas all liabilities are recognised as short-term liabilities.

All value adjustments of assets and liabilities and any operating items in connection with the commencement of the liquidation have been recognised in the profit and loss account, including staff liabilities in connection with dismissal, fees to the liquidator and the auditor, and other fees in connection with the liquidation.

Except from the changes mentioned above, the accounting policies used are unchanged compared to last year.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Accounting policies used

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

THE PROFIT AND LOSS ACCOUNT

Gross profit

The gross profit comprises the net turnover, production costs and other operating income.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Production costs

The production costs comprise costs, including salaries, wages and depreciation, which are incurred in order to achieve the net turnover of the year. Trade enterprises recognise cost of sales, and manufacturing enterprises recognise production costs corresponding to the turnover of the year. These costs include direct and indirect costs for raw materials and consumables, salaries and wages, rent and leasing, and depreciation on the production plant.

Distribution costs

The distribution costs comprise costs which have been incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Additionally, costs for sales staff, costs for advertising and exhibitions, and depreciation are recognised in the profit and loss account.

Administration costs

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Writedown of inventories as a consequence of the liquidation is also recognised under this item.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

THE BALANCE SHEET

Intangible fixed assets

Patents

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over 5 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Tangible fixed assets

Tangible fixed assets are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	*3-5 years*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Liabilities

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

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2018	2017
	Gross profit	**370.468**	**-42.674**
	Distribution costs	-577	-22.356
	Administration costs	-366.041	-625.210
	Operating profit	**3.850**	**-690.240**
	Other financial costs	-34.167	-75.950
	Results before tax	**-30.317**	**-766.190**
2	Tax on ordinary results	0	-1.086
	Results for the year	**-30.317**	**-767.276**
	Proposed distribution of the results:		
	Allocated from results brought forward	-30.317	-767.276
	Distribution in total	**-30.317**	**-767.276**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2018	2017
	Fixed assets		
3	Acquired rights	0	0
	Intangible fixed assets in total	0	0
4	Other plants, operating assets, and fixtures and furniture	0	0
	Tangible fixed assets in total	0	0
	Fixed assets in total	**0**	**0**
	Current assets		
	Manufactured goods and trade goods	22.635	819.849
	Inventories in total	22.635	819.849
	Trade debtors	50	428.335
	Other debtors	14.723	128.884
	Accrued income and deferred expenses	30.000	54.772
	Debtors in total	44.773	611.991
	Available funds	84.588	12.660
	Current assets in total	**151.996**	**1.444.500**
	Assets in total	**151.996**	**1.444.500**

Balance sheet 31 December

All amounts in DKK.

Note	Equity and liabilities	2018	2017
	Equity		
5	Contributed capital	147.000	147.000
6	Results brought forward	-127.375	-97.058
	Equity in total	**19.625**	**49.942**
	Provisions		
	Other provisions	0	39.600
	Provisions in total	**0**	**39.600**
	Liabilities		
	Trade creditors	120.980	1.052.029
7	Corporate tax	0	47.967
	Other debts	11.391	254.962
	Short-term liabilities in total	132.371	1.354.958
	Liabilities in total	**132.371**	**1.354.958**
	Equity and liabilities in total	**151.996**	**1.444.500**

1 Uncertainties concerning recognition and measurement

8 Contingencies

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

The company has entered into liquidation, and as a consequence, the annual accounts are to be presented in accordance with the realisation principle.

	2018	2017
2. Tax on ordinary results		
Adjustment for the year of deferred tax	0	1.086
	0	**1.086**

	31/12 2018	31/12 2017
3. Acquired rights		
Cost 1 January 2018	246.664	246.664
Cost 31 December 2018	**246.664**	**246.664**
Amortisation and writedown 1 January 2018	-246.664	-246.664
Amortisation and writedown 31 December 2018	**-246.664**	**-246.664**
Book value 31 December 2018	**0**	**0**

4. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2018	36.258	36.258
Cost 31 December 2018	**36.258**	**36.258**
Depreciation and writedown 1 January 2018	-36.258	-32.738
Depreciation for the year	0	-3.520
Depreciation and writedown 31 December 2018	**-36.258**	**-36.258**
Book value 31 December 2018	**0**	**0**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
5.	**Contributed capital**		
	Contributed capital 1 January 2018	147.000	147.000
		147.000	**147.000**
6.	**Results brought forward**		
	Results brought forward 1 January 2018	-97.058	670.218
	Profit or loss for the year brought forward	-30.317	-767.276
		-127.375	**-97.058**
7.	**Corporate tax**		
	Receivable corporate tax 1 January 2018	47.967	102.730
	Paid corporate tax concerning last year	-47.967	-54.763
		0	**47.967**

8. Contingencies

Contingent assets

The company has an unrecognized deferred tax asset of 176 t.DKK due to uncertainty regarding future usage.