

Tecleaf ApS

Sandbjergvej 12, 2970 Hørsholm

Company reg. no. 34 47 46 56

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 30 June 2021.

Peter Randow
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 %.

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Management's report

Today, the board of directors and the managing director have presented the annual report of Tecleaf ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Hørsholm, 30 June 2021

Managing Director

Jan Henrik Christiansen

Board of directors

Søren Gade Jensen

Peter Randow

Jan Henrik Christiansen

Independent auditor's report

To the shareholders of Tecleaf ApS

Opinion

We have audited the financial statements of Tecleaf ApS for the financial year 1 January - 31 December 2020, which comprise income statement, statement of financial position, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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 opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible 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.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company 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 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 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Hillerød, 30 June 2021

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Claus Koskelin

State Authorised Public Accountant
mne30140

Company information

The company

Tecleaf ApS
Sandbjergvej 12
2970 Hørsholm

Company reg. no. 34 47 46 56

Established: 10 April 2012

Domicile:

Financial year: 1 January - 31 December

Board of directors

Søren Gade Jensen
Peter Randow
Jan Henrik Christiansen

Managing Director

Jan Henrik Christiansen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Nordstensvej 11
3400 Hillerød

Parent company

Yggdrasil ApS

Management commentary

The principal activities of the company

The company's only activity includes research - and development of Container Power Unit (CPU) targeted military. A CPU will after a successful final development create a solar power center in the field of military operations, and thereby reduce the need for transport of fuel to the diesel generators that currently supplies power to military field operations. A CPU will thus create a better environment, reduce costs and security risks transporting fuel and potentially creating a Danish export adventure. .

Development in activities and financial matters

The gross loss for the year totals tDKK -24 against tDKK -56 last year. Results of the year are tDKK 287 against tDKK -201 last year.

Management considers the net profit or loss for the year satisfactory.

Treasury shares

The enterprise's holding of treasury shares is 20.000 shares at DKK 1 each, corresponding to 25 % of the contributed capital.

During the year, the enterprise acquired 20.000 treasury shares at DKK 1 each. The purchase price amounts to DKK 0. Treasury shares have been acquired in connection with the resignation of a shareholder.

Expected developments

The company's management expected an enhanced result in the financial year 2020. However, based on the present situation with Covid-19, the company's management cannot at present state anything about the financial consequences and expected results for the financial year 2021.

Income statement 1 January - 31 December

All amounts in DKK.

| <u>Note</u> | <u>2020</u> | <u>2019</u> |
|--|----------------|-----------------|
| Gross loss | -23.713 | -55.931 |
| Research and development costs | -51.770 | -11.242 |
| Operating profit | -75.483 | -67.173 |
| Other financial income | 422.523 | 0 |
| Other financial costs | -59.698 | -136.546 |
| Pre-tax net profit or loss | 287.342 | -203.719 |
| Tax on ordinary results | 0 | 2.471 |
| Net profit or loss for the year | 287.342 | -201.248 |
| Proposed appropriation of net profit: | | |
| Transferred to retained earnings | 287.342 | 0 |
| Allocated from retained earnings | 0 | -201.248 |
| Total allocations and transfers | 287.342 | -201.248 |

Statement of financial position at 31 December

All amounts in DKK.

| Assets | | |
|-----------------------------|---------------------|---------------------|
| <u>Note</u> | <u>2020</u> | <u>2019</u> |
| Current assets | | |
| Receivable corporate tax | 0 | 2.473 |
| Other debtors | 7.199 | 4.505 |
| Total receivables | <u>7.199</u> | <u>6.978</u> |
| Available funds | <u>1.336</u> | <u>1.393</u> |
| Total current assets | <u>8.535</u> | <u>8.371</u> |
| Total assets | <u>8.535</u> | <u>8.371</u> |

Statement of financial position at 31 December

All amounts in DKK.

| Equity and liabilities | | <u>2020</u> | <u>2019</u> |
|--|--|--------------------------|--------------------------|
| <u>Note</u> | | | |
| Equity | | | |
| Contributed capital | | 80.000 | 80.000 |
| Results brought forward | | <u>-2.356.136</u> | <u>-2.643.477</u> |
| Total equity | | <u>-2.276.136</u> | <u>-2.563.477</u> |
| | | | |
| Liabilities other than provisions | | | |
| Bank debts | | 725.751 | 890.090 |
| Trade creditors | | 759.291 | 759.291 |
| Debt to associated enterprises | | 0 | 1 |
| Payables to equity interests | | 785.593 | 908.434 |
| Other debts | | <u>14.036</u> | <u>14.032</u> |
| Total short term liabilities other than provisions | | <u>2.284.671</u> | <u>2.571.848</u> |
| | | | |
| Total liabilities other than provisions | | <u>2.284.671</u> | <u>2.571.848</u> |
| | | | |
| Total equity and liabilities | | <u>8.535</u> | <u>8.371</u> |

- 1 **Financing**
- 2 **Charges and security**
- 3 **Contingencies**

Notes

All amounts in DKK.

1. Financing

As in previous years, the company expects to receive funding as demand arises. In 2020, the company entered into an agreement with a bank on credit facilities. Based on this, the annual reports is prepared on the basis of continued operations.

2. Charges and security

The company is subject to a licensing and distribution agreement containing customary commercial conditions concerning license fee etc.

3. Contingencies

Joint taxation

With Yggdrasil ApS, company reg. no 25 82 89 92 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Tecleaf ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Change in financial estimates

Some presentation changes have been made. They have not affected the result of the year and the equity.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Accounting policies

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Other external costs comprise costs incurred for administration.

Research and development costs

Research and development costs comprise costs, salaries, and wages and depreciation directly or indirectly attributable to the company's research and development activities.

Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of official approvals, customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Tecleaf ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Jan Henrik Christiansen

Direktør

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Jan Henrik Christiansen

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Serienummer: PID:9208-2002-2-488551915181

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IP: 93.163.xxx.xxx

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NEM ID 

Søren Gade Jensen

Bestyrelsesmedlem

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IP: 188.176.xxx.xxx

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NEM ID 

Claus Koskelin

Statsautoriseret revisor

Serienummer: CVR:34209936-RID:33454146

IP: 62.243.xxx.xxx

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NEM ID 

Peter Randow

Dirigent

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IP: 93.163.xxx.xxx

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