

List of Signatures

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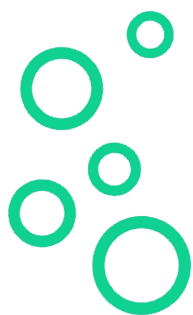
Nordic Electrofuel AS - annual report 2020.pdf

Name	Method	Signed at
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Lillebo, Håvard	BANKID_MOBILE	2021-06-15 20:43 GMT+02
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Nordic Electrofuel

Clean at scale

ANNUAL REPORT

2020

Nordic Electrofuel AS

Org.number.:916 066 317



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Annual report 2020 for Nordic Electrofuel AS (previously Nordic Blue Crude AS)

Operations and locations

Nordic Electrofuel AS ("NEF" or "Company") resolved on its name change on 27 April 2021 from Nordic Blue Crude AS ("NBC"). NEF will build the world's first commercial facility for production of carbon neutral electro fuel primarily directed to the airline industry.

The products will be produced with renewable energy, water, and CO₂.

The Company is located in Porsgrunn municipality.

The Company's strategy and business model is to be a system integrator, where NEF will be a significant owner of the production facilities that will produce renewable hydrocarbons in large quantities.

Comments related to the financial statements

Ordinary result for 2020 is a loss of NOK 2 596 867 compared with a loss of NOK -684 631 in 2019.

During 2020 focus has been on optimisation of concept and choice of technology partners and prepared for next phase of basic engineering, Front End Engineering and Design (FEED) which kicked off in February 2021 with Aker Solutions. NEF works with the Norwegian University for Science and Technology (NTNU) on the development of the concept and the main processes of production. The costs related to Research and Development has been capitalized to the balance sheet, as the requirements for balance sheet capitalization has been met.

The Board of Directors believes that the annual report gives a true and fair view of the Company's assets and liabilities, financial position, and result.

Research and development activities

Nordic Electrofuel is very satisfied with the technological platform the company has created. The Company has several research- and development activities related to the technological platform to reduce risks and optimize processes. The Company received approval for SkatteFUNN (tax refund) for 2020 from the Research Council of Norway.

In addition, Innovation Norway supports our R&D activities with grants under the environmental technology scheme.

Going concern

In accordance with § 3-3 of the Accounting Act it is confirmed that the going concern assumption is satisfied and this assumption has been applied in the preparation of the accounts.

Working environment, equal opportunity, and discrimination

The Company had at the end of the year 4 employees and 1 Full time consultant. The accounts are kept by an external accounting company.

The Company's board consists of 6 persons, all men. Based on an assessment of the size of the Company, the board has not found it necessary to take special measures regarding gender equality.

External environment

The activities of NEF do not pollute the external environment.

Report on the annual accounts

The Company is actively working to strengthen the Company's capital base, please see note 7 for more information.

The technological risk is particularly related to that the concept Power-to-Liquid has not been tested in full-scale. Through the concept study the company has not revealed issues that are not solvable for the concept to be implemented. The company will undertake further development activities to reduce technical risk until construction start.

Market risk that the company faces, will be handled by off-take agreements, with fixed price and volume, planned production in each facility, well in advance of the commissioning period. The company has signed several letters of intent, on off -take on planned production, with major international companies.



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Financial risk consists of the opportunity to get the production plant financed, and the Company is actively working with major industrial companies, funding agencies and capital institutions on financing the plant. Liquidity risk is linked to the possibility of liquidity reserves being depleted, and the company estimates this to be moderate, as we see the opportunities to continue to raise equity from investors as good.

Future Prospect

Nordic Electrofuel has continued its good momentum in 2020, both from a technological perspective and related to its financing activities.

It is the Board of Directors opinion that the Company is well-suited for further operations and development.

The Board of Directors has considered the consequences of the COVID-19 pandemic. The situation causes some delays for the development, but without changing the Board of Directors opinion on going concern.

Lysaker, 11.06.2021
The board of Nordic Electrofuel AS

Rolf Bruknapp
chairman of the board

Håvard Lillebo
member of the board

Ronald Tuft
member of the board

Gunnar Holen
general Manager

Harald Johan Norvik
member of the board

Markku Tapani Korvenranta
member of the board

Bastian Müller
member of the board



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REVENUE STATEMENT

NORDIC ELECTROFUEL AS

OPERATING INCOME AND OPERATING EXPENSES	Note	2020	2019
Other operating income	9	0	1 393 000
Total operating income		0	1 393 000
Personnel expenses	3	660 276	567 747
Other operating expenses		1 943 446	1 422 433
Total operating expenses		2 603 722	1 990 181
Operating profit		-2 603 722	-597 181
FINANCIAL INCOME AND EXPENSES			
Income from subsidiaries		0	10 448
Other interest income		19 136	6 689
Other financial income		17 478	26 739
Write-downs of long-term investments		0	30 000
Other interest expenses		19 724	89 845
Other financial expenses		10 034	11 482
Net financial items		6 855	-87 451
Operating result before tax		-2 596 867	-684 631
Tax on ordinary result		0	0
Ordinary result after tax	1	-2 596 867	-684 631
Annual net profit	4	-2 596 867	-684 631
BROUGHT FORWARD			
Allocated to reserve for valuation differences		0	10 448
Loss brought forward		2 596 867	695 079
Net brought forward		-2 596 867	-684 631



BALANCE SHEET

NORDIC ELECTROFUEL AS

ASSETS	Note	2020	2019
Research and development	10	18 220 533	9 414 956
Total intangible assets		18 220 533	9 414 956
Loan to group companies	6	1 920 000	0
Total financial fixed assets		1 920 000	0
Total fixed assets		20 140 533	9 414 956
CURRENT ASSETS			
DEBTORS			
Other short-term receivables		2 444 223	4 381 276
Total receivables		2 444 223	4 381 276
Cash and bank deposits	8	39 344 228	18 731 149
Total current assets		41 788 451	23 112 425
Total assets	5	61 928 984	32 527 381



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BALANCE SHEET

NORDIC ELECTROFUEL AS

EQUITY AND LIABILITIES	Note	2020	2019
PAID-UP EQUITY			
Share capital	2	42 786	37 462
Share premium reserve		67 477 809	22 946 665
Not registered capital	7	3 363 488	14 965 262
Other paid-in equity		5 666	5 666
Total paid-up equity		70 878 417	37 943 723
RETAINED EARNINGS			
Uncovered loss		-14 473 281	-11 876 414
Total retained earnings		-14 473 281	-11 876 414
Total equity	4	56 405 136	26 067 309
LIABILITIES			
Convertible debt		2 500 000	0
Other long term liabilities		650 000	650 000
Total of other long term liabilities		3 150 000	650 000
CURRENT DEBT			
Trade creditors		786 833	2 281 113
Public duties payable		366 486	400 622
Other current debt		1 220 530	3 128 337
Total current debt		2 373 848	5 810 072
Total liabilities	5	5 523 848	6 460 072
Total equity and liabilities		61 928 984	32 527 381



BALANCE SHEET

NORDIC ELECTROFUEL AS

Lysaker, 11.06.2021

The board of Nordic Electrofuel AS

Rolf Bruknapp
chairman of the board

Håvard Lillebo
member of the board

Ronald Tuft
member of the board

Gunnar Holen
general Manager

Harald Johan Norvik
member of the board

Markku Tapani Korvenranta
member of the board

Bastian Müller
member of the board



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Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

TAX

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

CLASSIFICATION AND VALUATION OF FIXED ASSETS

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. The depreciation period for real property acquired after 2009 is divided into the part that represents the building and the part that represents fixed technical installations. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

CLASSIFICATION AND VALUATION OF CURRENT ASSETS

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

RECEIVABLES

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.



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Note 1 Tax

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	0

Taxable income:		
Ordinary result before tax	-2 596 867	-684 631
Permanent differences	-4 019 446	-3 204 483
Changes in temporary differences	1 921 636	2 191 031
Taxable income	-4 694 677	-1 698 084

Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2020	2019	Difference
Tangible assets	-4 112 667	-2 191 031	1 921 636
Total	-4 112 667	-2 191 031	1 921 636
Accumulated loss to be brought forward	-18 791 001	-14 096 324	4 694 677
Not included in the deferred tax calculation	22 903 668	16 287 355	-6 616 313
Deferred tax assets (22 %)	0	0	0

Deferred tax not included in the balance sheet.



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Note 2 Shareholders

THE SHARE CAPITAL IN NORDIC ELECTROFUEL AS AS OF 31.12 CONSISTS OF:

	Total	Face value	Entered
Ordinary shares	4 278 618	0,01	42 786
Total	4 278 618		42 786

OWNERSHIP STRUCTURE

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Megastar Holding AS	1 337 551	31,26	31,26
Elfinans AS	1 228 042	28,70	28,70
Marquard & Bahls AG	262 698	6,14	6,14
Elbear Energy AS	180 000	4,21	4,21
Marcel Grimault	146 997	3,44	3,44
Tuft Invest AS	101 743	2,38	2,38
Straumen Industrier AS	100 000	2,34	2,34
Konsulent 1 AS	51 799	1,21	1,21
Christophe Yves Berger	48 714	1,14	1,14
Geir Kolbu	42 857	1,00	1,00
Total >1% ownership share	3 500 401	81,81	81,81
Total other	778 217	18,19	18,19
Total number of shares	4 278 618	100,00	100,00

Note 3 Salary costs and benefits, remuneration to the chief executive, board and auditor

Salary costs	2020	2019
Salaries	5 552 297	2 659 297
Employment tax	780 526	376 620
Pension costs	186 549	94 233
Other benefits	96 243	109 339
Total	6 615 615	3 239 488

In 2020 the company employed 5 man-years.

PENSION LIABILITIES

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

Remuneration to leading personnel	Chief Executive	Board
Salaries	1 271 500	0
Pension costs	44 672	0
Other remuneration	4 994	0
Total	1 321 166	0

The chairman of the board is hired as a consultant, and his fee in 2020 was 1 507 700, not including VAT. The company has issued a total of 288 000 share options to employees, each of which has a right to purchase one share per option on given terms.

AUDITOR

Audit fees expensed for 2020 amount to 32 500.

In addition there is a fee for other services of NOK 14 000.



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Note 4 Equity capital

	Share capital	Other paid-in equity	Uncoverd loss	Share premium	Not registered capital	Total equity capital
Pr. 31.12.2019	37 462	-5 666	-11 876 414	22 946 665	14 965 262	26 067 309
Result of the year			-2 596 867			-2 596 867
Changes through the year	5 324			44 531 144	- 11 601 774	32 934 694
Pr 31.12.2020	42 786	-5 666	-14 473 281	67 477 809	3 363 488	56 405 136

Note 5 Loans and collateral to connected parties

There has not been given any loans or collateral to connected parties.

Note 6 Subsidiaries

Nordic Electrofuel AS owns 100% of the shares in Nordic Wind AS, which gives Nordic Electrofuel AS 100% of the votes in the company. Nordic Wind AS has its registered office in Narvik.

The annual result for the period 01.01-31.12.2020 was NOK - 681 753. The book value of equity capital at 31.12.2020 was NOK - 877 580.

Nordic Electrofuel AS has in 2020 given an interest-free convertible loan of NOK 1 920 000 to Nordic Wind AS. This will be converted to share capital i 2021.

Note 7 Not registered capital

Not registered capital are related to paid share capital and share premium, that have to be registered in Brønnøysund. Balance per 31.12.2020 is NOK -3 363 488.

All capital are registered in Brønnøysund when presenting accounts for 2020.

Note 8 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 232 160.



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Note 9 Government grants

In 2020 a grant has been posted to income for research and development projects via the SkatteFUNN scheme of NOK 1 921 636. The amount has been posted in full as a reduction of capitalised costs related to the project.

Note 10 Research and development

The company has in 2020 worked actively with the E-fuel project. This project has gone into a more structured and labor-intensive phase, and various external partners have been engaged for concept development and concept study.

In accordance with the rules on intangible assets, capitalization requirements are fulfilled, and the company has therefore chosen to activate research and development costs with NOK 18 220 533. Depreciation of research and development will start as soon as the project is completed.



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To the Shareholders' Meeting of Nordic Blue Crude AS

Independent auditor`s report (translated from Norwegian)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nordic Electrofuel AS (the Company). The financial statements comprises the balance sheet as at December 31 2020, and the statement of income, the Board of Directors' annual report, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with laws and regulations and present fairly, in all material respect, the financial position of the Company as at December 31 2020, and (of) its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations, 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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.

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statsautorisert revisor, medlem av Den norske Revisorforeningen

Rosenkrantz' gate 20, 0160 Oslo, tlf. 22 01 06 00

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 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.

Refer to revisorforeningen.no/revisjonsberetninger which contains a description of Auditor's responsibilities.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, June 11 2021

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* Not to be signed – for translation purposes only.

Eivind Lundal

State authorized public accountant