

Spiri ApS

Roholmsvej 10 M, 2620 Albertslund

CVR no. 36 71 96 72



Annual report 2015

(As of the establishment of the Company 20 April - 31 December 2015)

Approved at the annual general meeting of shareholders on

Chairman:



Building a better
working world



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Spiru ApS for the financial year as of the establishment of the Company 20 April - 31 December 2015.

The annual report is prepared 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 2015 and of the results of the Company's operations for the financial year as of the establishment of the Company 20 April - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 8 July 2016
Executive Board:



Stefan Holm Nielsen

Board of Directors:



Bjarne Henning Jensen
Chairman



Søren Hølskov Nissen

Independent auditors' report

To the shareholders of Spiru ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Spiru ApS for the financial year as of the establishment of the Company 20 April - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year as of the establishment of the Company 20 April - 31 December 2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter regarding matters in the financial statements

Without qualifying our opinion, we wish to draw attention to note 2 to the financial statements, which describes the uncertainty associated with the Company's ability to continue its operations. Expecting the Company to be able to cover its unfilled funding requirements, Management has presented the financial statements on a going concern assumption.

Report on other legal and regulatory requirements

Emphasis-of-matter paragraph concerning other matters

As the Company's annual report was not submitted within the deadlines stipulated in the Danish Financial Statements Act, Management may be held liable.



Independent auditors' report

Statement on the Management's review

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

Copenhagen, 8 July 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

A handwritten signature in blue ink, appearing to read 'C. Schwenn Johansen', is written over the printed name.

Christian Schwenn Johansen
State Authorised Public Accountant



Management's review

Company details

Name	Spiri ApS
Address, Postal code, City	Roholmsvej 10 M, 2620 Albertslund
CVR No.	36 71 96 72
Established	20 April 2015
Registered office	Albertslund
Financial year	20 April - 31 December 2015
Board of Directors	Bjarne Henning Jensen, Chairman Søren Halskov Nissen
Executive Board	Stefan Holm Nielsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark

Management's review

Operating review

The Company's business review

The objective of the Company is to develop and commercialise electrical powered means of transportation and activities related hereto.

Unusual matters having affected the financial statements

Going concern

With reference to section 119 of the Danish Financial Statements Act, the Company has lost more than 50% of its share capital and has negative equity at 31 December 2015.

Management expects to re-establish a positive equity through shareholder loans which will be converted to equity at a later stage. In addition, new funding is expected to be raised during 2016.

At 31 December 2015, the Company had a cash position of approximately DKK 148 thousand, however, the cash burn for 2016 is expected to be higher than the cash in bank at year end.

During February, March and May 2016, subsequent to the balance sheet date, the Company raised capital from new investors, DKK 6.1 million, in addition to conversion of loans to equity, DKK 3.0 million. The Company continues to seek additional funding in 2016.

If, contrary to Management's expectations, the Company is not successful in completing the above-mentioned financing rounds, the activities of the Company may be immediately downsized so as to allow operations to be continued until 31 December 2016.

Reference is made to note 2 for more details.

Financial review

The income statement for 2015 shows a loss of DKK 1,853,670 and the balance sheet at 31 December 2015 shows a negative equity of DKK 1,786,840.

Post balance sheet events

During February, March and May 2016, subsequent to the balance sheet date, the Company raised capital from new investors, DKK 6.1 million, in addition to conversion of loans to equity, DKK 3.0 million.

No other post balance sheet events have occurred after the financial year-end which could significantly affect the Company's financial position.

Outlook

The Company expects to continue the research and development in 2016. Commercialisation is not expected in 2016 and therefore the expectations for 2016 is a net loss for the year.



Financial statements for the period 20 April - 31 December

Income statement

Note	DKK	2015 9 months
	Other external expenses	<u>-1,207,515</u>
	Gross profit/loss	-1,207,515
4	Staff costs	<u>-1,214,609</u>
	Profit/loss before tax	-2,422,124
5	Tax for the year	<u>568,454</u>
	Profit/loss for the year	<u>-1,853,670</u>
	Proposed profit appropriation/distribution of loss	-1,853,670
	Retained earnings/accumulated loss	<u>-1,853,670</u>



Financial statements for the period 20 April - 31 December

Balance sheet

Note	DKK	<u>2015</u>
	ASSETS	
	Current assets	
	Receivables	
	Corporation tax receivable	568,454
	Other receivables	255,406
	Prepayments	232,333
		<u>1,056,193</u>
	Cash	148,289
	Total current assets	<u>1,204,482</u>
	TOTAL ASSETS	<u>1,204,482</u>
	EQUITY AND LIABILITIES	
	Equity	
6	Share capital	70,000
	Retained earnings	-1,856,840
	Total equity	<u>-1,786,840</u>
	Liabilities other than provisions	
	Current liabilities other than provisions	
	Convertible loans from shareholders	2,275,000
	Trade payables	371,883
	Payables to group enterprises	138,750
	Other payables	205,689
		<u>2,991,322</u>
	Total liabilities other than provisions	<u>2,991,322</u>
	TOTAL EQUITY AND LIABILITIES	<u>1,204,482</u>
1	Accounting policies	
2	Material uncertainties regarding going concern	
3	Events after the balance sheet date	
7	Collateral	
8	Contingencies	
9	Related parties	

Financial statements for the period 20 April - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 20 April 2015	70,000	0	70,000
Expenses, capital increase	0	-3,170	-3,170
Profit/loss for the year	0	-1,853,670	-1,853,670
Equity at 31 December 2015	<u>70,000</u>	<u>-1,856,840</u>	<u>-1,786,840</u>

With reference to section 119 of the Danish Financial Statements Act, the Company has lost more than 50% of its share capital and has negative equity at 31 December 2015.

The Management expects to re-establish a positive equity through shareholder loans which will be converted to equity at a later stage. In addition, new funding is expected to be raised during 2016.

Please also refer to note 2 regarding financing.

Financial statements for the period 20 April - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Spiri ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The financial statements do not disclose comparative figures as 2015 is the first financial year for the Company.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to research and development, administration, premises, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group enterprises are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method).

Financial statements for the period 20 April - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the administrative company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administrative company.

Balance sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash in bank which is subject to an insignificant risk of changes in value.

Corporation tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 20 April - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Convertible loans

Convertible loans are recognised as liabilities until converted at which time the liability is taken to equity at nominal value.

2 Material uncertainties regarding going concern

At 31 December 2015, the Company had a cash position of approximately DKK 148 thousand, however, the cash burn for 2016 is expected to be higher than the cash in hand at year end.

During February, March and May 2016, subsequent to the balance sheet date, the Company raised capital from new investors in addition to conversion of loans to equity. The Company continues to seek additional funding in 2016. For further information on events after the balance sheet date, see note 3.

If, contrary to Management's expectations, the Company is not successful in completing the above-mentioned financing rounds, the activities of the Company may be immediately downsized so as to allow operations to be continued until 31 December 2016.

3 Events after the balance sheet date

During February, March and May 2016, subsequent to the balance sheet date, the Company raised capital from new investors, DKK 6.1 million, in addition to conversion of loans to equity, DKK 3.0 million.

DKK	2015 9 months
4 Staff costs	
Wages/salaries	1,144,782
Other social security costs	24,714
Other staff costs	45,113
	<u>1,214,609</u>

Incentive programmes

During the year of inception of the Company, 2015, 40,000 warrants were granted to key employees and other relevant stakeholders entitling each holder to subscribe one share against cash payment of DKK 1 per share.

No warrant-related expenses have been recognised in the financial statements in accordance with the Danish Financial Statements Act.

DKK	2015 9 months
5 Tax for the year	
Estimated tax charge for the year	-568,454
	<u>-568,454</u>

Estimated tax for the year contains recognised tax credits for the income year 2015 with reference to LL §8X regarding tax credits for research and development expenditures.

Financial statements for the period 20 April - 31 December

Notes to the financial statements

	DKK	<u>2015</u>
6	Share capital	
	The share capital consists of the following:	
	70,000 shares of DKK 1.00 each	<u>70,000</u>
		<u>70,000</u>

Analysis of changes in the share capital over the past 2 years:

	DKK	<u>2015</u>	<u>Opening balance 20. april 2015</u>
	Opening balance	<u>70,000</u>	<u>70,000</u>
		<u>70,000</u>	<u>70,000</u>

In connection with the incorporation, the Company incurred expenses totalling DKK 3 thousand which has been recognised directly on the equity.

During February, March and May 2016, subsequent to the balance sheet date, the Company raised capital from new investors.

7 Collateral

The Company has not placed any assets or other as security for loans at 31 December 2015.

8 Contingencies

Other contingent liabilities

The Company is jointly taxed with its parent, Butchina ApS and is jointly and severally liable with other jointly taxed group enterprises for payment of income taxes for the income year 2015 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 20 April 2015.

The Company has no other contingent liabilities at 31 December 2015.

9 Related parties

Spiri ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Butchina ApS	Holsteinsgade 3 B, 2. tv., 2100 København Ø	Participating interest
Halskov I ApS	c/o Click a Taxi ApS, Jagtvej 111 B, 2200 København N	Controlling interest through Butchina ApS

Financial statements for the period 20 April - 31 December

Notes to the financial statements

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Butchina ApS Styrelsen for Forskning og Innovation HALSKOV I ApS	Holsteinsgade 3 B, 2. tv., 2100 København Ø Bredgade 40 - 42, 1260 København K Jagtvej 111 B, 2200 København N