Blue World Technologies Holding ApS

Langerak 15A
9220 Aalborg Øst
CVR No. 39931621

Annual report 2021

The Annual General Meeting adopted the annual report on 31.03.2022

Anders Risum Korsgaard
Chairman of the General Meeting

Contents

Entity details

Entity

Blue World Technologies Holding ApS
Langerak 15A
9220 Aalborg Øst

Business Registration No.: 39931621
Registered office: Aalborg
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Anders Risum Korsgaard
Brian Lindgaard Jensen
Lykke Friis
FENG Wuu-Feng
John Ndoke Butt
Christian Winther

Executive Board

Anders Risum Korsgaard, CEO
Mads Bang, CTO
Mads Friis Jensen, CCO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Blue World Technologies Holding ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 10.03.2022

Executive Board

Anders Risum Korsgaard CEO	**Mads Bang** CTO	**Mads Friis Jensen** CCO

Board of Directors

Anders Risum Korsgaard	**Brian Lindgaard Jensen**	**Lykke Friis**
FENG Wuu-Feng	**John Ndoke Butt**	**Christian Winther**

Independent auditor's report

To the shareholders of Blue World Technologies Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Blue World Technologies Holding ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor’s report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 the management commentary.

Aalborg, 10.03.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Winther Pedersen
State Authorised Public Accountant
Identification No (MNE) mne34173

Sami Nikolai El-Galaly
State Authorised Public Accountant
Identification No (MNE) mne42793

Management commentary

Primary activities
The main activity of the group is to become world leading in terms of producing and selling HT PEM fuel cell stacks and systems.

Development in activities and finances
The income statement shows a loss of EUR 2,501t compared to a loss of EUR 1,206t for 2020, and the balance sheet shows an equity of EUR 22,781t, compared to an equity of EUR 12,659t at the end of 2020. The result is as expected by the management, considering that the group was, and still is, developing the technology and establishing production facilities, and have had limited production in 2021.

The COVID-19 pandemic has still had some influence on the Group during 2021, mainly caused by cases of illness among employees and the isolation requirements by being a close contact. The Group closed a capital increase later than expected in 2021, meaning that the progress on development has been slowed on some areas, as the external expenditure was decreased to the extent possible, although fortunately no decrease of headcounts was experienced. As was the case in 2020, the limitation on external expenditure resulted in increased focus on few specific areas, which were critical to the business plan, while other development areas were postponed. All in all, the progress is still satisfactory with only minor delays compared to the business plan, and the Blue World Technologies Group is still on track to become world leading within producing and selling HT PEM fuel cell stacks and systems.

During 2021, the group raised equity capital of EUR 7.5m from Vækstfonden and Deutz AG in addition to raising 5 mEUR from other existing and new investors combined. Vækstfonden and Deutz AG have committed to invest further EUR 7.5 m into the Group, if the Group meets certain milestones. The expectation is that the milestones will be met.

The Group have had limited production in 2021 and has succeeded in sending fuel cell stacks to customers during 2021. The Group has leased production facilities from early 2021 to take further steps towards commercialisation of the products, including investing in and installation of production machinery, which is still being finally implemented as of publication of this annual report.

At year end 2021 the Group had a total cash deposit of EUR 10m including deposit at the Group's tax account. The Group has closed an agreement with Denmark's Green Investment Fund concerning loan for machinery, which in combination with the Tranche 2 payment from Vækstfonden and Deutz AG will make the Group able to see out the remainder of 2022, including a heavy headcount increase taking the total number of headcounts well beyond twice as many headcounts as of December 2021. Please refer to note 1 for elaboration of liquidity situation.

Profit/loss for the year in relation to expected developments
The realized result in 2021 is as expected compared to the expectations mentioned in last year's annual report, which was set at a loss of EUR 2-4,000t.

Outlook
The Management expects to take further steps forward in developing the technology and production during 2022, with the target of reaching serial production within 2022. The financial expectations for the annual result of 2022 are a loss in the range of EUR 4-8,000t.

Knowledge resources
To ensure the continuing growth, it is important that the Company attracts and maintains the best professionals on all levels and continues to have highly motivated employees. This is, amongst other things, supported via the employees contribute to building up processes and products etc. and are handed a high level of responsibility and trust. As a further motivational factor, several employees are part of a share program that will give them a direct benefit based on the company's future successes.

Environmental performance
The HT PEM fuel cell system under development by the Group can be used in multiple applications, and is a green alternative to e.g., the regular combustion engine in vehicles or diesel generators for stationary systems, and therefore aims to live up to that in all aspects of its activity. The Group is not yet producing in large scale, meaning the effect on the external environment is very limited currently. The Group has initiated work of creating an internal ESG council (Environmental, Social, Governance).

Research and development activities
It is a continuous effort to develop processes, methods and products which are of use to the Group. This is done both within the Group and in the future also expected to happen in cooperation with clients and advisors. The Group has a strong focus on securing relevant and important intellectual property rights via patents. Blue World Technologies participates in various development projects together with universities, technological institutes, and other operations within and related to the industry.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2021

	Notes	2021 EUR	2020 EUR
Gross profit/loss	2	**786,241**	**80,985**
Distribution costs		(620,861)	(318,341)
Administrative expenses		(3,199,740)	(1,301,306)
Operating profit/loss		**(3,034,360)**	**(1,538,662)**
Income from investments in associates		0	(74,130)
Other financial income	5	88,700	23,044
Other financial expenses	6	(233,324)	(90,474)
Profit/loss before tax		**(3,178,984)**	**(1,680,222)**
Tax on profit/loss for the year	7	678,315	474,252
Profit/loss for the year		**(2,500,669)**	**(1,205,970)**
Proposed distribution of profit and loss			
Retained earnings		(2,500,669)	(1,205,970)
Proposed distribution of profit and loss		**(2,500,669)**	**(1,205,970)**

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 EUR	2020 EUR
Acquired intangible assets		42,132	59,565
Acquired patents		91,578	28,722
Goodwill		2,633,229	2,932,591
Development projects in progress	9	9,478,879	6,278,807
Prepayments for intangible assets		180,088	169,653
Intangible assets	8	**12,425,906**	**9,469,338**
Land and buildings		830,064	0
Other fixtures and fittings, tools and equipment		33,040	9,570
Property, plant and equipment in progress		2,243,874	0
Prepayments for property, plant and equipment		0	70,858
Property, plant and equipment	10	**3,106,978**	**80,428**
Deposits		127,820	38,067
Financial assets	11	**127,820**	**38,067**
Fixed assets		**15,660,704**	**9,587,833**
Raw materials and consumables		138,361	0
Work in progress		313,628	0
Manufactured goods and goods for resale		156,694	0
Inventories		**608,683**	**0**

Trade receivables		117,409	180,010
Contract work in progress	12	12,700	0
Receivables from group enterprises		0	192
Other receivables	13	7,471,193	144,370
Tax receivable		704,016	0
Joint taxation contribution receivable		0	597,507
Prepayments		0	24,886
Receivables		**8,305,318**	**946,965**
Other investments		0	86,413
Investments		**0**	**86,413**
Cash		**3,912,419**	**5,630,297**
Current assets		**12,826,420**	**6,663,675**
Assets		**28,487,124**	**16,251,508**

Equity and liabilities

	Notes	2021 EUR	2020 EUR
Contributed capital		22,058	16,454
Retained earnings		22,758,462	12,642,061
Equity		**22,780,520**	**12,658,515**
Deferred tax		424,424	397,146
Other provisions		38,752	0
Provisions		**463,176**	**397,146**
Lease liabilities		157,407	0
Debt to other credit institutions		2,156,151	1,239,972
Other payables		316,427	320,460
Non-current liabilities other than provisions	14	**2,629,985**	**1,560,432**
Current portion of non-current liabilities other than provisions	14	192,625	0
Prepayments received from customers		0	811,714
Contract work in progress	12	650,286	0
Trade payables		1,212,543	209,106
Other payables		304,139	397,080
Deferred income		253,850	217,515
Current liabilities other than provisions		**2,613,443**	**1,635,415**
Liabilities other than provisions		**5,243,428**	**3,195,847**
Equity and liabilities		**28,487,124**	**16,251,508**

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Consolidated statement of changes in equity for 2021

	Contributed capital EUR	Share premium EUR	Retained earnings EUR	Total EUR
Equity beginning of year	16,454	0	12,642,061	12,658,515
Increase of capital	5,604	12,979,802	0	12,985,406
Costs related to equity transactions	0	(362,732)	0	(362,732)
Transfer to reserves	0	(12,617,070)	12,617,070	0
Profit/loss for the year	0	0	(2,500,669)	(2,500,669)
Equity end of year	**22,058**	**0**	**22,758,462**	**22,780,520**

Costs related to equity transactions consists of costs related to increase of capital.

Consolidated cash flow statement for 2021

	Notes	2021 EUR	2020 EUR
Operating profit/loss		(3,034,360)	(1,538,662)
Amortisation, depreciation and impairment losses		552,385	106,209
Other provisions		38,752	0
Working capital changes	15	(7,093,706)	753,307
Other adjustments		(36,266)	0
Cash flow from ordinary operating activities		**(9,573,195)**	**(679,146)**
Financial income received		32,421	0
Financial expenses paid		(146,347)	(61,915)
Taxes refunded/(paid)		597,507	736,308
Cash flows from operating activities		**(9,089,614)**	**(4,753)**
Acquisition etc. of intangible assets		(3,284,566)	(4,056,696)
Acquisition etc. of property, plant and equipment		(2,774,596)	(10,169)
Sale of property, plant and equipment		0	35,000
Acquisition of fixed asset investments		(153,037)	0
Sale of fixed asset investments		63,284	0
Loans to group enterprises		192	(192)
Cash flows from investing activities		**(6,148,723)**	**(4,032,057)**
Free cash flows generated from operations and investments before financing		**(15,238,337)**	**(4,036,810)**
Loans raised		1,387,361	836,061
Repayments of loans etc.		(471,182)	0
Repayment of lease liabilities		(104,807)	(102,761)
Cash capital increase		12,622,674	8,185,783
Other cash flows from financing activities		86,413	0
Cash flows from financing activities		**13,520,459**	**8,919,083**

Increase/decrease in cash and cash equivalents	**(1,717,878)**	**4,882,273**
Cash and cash equivalents beginning of year	5,630,297	748,024
Cash and cash equivalents end of year	**3,912,419**	**5,630,297**
Cash and cash equivalents at year-end are composed of:		
Cash	3,912,419	5,630,297
Cash and cash equivalents end of year	**3,912,419**	**5,630,297**

Notes to consolidated financial statements

1 Going concern

The Blue World Group completed an investment round with Vækstfonden and Deutz AG in December 2021 of mEUR 7.5 as a Tranche 1 of 2, with an obligation on the two to invest further mEUR 7.5 into the Group in a Tranche 2. Tranche 2 depends on the Group meeting certain milestones in 2022, which the Group believes is more than likely to be met and thereby triggering the investment obligation from Vækstfonden and Deutz AG during Q2 2022. Furthermore, existing and new investors invested a combined mEUR 5 into the Group during the second half of 2021. With these two investments considered, the Group had a cash deposit of mEUR 10(including deposit at the Group's tax account) at the balance date of this annual report. During first quarter of 2022, the Group closed an agreement with Denmark's Green Investment Fund concerning a loan of up to mEUR 7.5 for investing in machinery and equipment. The Group will be able to see out the remainder of 2022 with the afore-mentioned financing, and if necessary, the liquidity can reach far into 2023 assuming that the development pace is slowed down. The Group is looking for even further financing in 2022, which will secure liquidity for 2023 and possibly beyond. Talks are currently on-going with several potential investors. If any of the financing milestones fails, the Group has shown in recent history that the expenditure level can be slowed down and thereby extending the financial leeway to find other relevant financing. The Group will continue to distribute liquidity to the operating company Blue World Technologies ApS through group contributions as needed.

2 Gross profit/loss

Gross profit/loss contains other income as a consequence of recieved public grants. The public grants amounts to EUR 1,784t for 2021.

3 Staff costs

	2021 EUR	**2020 EUR**
Wages and salaries	3,808,148	2,596,204
Pension costs	301,581	177,191
Other social security costs	59,991	42,218
	4,169,720	**2,815,613**
Staff costs classified as assets	(1,915,838)	(1,587,275)
	2,253,882	**1,228,338**
Average number of full-time employees	**48**	**32**

Staff costs classified as assets contains cost transferred to development projects in progress and property, plant equipment in progress.

4 Depreciation, amortisation and impairment losses

	2021 EUR	2020 EUR
Amortisation of intangible assets	327,998	17,433
Impairment losses on intangible assets	0	19,013
Depreciation on property, plant and equipment	224,387	69,763
	552,385	**106,209**

5 Other financial income

	2021 EUR	2020 EUR
Exchange rate adjustments	56,279	23,044
Other financial income	32,421	0
	88,700	**23,044**

6 Other financial expenses

	2021 EUR	2020 EUR
Exchange rate adjustments	65,432	28,559
Other financial expenses	167,892	61,915
	233,324	**90,474**

7 Tax on profit/loss for the year

	2021 EUR	2020 EUR
Current tax	(704,016)	(597,507)
Change in deferred tax	27,133	123,255
Adjustment concerning previous years	(1,432)	0
	(678,315)	**(474,252)**

8 Intangible assets

	Acquired intangible assets EUR	Acquired patents EUR	Goodwill EUR	Development projects in progress EUR	Prepayments for intangible assets EUR
Cost beginning of year	87,167	28,722	2,985,592	6,278,807	169,653
Transfers	0	74,059	0	0	(74,059)
Additions	0	0	0	3,200,072	84,494
Cost end of year	**87,167**	**102,781**	**2,985,592**	**9,478,879**	**180,088**
Amortisation and impairment losses beginning of year	(27,602)	0	(53,001)	0	0
Amortisation for the year	(17,433)	(11,203)	(299,362)	0	0
Amortisation and impairment losses end of year	**(45,035)**	**(11,203)**	**(352,363)**	**0**	**0**
Carrying amount end of year	**42,132**	**91,578**	**2,633,229**	**9,478,879**	**180,088**

9 Development projects

Development projects in progress include development and test of methanol fuel cells considered a realistic green alternative to the internal combustion engine. The purpose of the project is to establish commercial production of methanol fuel cells for global distribution.

The development process was temporarily delayed during 2021, compared to the business plan, as the financing round was postponed. In some areas the progress has exceeded the business plan though, as there has been time to narrow down focus on specific areas during cost conservation mode, which was also the case for the calendar year 2020.

Taking everything into consideration, including adjustments of the business plan, the development of the fuel cell and the company in general is still highly satisfactory compared to the Management's expectations. The management has not found that the development projects in progress show sign on impairment.

Development projects in progress are estimated to be completed within 1-5 years.

The company has not held research costs.

10 Property, plant and equipment

	Land and buildings EUR	Other fixtures and fittings, tools and equipment EUR	Property, plant and equipment in progress EUR	Prepayments for property, plant and equipment EUR
Cost beginning of year	0	10,169	0	70,858
Transfers	0	0	70,858	(70,858)
Additions	1,563,421	28,858	2,173,016	0
Disposals	(582,066)	0	0	0
Cost end of year	**981,355**	**39,027**	**2,243,874**	**0**
Depreciation and impairment losses beginning of year	0	(599)	0	0
Depreciation for the year	(218,999)	(5,388)	0	0
Reversal regarding disposals	67,708	0	0	0
Depreciation and impairment losses end of year	**(151,291)**	**(5,987)**	**0**	**0**
Carrying amount end of year	**830,064**	**33,040**	**2,243,874**	**0**
Recognised assets not owned by Entity	257,343	-	-	-

11 Financial assets

	Deposits EUR
Cost beginning of year	38,067
Additions	153,037
Disposals	(63,284)
Cost end of year	**127,820**
Carrying amount end of year	**127,820**

12 Contract work in progress

	2021 EUR	2020 EUR
Contract work in progress	289,429	0
Progress billings	(927,014)	0
Transferred to liabilities other than provisions	650,285	0
	12,700	**0**

13 Other receivables

Other receivables consists primarily of deposit on the Group's tax account amounting EUR 6,051t.

14 Non-current liabilities other than provisions

	Due within 12 months 2021 EUR	Due after more than 12 months 2021 EUR	Outstanding after 5 years 2021 EUR
Lease liabilities	192,625	157,407	0
Debt to other credit institutions	0	2,156,151	470,112
Other payables	0	316,427	316,427
	192,625	**2,629,985**	**786,539**

Other payable comprises holiday pay obligation.

15 Changes in working capital

	2021 EUR	2020 EUR
Increase/decrease in inventories	(608,683)	0
Increase/decrease in receivables	(7,252,036)	213,658
Increase/decrease in trade payables etc.	785,403	539,649
Other changes	(18,390)	0
	(7,093,706)	**753,307**

16 Unrecognised rental and lease commitments

	2021 EUR	2020 EUR
Total liabilities under rental or lease agreements until maturity	105,520	93,458

17 Contingent liabilities

The Group participates in a Danish joint taxation arrangement in which AMM Holding Af 2018 ApS serves as the administration company until 31.05.2021 after which Blue Founders ApS services as the administration company until 14.12.2021. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

18 Assets charged and collateral

The Group's debt with Vækstfonden is secured. The maximum limit of the collateral is EUR 806,528. Debt to Vækstfonden is EUR 842,439. Vækstfonden has floating charge on the Group's and the floating charge consists of other fixture and fittings, tools and equipment, trade receivables, inventories, goodwill and acquired patents. Amounting EUR 3,483,939 at the balance sheet date.

The Group's lender Danmarks Grønne Investeringsfond has granted a loan of DKK 10,0m with a floating charge on the Group of DKK 10.0m. The charge comprises inventories, trade receivables and other fixture and fittings, tools and equipment. Amounting EUR 759,132 at the balance sheet date.

19 Subsidiaries

	Registered in	Corporate form	Ownership %
Blue World Technologies ApS	Aalborg	ApS	100

Parent income statement for 2021

	Notes	2021 EUR	2020 EUR
Gross profit/loss		**201,110**	**(24,442)**
Distribution costs		0	(1,481)
Administrative expenses		(899,859)	(224,899)
Operating profit/loss		**(698,749)**	**(250,822)**
Income from investments in group enterprises		(1,732,220)	(849,825)
Income from investments in associates		0	(74,130)
Other financial income	2	46,481	11,272
Other financial expenses	3	(96,294)	(65,018)
Profit/loss before tax		**(2,480,782)**	**(1,228,523)**
Tax on profit/loss for the year	4	(19,887)	22,553
Profit/loss for the year		**(2,500,669)**	**(1,205,970)**
Proposed distribution of profit and loss			
Retained earnings		(2,500,669)	(1,205,970)
Proposed distribution of profit and loss		**(2,500,669)**	**(1,205,970)**

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 EUR	2020 EUR
Acquired patents		91,578	28,722
Goodwill		2,633,229	2,932,591
Prepayments for intangible assets		180,088	169,653
Intangible assets	5	**2,904,895**	**3,130,966**
Investments in group enterprises		12,655,816	5,447,897
Financial assets	6	**12,655,816**	**5,447,897**
Fixed assets		**15,560,711**	**8,578,863**
Receivables from group enterprises		0	1,974
Deferred tax		7,663	27,526
Other receivables	7	6,117,450	24
Tax receivable		704,016	0
Receivables		**6,829,129**	**29,524**
Cash		**2,404,766**	**5,412,274**
Current assets		**9,233,895**	**5,441,798**
Assets		**24,794,606**	**14,020,661**

Equity and liabilities

	Notes	2021 EUR	2020 EUR
Contributed capital		22,058	16,454
Retained earnings		22,758,462	12,642,061
Equity		**22,780,520**	**12,658,515**
Debt to other credit institutions		842,439	1,239,972
Non-current liabilities other than provisions	8	**842,439**	**1,239,972**
Trade payables		466,233	93,870
Joint taxation contribution payable		704,016	0
Other payables		1,398	28,304
Current liabilities other than provisions		**1,171,647**	**122,174**
Liabilities other than provisions		**2,014,086**	**1,362,146**
Equity and liabilities		**24,794,606**	**14,020,661**
Amortisation, depreciation and impairment losses	1		
Employees	9		
Contingent liabilities	10		
Assets charged and collateral	11		
Transactions with related parties	12		

Parent statement of changes in equity for 2021

	Contributed capital EUR	Share premium EUR	Retained earnings EUR	Total EUR
Equity beginning of year	16,454	0	12,642,061	12,658,515
Increase of capital	5,604	12,979,802	0	12,985,406
Costs related to equity transactions	0	(362,732)	0	(362,732)
Transfer to reserves	0	(12,617,070)	12,617,070	0
Profit/loss for the year	0	0	(2,500,669)	(2,500,669)
Equity end of year	**22,058**	**0**	**22,758,462**	**22,780,520**

Costs related to equity transactions consists of costs related to increase of capital.

Notes to parent financial statements

1 Depreciation, amortisation and impairment losses

	2021 EUR	2020 EUR
Amortisation of intangible assets	310,565	0
Impairment losses on intangible assets	0	19,013
	310,565	**19,013**

2 Other financial income

	2021 EUR	2020 EUR
Exchange rate adjustments	18,304	11,272
Other financial income	28,177	0
	46,481	**11,272**

3 Other financial expenses

	2021 EUR	2020 EUR
Exchange rate adjustments	13,806	9,901
Other financial expenses	82,488	55,117
	96,294	**65,018**

4 Tax on profit/loss for the year

	2021 EUR	2020 EUR
Change in deferred tax	19,887	(22,553)
	19,887	**(22,553)**

5 Intangible assets

	Acquired patents EUR	Goodwill EUR	Prepayments for intangible assets EUR
Cost beginning of year	28,722	2,985,592	169,653
Transfers	74,059	0	(74,059)
Additions	0	0	84,494
Cost end of year	**102,781**	**2,985,592**	**180,088**
Amortisation and impairment losses beginning of year	0	(53,001)	0
Amortisation for the year	(11,203)	(299,362)	0
Amortisation and impairment losses end of year	**(11,203)**	**(352,363)**	**0**
Carrying amount end of year	**91,578**	**2,633,229**	**180,088**

Goodwill amounting EUR 2,633,229 comprises added value compared to the equity method in connection with acquisition of Danish Power Systems ApS at the end of december 2020.

6 Financial assets

	Investments in group enterprises EUR
Cost beginning of year	8,042,739
Additions	8,940,139
Cost end of year	**16,982,878**
Impairment losses beginning of year	(2,594,842)
Share of profit/loss for the year	(1,732,220)
Impairment losses end of year	**(4,327,062)**
Carrying amount end of year	**12,655,816**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

7 Other receivables

Other receivables consists primarily of deposit on the Company's tax account amounting EUR 6,051t.

8 Non-current liabilities other than provisions

	Due after more than 12 months 2021 EUR
Debt to other credit institutions	842,439
	842,439

No expected outstanding after 5 years.

9 Working conditions

Apart from the day-to-day mangement and those charged with governance the Parent company does not have employees.

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which AMM Holding Af 2018 ApS serves as the administration company until 31.05.2021, after which Blue Founders services as the administration company until 14.12.2021. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Entity serves as the administration company in a Danish joint taxation arrangement from 15.12.2021. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

11 Assets charged and collateral

The Parent Company's debt with Vækstfonden is secured. The maximum limit of the collateral is EUR 800,107. Debt to Vækstfonden is EUR 842,439 at the balance sheet date.

Vækstfonden has floating charge on the Company's goodwill and acquired patents, which amounting 2,724,807 EUR at the balance sheet date.

12 Non-arm’s length related party transactions

The company has contributed EUR 8,940t to the subsidairy Blue World Technologies ApS for the financial year 2021. Apart from the group contributions there has not been transactions with related parties on non-arm's length.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries’ net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year.
Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Distribution costs
Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses
Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates
Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Buildings and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	2-3 years
Other fixtures and fittings, tools and equipment	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials and consumables.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated costs of loss oncontract work in progress.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Lease liabilities
Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.