

VISBLUE A/S
BAUTAVEJ 1A, 8210 AARHUS V
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 5 May 2022**

Søren Skovgaard Bødker

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COMPANY DETAILS

Company	Visblue A/S 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	Ole Lysgård Madsen, chairman Jesper Andersen Anders Bentien Kim Gardø Christensen Peter Aaby Smith
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 A/S for the financial year 1 January - 31 December 2021.

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 Company's financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 5 May 2022

Board of Executives

Søren Skovgaard Bødker

Board of Directors

Ole Lysgård Madsen
Chairman

Jesper Andersen

Anders Bentien

Kim Gardø Christensen

Peter Aaby Smith

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Visblue A/S

Opinion

We have audited the Financial Statements of Visblue A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, 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 at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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

We draw attention to note 8 to the financial statements, which discloses that there is material uncertainty related to the valuation of the Company's development activities. The Company has prepared an impairment test based on expected cash flows in the years ahead. The value of the development costs depends on the Company's earnings in the years ahead. These conditions, along with other matters as set forth in note 8, indicate that there is material uncertainty related to the valuation of the Company's capitalized development costs. Our opinion has not been modified with respect to this matter.

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 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 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 judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- 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 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, 5 May 2022

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.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK
GROSS PROFIT		2.628.984	1.911.338
Staff costs.....	1	-4.370.773	-4.075.118
Depreciation, amortisation and impairment.....		-2.073.524	-1.579.682
OPERATING LOSS		-3.815.313	-3.743.462
Result of equity investments in group and associat.....		101.973	2.845
Other financial income.....		0	3.080.821
Other financial expenses.....		-23.108	-141.119
LOSS BEFORE TAX		-3.736.448	-800.915
Tax on profit/loss for the year.....	2	1.236.143	505.389
LOSS FOR THE YEAR		-2.500.305	-295.526
PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		-2.500.305	-295.526
TOTAL		-2.500.305	-295.526

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Development projects completed.....		15.429.177	12.463.385
Development projects in progress and prepayments.....		5.982.105	4.985.350
Intangible fixed assets.....	3	21.411.282	17.448.735
Other plants, machinery, tools and equipment.....		92.632	146.598
Tangible fixed assets.....	4	92.632	146.598
Equity investments in group enterprises.....		191.728	89.755
Fixed asset investments.....	5	191.728	89.755
FIXED ASSETS.....		21.695.642	17.685.088
Raw materials and consumables.....		999.937	595.566
Finished goods and goods for resale.....		200.000	550.000
Prepayments for goods.....		862.346	0
Inventories.....		2.062.283	1.145.566
Trade receivables.....		1.000.830	846.373
Contract work in progress.....		288.837	250.518
Other receivables.....		58.487	171.514
Receivables corporation tax.....		1.268.143	209.013
Receivables.....		2.616.297	1.477.418
Cash and cash equivalents.....	6	361.329	1.910.252
CURRENT ASSETS.....		5.039.909	4.533.236
ASSETS.....		26.735.551	22.218.324

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK	2020 DKK
Share capital.....		571.151	481.303
Share premium account.....		0	2.051.817
Reserve for Development costs.....		16.700.800	13.610.013
Retained profit.....		-13.742.731	-12.561.299
EQUITY.....		3.529.220	3.581.834
Provision for deferred tax.....		1.431.000	1.399.000
PROVISION FOR LIABILITIES.....		1.431.000	1.399.000
Other liabilities.....		4.878.816	4.828.461
Long-term liabilities.....	7	4.878.816	4.828.461
Short-term portion of long-term liabilities.....	7	226.127	109.017
Prepayments received from customers.....		825.488	168.323
Trade payables.....		2.449.554	387.376
Other liabilities.....		1.155.575	735.159
Accruals and deferred income.....		12.239.771	11.009.154
Current liabilities.....		16.896.515	12.409.029
LIABILITIES.....		21.775.331	17.237.490
EQUITY AND LIABILITIES.....		26.735.551	22.218.324

EQUITY

	Share capital	Share premium account	Reserve for Development costs	Retained profit	Total
Equity at 1 January 2021.....	481.303	2.051.817	13.610.013	-12.561.299	3.581.834
Capital increase.....	89.848	2.357.843			2.447.691
Transfers to/from other items.....		-4.409.660		4.409.660	
Proposed distribution of profit.....				-2.500.305	-2.500.305
Transferred to reserve for development costs.....			3.090.787	-3.090.787	
Equity at 31 December 2021.....	571.151	0	16.700.800	-13.742.731	3.529.220

NOTES

			Note
Staff costs			1
Average number of employees 7 (2020: 7)			
Wages and salaries.....	3.924.332	3.737.331	
Pensions.....	232.064	211.045	
Social security costs.....	36.174	24.016	
Other staff costs.....	178.203	102.726	
	4.370.773	4.075.118	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-1.268.143	-262.389	
Adjustment of deferred tax.....	32.000	-243.000	
	-1.236.143	-505.389	
Intangible fixed assets			3
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 January 2021.....	15.185.049	4.985.350	
Transfer.....	4.985.350	-4.985.350	
Additions.....	0	5.982.105	
Cost at 31 December 2021.....	20.170.399	5.982.105	
Amortisation at 1 January 2021.....	2.721.664	0	
Amortisation for the year.....	2.019.558	0	
Amortisation at 31 December 2021.....	4.741.222	0	
Carrying amount at 31 December 2021.....	15.429.177	5.982.105	
Interest expenses recognised as part of cost of assets.....	0	199.520	

The development project includes the development of a battery based on the redox flow technology. The second version is installed and is further developed with a version 3 of the battery during 2022. This development work is expected to be completed by mid-2022, where we expect to see commercial revenue.

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 2021.....	306.936		
Cost at 31 December 2021.....	306.936		
Depreciation and impairment losses at 1 January 2021.....	160.338		
Depreciation for the year.....	53.966		
Depreciation and impairment losses at 31 December 2021.....	214.304		
Carrying amount at 31 December 2021.....	92.632		
 Fixed asset investments		 5	
	Equity investments in group enterprises		
Cost at 1 January 2021.....	74.497		
Cost at 31 December 2021.....	74.497		
Revaluation at 1 January 2021.....	15.258		
Profit/loss for the year.....	101.973		
Revaluation at 31 December 2021.....	117.231		
Carrying amount at 31 December 2021.....	191.728		
 Investments in subsidiaries (DKK)			
Name and registered office	Equity	Profit/loss for the year	Ownership
Visblue Portugal Unipessoal, Porto.....	191.728	101.973	100 %
 Cash and cash equivalents			 6
Bank deposits of DKK 327.000 have been pledged as collateral for a work guarantee provided by the company's bank connection.			

NOTES

					Note
Long-term liabilities					7
	31/12 2021		Debt	31/12 2020	Current
	total liabilities	Repayment	outstanding	total liabilities	portion at the
		next year	after 5 years		beginning
					of the year
Other liabilities.....	5.104.943	226.127	2.828.461	4.828.461	0
	5.104.943	226.127	2.828.461	4.828.461	0

Information on uncertainty with respect to recognition and measurement **8**

Due to the Company's special activities as a development company there is material uncertainty related to the valuation of the Company's development activities.

Management has prepared an impairment for the development projects based on cash flows. The expected cash flows generated are expected to be positive from 2024. The discount factor used for the impairment test is a market conform 10% p.a.

Assets charged and collateral **9**

Debt of DKK 2.024.147 to Vækstfonden is secured by company pledge, which amounts to DKK 2.000.000. The company pledge includes development projects, other plants, machinery, tools and equipment, inventories and trade receivables, with a total book value of DKK 23.705 thousand.

ACCOUNTING POLICIES

The Annual Report of Visblue A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied 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 operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

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.

Investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses

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

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.

ACCOUNTING POLICIES

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 10 years.

Tangible fixed assets

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

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

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 plant, 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

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 receivables, 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 fixed and tangible assets 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 recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

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, the inventories are written down 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 written down to meet expected losses.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

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 will 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

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

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.