

Financial report 2017

Green Vision Holding B.V.

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Directors' report

Bestuursverslag Green Vision Holding B.V. 2017

Algemene informatie

De statutaire doelen van de vennootschap zijn:

- Het ontwikkelen, produceren en verhandelen van producten en componenten ten behoeve van energie- en warmteconversie
- Het oprichten van, deelnemen in, het bestuur voeren over en het zich op enigerlei andere wijze financieel interesseren bij andere vennootschappen en ondernemingen
- Het verlenen van diensten op administratief, technisch, financieel economisch of bestuurlijk gebied aan andere vennootschappen, personen en ondernemingen
- Het verkrijgen, vervreemden, beheren en exploiteren van roerende en onroerende zaken en andere goederen, daaronder begrepen patenten, merkrechten, licenties, vergunningen en andere industriële eigendomsrechten
- Het ter leen opnemen en/of ter leen verstrekken van gelden, alsmede het zekerheid stellen, zich op andere wijze sterk maken of zich hoofdelijk naast of voor anderen verbinden
- Het beleggen van vermogen in (hypothecaire) schuldvorderingen, registergoederen, valuta, effecten en vermogenswaarden in het algemeen
- Het exploiteren en verhandelen van patenten, merkrechten, vergunningen, know how en andere industriële en intellectuele eigendomsrechten

Het vorenstaande al of niet in samenwerking met derden en met inbegrip van het verrichten en bevorderen van alle handelingen die daarmee direct of indirect verbande houden, alles in de ruimste zin van het woord.

De kernactiviteiten zijn het leveren van industriële gassen, met name waterstof, middels innovatieve "on-site" productietechnologie in combinatie met back-up capaciteit die we aanleveren met traditioneel vervoer over de weg.

Wij zijn wereldwijd actief met focus op Europa en Zuid Oost Azie. Dit zijn de gebieden waar we gascontracten sluiten en investeren in productiecapaciteit. In the rest van de wereld verkopen we installaties op projectbasis. De onderneming (Green Vision Holding) en gelieerde vennootschappen kunnen gekarakteriseerd worden als "high-tech" en "clean-tech" bedrijf. Het spreekt voor zich dat onderzoek en ontwikkeling een belangrijk aandachtsgebied zijn binnen onze bedrijven. Kern onderzoeksgebieden zijn:

- Onderzoek voor derden; snelle cyclus van ontwikkeling, design van modules, constructie van onderzoeksprojecten tot fabricage en testen. Vooral op het gebied van gasconversie en zuivering
- Ontwikkeling en fabricage van on-site waterstof generatoren gebaseerd op stoomreforming technologie alsmede stikstof en zuurstofproductie middels luchtscheiding en zuiveringssystemen voor de recycling van gebruikte gassen in industriële toepassingen
- Ontwikkeling en fabricage van fuel cell producten en waterstof-energie technologie

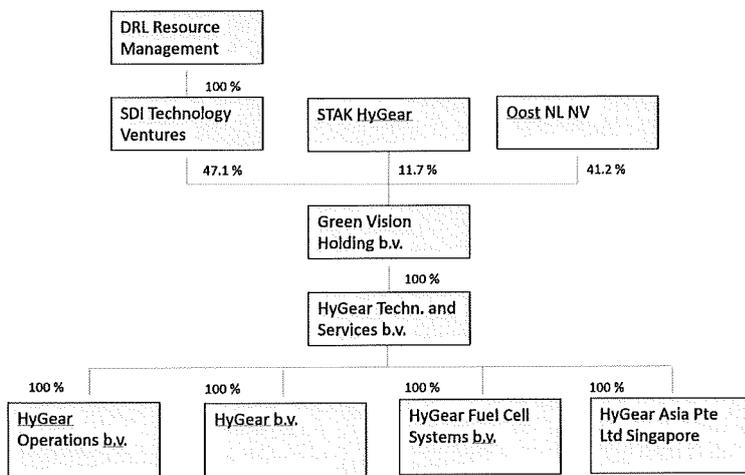
De onderneming wordt uitgeoefend in de vorm van een besloten vennootschap met beperkte aansprakelijkheid.

De volgende ondernemingen maken deel uit van een economische eenheid.

- Green Vision Holding B.V., Arnhem (hoofd van de onderneming)
- HyGear Technology & Services B.V., Arnhem (100%)
- HyGear Fuel Cell Systems B.V., Arnhem (100%)
- HyGear B.V., Arnhem (100%)
- HyGear Operations B.V., Arnhem (100%)
- HyGear Asia PTE LTD, Singapore (100%)

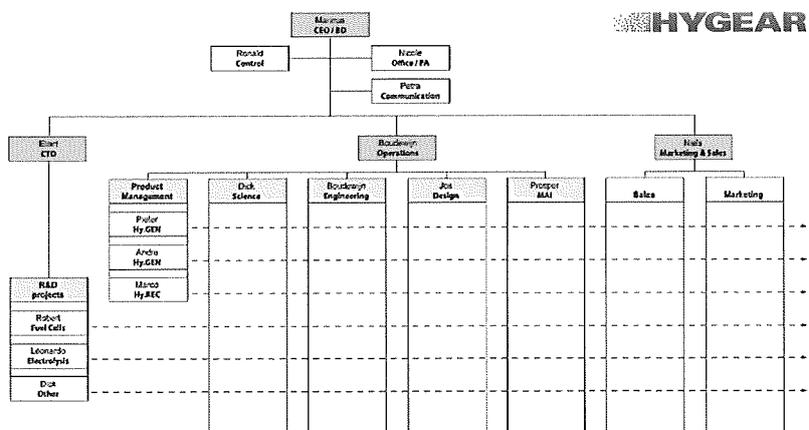
De statutaire vestigingsplaats is Westervoortsedijk 73 te Arnhem. We hebben een nevenvestiging in Singapore aan 62 Ubi Road 1, #8-13 Oxley Bizhub 2

Onze aandeelhoudersstructuur is weergegeven in onderstaande diagram



SDI Techology Ventures en DRL Resource Management zijn de ondernemingen van oprichter en CEO Marinus van Driel. Oost NL is de investeringstak van Regionale Ontwikkelingsmaatschappij Oost NV en STAK HyGear is de Stichting Administratiekantoor HyGear waarin de aandelen gehouden worden die gecertificeerd zijn en verhandelbaar gesteld op het platform NPEX.

De interne organisatie structuur is weergegeven in onderstaande figuur, en de personele bezetting is 55,6 FTE.



De structuur is een matrix organisatie waarbij drie ontwikkelingsmanagers en drie productmanagers gebruik maken van de expertise van functionele afdelingen binnen het bedrijf. Het Management Team bestaat uit vier leden met elk een eigen aandachtsgebied. Marinus van Driel is verantwoordelijk voor het algemeen management. Ellart de Wit is verantwoordelijk voor technologie, Niels Lanser is verantwoordelijk voor commercie en Boudewijn Creemers voor alle Operationele werkzaamheden.

Het gevoerde beleid in 2017

In het afgelopen jaar hebben we ons gericht op enerzijds het verwerven en versterken van onze marktpositie op het gebied van gaslevering middels lokale productie bij de eindgebruiker en anderzijds op de verdere ontwikkeling en verbetering van onze productportfolio.

In het kader van het eerste hebben we nieuwe installaties gebouwd en verscheept naar Colombia, de Verenigde Staten, Singapore, Letland en Spanje. Verder hebben we een waterstoffabriek in Arnhem in gebruik genomen en hebben we nieuwe trailers toegevoegd aan onze vloot. We hebben contracten gesloten met andere gasfabrikanten zodat we onze trailers bij hen kunnen vullen en daarmee transportafstanden naar de eindgebruikers kunnen minimaliseren en daarmee de opbrengst van onze contracten kunnen verbeteren.

Aan de ontwikkelingskant hebben we sterk gestuurd op de ontwikkeling van onze nieuwste technologie HyREC. Dit is een technologie die het mogelijk maakt om gebruikte gassen terug te winnen uit industriële processen en ze vervolgens te zuiveren op locatie om te kunnen worden hergebruikt. We zien dit als een kerntechnologie vanuit onze clean-tech visie.

Daarnaast hebben we gestuurd op het verder verhogen van de systeem betrouwbaarheid en verlagen van de kostprijs van onze systemen.

Tot slot is financiering een belangrijk onderwerp geworden binnen ons bedrijf. Naarmate we meer gaan investeren in productie-installaties op locatie bij de klanten, dient er meer vermogen beschikbaar te komen. We hebben het beleid gevoerd om dit te realiseren met behoud van een gezond solvabiliteitsniveau van meer dan 35% (eigen vermogen+ achtergestelde leningen gedeeld door balanstotaal). Hiertoe is een aandelenemissie gedaan op NPEX en een combinatie van obligaties en lang lopende leningen gehanteerd.

Financiële informatie

De omzet van de vennootschap is in 2017 afgenomen met 17% en bedraagt € 5,819,877
De brutomarge op de omzet is in 2017 uitgekomen op 15%. Dit ligt 7% hoger dan in 2016.
Het gemiddeld aantal werknemers (in FTE) is in 2017 t.o.v. 2016 gestegen van 51,7 naar 55,6.
De stijging wordt met name veroorzaakt door de nieuwe vestiging in Singapore en een uitbreiding op diverse afdelingen in Arnhem.

Het jaar is afgesloten met een nettowinst van € 699,523. Dit ligt op een iets hoger niveau dan in 2016: € 527,350.

De omzetzakelijkheid is te verklaren met het feit dat wij veel installaties in eigen beheer bouwen. Deze installaties genereren omzet op een langere termijn, en niet tijdens de bouwfase. Ondanks de omzetzakelijkheid werd er in 2017 een hogere bruto-marge gerealiseerd van 15% in 2017 ten opzichte van 8% in 2016. De kosten van de omzet waren in 2017 € 4,927,211 (€ 6,477,555 in 2016). Dit is een daling in kosten van 24%. De kosten die betrekking hebben op de bouw van onze eigen installaties zijn geactiveerd.

Door het netto resultaat is het eigen vermogen toegenomen tot € 5,399,136. Door een totaal aan achtergestelde leningen van aandeelhouders van € 878,542 komt het garantievermogen uit op € 6,277,678. Dit leidt tot een solvabiliteit van 45%. In 2016 bedroeg dit 49%. De procentuele daling is met name een gevolg van de stijging in het balanstotaal met € 2,998,306. Dit is weer enigszins gecompenseerd met een toename van € 837,542 aan achtergestelde leningen.

Ondanks een toename in investeringen, debiteurenstand en voorraden is ook in 2017 sprake van een positieve kasstroom: € 1,056,884 (2016: € 2,471,917-)

De vlottende activa in 2017 tellen op tot € 5,381,782, de kortlopende schulden waren € 3,030,152. Dit leidt tot een current ratio van 1,78 (2016: 1,66).

Risico's en onzekerheden

Onze onderneming ontwikkelt, bouwt en bedrijft kapitaalsintensieve installaties die vaak in langdurige contracten worden ingezet. Inherent hieraan ontstaan risico's die wij zoveel mogelijk proberen te beperken. Onderstaand overzicht beschrijft de risico's.

Tegenpartijenrisico

Zoals elke onderneming, lopen we het risico dat een tegenpartij in een situatie kan komen te verkeren dat zij niet (geheel) aan haar financiële verplichtingen kan of wil voldoen. Dit risico kan onder andere bestaan wanneer sprake is van een insolvable tegenpartij. Wij proberen deze risico's tot een minimum te beperken door voorafgaand aan het sluiten van overeenkomsten een inschatting te maken van dit risico en betaalschema's af te spreken waarin we een belangrijk deel van onze kosten gedekt hebben voordat we goederen uitleveren. Tegelijkertijd proberen we ervoor te zorgen dat we nooit volledige betalingen verrichten aan leveranciers voordat de goederen geleverd zijn en we hebben kunnen controleren of deze (technisch) in orde zijn.

Concurrentierisico

De markt voor industriële gassen en waterstof voor vervoerstoepassingen is omvangrijk en kent een aantal andere grote spelers, zowel nationaal als internationaal, die als directe concurrenten van ons bedrijf kunnen worden gezien. Het risico bestaat dat deze concurrenten op enig moment succesvoller zijn dan wij. Ontwikkelingen bij concurrenten kunnen ertoe leiden dat de (technische) ontwikkeling van activiteiten van ons bedrijf voorbijgestreefd worden. Dit kan ertoe leiden dat de toekomstverwachtingen niet gerealiseerd kunnen worden.

Om het concurrentierisico te beperken investeren we veel in productontwikkeling. Hiermee willen we onze technologie efficiënter, goedkoper en betrouwbaarder houden dan die van andere partijen. Verder investeren we in het verbeteren van onze propositie naar eindgebruikers, door het productenpakket te verbreden, internationale partnerships te sluiten en te investeren in eigen back-up capaciteit in de vorm van waterstofproductiefaciliteiten en trailers.

Het risico van de afhankelijkheid van haar bestuursleden

Feitelijk is het functioneren en opereren van ons bedrijf afhankelijk van de specifieke kennis en ervaring van haar statutaire bestuurder, leden van het management team en een kleine groep "key-employees". Het wegvallen van dit bestuurslid of leden van het management team of deze key-employees, zou kunnen betekenen dat die specifieke kennis en ervaring verloren gaat. Dit kan op de korte dan wel de langere termijn een negatief effect hebben op de bedrijfsvoering en financiële resultaten van ons bedrijf.

We zien dit risico als inherent aan de omvang van onze onderneming en trachten zoveel mogelijk kennis over meerdere medewerkers te spreiden.

Kostenrisico

Een groot deel van de kosten van ons bedrijf zijn vaste kosten, waaronder de kosten voor lonen, salarissen en huisvesting. Het vaste karakter van deze kosten brengt het risico met zich mee dat een vermindering van de brutomarge er toe zou kunnen leiden dat we onvoldoende middelen hebben om aan onze betalingsverplichtingen te voldoen. Om die reden investeren we vooral veel in marketing en verkoop om de omzet te laten groeien en tegelijkertijd in reductie van apparaatkosten om de brutomarge te verhogen.

Risico van de beperking van leveranciers

Ons bedrijf is voor componenten en sub-modules afhankelijk van toeleveranciers. In de meeste gevallen zijn componenten leverbaar door meerdere andere partijen, maar in enkele gevallen is het aantal leveranciers beperkt. Hierbij gaat het bijvoorbeeld om de leveranciers van katalysatoren en adsorbentia. Het wegvallen van dergelijke leveranciers kan (al dan niet tijdelijk) tot productie- en onderhoudsproblemen leiden. Om die reden blijven we een actief beleid van dual- of multiple-sourcing nastreven.

Risico van afhankelijkheid van grote accounts

Inherent aan de aard van de projecten voor lokale productie van industriële gassen, is het aantal afnemers beperkt is en de omzet per project groot. Met name in de variant waar we zelf in de installatie investeren en wordt betaald voor het leveren van gas, kan het effect van het wegvallen van een klant negatieve effecten hebben op de bedrijfsvoering. Dit zal voornamelijk het geval zijn op het moment dat de installatie niet binnen afzienbare termijn elders kan worden ingezet. Indien dergelijke situaties zich verwezenlijken, kan dit gevolgen hebben voor de financiële resultaten van de onderneming. We zijn ons bewust van dit risico en zijn van mening dat dit risico kleinere effecten zal hebben naarmate de onderneming groeit.

Risico van subsidieverlening

Een van de redenen voor een relatief lagere winstgevendheid is dat we een high-tech groeionderneming zijn met een sterke focus op productontwikkeling. De meeste van deze ontwikkelingen vinden plaats met ondersteuning van subsidiegevers waarvan de grootste op dit moment het Horizons 2020 programma is van de Europese Unie. Indien deze subsidies op enig moment wegvallen verliezen we de leverage op onze onderzoeksinspanningen en zullen we de investeringen hierin moeten reduceren danwel accepteren dat ons bedrijfsresultaat onder druk komt te staan. We voeren dan ook actief beleid om onze subsidieportefeuille op niveau te houden of indien mogelijk te laten groeien.

Liquiditeitsrisico

Hygear Holding is verantwoordelijk voor de verplichtingen naar kapitaalverstrekkers zoals banken en obligatiehouders, die voornamelijk bestaan uit de betaling van de aflossing van de Hoofdsom van en Rente. Deze betalingen zullen worden voldaan uit de cashflow van de lopende operatie. Aangezien de cashflow ook wordt gebruikt ter financiering van de dagelijkse bedrijfsactiviteiten, kan het voorkomen dat bij een plotse stijging van de overige kosten voor de dagelijkse bedrijfsvoering, te weinig liquide middelen ter beschikking staan om aan de verplichtingen te voldoen.

Het risico van een dalende solvabiliteitsratio

Tot dusver hebben we een gezonde solvabiliteitsratio. Indien we verder groeien blijft het beleid om deze boven de 35% te houden. Hiertoe zal op enig moment ook nieuw eigen vermogen moeten worden aangetrokken. Het risico is dat aandeelhouders hier niet mee instemmen of dat er geen nieuwe aandeelhouders gevonden kunnen worden. Hierdoor zou het kunnen gebeuren dat we nieuwe kansen uit de markt moeten weigeren, onze ontwikkeling moeten vertragen of in het ergste geval het bedrijfsresultaat onder druk komt te staan.

Reputatierisico

De waterstofproductiesystemen van ons bedrijf worden sinds 2009 geleverd en zijn ontworpen voor een duur van ongeveer 15 jaar. Er is nog niet aangetoond dat de systemen werkelijk tegen de verwachte

onderhoudskosten de volledige levensduur uit kunnen dienen. Indien er degradatie-effecten zijn die zich pas na langere tijd manifesteren en meerdere systemen zouden falen na verloop van tijd, kan dit tot reputatieschade leiden voor het bedrijf.

Technologisch risico

Inmiddels is bekend dat de werking van de on-site productiesystemen afhankelijk kan zijn van lokale omstandigheden als aardgaskwaliteit, luchtdruk, temperatuur, luchtvervuiling en waterkwaliteit. Het zou voor kunnen komen dat in de toekomst installaties onder specifieke lokale omstandigheden niet aan hun specificaties kunnen voldoen, of dat de prestaties van de installaties versneld slechter worden ten gevolge van deze lokale omstandigheden. De gevolgen van slechtere prestaties kan leiden tot hogere garantie- en onderhoudskosten.

Een ander technologisch risico betreft de HyREC. Het systeem voor het terugwinnen van industriële procesgassen bij de eindgebruiker. Het systeem voor terugwinning van zuiver waterstof (HyREC-pure) is reeds geleverd, maar het systeem voor het terugwinnen van menggassen (HyREC-mix) is nog in ontwikkeling. Het kan zijn dat dit product op lange termijn technisch niet haalbaar blijkt of dat de kosten ervan te hoog uitvallen waardoor de business case geen stand houdt.

Indien dergelijke technologische risico's zich manifesteren kan dit een negatieve invloed hebben op zowel de bedrijfsvoering als de financiële resultaten van de onderneming.

Fiscaal risico

Wij passen op basis van artikel 12b Wet op de vennootschapsbelasting 1969 de innovatiebox toe. Op basis hiervan worden de opbrengsten uit innovatieve werkzaamheden uiteindelijk belast tegen een effectief tarief van 5% vennootschapsbelasting. De wetgeving inzake de innovatiebox zou kunnen wijzigen en dit zou een negatieve invloed kunnen hebben op de bedrijfsresultaten.

Algemene juridische risico's

We lopen risico's wanneer anderen rechtszaken tegen ons aanspannen. Ongeacht of dergelijke vorderingen ontvankelijk zijn. De verdediging in een dergelijke procedure is kostbaar en deze kosten kunnen vaak slechts ten dele op de wederpartij verhaald worden, zelfs wanneer we in het gelijk wordt gesteld. De juridische kosten zijn slecht te verzekeren en we hebben vooral als beleid om vooraf bij belangrijke contracten, juridisch advies in te winnen om op die manier eventuele latere kosten te beperken.

Politiek en landenrisico

Een onzekere factor is de invloed van de politiek. Onder politieke risico's worden verstaan risico's met betrekking tot stabiliteit en legitimiteit van politieke instituten, ordelijke opvolging van de politieke leiders, transparantie bij de economische besluitvorming, nationale veiligheid en geopolitieke risico's. Genoemde risico's kunnen een negatieve invloed hebben op de bedrijfsresultaten maar zijn niet te ondervangen. Wel kiezen we ervoor om onze activiteiten zoveel mogelijk te richten op onze stabielere politieke doelgebieden, danwel te zorgen dat in minder stabiele gebieden, de veelal grotere industriële contractpartij, haar onderneming drijft in een van de stabielere doelgebieden

Valutarisico

Tot dusver worden vrijwel alle contracten in Euro afgesloten. Bij verdere internationalisering kan het voorkomen dat contracten in andere valuta worden gesloten, hetgeen een valutarisico met zich brengt. Voornamelijk voor langdurige gasleveringscontracten zal het management altijd het valutarisico moeten afwegen tegen de kosten van het afdekken van deze risico's. In beide gevallen kan dit gevolgen hebben voor de lange termijn resultaten van dergelijke projecten.

Belangrijke ontwikkelingen in 2017

De belangrijkste doelstelling voor 2017 was om verder te gaan in de wijziging van het business plan van projectmatige verkoop naar het abonnementsmodel. Dit had gevolg voor de commerciële doelstellingen maar leverde ook een aantal operationele en financiële doelstellingen op. Hieronder zijn de belangrijkste ontwikkelingen kort beschreven.

Financiering

Tot voor kort hadden we binnen ons bedrijf voornamelijk eigen vermogen en vrijwel geen schuld. Dit paste bij ons vorige business model waarin we vrijwel geen assets op de balans hadden en vooral projectmatige verkooptrajecten deden. Daar de eerste GAAS contracten waren geïmplementeerd en we moesten investeren in ondersteunende assets als trailers en productiesites, is in februari besloten voor het eerst een obligatie uit te geven. Dit proces verliep zeer voorspoedig en we plaatsten 2,5 M€ in vier dagen.

Tegelijkertijd werden we geconfronteerd met de noodzaak van Abengoa om afscheid te nemen als aandeelhouder. Abengoa was in 2015 in financiële nood geraakt en in het kader van de herstructurering moest zij wereldwijd deelnemingen en activiteiten sluiten. In mei 2019 hebben we de aandelen van Abengoa ingekocht om ons bedrijf vervolgens flexibeler te maken voor professionele financiering.

OM dit te financieren hebben aandeelhouders PPM en SDI in totaal afgerond 900.000 € aan achtergestelde leningen verschaft.

Een derde belangrijke stap was het plaatsen van certificaten van aandelen in het publiek domein. Daar we zagen dat NPEX beleggers veel enthousiasme vertoonden voor ons bedrijf hebben we besloten een kleine plaatsing te doen van (afgerond) 10% van de aandelen in STAK HyGear. Deze zijn vervolgens door STAK HyGear gecertificeerd en geplaatst op het NPEX handelsplatform. Ook deze plaatsing was succesvol.

We hebben tenslotte nog een lening van de Rabobank gekregen van 1 M€ in drie delen met een staatsgarantie voor € 666,666 uit de regeling Innovatief Borgstellingskrediet. Dit bedrag hebben we ingezet voor de bouw van onze vulfaciliteit in Arnhem.

Middels deze acties zijn we blijven voldoen aan onze (zelf opgelegde) solvabiliteitseis van 35% (Eigen Vermogen plus Achtergestelde leningen delen door het balanstotaal)

Personeelsparticipatie

Al geruime tijd hebben we de doelstelling om personeel dat zich dagelijks inspant om ons bedrijf een succes te maken, mee kan delen in eventueel opwaarts potentieel. Met de aandelenemissie in het publiek domein werd die mogelijkheid geboden. We hebben een optieplan opgesteld en geïmplementeerd waarbij medewerker jaarlijks (of tussentijds) opties krijgen op certificaten van aandelen. Deze opties vallen vrij in vier tranches, elk een jaar later, van elk 25%. Zodra een personeelslid een optie uitoefent, schrijven we het onderliggend certificaat bij op de rekening van de medewerker. Die kan er vervolgens voor kiezen dit certificaat te verkopen of te behouden.

Omdat we nieuwe NPEX certificaathouders niet wilden laten verwateren zijn de onderliggende aandelen beschikbaar gesteld door de bestaande aandeelhouders, geplaatst in STAK HyGear en gecertificeerd. Green Vision Holding heeft deze certificaten op de balans genomen en gereserveerd voor dit plan voor een periode van de komende 4 jaar.

Operationeel

In total hebben we 9 HyGen 50 (equivalent) uitgestuurd naar klanten in Spanje, Letland, Verenigde Staten, Colombia en Singapore. Daarnaast verscheepten we nog enkele andere producten uit de categorieën Hy.REC (gaszuivering) en Hy.MIX (gasmengstations).

Dit maakt 2017 het jaar waarin we wederom meer systemen hebben geleverd dan het jaar ervoor in absolute zin. Dit terwijl we daarnaast nog veel afleiding gehad hebben van de verhuizing van laboratoria en kantoor en dat een deel van onze eigen engineers tijd vrij heeft moeten maken voor de bouw van de waterstoffabriek in Arnhem.

Onze units in het veld produceerden samen ruim 6,5 Miljoen kubieke meter waterstof in industriële toepassingen in een cumulatieve bedrijfsduur van 234.000 uur. Hetgeen goed aansluit bij onze doelstellingen.

Het negatieve effect van deze focus op commerciële projecten is dat we enkele ontwikkelingsactiviteiten hebben moeten vertragen. We hebben hierbij gekozen om de projecten die op korte termijn tot nieuwe of verbeterde producten leiden voorrang te geven. Voor het lange termijn onderzoek hebben we volgend jaar een inhaalslag te maken.

Faciliteiten

Rond de zomer hebben we in Singapore een nieuw kantoorpand betrokken. Vervolgens zijn we in oktober in Arnhem verhuisd naar ons nieuwe pand aan de Westervoortsedijk.

Rond dezelfde tijd hebben we onze waterstof-vulfaciliteit in bedrijf genomen en zijn we begonnen met het vullen van trailers en flessen voor gebruikers en wederverkopers van waterstof.

Informatie over onderzoek en ontwikkeling

Zoals al eerder genoemd, heeft de drukte in de operaties ervoor gezorgd dat we keuzes moesten maken in de productontwikkeling. Hierbij hebben we vooral gekozen voor de projecten die op kortere termijn tot nieuwe producten kunnen leiden. Daarnaast hebben we kostprijs- betrouwbaarheid- en efficiency-gerelateerde projecten door laten gaan.

Het gevolg is wel dat we in 2018 een inhaalslag te maken hebben op bepaalde reeds actieve projecten voor langere termijn onderzoek.

Ondanks de verminderde inspanning op het gebied van lange termijn onderzoek, hebben we alsnog twee nieuwe octrooien ingediend.

Gelet op de vertrouwelijke aard van de werkzaamheden en de nauwe verwevenheid met toekomstige strategische sporen is besloten om in dit bestuursverslag geen beschrijving op te nemen van de individuele projecten en details ten aanzien van resultaten.

Wel melden we dat er geen onverhoopte tegenslagen te melden zijn die van wezenlijk belang zijn voor de toekomst van ons bedrijf in negatieve zin.

Verwachte gang van zaken / Toekomstparagraaf

Wij maken jaarlijks een complete update van onze SWOT analyse. Het doel hiervan is om te komen tot verbeter acties om sterktes uit te bouwen, zwaktes te verbeteren en zodoende bedreigingen te weerstaan en kansen te benutten. Eind vorig jaar hebben we meerder strategische sporen onder de loep genomen. De belangrijkste uitkomst is dat we de meeste beperkingen kunnen wegnemen door het full service model van "Pay-per-Use" verder te implementeren.

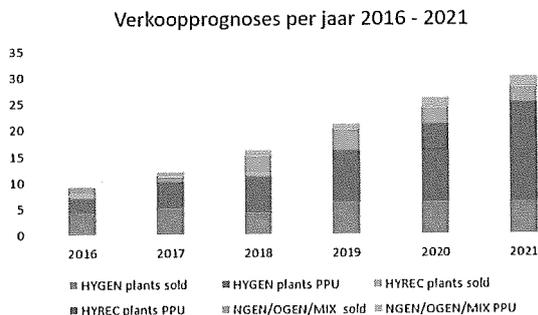
Ook hebben we ervoor gekozen om de eerder gekozen geografische strategie te handhaven. Hiertoe richten we ons op gebieden waar we aanwezig zijn en waar de markt groeit, in dit geval dus vooral Europa en Zuid-Oost Azië. In deze gebieden investeren we in eigen productiecapaciteit, trailers voor back-up en installaties die we in eigen beheer bij de klant plaatsen.

Om de druk op de financiële draagkracht te beperken blijven we daarnaast nog het model van verkoop van installaties voeren in andere geografieën. Dit leidt direct tot omzet en marge die we deels in kunnen zetten om onze eigen investeringen te bekostigen.

Voor het deel dat we tekort komen trekken we nieuw kapitaal aan. De plaatsing van nieuwe aandelen op NPEX in 2017 en de uitgifte van obligatieleningen vormen twee belangrijke pijlers in de uitvoering van deze strategie. We gaan voor verdere groei op zoek naar vergelijkbare financieringsbronnen in 2018 en blijven vasthouden aan onze intentie om een solvabiliteitsratio van 35% te handhaven.

Tot slot willen we onze bestaande producten verder verbeteren in efficiëntie, levensduur en kostprijs en willen we nieuwe producten ontwikkelen die complementair zijn op onze bestaande technologieën en waarmee we voor kunnen sorteren op de komst van de waterstofeconomie. Om de kosten van deze ontwikkelingen te kunnen dragen zullen we intensiever op zoek gaan naar onderzoeks- en ontwikkelingsfondsen van zowel de Nederlandse als Europese overheid.

Voor de jaren 2017 tot en met 2022 hebben we een business plan uitgewerkt waarin we verwachten dat we beide modellen ongeveer 50-50 toe zullen passen. Het indicatieve uitrolschema van onze producten ziet er als volgt uit.



Vanuit deze ambitie hebben we een stip op de horizon geplaatst om te groeien van een bedrijf met ongeveer € 7.000.000,- omzet in 2016, met een EBITDA van EUR 790.000,- naar een bedrijf met een omzet van € 30.000.000,- met een EBITDA van 9.000.000,- in 2021. Hierbij moeten we wel uitdrukkelijk opmerken dat het gaat om een doelstelling en geen prognose.

De omzetdoelstellingen voor 2018 zijn inmiddels voor een belangrijk deel geboekt.

Raad van Commissarissen

Onze raad van commissarissen aan het begin van 2017 bestond uit drie leden

- De heer Jan van der Vliet (voorzitter)
- De heer Bernard Fortuyn
- De heer Jose Lopez Dominquez

Daarnaast heeft PPM Oost NV het recht om een toehoorder af te vaardigen naar elke vergadering.

Door de uitname van Abengoa als aandeelhouder is op 19 mei 2017 de heer Jose Lopez Dominquez afgetreden als commissaris. Hij is gedurende het boekjaar 2017 niet vervangen waardoor de raad tijdelijk bezet is geweest met twee commissarissen, hetgeen volgens onze statuten is toegestaan.

We weten inmiddels dat in 2018 een derde commissaris is benoemd, waarmee de raad weer compleet is.

In het jaar 2017 vonden 5 reguliere vergaderingen plaats. Deze vergaderingen handelen om een serie actuele onderwerpen, meestal gerelateerd aan tussentijdse cijfers en een aantal wederkerende onderwerpen zoals de commerciële en operationele voortgang.

Daarnaast zijn er vijf officiële bijzondere vergaderingen van de Raad van Commissarissen geweest in verband met:

- De beslissing om obligaties uit te geven op het NPEX handelsplatform
- De uitname van Abengoa als aandeelhouder (2 maal)
- De beslissing om aandelen uit te geven aan STAK HyGear en die te plaatsen op NPEX
- De beslissing om de structuur van het bedrijf te wijzigen in het kader van een potentiële achtergestelde leningsfaciliteit van het FHBG

Consolidated financial statements

Consolidated balance sheet as at 31 December 2017

Before profit appropriation

	Note	31 December 2017		31 December 2016	
		€	€	€	€
Non-current assets					
Intangible assets	5	9,327		8,890	
Property, plant and equipment	6	8,432,887		3,814,347	
Financial assets	7	0		250,000	
			8,442,214		4,073,237
Current assets					
Inventories	8	298,409		0	
Construction contracts	9	630,056		1,618,277	
Receivables	10	2,445,702		4,183,445	
Cash and cash equivalents	11	2,007,615		950,731	
			5,381,782		6,752,453
			13,823,996		10,825,690

		31 December 2017		31 December 2016	
	Note	€	€	€	€
<i>Equity and liabilities</i>					
Group equity *)					
Equity	12	5,399,136		5,301,833	
			5,399,136		5,301,833
Provisions	13		380,129		526,595
Non-current liabilities *)	14		5,014,579		918,345
Current liabilities	15		3,030,152		4,078,917
			<u>13,823,996</u>		<u>10,825,690</u>

*) Liability capital consists of equity (group equity) and any subordinated loans recognised as non-current liabilities. Liability capital as at 31 December 2017 amounted to € 6,277,678 (31 December 2016: € 5,343,178).

Consolidated income statement for 2017

		2017		2016	
	Note	€	€	€	€
Net turnover	18		3,405,131		6,312,388
Change Work in Progress Products / Services		3,084,216		630,304	
Change Work in Progress R&D		-669,470		69,031	
Total Revenue			5,819,877		7,011,723
Direct material costs	19	2,277,829		2,513,654	
Subcontracting and other external costs		189,528		60,371	
Salaries and wages, temporary workers, less WBSO wages subsidy	20	868,161		2,075,534	
Social security contributions	20	300,981		240,104	
Pension contributions	20	236,334		144,253	
Amortisation and depreciation	21	391,919		272,292	
Other operating expenses	22	662,459		1,171,347	
Total expenses			4,927,211		6,477,555
Operating profit			892,666		534,168
Finance income and costs	23		-257,713		-6,818
Profit before tax			634,953		527,350
Income tax	25		0		0
Share of profit of group companies after tax	24		64,570		0
Profit for the year			699,523		527,350

Consolidated cash flow statement for 2017

	Note	2017		2016	
		€	€	€	€
Cash flows from operating activities					
Operating profit			892,666		534,168
<i>Adjustments for:</i>					
Amortisation and depreciation	21	391,919		272,292	
Movements in provisions	13	-146,466		-13,410	
Waiver of Uitdagingskrediet	14	-877,000		0	
			-631,547		258,882
<i>Changes in working capital:</i>					
Inventories	8	-298,409		0	
Construction contracts	9	988,221		312,547	
Receivables	10	1,737,743		-1,039,491	
Current liabilities (exclusive of bank overdrafts)	15	-1,048,765		1,325,818	
			1,378,790		598,874
Cash generated from operations			1,639,909		1,391,924
Share of profit of group companies	24	64,570		0	
Interest received	23	2,316		20,284	
Income tax	25	0		0	
Interest paid	23	-260,029		-27,102	
			-193,143		-6.818
Net cash generated from operating activities			1,446,766		1,385,106

		2017		2016	
	Note	€	€	€	€
Cash flows from investing activities					
Purchases of intangible assets	5	-3,645		0	
Purchases of property, plant and equipment (PPE)	6	-5,017,579		-3,739,776	
Proceeds from sale of (investment) property	6	10,328		0	
Repayments of financial assets	7	250,000		0	
Net cash used in investing activities			-4,760,896		-3,739,776
Cash flows from financing activities					
Repayments of borrowings	14	-117,437		-66,581	
Proceeds from borrowings	14	5,124,823		0	
Change in reclassification from non current to current liabilities	14	-34,152		0	
Dividends paid	31	-342,777		-50,666	
Purchase and cancellation own ordinary shares	31	-2,460,810		0	
Issue of Cum Pref shares	31	360,810		0	
Issue of ordinary shares	31	2,289,756		0	
Purchase of certificates of ordinary shares	31	-445,924		0	
Net cash used in financing activities			4,374,289		-117,247
Net cash flows	11		1,060,159		-2,471,917
Net increase/(decrease) in cash and cash equivalents			1,056,884		-2,471,917

Movements in cash and cash equivalents can be broken down as follows:

	<u>2017</u>	<u>2016</u>
	€	€
At 1 January	950,731	3,422,648
Movements during the year	1,060,159	-2.471,917
Currency translation differences	-3,275	0
At 31 December	<u>2,007,615</u>	<u>950,731</u>

Notes to the consolidated financial statements

1 General information

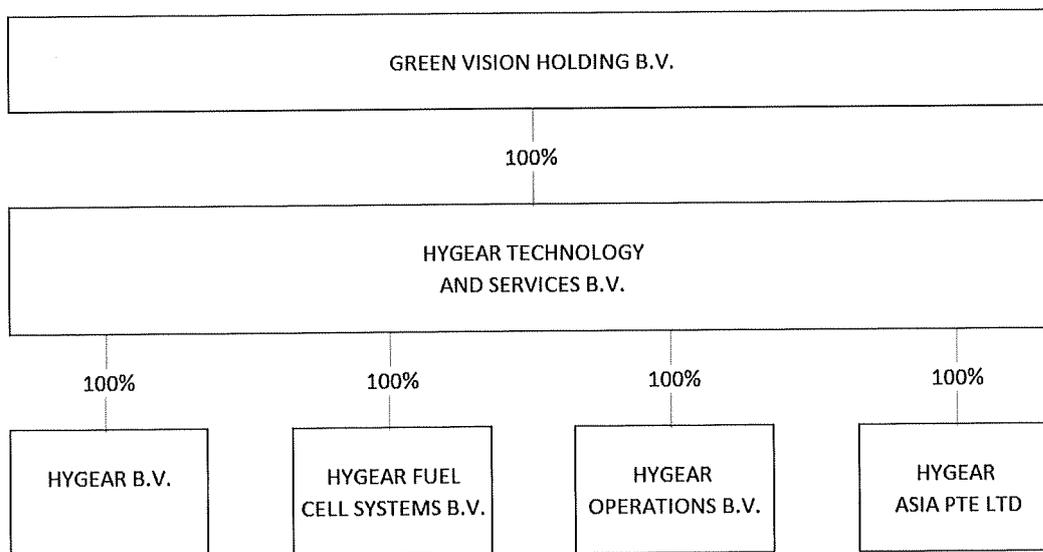
1.1 Operations

The operations of Green Vision Holding B.V., registered with the Chamber of Commerce under number 810587798, with its statutory seat in Arnhem and its group companies ("the Group") are mainly comprised of:

- Piloting for third parties; Fast cycle from development, design of modules, construction of pilot plant to commissioning and testing.
- Development and manufacturing of on-site hydrogen generators based on steam reforming technology.
- Development and manufacturing of fuel cell products.

Sales are made in both the domestic and foreign markets, with the countries of the European Union forming the most important markets.

1.2 Group structure



Green Vision Holding B.V. is part of the HyGear group. The head of this group is Green Vision Holding B.V.. As per 1 January 2014 Green Vision transferred its 100% subsidiaries HyGear B.V. and HyGear Fuel Cell Systems B.V. to HyGear Technology & Services B.V. This transfer is a transaction under common control; the shares are transferred at book value as per 1 January 2014.

1.3 Change in accounting policies

Green Vision Holding has changed its accounting policy in 2017 with respect to the change in presentation of construction contracts. Green Vision Holding now applies the presentation of pay per use service equipment as non-current assets. Prior to this change in policy, Green Vision Holding applied the presentation of pay per use service equipment as current assets (construction contracts). We believe the new policy is preferable as it presents a more accurate presentation of our assets and our total revenue. Comparative figures have been adjusted. The change of the accounting policy on the consolidated financial statements has no impact on group equity or result. The impact on each line item of the primary financial statements is shown in the table below.

	31-dec-17		31-dec-16	
	After Change	Before Change	After Change	Before Change
	€	€	€	€
Balance Sheet				
Property, plant and equipment	8.432.887	7.097.100	3.814.347	1.998.875
Construction Contracts	-1.032.991	302.796	-470.825	1.344.647
Total change in assets	0		-	
	2017		2016	
	After Change	Before Change	After Change	Before Change
	€	€	€	€
Income statement				
Change work in Progress, Products/Services	3.084.216	6.428.466	630.304	2.808.363
Total decrease in revenue	-3.344.250		-2.178.059	
Direct material costs	2.277.829	4.048.641	2.513.654	4.030.392
Subcontracting and other external costs	189.528	227.398	60.371	69.355
Salaries and wages, temporary workers, less WBSO wages subsidy	868.161	1.801.793	2.075.534	2.471.554
Other operating expenses	662.459	1.264.394	1.171.347	1.427.664
Total decrease in expenses	-3.344.250		-2.178.059	

1.4 Consolidation

The consolidation includes the financial information of Green Vision Holding B.V., its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which Green Vision Holding B.V. exercises direct or indirect dominant control based on a shareholding of more than one half of the voting rights, or whose financial and operating policies it otherwise has the power to govern. Potential voting rights that can directly be exercised at the balance sheet date are also taken into account.

Group companies and other entities in which Green Vision Holding B.V. exercises control or whose central management it conducts are consolidated in full. Minority interests in group equity and group profit are disclosed separately.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated. Unrealised losses on intercompany transactions are eliminated as well, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

Since the income statement for 2016 of Green Vision Holding B.V. is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2, of the Dutch Civil Code.

The consolidated companies are listed below.
HyGear Technology & Services B.V., Arnhem (100%)
HyGear Fuel Cell Systems B.V., Arnhem (100%)
HyGear B.V., Arnhem (100%)
HyGear Operations B.V., Arnhem (100%)
HyGear Asia PTE LTD, Singapore (100%)

Unless indicated otherwise, the above companies have their registered offices in the Netherlands.

1.5 Acquisitions and disposals of group companies

Identifiable assets acquired and liabilities assumed in a business combination are recognised in the consolidated financial statements from the acquisition date, being the moment that control can be exercised in the acquired company.

The acquisition price consists of the cash consideration, or equivalent, agreed for acquiring the company plus any directly attributable expenses. If the acquisition price exceeds the net amount of the fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill under intangible assets. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (i.e. negative goodwill) is disclosed under accruals and deferred income.

Entities continue to be consolidated until they are sold; they are deconsolidated from the date that control ceases and if they are classified as disposal groups held for sale.

1.6 Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group company was recognised as cash used in investing activities where it was settled in cash. Any cash and cash equivalents in the acquired group company were deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

1.7 *Estimates*

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

2 Accounting policies for the balance sheet

2.1 General information

The consolidated financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

2.2 Prior-year comparison

The accounting policies have been consistently applied to all the years presented, with the exemption of changes mentioned in 1.3.

2.3 Foreign currencies

Functional currency

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of Green Vision Holding B.V.

Transactions, receivables and debts

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement, except when deferred in equity as qualifying hedges

2.4 Operational lease

The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

2.5 *Intangible assets*

Intangible assets are stated at historical cost less amortisation. Allowance is made for any impairment losses expected; a loss qualifies as an impairment loss if the carrying amount of the asset (or of the cash-generating unit to which it belongs) exceeds its recoverable amount.

For details on how to determine whether an intangible asset is impaired, please refer to Note 2.8 below.

Computer software

Software licences acquired are capitalised at acquisition cost and amortised over their estimated future useful lives. Expenditures that are attributable to the production of identifiable and unique software products controlled by the Group are capitalised. When internally produced, such assets are capitalised if future economic benefits are probable and the expenditure can be reliably measured. Costs associated with maintaining computer software and research expenditure are recognised in the income statement.

2.6 *Property, plant and equipment*

Land and buildings are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated future useful lives. Land is not depreciated. Allowance is made for any impairment losses expected on the balance sheet date. For details on how to determine whether property, plant or equipment is impaired, please refer to Note 2.8 below.

Lease equipment, pay-for-use service equipment and assets under construction are valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses. The manufacturing price is comprised of the cost of raw materials and consumables plus expenditure directly attributable to an asset's manufacturing and installation, including own labour costs. Internal hours worked are capitalised at fixed rates that can include coverage for indirect operating expenses including premises and utilities expenses, selling and marketing expenses, transport expenses and general and administrative expenses.

Interest paid is included in the manufacturing price if it takes considerable time to put an asset into use. Investment subsidies are deducted from the historical cost or manufacturing price of the assets to which the subsidies relate.

2.7 *Financial assets*

Associates

Group companies and other associates in which the Company exercises significant influence, generally accompanying a shareholding of 20% or more of the voting rights, are stated at net asset value.

Net asset value is calculated using the accounting policies applied in these financial statements. Associates whose financial information cannot be aligned to these policies are valued based on their own accounting policies. Associates with an equity deficit are carried at nil. A provision is formed if and when Green Vision Holding B.V. is fully or partially liable for the debts of the associate, or has the firm intention to allow the associate to pay its debts.

Associates acquired are initially measured at the fair value of the identifiable assets and liabilities upon acquisition. Any subsequent valuation is based on the accounting policies that apply to these financial statements, taking into account the initial valuation.

Associates in which no significant influence can be exercised are recognised at cost. If an asset qualifies as impaired, it is measured at its impaired value; any write-offs are disclosed in the income statement (refer to note 2.8).

Loans to associates

Receivables disclosed under financial assets are stated at the fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary.

Other receivables

Other receivables disclosed under financial assets include issued loans and other receivables as well as purchased loans and debentures that will be held to their maturity date. These receivables are initially measured at fair value, and subsequently carried at amortised cost. If debentures are acquired or loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the debentures or loans using the effective interest method. Also transaction costs are included in the initial valuation and recognised in profit or loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the income statement.

2.8 Impairment of non-current assets

At each balance sheet date, the Company assesses whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Fair value less costs to sell is determined based on the active market. For the purposes of determining value in use, cash flows are discounted. An impairment loss is directly expensed in the income statement.

If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognised.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in profit or loss.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

2.9 *Inventories*

Inventories are valued at the lower of cost or net realisable value. Cost comprises direct materials. Net realisable value represents the estimated selling price less all estimated costs of completion and selling. Where necessary, provision is made for obsolete inventories.

2.10 *Construction contracts*

Construction contracts are carried at contract revenue generated, which is comprised of contract costs incurred and attributable profits (for details, see the accounting policy set out in Note 3.2). Where appropriate, recognised losses and progress billings are deducted from construction contracts. Construction contracts are recognised as a current liability where progress billings exceed contract revenue.

2.11 *Receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.12 *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

2.13 *Equity*

Where the Company purchases treasury shares, the consideration paid is deducted from equity (retained earnings (other reserves) or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Other direct changes in equity are also recognised net of the relevant income tax effects.

2.14 Provisions

General information

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is probable to require an outflow of resources whose extent can be reliably estimated. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations at the balance sheet date. Unless indicated otherwise, provisions are stated at the present value of the expenditure expected to be required to settle the obligations

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset.

A provision is recognised for the costs of major repairs so as to spread these charges evenly over several financial years.

2.15 Liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the borrowings using the effective interest method.

3 Accounting policies for the income statement

3.1 General information

Profit or loss is determined as the difference between the realisable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognised in the year in which they are realised.

3.2 Revenue recognition

Sales of goods

Revenue from sales of goods is recognised when all significant risks and rewards incidental to the ownership of the goods have been transferred to the buyer.

Sales of services

Revenue from sales of services is recognised under the percentage-of-completion method based on the services performed to the balance sheet date as a percentage of the total services to be performed.

Contract revenue and costs

When the outcome of a contract can be estimated reliably, contract revenue and costs are recognised as revenue and costs in the income statement under the percentage-of-completion method.

The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised as revenue in the income statement only to the extent of contract costs incurred that are likely to be recoverable; contract costs are recognised as expenses in the period in which they were incurred. When the outcome of a contract can be estimated reliably, revenue is recognised using the percentage-of-completion method by reference to the services provided up to the balance sheet date.

Profit or loss is determined as the difference between contract revenue and contract costs. Contract revenue comprises the initial amount agreed in the contract; variations in contract work, claims and incentive payments are also included in contract revenue to the extent that they may have been agreed with the customer and are capable of being reliably measured. Contract costs comprise costs that relate directly to the specific contract, costs that are attributable to contract activity in general and can be allocated to the contract, and such other costs as are specifically chargeable to the customer under the terms of the contract.

If it is probable that total contract costs will exceed total contract revenues, any expected excess of total contract costs over total contract revenue for the contract is recognised as an expense immediately within cost of sales. The provision for the loss is recognised within construction contracts.

3.3 *Exchange differences*

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise, unless they are hedged.

3.4 *Revenue*

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, rebates and discounts and after eliminating sales within the group. Research & Development revenue relates to services usually performed upon request of governmental bodies. These projects include conditions and commitments regarding timing, delivering and performing the requested services.

3.5 *Cost of sales*

Cost of sales represents the direct and indirect expenses attributable to revenue, including raw materials and consumables, cost of work contracted out and other external expenses, the employee benefits expense in respect of production staff, depreciation charges for buildings and equipment, and other operating expenses that are attributable to cost of sales. Goodwill amortisation is recognised within cost of sales also.

Gains or losses on sales of non-current assets are recognised as a component of cost of sales.

3.6 *Amortisation and depreciation*

Intangible assets, including goodwill, are amortised and property, plant and equipment depreciated over their estimated useful lives as from the inception of their use. Land and investment property are not depreciated. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

Negative goodwill is released to the income statement where charges and losses occur, provided that this has been recognised in accounting for the acquisition, and these charges and losses can be reliably measured. If no expected charges or losses have been taken into account, any negative goodwill is released in accordance with the weighted average of the remaining useful life of the depreciable or amortisable assets acquired. Where negative goodwill exceeds the fair value of the identified non-monetary assets, the excess is recognised directly through profit or loss.

Gains and losses on sales of property, plant and equipment are included in depreciation.

3.7 *Employee benefits*

Short-term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Pensions

Green Vision Holding B.V. has a defined contribution pension plan that is operated by an insurance company. Green Vision Holding B.V. pays premiums based on (legal) requirements, contractual or voluntary basis to this insurance company. Premiums are recognised as personnel costs when they are due. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not been paid yet are presented as liabilities.

3.8 *Government grants*

Grants and subsidies are recognised in the income statement in the year in which the subsidised costs were incurred, income was lost or a subsidised operating deficit occurred. The grants are recognised where it is probable that they will be received and Green Vision Holding B.V. will comply with all attached conditions. Government grants are recognised as a discount on expenses when the issuing body does not demand specific deliverables against the grant. (e.g. Wages subsidy WBSO)

3.9 *Finance income and costs*

Interest paid and received

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Dividends

Dividends receivable from associates not carried at net asset value and securities are recognised as soon as Green Vision Holding B.V. acquires the right to them.

3.10 *Income tax expense*

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

4 Financial instruments and risk management

4.1 Liquidity risk

Green Vision Holding B.V. uses several banks in order to avail itself of a range of overdraft facilities. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

4.2 Price risk

Currency risk

Green Vision Holding B.V. bears no currency risk as all contracts are negotiated in EURO.

Market risk

Green Vision Holding B.V. incurs risk regarding the valuation of securities disclosed under financial assets and securities within current assets. The Company manages market risk by stratifying the portfolio and imposing limits.

Interest rate and cash flow risk

The Company incurs interest rate risk on interest-bearing receivables (in particular those included in financial assets, securities and cash) and on interest-bearing non-current and current liabilities (including borrowings).

Where floating-interest loans and receivables are concerned, Green Vision Holding B.V. incurs risk regarding future cash flows. In addition, Green Vision Holding B.V. incurs risks on fixed-interest loans and receivables with respect to the fair value due to changes in the market rate of interest. No financial derivatives for interest rate risk are contracted with regard to the receivables.

4.3 Credit risk

Green Vision Holding B.V. has a significant concentration of credit risk as the majority of the trade receivables are receivable on shareholder. Goods and services are sold subject to payment deadlines ranging between eight and 180 days. A different payment period may apply to major supplies, in which case additional securities are demanded, including guarantees.

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Green Vision Holding B.V. has issued loans to participants and associates, as well as to shareholders. These counterparties do not have a history of non-performance.

5 Intangible assets

	Computer software
	€
At 1 January 2017	
Cost or manufacturing price	47,892
Accumulated impairment and amortisation	-39,002
	<hr/>
Carrying amount	8,890
	<hr/>
Movements	
Purchased	3,645
Amortised	-3,207
	<hr/>
Balance	9,327
	<hr/>
At 31 December 2017	
Cost or manufacturing price	51,537
Accumulated impairment and amortisation	-42,210
	<hr/>
Carrying amount	9,327
	<hr/>
Amortisation rate	20%
	<hr/>

6 Property, plant and equipment

Movements in property, plant and equipment can be broken down as follows:

	Machinery & Equipment	Lease Equipment	Productive Equipment	Furniture & Fixtures	Transport Equipment	Assets Under Construction	Total
	€	€	€	€	€	€	€
At 1 January 2017							
Cost or manufacturing price	1.123.024	1.344.124	-	303.525	109.181	1.815.472	4.695.326
Accumulated depreciation	-584.597	-25.845	-	-230.485	-40.052	-	-880.979
Carrying amount	538.427	1.318.279	-	73.040	69.129	1.815.472	3.814.347
Movements							
Disposals	-	-	-	-	-10.328	-	-10.328
Loss on disposals	-	-	-	-	-934	-	-934
Purchased	-	-	-	43.262	33.880	4.940.438	5.017.580
Reclassifications	-	1.954.182	1.654.700	-	-	-3.608.882	-
Depreciated	-194.294	-118.099	-18.367	-33.153	-23.865	-	-387.778
Balance	-194.294	1.836.083	1.636.333	10.109	-1.247	1.331.556	4.618.540
At 31 December 2017							
Cost or manufacturing price	1.123.024	3.298.306	1.654.700	346.787	143.061	3.147.028	9.712.906
Accumulated depreciation	-778.891	-143.944	-18.367	-263.638	-75.179	-	-1.280.019
Carrying amount	344.133	3.154.362	1.636.333	83.149	67.882	3.147.028	8.432.887
Depreciation rate	20%	6,66%	6,66%	20%	20%	-	

7 Financial assets

Movements in financial assets can be broken down as follows:

	<u>2017</u>	<u>2016</u>
	€	€
At 1 January	250,000	250,000
Repayments	-250,000	0
At 31 December	<u>0</u>	<u>250,000</u>

Financial assets included a loan to shareholder DRL Resource Management BV that was repaid in 2017.

8 Inventories

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Raw materials	298,409	0
	<u>298,409</u>	<u>0</u>

Inventories consist of raw materials kept in stock.

9 Construction contracts

Accumulated revenue on construction contracts not completed on the balance sheet date was € 630,056 (2016: € 1,618,277). Total advance payments from customers for uncompleted projects amounted to € 1,663,047 (2016: € 2,089,102). Advance payments are balanced with accumulated revenue on construction contracts not completed on the balance sheet date. An amount of € 3,516 (2016: € 527,976) was retained by customers on progress billings. Construction contracts R&D projects include a provision amounting to € 135,316 (2016: € 37,252) for projects whose total accumulated revenue exceeds the maximum agreed total reimbursable project costs.

Construction contracts and progress billings can be broken down as follows:

	Generated contract revenue -/ recognised losses and progress billings > 0	Generated contract revenue -/ recognised losses and progress billings < 0	31-12-2017	31-12-2016
	€	€	€	€
Construction contracts R&D projects	552,710	-1,445,240	-892,530	569,633
Construction contracts commercial projects	77,346	-217,807	-140,461	-1,040,458
Total	630,056	-1,663,047	-1,032,991	-470,825

Construction contracts are recognised as a current liability where progress billings exceed contract revenue. Please refer to note 15 on page 31.

10 Receivables

	31-12-2017	31-12-2016
	€	€
Trade receivables	1,846,700	2,744,565
Taxes and social security contributions	231,778	509,797
Other receivables, prepayments and accrued income	367,224	929,083
	2,445,702	4,183,445

Other receivables include capitalised debt placement costs that are expensed over the duration of the underlying debts. A total amount of € 92,725 falls due in more than one year.

Other receivables include an amount of € 32,318 for allocated future personnel incentives.

<i>Trade receivables</i>	31-12-2017	31-12-2016
	€	€
Trade receivables	1,846,700	2,898,695
Provision trade receivables	0	-154,130
	<u>1,846,700</u>	<u>2,744,565</u>

<i>Taxes and social security contributions</i>	31-12-2017	31-12-2016
	€	€
Value-added tax	188,197	466,216
Income Tax	43,581	43,581
	<u>231,778</u>	<u>509,797</u>

<i>Other receivables, prepayments and accrued income</i>	31-12-2017	31-12-2016
	€	€
Interest	34	1,800
Prepayments and accrued income	367,190	927,283
	<u>367,224</u>	<u>929,083</u>

11 Cash and cash equivalents

This item in the cash flow statement is comprised as follows:

	31-12-2017	31-12-2016
	€	€
Cash and cash equivalents	<u>2,007,615</u>	<u>950,731</u>

Cash and cash equivalents include non-maturity deposits to the amount of € 238,216. Of cash and cash equivalents € 42,625 is not at the Company's free disposal (Bank guarantees).

A credit facility is available at the Rabobank. For this credit facility guarantees are issued in the form of a pledge of all present and future equipment, inventories, receivables and third parties and transport equipment. The facility is not used by the company.

12 Group equity

For details to equity, please refer to the notes to the company financial statements.

13 Provisions

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Warranty provision	380,129	526,595

The warranty provision covers the warranty costs for Hydrogen Generation Systems sold.

Movements in provisions were as follows:

	2017	2016
	€	€
At 1 January	526,595	540,005
Released/Added	-353,393	-247,103
	<u>173,202</u>	<u>292,902</u>
Movements	206,927	233,693
	<u>380,129</u>	<u>526,595</u>
At 31 December	<u>380,129</u>	<u>526,595</u>

Of the provisions, € 74,641 qualifies as long-term (i.e. in effect for more than one year).

14 Non-current liabilities

	Balance 01.01.17	Proceeds from borrowings	Repayments/ Waivers of borrowings	Remaining term < 1 year	Balance 31.12.17	Remaining term > 5 years
	€	€	€	€	€	€
Loan DRL Resource (sub)	41.345	-	-41.345	-	-	-
Innovation loan (Innovatiekrediet)	70.789	-	-70.789	-	-	-
Non-interest bearing loan (Uitdagingskrediet)	877.000	-	-877.000	-	-	-
Bridge loan DRL Resource (sub)	-	285.765	-	-	285.765	-
Bridge loan Oost NL (sub)	-	250.000	-	-	250.000	-
Dividend loan DRL Resource (sub)	-	182.837	-	-	182.837	182.837
Dividend loan Oostn NL (sub)	-	159.940	-	-	159.940	159.940
Financial lease DLL H2 Car	-	33.878	-5.303	-8.075	20.500	-
Loan A Rabobank	-	238.096	-	-32.053	206.043	-
Loan B Rabobank	-	666.666	-	-64.813	601.853	157.421
Loan C Rabobank	-	95.238	-	-	95.238	95.238
Innovation loan HYREC (Innovatiekrediet)	-	713.403	-	-	713.403	-
NPEX Bonds 2017-2023	-	2.499.000	-	-	2.499.000	2.499.000
	989.134	5.124.823	-994.437	-104.941	5.014.579	3.094.436
Remaining term < 1 year	-70.789					
	918.345					

Repayment obligations falling due within 12 months of the end of the financial year, are included in current liabilities.

Loan DRL Resource (sub)

The subordinated loan issued by DRL Resource Management BV, bearing 6% interest an an annual basis, was fully repaid in 2017.

Innovation loan (Innovatiekrediet)

This loan, issued by Agentschap NL to fund the development of a small scale Bio Gas to Liquid plant, was fully repaid in 2017.

Non-interest bearing loan (Uitdagingskrediet)

This loan, issued by Agentschap NL to fund the development project of the HGS-L, was unconditionally waived by Agentschap NL in 2017. The waived amount has been included in the profit & loss statement under direct material costs (see Note 19) and personnel expenses (see Note 20) to offset prior year development costs included under these costs. The cost split was calculated based on the breakdown of actually incurred related project development costs.

Subordinated loans shareholders

The subordinated bridge loans were issued by DRL Resource Management B.V. and Oost NL on 19 May 2017 for an amount of € 285,765 and € 250,000. The subordinated dividend loans were issued by DRL Resource Management B.V. and Oost NL on 19 June 2017 for an amount of € 159,940 and € 182,837. The subordinated bridge and dividend loans by DRL Resource Management B.V. and Oost NL bear 7% interest on an annual basis. Interest is paid quarterly. The subordinated bridge loans are repayable per June 2019. The subordinated dividend loans are repayable six months after redemption of the NPEX bonds.

Loan DLL H2 Car

The financial lease issued by DLL on 2 May 2017 for an amount of € 33,878 for a H2 car is repayable over 5 years via monthly instalments.

Loan A Rabobank

Loan A was issued by the Rabobank on 16 November 2017 for an amount of € 238,096. The loan carries a fixed 4,5% interest rate and is redeemable via monthly instalments of € 4,579, starting in May 2018 and ending in February 2023. Early redemption is possible. Security pledged by the company as per the general terms and conditions of Rabobank Nederland.

Loan B Rabobank

Loan B was issued by the Rabobank on 16 November 2017 for an amount of € 666,666. The loan carries a fixed 2,4% interest rate and is redeemable via monthly instalments of € 9,259, starting in May 2018 and ending in November 2024. Early redemption is possible. Security pledged by the company as per the general terms and conditions of Rabobank Nederland.

Loan C Rabobank

Loan C was issued by the Rabobank on 16 November 2017 for an amount of € 95,238. The loan carries a fixed 4,65% interest rate and is redeemable via a 100% instalment of € 95,238, in November 2024. Early redemption is possible. Security pledged by the company as per the general terms and conditions of Rabobank Nederland.

Innovation loan HYREC (Innovatiekrediet)

This loan was issued by RVO on December 16, 2016 for a maximum amount of € 1,777,410. The loan can only be used to fund the development of a HY.REC.

Advance payments received and repayments made in 2017:

	€
13-03-2017	279,594
14-07-2017	139,797
13-10-2017	139,797
05-12-2017	131,174

Total received advance payments on 31-12-2017	690,362
Total interest due on 31-12-2017	23,041

	713,403

The repayment of the loan is due in the period 2020 – 2022. RVO issued the loan against security of all assets produced under this development project. This loan bears 7% interest on an annual basis.

NPEX Bonds 2017-2023

On 1 March 2017 HyGear Technology & Services BV concluded a € 2,499,000 public bond placement via NPEX. The bonds, having a nominal value of € 1.000 each, carry a 7% annualised interest rate and a six year duration. Interest is paid monthly and the bonds are redeemable on February 28, 2023. Early redemption is possible after three years. All Green Vision Holding B.V. group companies (see group structure on page 11) are jointly and severally liable for interest payments and redemptions.

Under the terms of the bond placement the shareholders of Green Vision Holding BV have signed a non-withdrawal statement. This stipulates that shareholders will refrain from dividend payments, capital repayments or any other cash pay-outs for the whole bond duration that would result in Green Vision Holding BV's solvency ratio declining below 35%.

15 Current liabilities

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Construction contracts R&D projects	1,445,240	933,455
Construction contracts commercial projects	217,807	1,155,647
Repayment obligations	104,941	70,789
Prepayments on orders	0	99,400
Trade payables	416,257	1,518,287
Payroll tax	37,036	40,580
Other debts, accruals and deferred income	308,873	260,759
Payable Shareholders Purchase Certificates of ordinary Shares (allocated bonusplan personnel)	499,998	0
	<u>3,030,152</u>	<u>4,078,917</u>

All current liabilities fall due in less than one year, except for the Payable Shareholders, of which the term is not definite. The fair value of the current liabilities approximates the book value due to its short term character.

16 Commitments and contingencies not included in the balance sheet

16.1 *Government grant- R&D revenues*

For several R&D projects, the company recognised income resulting from (pre)payments of governmental bodies, the final settlement of which is subject to approval by the governmental bodies.

16.2 *Bank guarantees*

The following bank guarantees are issued:

	€
At 31 December 2017	
Security with customs for duty-free ethanol permit	37,500
Service guarantee LHPU unit	5,125
	<hr/>
Total	42,625

16.3 Commitments

Commitments for the (operational) lease of cars for the sum of € 19,434 annually have not been included in the balance sheet. The contracts have different maturities extending until 2 October 2021.

	€
Obligations to pay	
No later than 1 year	19,434

Commitment for the rent of facilities in The Netherlands for the sum of € 321,111 annually have not been included in the balance sheet. The contract took effect on 12 July 2017 for a period of 10 years.
Commitment for the rent of facilities in Singapore for the sum of € 17,683 annually have not been included in the balance sheet. The contract took effect on 15 May 2017 for a period of 2 years.

	€
Obligations to pay	
No later than 1 year	338,794

16.4 Abengoa share repurchase

Under the terms of the Abengoa share repurchase agreement, dated 21-06-2017, Abengoa is entitled to a, pre-share repurchase based, share of the 2017 Green Vision Holding BV net profits, provided all shares of the company were to be sold during a period of one year following the repurchase date.

16.5 Going concern

The management of Green Vision Holding B.V. hereby declares that it shall assume liability for all the debts arising from legal transactions and the equity deficit of HyGear Fuel Cell Systems B.V. This liability undertaking guarantees compliance by Green Vision Holding with all the liabilities, obligations and commitments of HyGear Fuel Cell Systems B.V. in event of any shortage of funds. This undertaking shall be valid for a period 1 year following the financial year ended December 31, 2017.

16.6 *Fiscal unity*

Green Vision Holding B.V. is with the following companies included in the fiscal unity for corporate income tax and VAT:

- HyGear Technology and Services B.V.
- HyGear B.V.
- HyGear Fuel Cell Systems B.V.
- HyGear Operations B.V.

17 **Events after balance sheet date**

There are no events after balance date to be mentioned.

18 Net turnover

	<u>2017</u>	<u>2016</u>
	€	€
Product Revenue	2,370,840	2,063,255
Service Revenue	224,496	164,437
Lease Revenue	141,224	41,313
R&D Revenue	668,571	4,043,383
	<hr/>	<hr/>
Total Revenue	3,405,131	6,312,388
	<hr/>	<hr/>

19 Direct material costs

	<u>2017</u>	<u>2016</u>
	€	€
Direct material costs	2,716,329	2,513,654
Debt waiver – Direct material costs prior years (see Note 14)	-438,500	0
	<hr/>	<hr/>
	2,277,829	2,513,654
	<hr/>	<hr/>

20 Personnel Expenses

	<u>2017</u>	<u>2016</u>
	€	€
Salaries and wages	3,260,749	3,036,605
Debt waiver - Salary costs previous years (see Note 14)	-438,500	0
Temporary workers	142,896	176,823
WBSO wages subsidy	-794,518	-763,715
Social security contributions	300,981	240,104
Pension contributions	236,334	144,253
Capitalised expenses assets under construction	-1,302,466	-374,179
	<hr/>	<hr/>
	1,405,476	2,459,891
	<hr/>	<hr/>

21 Amortisation and depreciation

	2017	2016
	€	€
Amortisation and depreciation	390,985	272,292
Loss on disposal	934	0
	<u>391,919</u>	<u>272,292</u>

22 Other operating expenses

	2017	2016
	€	€
Personnel expenses	133,714	102,903
Premises and utilities expenses	218,788	331,612
Selling and marketing expenses	94,468	379,948
Transport expenses	25,272	13,507
General and administrative expenses	190,217	343,377
	<u>662,459</u>	<u>1,171,347</u>

Personnel expenses

	2017	2016
	€	€
Cafeteria / food plan	8,758	9,431
Other fringe benefits	31,192	5,689
Education and training	12,371	14,397
Commuting allowance	63,888	61,177
Recruiting expenses	2,868	249
Professional fees salary administration	6,534	6,252
EHS expenses	8,103	2,159
Other personnel expenses	0	3,549
	<u>133,714</u>	<u>102,903</u>

Premises and utilities expenses

	2017	2016
	€	€
Rent expenses facilities	283,924	189,932
Heat power and light	69,983	202,858
Cleaning expenses	6,432	6,132
Trash removal	8,044	4,362
Other facilities expenses	1,114	989
Capitalised expenses assets under construction	-150,709	-72,659
	<u>218,788</u>	<u>331,612</u>

Selling and marketing expenses

	2017	2016
	€	€
Travel and living	264,594	182,447
Allowance doubtful debtors	-154,130	11,842
Trade show and events	10,014	1,342
Asia Office	0	98,669
Membership industry grouping	11,704	50,129
Marketing expenses	61,026	115,735
Capitalised expenses assets under construction	-98,740	-80,217
	<u>94,468</u>	<u>379,948</u>

Transport expenses

	2017	2016
	€	€
Car fuel expenses	11,799	10,050
Car repair and maintenance expenses	2,755	3,392
Car road taxes	3,109	3,880
Car insurance	6,494	1,946
Car rental (operational lease)	20,145	0
Reimbursed car expenses management / other	-3,439	-2,955
Capitalised expenses assets under construction	-15,591	-2,805
	<u>25,272</u>	<u>13,507</u>

General and administrative expenses

	2017	2016
	€	€
Postage and courier expense	7,653	8,406
Telephone and internet expense	13,292	11,695
Stationary and office supplies	11,841	3,022
Tooling & maintenance expenses	15,299	2,922
Dues and subscriptions	1,271	6,917
Computer supplies	44,330	21,091
Insurance expense	33,433	2,664
Professional fees accounting	32,000	38,826
Professional fees legal	235,852	286,006
Patent expenses	49,892	33,236
Capitalised expenses assets under construction	-254,646	-71,408
	<u>190,217</u>	<u>343,377</u>

23 Finance income and costs

	2017	2016
	€	€
Interest and similar income	2,316	20,284
Interest and similar expense	-260,029	-27,102
	<u>-257,713</u>	<u>-6,818</u>

24 Share of profit of group companies after tax

	2017	2016
	€	€
Non consolidated result 2016 HyGear Asia	64,570	0
	<u>64,570</u>	<u>0</u>

25 Income tax

	2017
	€
Profit before tax – domestic	587,969
Profit before tax – foreign	111,554
	<hr/>
Profit before tax - total	699,523
	<hr/>
Effective tax rate	0%
Applicable tax rate	24%

The effective tax rate differs from the applicable tax rate, mainly as a result of the application of the Innovationbox and the EIA for the calculation of the domestic income tax. Foreign taxable profits relate to the Singapore based subsidiary that is exempt from income taxes during a three-year period after establishment of the company provided they do not exceed certain thresholds, which they don't. This leads to a tax loss in 2017 of € -441,446 which can be added to the cumulative taxable losses in prior years.

Total remaining tax losses carried forward amount to € 1,457,562.

These losses can be utilised to prevent paying income taxes up to that (taxable) amount in the coming years, however only if the fiscal unity as whole is making a profit and the entity which owns the tax losses carried forward as well. These tax losses were not recognised in the accounts as a deferred tax asset because there is insufficient certainty on if, how and when the tax losses will be compensated. This is also a result of the Innovation box.

26 Average number of employees

During the year 2017, the average number of employees, based on full-time equivalents, was 55,6 (2016: 51,7). 1,5 Employees were employed outside the Netherlands. (2016: 0).

Company financial statements

Company balance sheet as at 31 December 2017

(before profit appropriation)

	Note	31 December 2017		31 December 2016	
		€	€	€	€
Non-current assets					
Financial assets	28		1,045,582		1,612,186
Current assets					
Receivables	29	5,664,452		4,112,599	
Cash and cash equivalents	30	184,209		726,892	
			<u>5,848,661</u>		<u>4,839,491</u>
			<u>6,894,243</u>		<u>6,451,677</u>

		31 December 2017		31 December 2016	
	Note	€	€	€	€
<i>Equity and liabilities</i>					
Equity	31				
Share capital ordinary	32	21,843		31,468	
Share capital Cum Pref	33	10		0	
Share premium ordinary	34	2,780,331		2,236,532	
Share premium Cum Pref	35	360,800		0	
Currency translation reserves	36	-3,276		0	
Other reserves ordinary	37	1,539,905		2,800,051	
Profit for the Year		699,523		233,782	
			5,399,136		5,301,833
Non-current liabilities	38		878,542		918,345
Current liabilities	39		616,565		231,499
			<u>6,894,243</u>		<u>6,451,677</u>

Company income statement for 2017

		<u>2017</u>	<u>2016</u>
Note		€	€
Share of profit of group companies after tax	24	-313,328	334,043
Company loss/profit after tax		1,012,851	-100,261
Profit for the year		<u>699,523</u>	<u>233,782</u>

Notes to the company financial statements

27 General information

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

The accounting policies for the company financial statements and the consolidated financial statements are the same. Group companies are stated at net asset value.

For the accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement on pages 9 to 32.

Pursuant to Article 402, Book 2, of the Dutch Civil Code, the company profit-and-loss account has been presented in abridged form.

28 Financial assets

Movements in financial assets can be broken down as follows:

	<u>Associates</u>	<u>Shareholder</u>
	€	€
At 1 January 2017	1,362,186	250,000
Repayments	0	-250,000
Currency translation	-3.276	0
Share of profit of group companies after tax	-313,328	0
At 31 December 2017	<u>1,045,582</u>	<u>0</u>
Long-term	1,045,582	0

Income tax expense within group companies equals € 0.

List of group companies

Green Vision Holding B.V. has direct interests in the following group company:

Name, registered office*	Share in equity (%)
Fully consolidated	
HyGear Technology & Services B.V., Arnhem	100.00

* Unless indicated otherwise, the above companies have their registered offices in the Netherlands.

Green Vision Holding B.V. exercises decisive control over the related parties. Other companies whose financial and operating activities it can control also qualify as related parties.

29 Receivables

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Trade receivables	0	63,745
Provision trade receivables	0	-63,745
Receivable from group companies	5,472,266	4,043,287
Tax and social security contributions	112,116	43,581
Other receivables, prepayments and accrued income	80,070	25,731
	<u>5,664,452</u>	<u>4,112,599</u>

Green Vision Holding BV has historically acted as the holding and financing entity supporting the growing operational activities of its subsidiaries resulting in an increasing net receivable from group companies balance.

Tax and social security contributions

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Income Tax	43,581	43,581
Value Added Tax	68,535	0
	<u>112,116</u>	<u>43,581</u>

Receivable from group companies

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Receivable from associate HyGear Technology & Services B.V.	<u>5,472,266</u>	<u>4,043,287</u>

The average intercompany balances bear interest at 2% per annum. Nothing has been agreed in respect of repayment and securities.

Other receivables, prepayments and accrued income

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Interest	28	1,301
Prepayments	31,425	24,430
Accrual bonusplan personnel	48,617	
	<u>80,070</u>	<u>25,731</u>

30 Cash and cash equivalents

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
ABN AMRO Bank N.V.	8,106	22,088
Rabobank	2,077	693,556
Deposits	174,026	11,248
	<u>184,209</u>	<u>726,892</u>

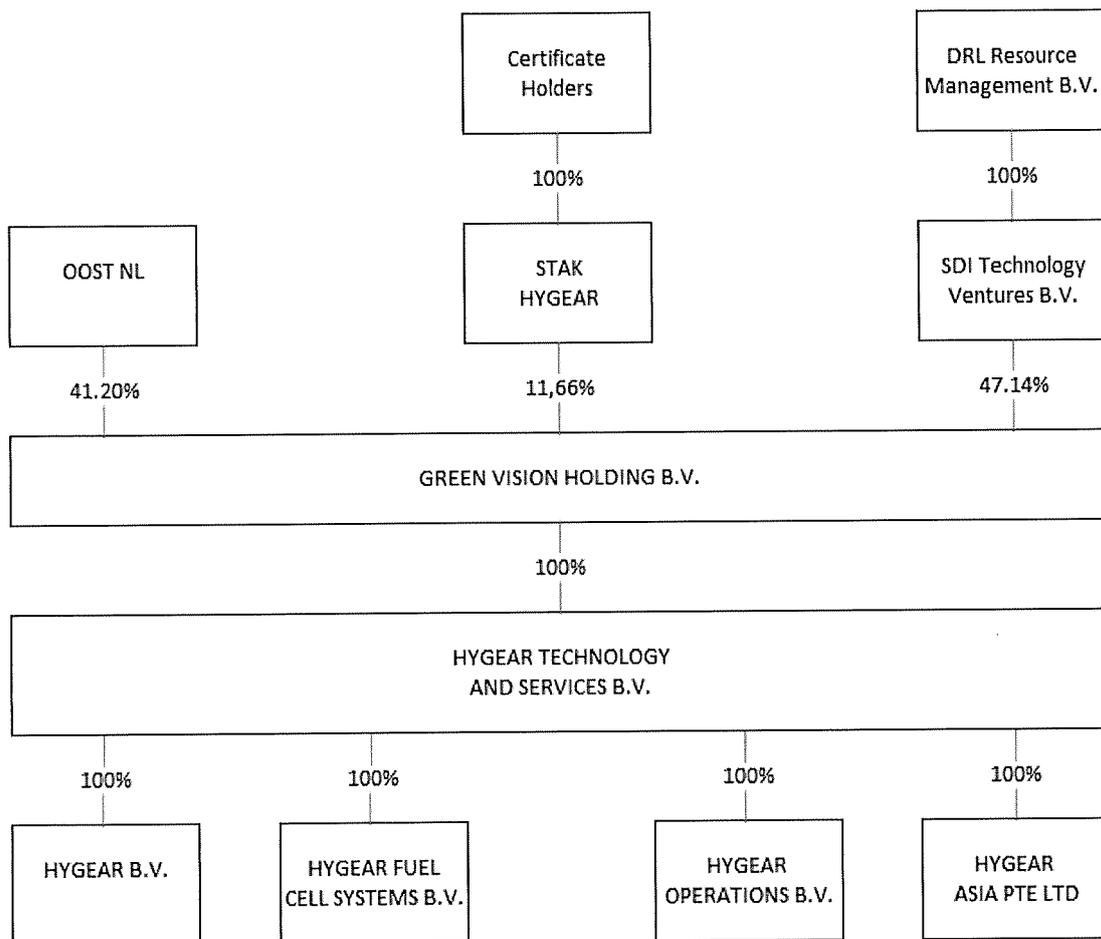
Cash and cash equivalents include non-maturity deposits of € 174,026.

31 Equity

	Issued share capital ordinary	Issued share capital Cum Pref	Share premium ordinary	Share premium Cum Pref	Exchange difference foreign entities	Other reserves Ordinary	Other reserves Cum Pref	Profit for the year	Total
	€	€	€	€	€	€		€	€
At 1 January 2017	31.468		2.236.532			2.800.051		233.782	5.301.833
Changes									
Profit appropriation 2017						233.782		-233.782	-
Dividend distribution 2017						-342.777			-342.777
Profit for the year							18.040	681.483	699.523
Purchase and cancellation own ordinary shares	-11.799		-1.743.783			-705.228			-2.460.810
Ordinary share split 200 for one	-								-
Issue Cum Pref shares		10		360.800					360.810
Issue of ordinary shares STAK Hygear	2.174		2.287.582						2.289.756
Purchase Certificates of ordinary shares						-445.924			-445.924
Exchange difference foreign entity					-3.276				-3.276
At 31 December 2017	21.843	10	2.780.331	360.800	-3.276	1.539.905	18.040	681.483	5.399.136

32 Share capital ordinary

The authorised ordinary share capital of Green Vision Holding B.V. amounts to € 21,843, divided into 4,368,600 ordinary shares of € 0,005 each. Alle ordinary shares are issued.



The authorised share capital of Green Vision Holding B.V. per 01-01-2017 amounted to € 31,468, divided into 31,468 ordinary issued shares of € 1 each. On 21-06-2017 a total of 11,799 shares were repurchased and cancelled by the company for a total consideration of € 2,460,810. On 21-06-2017 the company decided on a 200:1 share split resulting in 3,933,800 ordinary issued shares of € 0,005 each. On 05-07-2017 the company issued 434,800 shares of € 0,005 each to STAK HyGear. STAK HyGear subsequently issued 434,800 certificates of these ordinary shares via a public share placement via NPEX raising total proceeds for the company of € 2,437,138.

33 Share capital Cum Pref

The authorized cum pref share capital of Green Vision Holding B.V. amounts to € 10, dividend into 10 cum pref shares of € 1 each. These shares were issued on 21-06-2017 to Oost NL raising total proceeds of € 360,810 for the company.

34 Share premium ordinary

On 21-06-2017 a total of 11,799 shares were repurchased and cancelled by the company for a total consideration of € 2,460,810 (10,069 shares purchased for € 2,100,000 from Abengoa and 1,730 shares purchased for € 360,810 from Oost NL), resulting in a decrease in other reserves of € 1,743,783. On 05-07-2017 the company issued 434,780 shares of € 0,005 each to STAK HyGear. STAK HyGear subsequently issued 434,800 certificates of these ordinary shares via a public share placement via NPEX raising total proceeds for the company of € 2,437,138, resulting in an increase in share premium ordinary of € 2,434,964. An amount of € 147,382 was deducted of this amount due to the costs of the placement of the Certificates of Shares. The nett amount after this transaction is € 2,287,582.

35 Share premium Cum Pref

On 21-06-2017 the company issued 10 Cum Pref shares of € 1 each to Oost NL raising total proceeds for the company of € 360,810, resulting in an increase in share premium cum pref of € 360,800.

36 Currency translation reserves

The results and financial position of gorup companies that have a funcitonal currency different from the presentation currency are translated into the presentation currency as follows:

- . Assets and liabilities are translated at the closing rate at the balance sheet date and
- . Income and expenses are translated at average exchange rates.

Resulting exchange differences are recognised in equity as currency translation reserves.

37 Other reserves ordinary

On 21-06-2017 a total of 11,799 shares were repurchased and cancelled by the company for a total consideration of € 2,460,810, resulting in a decrease in other reserves of € 705,228.

On 05-07-2017 a total of 1,823 certificates of ordinary shares were purchased by the company from STAK HyGear for a total consideration of € 10,482.

On 29-12-2017 a total of 65,186 certificates of ordinary shares (74,850 shares minus 9,664 already allocated) were purchased by the company from STAK HyGear for future personnel incentives for a total consideration of € 435,442.

38 Non-current liabilities

	31-12-2017	31-12-2016
	€	€
Non-interest bearing loan (Uitdagingskrediet)	0	877,000
Loan DRL Resource Management B.V. (sub)	0	41,345
Bridge loan DRL Resource (sub)	285,765	0
Bridge loan Oost NL (sub)	250,000	0
Dividend loan DRL Resource (sub)	182,837	0
Dividend loan Oost NL (sub)	159,940	0
	878,542	918,345

Non-interest bearing loan (Uitdagingskrediet)

The innovation loan was issued by Agentschap NL on February 8, 2008 to be used to fund the development project of the HGS-L. The loan was cancelled in full during 2017 since the criteria for repayment weren't met.

Subordinated loan DRL Resource Management B.V.

The subordinated loan DRL Resource Management B.V. was fully repaid in 2017.

Subordinated bridge and dividend loans shareholders

The subordinated bridge loans were issued by DRL Resource Management B.V. and Oost NL on 19 May 2017 for an amount of € 285,765 and € 250,000. The subordinated dividend loans were issued by DRL Resource Management B.V. and Oost NL on 19 June 2017 for an amount of € 159,940 and € 182,837. The subordinated bridge and dividend loans by DRL Resource Management B.V. and Oost NL bear 7% interest on an annual basis. Interest is paid quarterly. The subordinated bridge loans are repayable per June 2019. The subordinated dividend loans are repayable six months after redemption of the NPEX bonds.

39 Current liabilities

	31-12-2017	31-12-2016
	€	€
Repayment obligations	0	70,789
Trade payables	40,009	108,078
Other debts, accruals and received prepayments	76,558	52,632
Payable Shareholders purchase Certificates of Ordinary Shares	499,998	0
	616,565	231,499

Commitments and contingencies not included in the balance sheet

Tax group liability

The Company forms an income tax group with HyGear B.V., HyGear Fuel Cell Systems B.V. and HyGear Technology & Services B.V. Under the Dutch Collection of State Taxes Act, the Company and its fellow group members are jointly and severally liable for any taxes payable by the tax group.

The financial statements of HyGear B.V., HyGear Fuel Cell Systems B.V. and HyGear Technology & Services B.V. recognises a tax liability based on its profit for financial reporting purposes. Green Vision Holding B.V. settles its intercompany balances with its group companies based on the associate's profit for financial reporting purposes.

40 Average number of employees

During the year 2017, the average number of employees, based on full-time equivalents, was 0 (2016: 0). No employees were employed outside the Netherlands. (2016: 0)

41 Directors' remuneration

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Current directors	222,161	255,330
Current supervisory directors	18,000	18,000
	<u>240,161</u>	<u>273,330</u>

The directors' remuneration includes managementfee payments, to the extent that these items were charged to Green Vision Holding BV and all its subsidiaries.

42 Proposed profit appropriation Ordinary Shareholders

The Management Board proposes to appropriate the profit of € 699,523 as follows:

	€
Profit attributable to Cum Pref shareholders	18,040
At the disposal of the Annual General Meeting of Shareholders	<u>681,483</u>
Profit for the year	<u>699,523</u>

The profit appropriation is not reflected in these financial statements.

Arnhem, 28 March 2018

Green Vision Holding B.V.

The Management Board,

M. van Driel
was signed

The Supervisory Board,

J. van der Vliet
was signed

B. Fortuyn
was signed

M. Adler
was signed

Other information

Articles of association governing profit appropriation

Clause 21 of the Green Vision Holding Articles of Association governs profit appropriation. This text of this clause is as follows:

- 21.1. The profit is at the free disposal of the General Meeting of Shareholders.
- 21.2. The Company may make distributions to the shareholders and other persons entitled to the distributable profits only to the extent that the company's shareholders' equity exceeds the sum of the paid-in capital and the legal reserves required by law to maintain.
- 21.3. Distribution of profit will take place after adoption of the income statement that demonstrates the legitimacy of distribution.
- 21.4. Any shares held by the company in its own capital are not counted when calculating the profit appropriation, except where the shares are encumbered with usufruct, or depositary receipts for shares have been issued with the company's consent.
- 21.5. Any shares for which the company holds certificates of shares or shares with a limited right of entitlement to the distributable profits are also not counted when calculating the profit appropriation.
- 21.6. The Management Board may decide to distribute an interim dividend in anticipation of the expected dividend, subject to the provisions of paragraph 2 above.

Independent Auditor's report

INDEPENDENT AUDITOR'S REPORT

To the Supervisory Board and shareholders of Green Vision Holding B.V.

A. Report on the audit of the financial statements 2017 included in the financial report

Our opinion

We have audited the financial statements 2017 of Green Vision Holding B.V., based in Arnhem.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Green Vision Holding B.V as at 31 December 2017 and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2017;
2. the consolidated and company profit and loss account for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Green Vision Holding B.V in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management board's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for the monitoring of the process related to the financial reporting of the company.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Arnhem, March 28, 2018
Flynth Audit B.V.

Was signed

drs. J.W.M. Verhagen RA