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STIESDAL A/S
NØRREVOLDGADE 45, 5000 ODENSE C
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 19 April 2021**

Kim Schønnemann Bøttkjær

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COMPANY DETAILS

Company	Stiesdal A/S Nørrevoldgade 45 5000 Odense C CVR No.: 37 65 57 08 Established: 1 May 2016 Registered Office: Odense Financial Year: 1 January - 31 December
Board of Directors	Kim Schønnemann Bøttkjær, chairman Carsten Risvig Pedersen Henrik Stiesdal Niels Olaf Ahrengot Peder Riis Nickelsen
Executive Board	Henrik Stiesdal
Auditor	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C
Bank	Nordea Bank Danmark A/S Bredgade 23 6920 Videbæk

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Stiesdal A/S for the financial year 1 January - 31 December 2020.

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 assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Odense, 19 April 2021

Executive Board

Henrik Stiesdal

Board of Directors

Kim Schønnemann Bøttkjær
Chairman

Carsten Risvig Pedersen

Henrik Stiesdal

Niels Olaf Ahrengot

Peder Riis Nickelsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stiesdal A/S

Opinion

We have audited the Financial Statements of Stiesdal A/S for the financial year 1 January - 31 December 2020, 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 2020** and of the results of the Company's operations 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 (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.

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:

- 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Odense, 19 April 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jesper Bechsgaard Jørgensen
State Authorised Public Accountant
MNE no. mne31412

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise administrative support to the Stiesdal subsidiaries as well as consultancy services within the wind turbine industry. Secondary the company are also a holding company.

Development in activities and financial and economic position

The Company has granted loans to subsidiaries in the year of DKK 49 m for financing of the development projects that the individual subsidiaries are working on. Management has huge expectations for the individual subsidiaries, which is supported by budgets, market surveys and the general potentials seen by Management in the technologies. The Company expects to support the subsidiaries, by loans or alternatively by capital increases, with the completion and implementation of the development projects and has moreover given a letter support to the subsidiaries for the financial year 2021.

The Company expects to receive an additional amount of DKK 300 to 400 m in the first half of 2021 in the form of a capital increase for the purpose of financing of the development projects in the subsidiaries, so that the technologies can be completed and fully commercialised.

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	2020 DKK	2019 DKK '000
GROSS PROFIT		14,298,917	6,050
Staff costs.....	1	-7,459,245	-5,500
Depreciation, amortisation and impairment.....		-111,579	-117
OPERATING PROFIT		6,728,093	433
Other financial income.....	2	207,824	0
Other financial expenses.....	3	-223,450	-214
PROFIT BEFORE TAX		6,712,467	219
Tax on profit/loss for the year.....	4	-1,664,793	-57
PROFIT FOR THE YEAR		5,047,674	162
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		5,047,674	162
TOTAL		5,047,674	162

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK '000
Other plant, machinery, tools and equipment.....		54,704	88
Property, plant and equipment.....	5	54,704	88
Equity investments in group enterprises.....		118,151,737	15,599
Equity investments in associated enterprises.....		30,000	30
Financial non-current assets.....	6	118,181,737	15,629
NON-CURRENT ASSETS.....		118,236,441	15,717
Trade receivables.....		1,128,429	439
Receivables from group enterprises.....		49,761,274	719
Receivables from associated enterprises.....		20,111	13
Deferred tax assets.....		667	0
Corporation tax receivable.....		5,587,107	2,292
Prepayments and accrued income.....		1,603,320	0
Receivables.....		58,100,908	3,463
Cash and cash equivalents.....		28,391,297	33,477
CURRENT ASSETS.....		86,492,205	36,940
ASSETS.....		204,728,646	52,657

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK '000
Share capital.....		1,662,033	980
Retained profit.....		191,669,654	48,249
EQUITY.....		193,331,687	49,229
Deferred tax assets.....		0	3
PROVISIONS.....		0	3
Transition to the new Holiday Act.....		205,619	117
Non-current liabilities.....	7	205,619	117
Bank debt.....		0	1
Trade payables.....		256,099	13
Payables to group enterprises.....		0	22
Joint tax contribution payable.....		7,171,046	2,350
Other liabilities.....		3,764,195	922
Current liabilities.....		11,191,340	3,308
LIABILITIES.....		11,396,959	3,425
EQUITY AND LIABILITIES.....		204,728,646	52,657
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EQUITY

	Share capital	Share premium account	Retained profit	Total
Equity at 1 January 2020.....	980,392	0	48,248,935	49,229,327
Proposed profit allocation.....			5,047,674	5,047,674
Transactions with owners				
Capital increase.....	681,641	138,373,045		139,054,686
Transfers				
Transfers to/from other items.....		138,373,045	138,373,045	0
Equity at 31 December 2020.....	1,662,033	0	191,669,654	193,331,687

NOTES

	2020 DKK	2019 DKK '000	Note
Staff costs			1
Average number of employees	6	3	
Wages and salaries.....	6,714,704	5,313	
Pensions.....	578,433	85	
Social security costs.....	42,732	8	
Other staff costs.....	123,376	94	
	7,459,245	5,500	
Other financial income			2
Group enterprises.....	207,824	0	
	207,824	0	
Other financial expenses			3
Group enterprises.....	0	11	
Other interest expenses.....	223,450	203	
	223,450	214	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	1,667,939	58	
Adjustment of deferred tax.....	-3,146	-1	
	1,664,793	57	
Property, plant and equipment			5
		Other plant, machinery, tools and equipment	
Cost at 1 January 2020.....		128,159	
Cost at 31 December 2020.....		128,159	
Depreciation and impairment losses at 1 January 2020.....		39,909	
Depreciation for the year.....		33,546	
Depreciation and impairment losses at 31 December 2020.....		73,455	
Carrying amount at 31 December 2020.....		54,704	

NOTES

	Note
Financial non-current assets	6

	Equity investments in group enterprises	Equity investments in associated enterprises
Cost at 1 January 2020.....	15,599,352	30,000
Additions.....	102,552,385	0
Cost at 31 December 2020.....	118,151,737	30,000
Carrying amount at 31 December 2020.....	118,151,737	30,000

Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Stiesdal Offshore Technologies A/S , Odense....	81,653,460	3,951,509	100 %
Stiesdal Storage Technologies A/S , Odense.....	1,235,918	340,246	100 %
Stiesdal Fuel Technologies A/S , Odense.....	461,410	-38,590	100 %
Stiesdal LLC, Delaware USA.....	6,058	-	100 %

Investments in associates (DKK)

Name and domicil	Equity	Profit for the year	Ownership
Faraday Systems ApS , Odense.....	54,085	23,214	50.0 %

Long-term liabilities

	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Transition to the new Holiday Act.....	205,619	0	0	116,766
	205,619	0	0	116,766

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NOTES**Note****Contingencies etc.****8****Contingent liabilities**

Stiesdal A/S has given letters of support to the following subsidiaries for the financial year 2021:

Stiesdal Storage Technologies A/S, CVR no. 38 91 01 83
Stiesdal Fuel Technologies A/S, CVR no. 40 63 05 54
Stiesdal Offshore Technologies A/S, CVR no. 38 58 51 18

The letter of support is given for the purpose of ensuring the liquidity required to complete the development projects in the subsidiaries.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the balance sheet date.

Charges and securities**9**

The company has no charges and securities per. 31 December 2020.

Development in activities and financial and economic position**10**

The Company has granted loans to subsidiaries in the year of DKK 49 m for financing of the development projects that the individual subsidiaries are working on. Management has huge expectations for the individual subsidiaries, which is supported by budgets, market surveys and the general potentials seen by Management in the technologies. The Company expects to support the subsidiaries, by loans or alternatively by capital increases, with the completion and implementation of the development projects and has moreover given a letter support to the subsidiaries for the financial year 2021.

The Company expects to receive an additional amount of DKK 300 to 400 m in the first half of 2021 in the form of a capital increase for the purpose of financing of the development projects in the subsidiaries, and thus to ensure the completion of the technologies, full commercialisation and valuation of the equity interests, and receivables in Group enterprises.

ACCOUNTING POLICIES

The Annual Report of Stiesdal A/S for 2020 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.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

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, buildings, 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.

Income from equity interests in subsidiaries and associates

Dividend received is recognised in the company's income statement.

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, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme 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

Tangible fixed assets

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

ACCOUNTING POLICIES

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.....	3-5 years	0-25 %

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

Equity investments in subsidiaries and associates are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

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.

Receivables

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

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

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.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

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

Other liabilities are measured at amortised cost equal to nominal value.