

VISBLUE APS
BAUTAVEJ 1A, 8210 AARHUS V
ANNUAL REPORT
1. JANUAR - 31. DECEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 May 2020**

Søren Skovgaard Bødker

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COMPANY DETAILS

Company	Visblue ApS Bautavej 1A 8210 Aarhus V CVR no.: 36 42 79 57 Established: 24 October 2014 Registered Office: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Søren Bøgesgaard Niebuhr, Chairman Jesper Andersen Anders Bentien Kim Gardø Christensen Ole Lysgård Madsen
Board of Executives	Søren Skovgaard Bødker
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Østre Havnepromenade 26, 4. 9000 Aalborg
Bank	Nykredit Bank

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Visblue ApS for the year 1 January - 31 December 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 the Company's financial position at 31 December 2019 and of the results of the the Company's operations for the financial year 1 January - 31 December 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, den 28. maj 2020

Board of Executives

Søren Skovgaard Bødker

Board of Directors

Søren Bøgesgaard Niebuhr
Chairman

Jesper Andersen

Anders Bentien

Kim Gardø Christensen

Ole Lysgård Madsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Visblue ApS

Opinion

We have audited the *Financial Statements* of Visblue ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The *Financial Statements* are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the *Financial Statements* give a true and fair view of the assets, liabilities and financial position of the Company's at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

Without affecting our conclusion, we must refer to the disclosure in Note 9 to the annual accounts, Information on uncertainty in recognition and measurement, which explains the uncertainty associated with the measurement of the company's development activities.

Management's Responsibility 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 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 in preparing the *Financial Statements* unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for 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 judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

- 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.
- 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 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 the disclosures, 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the *Financial Statements* does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the *Financial Statements* or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review 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 Management's Review.

Aalborg, 28 May 2020

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33963556

Peter Nørrevang
State Authorised Public Accountant
MNE no. mne11706

MANAGEMENT'S REVIEW

Principal activities

The principal activities comprise to develop and commercialize batteries as well as any business activities which, in the opinion of the Board of Directors, is related to this.

Development in activities and financial position

The result of the operations in the financial year and the financial position at the end of the financial year are shown in the subsequent income statement and balance sheet. The accounting principles used are described under accounting policies.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position. The outbreak and spread of COVID-19 in early 2020 will have an impact on our development work and a more uncertain market situation. It is still unclear how big the effect will be and management has taken steps to ensure that the financial position is not significantly affected.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
GROSS PROFIT		1.077.198	1.702.493
Staff costs.....	1	-3.472.209	-2.881.471
Depreciation, amortisation and impairment.....		-1.050.686	-242.685
OPERATING LOSS		-3.445.697	-1.421.663
Result of equity investments in group and associat.....		3.633	3.354
Other financial expenses.....		-20.261	-35.951
PROFIT BEFORE TAX		-3.462.325	-1.454.260
Tax on profit/loss for the year.....	2	797.305	320.268
PROFIT FOR THE YEAR		-2.665.020	-1.133.992
PROPOSED DISTRIBUTION OF PROFIT			
Accumulated profit.....		-2.665.020	-1.133.992
TOTAL		-2.665.020	-1.133.992

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK
Development projects completed.....		8.895.634	4.024.360
Development projects in progress and prepayments.....		5.090.939	5.865.796
Intangible fixed assets.....	3	13.986.573	9.890.156
Other plants, machinery, tools and equipment.....		153.092	204.530
Tangible fixed assets.....	4	153.092	204.530
Equity investments in group enterprises.....		86.910	83.277
Fixed asset investments.....	5	86.910	83.277
FIXED ASSETS.....		14.226.575	10.177.963
Raw materials and consumables.....		707.869	1.175.729
Inventories.....		707.869	1.175.729
Trade receivables.....		50.000	125.000
Other receivables.....		230.299	63.879
Receivables corporation tax.....		1.039.947	1.044.168
Claim for payment of company capital.....		0	1.500.000
Receivables.....		1.320.246	2.733.047
Cash and cash equivalents.....	6	1.488.073	1.309.437
CURRENT ASSETS.....		3.516.188	5.218.213
ASSETS.....		17.742.763	15.396.176

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2019 DKK	2018 DKK
Share capital.....		122.171	122.171
Reserve for development costs.....		10.848.297	7.563.350
Retained profit.....		-9.226.228	-3.276.261
EQUITY.....	7	1.744.240	4.409.260
Provision for deferred tax.....		1.642.000	1.380.000
PROVISION FOR LIABILITIES.....		1.642.000	1.380.000
Loan.....		5.576.058	4.218.071
Other liabilities.....		94.392	0
Long-term liabilities.....	8	5.670.450	4.218.071
Prepayments received from customers.....		1.148.771	694.297
Trade payables.....		538.118	537.479
Payables to group enterprises.....		112.010	112.010
Other liabilities.....		430.094	482.706
Accruals and deferred income.....		6.457.080	3.562.353
Current liabilities.....		8.686.073	5.388.845
LIABILITIES.....		14.356.523	9.606.916
EQUITY AND LIABILITIES.....		17.742.763	15.396.176
 Information on uncertainty with respect to recognition and measurement	 9		

NOTES

	2019 DKK	2018 DKK	Note
Staff costs			1
Average number of employees 6 (2018: 5)			
Wages and salaries.....	3.144.876	2.660.441	
Pensions.....	115.899	43.444	
Social security costs.....	24.709	14.319	
Other staff costs.....	186.725	163.267	
	3.472.209	2.881.471	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-1.039.947	-1.044.168	
Adjustment of tax for previous years.....	-19.358	0	
Adjustment of deferred tax.....	262.000	723.900	
	-797.305	-320.268	
Intangible fixed assets			3
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 January 2019.....	4.228.315	5.865.795	
Transfer.....	5.865.795	-5.865.795	
Additions.....	0	5.090.939	
Cost at 31 December 2019.....	10.094.110	5.090.939	
Amortisation at 1 January 2019.....	203.955	0	
Depreciation for the year.....	994.521	0	
Depreciation at 31 December 2019.....	1.198.476	0	
Carrying amount at 31 December 2019.....	8.895.634	5.090.939	
Interest expenses recognised as part of cost of assets.....	542.390	45.358	

The development project includes the development of a battery based on the redox flow technology. The first version is installed and is further developed with a version 2 of the battery. This development work is expected to be completed by mid-2020, when the first prototypes are expected to be installed.

The battery is expected to be ready for commercialization by the end of 2020.

Management has high expectations for the product and has no indication of a need for impairment in relation to the carrying amount.

NOTES

		Note	
Tangible fixed assets		4	
	Other plants, machinery, tools and equipment		
Cost at 1 January 2019.....	252.209		
Additions.....	4.727		
Cost at 31 December 2019.....	256.936		
Depreciation and write-down at 1 January 2019.....	47.679		
Depreciation for the year.....	56.165		
Depreciation and write-down at 31 December 2019.....	103.844		
Carrying amount at 31 December 2019.....	153.092		
 Fixed asset investments		 5	
	Equity investments in group enterprises		
Cost at 1 January 2019.....	74.497		
Cost at 31 December 2019.....	74.497		
Revaluation at 1 January 2019.....	8.780		
Additions.....	3.633		
Revaluation at 31 December 2019.....	12.413		
Carrying amount at 31 December 2019.....	86.910		
 Investments in subsidiaries (DKK)			
Name and registered office	Equity	Profit/loss for the year	Ownership
Visblue Portugal Unipessoal, Porto.....	86.910	3.633	100 %
 Cash and cash equivalents		 6	
Bank deposits of DKK 490.000 have been pledged as collateral for a work guarantee provided by the company's bank connection.			

NOTES

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Equity					7

	Share capital	Reserve for Development costs	Retained profit	Total
Equity at 1 January 2019.....	122.171	7.563.350	-3.276.261	4.409.260
Proposed distribution of profit.....			-2.665.020	-2.665.020
Transferred to reserve for development costs.....		3.284.947	-3.284.947	
Equity at 31 December 2019	122.171	10.848.297	-9.226.228	1.744.240

Long-term liabilities					8
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	1/1 2019 total liabilities	31/12 2019 total liabilities	Repayment next year	Debt outstanding after 5 years
Loan.....	4.218.071	5.576.058	0	0
Other liabilities.....	0	94.392	0	0
	4.218.071	5.670.450	0	0

Information on uncertainty with respect to recognition and measurement	9
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Due to the company's special activity as a development company, there is a natural uncertainty associated with the measurement of the company's development activities.

The company has capitalized development costs totaling DKK 13,987 thousand.

ACCOUNTING POLICIES

The annual report of Visblue ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other external expenses

Other external expenses include cost of sales, advertising, administration, rent, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Development costs comprise costs, including wages and salaries, interest and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plants, fixtures and equipment.....	2-5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipments.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's deficit.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortized cost of short-term debt normally corresponds to nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.