

## **Blue World Technologies ApS**

Lavavej 16, 9220 Aalborg Øst  
CVR No. 39931664

### **Annual report 10.10.2018 - 31.12.2019**

The Annual General Meeting adopted the  
annual report on 30.04.2020

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**Anders Risum Korsgaard**

Chairman of the general meeting

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# Entity details

## Entity

Blue World Technologies ApS

Lavavej 16

9220 Aalborg Øst

CVR No.: 39931664

Registered office: Aalborg

Financial year: 10.10.2018 - 31.12.2019

## Board of Directors

Mads Friis Jensen

Anders Risum Korsgaard

Mads Bang

## 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

The Board of Directors and the Executive Board have today considered and approved the annual report of Blue World Technologies ApS for the financial year 10.10.2018 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 10.10.2018 - 31.12.2019.

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, 02.04.2020

## Executive Board

**Anders Risum Korsgaard**  
CEO

**Mads Friis Jensen**  
CCO

**Mads Bang**  
CTO

## Board of Directors

**Mads Friis Jensen**

**Anders Risum Korsgaard**

**Mads Bang**

# Independent auditor's report

## To the shareholders of Blue World Technologies ApS

### Opinion

We have audited the financial statements of Blue World Technologies ApS for the financial year 10.10.2018 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 10.10.2018 - 31.12.2019 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 financial statements" section of this auditor's report. We are independent of the Entity 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.

### Material uncertainty related to going concern

Without this having affected our opinion, we draw attention to the disclosures in note 1 where Management accounts for the raising of the necessary liquidity to secure continued operations. It is thus a key precondition for Management's decision to present the annual report on a going concern basis that the A round is carried out and thus ensures liquidity for the coming year.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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, 02.04.2020

**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 company is to become world leading in terms of producing and selling fuel cell systems.

## Development in activities and finances

The income statement shows a loss of tEUR 1,745 and the balance sheet shows an equity of tEUR 3,245. The result is as expected by the management, considering the fact that the Company is established in 2018 and still developing the fuel cell system.

At year end 2019 the Group had a total cash deposit of 748 tEUR. During first half year 2020 1.8 mEUR either has been or will be disbursed on the Group's bank account as both capital increase and convertible loan. The Group's main objective for Q2 2020 is to close the ongoing A-round investment process with a significantly larger amount than the 1.8 mEUR. Negotiation with several potential investors is currently taking place with positive progress. The management strongly believe that the result of the current negotiations will be successful and thereby ensure liquidity for at least the financial year 2020, and will help the Group to achieve further financing beyond 2020. The capital increases in the group is contributed to Blue World Technologies ApS through group contributions. On the basis of the above mentioned the management report the financial statement on the basis of going concern.

## 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.



# Income statement for 2018/19

	Notes	2018/19 EUR
Distribution costs		(275,798)
Administrative expenses		(1,895,591)
<b>Operating profit/loss</b>		<b>(2,171,389)</b>
Other financial income	4	3,249
Other financial expenses	5	(35,396)
<b>Profit/loss before tax</b>		<b>(2,203,536)</b>
Tax on profit/loss for the year	6	458,519
<b>Profit/loss for the year</b>		<b>(1,745,017)</b>
<b>Proposed distribution of profit and loss</b>		
Retained earnings		(1,745,017)
<b>Proposed distribution of profit and loss</b>		<b>(1,745,017)</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2018/19 EUR
Acquired intangible assets		76,997
Development projects in progress	8	3,562,866
<b>Intangible assets</b>	7	<b>3,639,863</b>
Land and buildings		94,802
Other fixtures and fittings, tools and equipment		35,000
Prepayments for property, plant and equipment		70,858
<b>Property, plant and equipment</b>	9	<b>200,660</b>
<b>Fixed assets</b>		<b>3,840,523</b>
Receivables from group enterprises		4,207
Other receivables		110,363
Joint taxation contribution receivable		736,308
Prepayments		19,905
<b>Receivables</b>		<b>870,783</b>
<b>Cash</b>		<b>268,238</b>
<b>Current assets</b>		<b>1,139,021</b>
<b>Assets</b>		<b>4,979,544</b>

**Equity and liabilities**

	Notes	2018/19 EUR
Contributed capital		6,694
Reserve for development expenditure		2,779,035
Retained earnings		459,572
<b>Equity</b>		<b>3,245,301</b>
Deferred tax		277,789
<b>Provisions</b>		<b>277,789</b>
Other payables		84,382
<b>Non-current liabilities other than provisions</b>	10	<b>84,382</b>
Bank loans		126
Finance lease liabilities		99,306
Prepayments received from customers		829,987
Trade payables		245,610
Other payables		197,043
<b>Current liabilities other than provisions</b>		<b>1,372,072</b>
<b>Liabilities other than provisions</b>		<b>1,456,454</b>
<b>Equity and liabilities</b>		<b>4,979,544</b>
Going concern	1	
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# Statement of changes in equity for 2018/19

	Contributed capital EUR	Share premium EUR	Reserve for development expenditure EUR	Retained earnings EUR	Total EUR
Contributed upon formation	6,694	78,986	0	0	85,680
Group contributions etc	0	0	0	4,904,638	4,904,638
Transfer to reserves	0	(78,986)	2,779,035	(2,700,049)	0
Profit/loss for the year	0	0	0	(1,745,017)	(1,745,017)
<b>Equity end of year</b>	<b>6,694</b>	<b>0</b>	<b>2,779,035</b>	<b>459,572</b>	<b>3,245,301</b>

# Notes

## 1 Going concern

At year end 2019 the Group had a total cash deposit of 748 tEUR. During first half year 2020 1.8 mEUR either has been or will be disbursed on the Group's bank account as both capital increase and convertible loan. The Group's main objective for Q2 2020 is to close the ongoing A-round investment process with a significantly larger amount than the 1.8 mEUR. Negotiation with several potential investors is currently taking place with positive progress. The management strongly believe that the result of the current negotiations will be successful and thereby ensure liquidity for at least the financial year 2020, and will help the Group to achieve further financing beyond 2020. The capital increases in the group is contributed to Blue World Technologies ApS through group contributions. On the basis of the above mentioned the management report the financial statement on the basis of going concern.

## 2 Staff costs

	<b>2018/19 EUR</b>
Wages and salaries	2,339,097
Pension costs	92,174
Other social security costs	20,480
	<b>2,451,751</b>
Staff costs classified as assets	(1,454,654)
	<b>997,097</b>
Average number of full-time employees	<b>23</b>

Staff costs classified as assets contain costs classified as development projects in progress.

## 3 Depreciation, amortisation and impairment losses

	<b>2018/19 EUR</b>
Amortisation of intangible assets	10,169
Depreciation of property, plant and equipment	86,898
Impairment losses on property, plant and equipment	2,308
	<b>99,375</b>

#### 4 Other financial income

	2018/19 EUR
Financial income from group enterprises	647
Exchange rate adjustments	2,602
	<b>3,249</b>

#### 5 Other financial expenses

	2018/19 EUR
Financial expenses from group enterprises	7,922
Exchange rate adjustments	16,049
Other financial expenses	11,425
	<b>35,396</b>

#### 6 Tax on profit/loss for the year

	2018/19 EUR
Current tax	(736,308)
Change in deferred tax	277,789
	<b>(458,519)</b>

#### 7 Intangible assets

	Acquired intangible assets EUR	Development projects in progress EUR
Additions	87,166	3,562,866
<b>Cost end of year</b>	<b>87,166</b>	<b>3,562,866</b>
Amortisation for the year	(10,169)	0
<b>Amortisation and impairment losses end of year</b>	<b>(10,169)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>76,997</b>	<b>3,562,866</b>

#### 8 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 are in line with the Management's expectations regarding the timeplan and financial resources. 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 4-5 years.

## 9 Property, plant and equipment

	Land and buildings EUR	Other fixtures and fittings, tools and equipment EUR	Prepayments for property, plant and equipment EUR
Additions	184,008	35,000	70,858
<b>Cost end of year</b>	<b>184,008</b>	<b>35,000</b>	<b>70,858</b>
Impairment losses for the year	(2,308)	0	0
Depreciation for the year	(86,898)	0	0
<b>Depreciation and impairment losses end of year</b>	<b>(89,206)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>94,802</b>	<b>35,000</b>	<b>70,858</b>
Recognised assets not owned by entity	94,802	0	0

## 10 Non-current liabilities other than provisions

	Due after more than 12 months 2018/19 EUR
Other payables	84,382
	<b>84,382</b>

## 11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where 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 secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend 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.

## 12 Assets charged and collateral

None.

## 13 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Blue World Technologies Holding ApS, Aalborg CVR-nr. 39931621

# 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.

## Non-comparability

This is the company's first annual report and regards a period of 15 months and therefore without comparative figures.

## 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.

## 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.

## Income statement

### 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.

### 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 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****Intellectual property rights etc**

Intellectual property rights etc comprise development projects 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 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**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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.

### **Receivables**

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

### **Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been 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.

### **Cash**

Cash comprises bank deposits.

### **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 or the planned settlement of each liability. 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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

**Finance 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.