Blue World Technologies Holding ApS

Lavavej 16
9220 Aalborg Øst
CVR No. 39931621

Annual report 2020

The Annual General Meeting adopted the annual report on 30.03.2021

Anders Risum Korsgaard
Chairman of the General Meeting

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Entity details

Entity

Blue World Technologies Holding ApS
Lavavej 16
9220 Aalborg Øst

Business Registration No.: 39931621
Registered office: Aalborg
Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Anders Risum Korsgaard
Brian Lindgaard Jensen
FENG Wuu-Feng
John Ndoke Butt
Taylor Wei LE

Executive Board

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

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 01.01.2020 - 31.12.2020

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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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, 12.03.2021

Executive Board

Anders Risum Korsgaard
CEO

Mads Friis Jensen
CCO

Mads Bang
CTO

Board of Directors

Anders Risum Korsgaard

Brian Lindgaard Jensen

FENG Wuu-Feng

John Ndoke Butt

Taylor Wei LE

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 of 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 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 and 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, 12.03.2021

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 1,206t compared to a loss of EUR 1,880t for 2018/19, and the balance sheet shows an equity of EUR 12,659t, compared to an equity of EUR 4,192t at the end of 2019. The result is as expected by the management, considering that the group was, and is still, developing the technology and have started limited production in September 2020.

The COVID-19 pandemic set its mark on the world during 2020, and still does for 2021, which also affected the Blue World Technologies Group. The progress in negotiations with potential investors was either cancelled or postponed, especially during the first half of 2020, due to the investor market in general being more careful with new investments. This also caused the Group to temporarily decrease the number of headcounts and become cash conservative, which in some cases has postponed the general development plans. On the other hand, the Group was able to limit focus down to some few specific areas, where the progress during 2020 has been far more efficient than expected. This means that even though COVID-19 has set its marks, 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 2020, the group raised equity capital of more than EUR 8m, whereof more than EUR 6m was raised during December 2020. The Group aims to raise further equity in 2021, which would enable further development of the Group and allow Blue World Technologies Group to reach its targets.

At the end of 2020, Blue World Technologies Holding ApS merged with Danish Power Systems ApS, which will help the Group to strengthen its market position, as Danish Power Systems ApS is a globally recognised manufacturer of fuel cell components.

The Group sent the first prototypes to customers during the first half of 2020 from the facilities in Aalborg and has started limited production in the current facilities. Blue World Technologies Holding ApS has leased new production facilities from early 2021 to take further steps towards commercialisation of the products. As of publishing this annual report, new production machinery has already been ordered and delivery of the first machines will start during Q2 2021.

At year end 2020 the Group had a total cash deposit of more than EUR 5m, and is, as mentioned, looking for additional investors to join during 2021. The Group can see out the remainder of 2021 with the current liquidity available, although further liquidity is needed to increase the pace of technology development, production and market development.

Profit/loss for the year in relation to expected developments

The result is better than expected for 2020 compared to the expectations mentioned in last year's annual report, which was set to a loss of EUR 2-4,000. This is mainly caused by the COVID-19 situation, which slowed down the activities and cost level, and thereby decreased the monthly cash-burn in 2020.

Outlook

The Management expects to take further steps forward in developing the technology and production during 2021, with the target of reaching serial production within the next 2-3 years. The financial expectations for the annual result of 2021 are similar to the realized result in 2020.

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, most 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, meaning the Group itself is sustainable 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 2020

	Notes	2020 EUR	2018/19 EUR
Gross profit/loss	2	**80,985**	**(11,436)**
Distribution costs		(318,341)	(275,798)
Administrative expenses		(1,301,306)	(2,027,151)
Operating profit/loss		**(1,538,662)**	**(2,314,385)**
Income from investments in associates		(74,130)	(6,797)
Other financial income	5	23,044	10,030
Other financial expenses	6	(90,474)	(32,780)
Profit/loss before tax		**(1,680,222)**	**(2,343,932)**
Tax on profit/loss for the year	7	474,252	463,472
Profit/loss for the year		**(1,205,970)**	**(1,880,460)**
Proposed distribution of profit and loss			
Retained earnings		(1,205,970)	(1,880,460)
Proposed distribution of profit and loss		**(1,205,970)**	**(1,880,460)**

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 EUR	2018/19 EUR
Acquired intangible assets		59,565	76,998
Acquired patents		28,722	0
Goodwill		2,932,591	0
Development projects in progress	9	6,278,807	3,562,866
Prepayments for intangible assets		169,653	84,133
Intangible assets	8	**9,469,338**	**3,723,997**
Land and buildings		0	94,802
Other fixtures and fittings, tools and equipment		9,570	35,000
Prepayments for property, plant and equipment		70,858	70,858
Property, plant and equipment	10	**80,428**	**200,660**
Investments in associates		0	443,094
Deposits		38,067	0
Fixed asset investments	11	**38,067**	**443,094**
Fixed assets		**9,587,833**	**4,367,751**

Trade receivables	180,010	0
Receivables from group enterprises	192	0
Other receivables	144,370	543,019
Joint taxation contribution receivable	597,507	736,308
Prepayments	24,886	19,905
Receivables	**946,965**	**1,299,232**
Other investments	86,413	0
Investments	**86,413**	**0**
Cash	**5,630,297**	**748,150**
Current assets	**6,663,675**	**2,047,382**
Assets	**16,251,508**	**6,415,133**

Equity and liabilities

	Notes	2020 EUR	2018/19 EUR
Contributed capital		16,454	10,999
Retained earnings		12,642,061	4,180,823
Equity		**12,658,515**	**4,191,822**
Deferred tax		397,146	272,836
Provisions		**397,146**	**272,836**
Debt to other credit institutions		1,239,972	403,911
Other payables		320,460	84,382
Non-current liabilities other than provisions	12	**1,560,432**	**488,293**
Bank loans		0	126
Lease liabilities		0	99,306
Prepayments received from customers		811,714	829,987
Trade payables		209,106	335,718
Other payables		397,080	197,045
Deferred income		217,515	0
Current liabilities other than provisions		**1,635,415**	**1,462,182**
Liabilities other than provisions		**3,195,847**	**1,950,475**
Equity and liabilities		**16,251,508**	**6,415,133**
Going concern	1		
Staff costs	3		
Amortisation, depreciation and impairment losses	4		
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2020

	Contributed capital EUR	Share premium EUR	Retained earnings EUR	Total EUR
Equity beginning of year	10,999	0	4,180,823	4,191,822
Effect of mergers and business combinations	0	0	66,624	66,624
Increase of capital	5,455	9,600,584	0	9,606,039
Transfer to reserves	0	(9,600,584)	9,600,584	0
Profit/loss for the year	0	0	(1,205,970)	(1,205,970)
Equity end of year	**16,454**	**0**	**12,642,061**	**12,658,515**

Consolidated cash flow statement for 2020

	Notes	2020 EUR	2018/19 EUR
Operating profit/loss		(1,538,662)	(2,314,385)
Amortisation, depreciation and impairment losses		106,209	105,491
Working capital changes	13	753,307	884,210
Cash flow from ordinary operating activities		**(679,146)**	**(1,324,684)**
Financial expenses paid		(61,915)	(15,767)
Taxes refunded/(paid)		736,308	0
Cash flows from operating activities		**(4,753)**	**(1,340,451)**
Acquisition etc. of intangible assets		(4,056,696)	(3,740,282)
Acquisition etc. of property, plant and equipment		(10,169)	(133,870)
Sale of property, plant and equipment		35,000	0
Acquisition of fixed asset investments		0	(449,890)
Loans to group enterprises		(192)	0
Cash flows from investing activities		**(4,032,057)**	**(4,324,042)**
Free cash flows generated from operations and investments before financing		**(4,036,810)**	**(5,664,493)**
Loans raised		836,061	403,911
Repayment of lease liabilities		(102,761)	(63,676)
Cash capital increase		8,185,783	6,072,282
Cash flows from financing activities		**8,919,083**	**6,412,517**
Increase/decrease in cash and cash equivalents		**4,882,273**	**748,024**
Cash and cash equivalents beginning of year		748,024	0
Cash and cash equivalents end of year		**5,630,297**	**748,024**
Cash and cash equivalents at year-end are composed of:			
Cash		5,630,297	748,150
Short-term bank loans		0	(126)
Cash and cash equivalents end of year		**5,630,297**	**748,024**

Notes to consolidated financial statements

1 Going concern

The Blue World Group completed an investment round in December 2020, and based on the capital injection from this round, the Group can continue for the entire 2021. The Group wishes to increase the development pace further but has shown already in 2020 that a cost conservation mode is possible to do if needed. The Group will look for further capital in 2021, to support an increased development pace.

2 Gross profit/loss

Gross profit/loss contains other income as a consequence of recieved public grants. The public grants amounts to K.EUR 227 for 2020.

3 Staff costs

	2020 EUR	2018/19 EUR
Wages and salaries	2,596,204	2,339,097
Pension costs	177,191	92,174
Other social security costs	42,218	20,480
	2,815,613	**2,451,751**
Staff costs classified as assets	(1,587,275)	(1,454,654)
	1,228,338	**997,097**
Average number of full-time employees	32	23

Staff costs classified as assets contains cost transferred to development projects in progress.

4 Depreciation, amortisation and impairment losses

	2020 EUR	2018/19 EUR
Amortisation of intangible assets	17,433	10,169
Impairment losses on intangible assets	19,013	6,116
Depreciation on property, plant and equipment	69,763	86,898
Impairment losses on property, plant and equipment	0	2,308
	106,209	**105,491**

5 Other financial income

	2020 EUR	2018/19 EUR
Exchange rate adjustments	23,044	10,030
	23,044	**10,030**

6 Other financial expenses

	2020 EUR	2018/19 EUR
Exchange rate adjustments	28,559	16,823
Other financial expenses	61,915	15,957
	90,474	**32,780**

7 Tax on profit/loss for the year

	2020 EUR	2018/19 EUR
Current tax	(597,507)	(736,308)
Change in deferred tax	123,255	272,836
	(474,252)	**(463,472)**

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	0	0	3,562,866	84,133
Addition through business combinations etc	0	0	2,588,086	0	0
Transfers	0	28,722	397,506	0	(28,722)
Additions	0	0	0	2,715,941	133,255
Disposals	0	0	0	0	(19,013)
Cost end of year	**87,167**	**28,722**	**2,985,592**	**6,278,807**	**169,653**
Amortisation and impairment losses beginning of year	(10,169)	0	0	0	0
Transfers	0	0	(53,001)	0	0
Impairment losses for the year	0	0	0	0	(19,013)
Amortisation for the year	(17,433)	0	0	0	0
Amortisation and impairment losses on assets disposed of	0	0	0	0	19,013
Amortisation and impairment losses end of year	**(27,602)**	**0**	**(53,001)**	**0**	**0**
Carrying amount end of year	**59,565**	**28,722**	**2,932,591**	**6,278,807**	**169,653**

Goodwill amounting EUR 2,932,591 comprises added value compared to the equity method in connection with acquisition of Danish Power Systems ApS. The transferred values are transferred from investments in associates to goodwill at the time where the Group has acquired Danish Power Systems ApS. The purchase method has been applied.

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 2020, compared to the business plan, as the financing round was postponed, mainly due to the COVID-19 situation. 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.

Taking everything in to 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 3-5 years.

The Group has not held research costs.

10 Property, plant and equipment

	Land and buildings EUR	Other fixtures and fittings, tools and equipment EUR	Prepayments for property, plant and equipment EUR
Cost beginning of year	184,008	35,000	70,858
Transfers	(25,639)	0	0
Additions	0	10,169	0
Disposals	(158,369)	(35,000)	0
Cost end of year	**0**	**10,169**	**70,858**
Depreciation and impairment losses beginning of year	(89,205)	0	0
Depreciation for the year	(69,164)	(599)	0
Reversal regarding disposals	158,369	0	0
Depreciation and impairment losses end of year	**0**	**(599)**	**0**
Carrying amount end of year	**0**	**9,570**	**70,858**

11 Fixed asset investments

	Investments in associates EUR	Deposits EUR
Cost beginning of year	449,890	0
Addition through business combinations etc	0	12,580
Transfers	(449,890)	25,487
Cost end of year	**0**	**38,067**
Impairment losses beginning of year	(6,797)	0
Transfers	82,938	0
Amortisation of goodwill	(39,751)	0
Share of profit/loss for the year	(34,379)	0
Dividend	(2,011)	0
Impairment losses end of year	**0**	**0**
Carrying amount end of year	**0**	**38,067**

Investments in associates regards Danish Power Systems ApS, which has been merged into the Group end of December 2020.

12 Non-current liabilities other than provisions

	Due after more than 12 months 2020 EUR	Outstanding after 5 years 2020 EUR
Debt to other credit institutions	1,239,972	133,301
Other payables	320,460	320,460
	1,560,432	**453,761**

Other payable comprises frozen holiday pay obligation.

13 Changes in working capital

	2020 EUR	2018/19 EUR
Increase/decrease in receivables	213,658	(562,924)
Increase/decrease in trade payables etc.	539,649	1,447,134
	753,307	**884,210**

14 Fair value measurement

	Other investments EUR
Fair value end of year	**86.413**

The Group has carried through a business combination end of December 2020, where the Group has overtaken other investments amounting EUR 86,413. There are no regulations of assets held to fair value in the income statement for 2020.

15 Unrecognised rental and lease commitments

	2020 EUR	**2018/19 EUR**
Total liabilities under rental or lease agreements until maturity	93,458	0

16 Contingent liabilities

The Group participates in a Danish joint taxation arrangement in which AMM Holding Af 2018 ApS serves as the administration company. 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.

17 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 1,256,644.

18 Subsidiaries

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

Parent income statement for 2020

	Notes	2020 EUR	2018/19 EUR
Gross profit/loss		**(24,442)**	**(11,436)**
Distribution costs		(1,481)	0
Administrative expenses		(224,899)	(131,559)
Operating profit/loss		**(250,822)**	**(142,995)**
Income from investments in group enterprises		(849,825)	(1,745,017)
Income from investments in associates		(74,130)	(6,797)
Other financial income	2	11,272	15,349
Other financial expenses	3	(65,018)	(5,953)
Profit/loss before tax		**(1,228,523)**	**(1,885,413)**
Tax on profit/loss for the year	4	22,553	4,953
Profit/loss for the year		**(1,205,970)**	**(1,880,460)**
Proposed distribution of profit and loss			
Retained earnings		(1,205,970)	(1,880,460)
Proposed distribution of profit and loss		**(1,205,970)**	**(1,880,460)**

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 EUR	2018/19 EUR
Acquired patents		28,722	0
Goodwill		2,932,591	0
Prepayments for intangible assets		169,653	84,133
Intangible assets	5	**3,130,966**	**84,133**
Investments in group enterprises		5,447,897	3,245,301
Investments in associates		0	443,094
Deposits		0	0
Fixed asset investments	6	**5,447,897**	**3,688,395**
Fixed assets		**8,578,863**	**3,772,528**
Receivables from group enterprises		1,974	0
Deferred tax		27,526	4,953
Other receivables		24	432,655
Receivables		**29,524**	**437,608**
Cash		**5,412,274**	**479,912**
Current assets		**5,441,798**	**917,520**
Assets		**14,020,661**	**4,690,048**

Equity and liabilities

	Notes	2020 EUR	2018/19 EUR
Contributed capital		16,454	10,999
Retained earnings		12,642,061	4,180,823
Equity		**12,658,515**	**4,191,822**
Debt to other credit institutions		1,239,972	403,911
Non-current liabilities other than provisions	7	**1,239,972**	**403,911**
Trade payables		93,870	90,108
Payables to group enterprises		0	4,207
Other payables		28,304	0
Current liabilities other than provisions		**122,174**	**94,315**
Liabilities other than provisions		**1,362,146**	**498,226**
Equity and liabilities		**14,020,661**	**4,690,048**
Amortisation, depreciation and impairment losses	1		
Working conditions	8		
Contingent liabilities	9		
Assets charged and collateral	10		
Transactions with related parties	11		

Parent statement of changes in equity for 2020

	Contributed capital EUR	Share premium EUR	Retained earnings EUR	Total EUR
Equity beginning of year	10,999	0	4,180,823	4,191,822
Effect of mergers and business combinations	0	0	66,624	66,624
Increase of capital	5,455	9,600,584	0	9,606,039
Transfer to reserves	0	(9,600,584)	9,600,584	0
Profit/loss for the year	0	0	(1,205,970)	(1,205,970)
Equity end of year	**16,454**	**0**	**12,642,061**	**12,658,515**

Notes to parent financial statements

1 Depreciation, amortisation and impairment losses

	2020 EUR	2018/19 EUR
Impairment losses on intangible assets	19,013	6,116
	19,013	**6,116**

2 Other financial income

	2020 EUR	2018/19 EUR
Financial income from group enterprises	0	7,922
Exchange rate adjustments	11,272	7,427
	11,272	**15,349**

3 Other financial expenses

	2020 EUR	2018/19 EUR
Financial expenses from group enterprises	0	647
Exchange rate adjustments	9,901	774
Other financial expenses	55,117	4,532
	65,018	**5,953**

4 Tax on profit/loss for the year

	2020 EUR	2018/19 EUR
Change in deferred tax	(22,553)	(4,953)
	(22,553)	**(4,953)**

5 Intangible assets

	Acquired patents EUR	Goodwill EUR	Prepayments for intangible assets EUR
Cost beginning of year	0	0	84,133
Addition through business combinations etc	0	2,588,086	0
Transfers	28,722	397,506	(28,722)
Additions	0	0	133,255
Disposals	0	0	(19,013)
Cost end of year	**28,722**	**2,985,592**	**169,653**
Transfers	0	(53,001)	0
Impairment losses for the year	0	0	(19,013)
Amortisation and impairment losses on assets disposed of	0	0	19,013
Amortisation and impairment losses end of year	**0**	**(53,001)**	**0**
Carrying amount end of year	**28,722**	**2,932,591**	**169,653**

Goodwill amounting EUR 2,932,591 comprises added value compared to the equity method in connection with acquisition of Danish Power Systems ApS. The transferred values are transferred from investments an associates to goodwill at the time the Parent company has acquired Danish Power Systems ApS. The purchase method has been applied.

6 Fixed asset investments

	Investments in group enterprises EUR	Investments in associates EUR	Deposits EUR
Cost beginning of year	4,990,318	449,890	0
Addition through business combinations etc	0	0	12,580
Disposals on divestments etc.	0	0	(12,580)
Transfers	0	(449,890)	0
Additions	3,052,421	0	0
Cost end of year	**8,042,739**	**0**	**0**
Impairment losses beginning of year	(1,745,017)	(6,797)	0
Transfers	0	82,938	0
Amortisation of goodwill	0	(39,751)	0
Share of profit/loss for the year	(849,825)	(34,379)	0
Dividend	0	(2,011)	0
Impairment losses end of year	**(2,594,842)**	**0**	**0**
Carrying amount end of year	**5,447,897**	**0**	**0**

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

Investments in associates regards Danish Power Systems ApS, which has been merged into the Parent company end of December 2020.

7 Non-current liabilities other than provisions

	Due after more than 12 months 2020 EUR	Outstanding after 5 years 2020 EUR
Debt to other credit institutions	1,239,972	133,301
	1,239,972	**133,301**

8 Working conditions

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

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which AMM Holding Af 2018 ApS serves as the administration company. 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.

10 Assets charged and collateral

The Parent Company's debt with Vækstfonden is secured. The maximum limit of the collateral is EUR 806,528. Debt to Vækstfonden is EUR 1,256,644 at the balance sheet date.

11 Non-arm’s length related party transactions

The company has contributed K.EUR 3,052 to the subsidairy Blue World Technologies ApS for the financial year 2020. 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 certain 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.

Non-comparability
This is the Group's second annual report and the first annual report contains a period of 15 months and therefore the comparative figures are non-compareable. Apart from that Danish Power Systems ApS has been merged into the Parent company end of December 2020.

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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

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.

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.

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 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.

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

Associates with negative equity value are measured at DKK 0. Any receivables from these associates 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 associate, 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 associates is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share 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.

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

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

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.

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.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments (current assets)
Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash
Cash comprises cash in hand and bank deposits.

Lease liabilities
Lease commitments 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 commitments 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.