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INDEPENDENT AUDITOR'S REPORT

To: The shareholders and supervisory board of Green Vision Holding B.V.

A. Report on the audit of the financial statements 2019 included in the annual report

Our opinion

We have audited the financial statements 2019 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 2019 and of its result for 2019 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 2019;
2. the consolidated and company profit and loss account for 2019; 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.

Emphasis of matter on impact COVID-19 in the Events after balance sheet date

The Coronavirus also impacts Green Vision Holding B.V. In the 'Events after balance sheet date' on page 45 and 46 management describes the current impact and their plans to deal with these events and circumstances. Furthermore they note that at this moment it is difficult to assess what the impact of the coronavirus will be on the financial position of Green Vision Holding B.V. Our opinion is not modified in respect of this matter.

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 report;
- other information.

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 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 and the supervisory board 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 overseeing the company's financial reporting process.

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 among others:

- 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 entity'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, 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.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Arnhem, June 29, 2020
Flynth Audit B.V.

signed on the original

drs. J.W.M. Verhagen RA CISA

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Financial report 2019

Green Vision Holding B.V.

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purposes, date:
29 JUN 2020

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Directors' report

General introduction

The core activity of our company is to develop, to assemble and to market hydrogen production and recycling systems as well as associated products for different industrial gases. The uniqueness of these products is the smaller scale and high efficiency, that allows the end-users to operate them on-site or near their production facilities.This reduces the need for trucking gases and the associated environmental impact and expenses.

Our flagship is the on-site hydrogen generator system Hy.GEN. The product is standardized in three sizes called HyGEN-50, Hy.GEN-100 and Hy.GEN-150, referring to the difference in hourly cubic meter output. By combining these systems we are able to serve a broad customer base in Industrial Hydrogen, as well as Hydrogen Energy applications.

In recent years we developed and started selling a second product called HyREC. These systems allows industrial end users to capture their spent industrial gases, clean them and upgrade them to standards for new gases at their own site. With Hy.REC, our customers can achieve an even further reduction in Industrial gases expenses, but most importantly, realise a significant reduction in environmental impact and a further contribution to circularity.

Historically, hydrogen has been widely used in industrial sectors, such as the glass industry, the steel- and metal industry, the semi conductor industry and the food industry. In these industries the gas is used in large volumens mostly to protect the semi-finished products from atmospheric influences. In recent years an increasing interest is observed in the utilisation of hydrogen as energy carrier, for example as vehicle fuel. Hydrogen has the advantage over conventional fuels that it can be converted to electricity in highly efficient fuel cells and does not generate harmful emissions like CO2, NOx and Particulate Matter (PM).

Hydrogen is a gas, that does not naturally exist in nature. More than 99% of all hydrogen in the world is produced by a method called steam methane reforming. Traditionally this methodology, using natural gas and steam as input, is applied by bulk producers at large industrial sites. From these bulk plants hydrogen is transported to end-users across the world, mostly by conventional trucking. Since hydrogen is generated in gaseous state, the capacity that can be transported in a trailer is limited and therefore, trucking expenses and associated emissions of harmful components are relatively large.

Our unique offering of on-site generation technology, that operates with an efficiency comparable to large steam reformers, positions us well for further growth.

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Corporate Structure

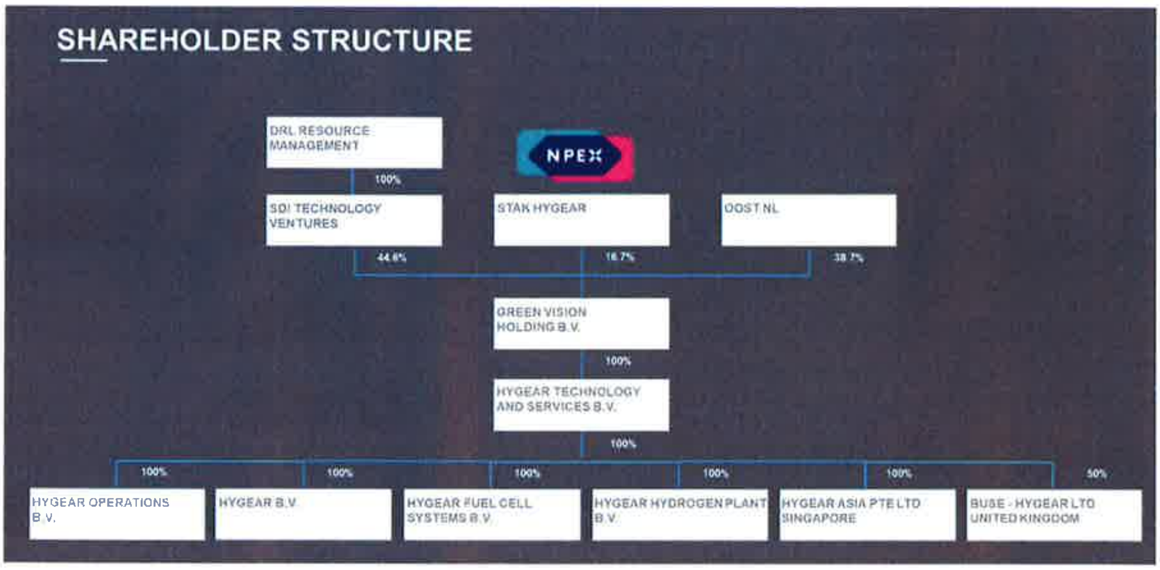
The following companies are part of the HyGear group.

- Green Vision Holding B.V., Arnhem (holding company)
- 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 Hydrogen Plant B.V., Arnhem (100%)
- HyGear Asia PTE LTD, Singapore (100%)
- Buse HyGear PTE LTD, UK (50%)

Green Vision Holding is a limited liability company.

Our statutory address is Westervoortsedijk 73 6827 AV in Arnhem, The Netherlands. We also have an office in Singapore, at 133 Cecil Street |#09-01B Keck Seng Tower Singapore 069535.

The shareholding structure as per 31 December 2019 is presented in the diagram below



SDI Techology Ventures and DRL Resource Management are companies owned by founder and CEO Marinus van Driel. Oost NL is the investment arm of the Regionale Ontwikkelingsmaatschappij Oost NV (a regional development agency owned by the provinces of Gelderland and Overijssel). STAK HyGear is the the entity Stichting Administratiekantoor HyGear, where the shares are held, that have been certified and made available for trading on NPEX.

Green Vision Holding is our holding company in which patents and financial resources are managed. HyGear Technology and services is an intermediary company for administrative services, some product specific R&D and other services towards the operational units.

HyGear Operations b.v. is the entity that supplies our installations and maintenance and installation services. HyGear b.v. manages our supply contract (GaaS) and currently still a number of turn key supply

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contracts as well as some product specific Engineering and product improvement. HyGear Fuel Cell Systems b.v. focuses on R&D. HyGear Hydrogen Plant b.v. is responsible for the operation of our hydrogen plant in The Netherlands as well as the trailer supply from that plant. HyGear Asia Pte Ltd is our office in Singapore responsible for sales, maintenance and installation and product development, all specific to the Asia-Pacific region. Finally, Buse-HyGear is our joint venture company established in 2019 in the UK to operate a Decentralised Production Hub for hydrogen near Birmingham that is currently under construction. The expectation is that this hub is operational by the end of 2020. During 2019 no activities had taken place within this joint venture.

Development of the company in 2019

HyGear continued to grow in 2019. Over time we have developed five revenues streams consisting of: (i) turnkey sales, (ii) Gas as a Service ("GAAS") contracts (essentially systems owned and operated by HyGear at customers sites), (iii) service & maintenance on the installed base of turn key systems, (iv) hydrogen sales from our Hydrogen Production Plant ("HHP") in Arnhem and (v) subsidies for R&D projects.

The strategy is to accelerate the growth of the installed base both in turnkey as well as GAAS. In addition, we have the ambition to roll-out a network of Decentralised Production Hubs ("DPHs"), copying the model of the HPP in Arnhem. The network of DPHs will complement and support the roll out of a network of GAAS systems, by providing back-up and peak supply with trailers to our GAAS clients. Through our R&D department we want to stay at the forefront of technological developments in the development of a hydrogen economy.

Due to the long lead time between sales, assembly and installation the number of HyGEN systems sold, assembled and installed can differ materially. We calculate all these indicators back to number of HyGEN 50 equivalents. One HyGEN 150 therefore equates to 3x HyGEN 50 equivalents. Last year the target was to market (sale or GAAS), to assemble and to install 20 HyGEN 50 equivalent systems. In the end we manged to increase the installed base by 21 systems to a total of 46, of which 36 turnkey, 8 GAAS and 2 DPH. In addition, our installed base grew with 3 HyREC systems and several other products amongst which our first 1 nitrogen purifier (Gas.PURE).

At the end of 2019 we had 76 employees on our payroll, translating into 72 FTE (compared to 58 FTE in 2018).

In November 2019 Gerrit Stoelinga was appointed as CFO. On the first of July Gerrit will resign as CFO of Hygear. At this point in time we will not look for successor but decided to distribute his tasks between newly appointed Manager Finance and Control, Michael Slokker and CEO Marinus van Driel.

Financial information

The growth of HyGear was reflected in the financials. Total revenues of the company as presented in this annual report amounted to EUR 9.6 mln in 2019, which was 65% higher than in 2018. The increase in revenue is especially caused by the completion of 13 installations within the fourth quarter of 2019. Over 2019 we report an operating profit of EUR 867,279 and net result of EUR -204,574. This loss is especially caused by the financial expenses of EUR 1,041,864, which is caused by some subordinated bond loans in which interest rates of 7% and above are included. In addition to this we incurred some exceptional items, like the expenses related to the new finance agreements for bond loans and warrants.

The growth of the company was also reflected in the balance sheet. Total assets increased from EUR 20.06 mln in 2018 to EUR 27.58 mln in 2019. This balance sheet growth was financed with additional, mostly sub-ordinated debt in the form of a new sub-ordinated NPEX bond (EUR 5 mln proceeds) and a new sub-ordinated loan from Oost NL (EUR 2 mln drawn).

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Solvability expressed in [equity + partly subordinated shareholder loans] divided by balance sheet total amounted to 32,0%, which is 6,0% higer than in 2018. Management believes that long term sub-ordinated debt is an appropriate way to finance the roll out of GAAS assets under long term contracts with investment grade offtakers. Solvability, excluding sub-ordinated debt, expressed in equity divided by the balance sheet total amounted to 18% (compared to 26% in 2018). This decrease is the direct result of the investment in LT GAAS assets financed by sub-ordinated debt.

The current assets at year-end amounted to EUR 10,01 mln, while the current liabilities amounted to EUR 3,90 mln, leading to a current ratio of 2,56 (2018:1,84).

We managed to generate a positive cashflow of EUR 380k in 2019.

Management view on the future

We ended 2019 with a full order book and see a lot of commercial interest in our Hy.GEN and Hy.REC systems. Although we don't expect we can reach as high as a conversion rates from quotation to signed order as we did in the past, we conclude that the differentiation in business models between Turn Key sales and Gas as a Service increases our addressable market as well as our growth rate.

Our strategy going forward will be to retain the two business models side by side, but put more emphasis then we previously did in signing GAAS contracts in specific geographies where we have competitive advantage over traditional supply method. It is our intention to create critical mass in these regions, become globally local, and from there, further improve our offering for new GAAS customers in those regions. An example is our second hydrogen generation plant (Decentralized Production Hub or DPH) that we are currently building together with Buse Gases in the UK.

The disadvantage of the Gas as a Service model is that we need larger upfront investments and our short term profitability will be under pressure as we are accounting under Dutch GAAP. By the end of 2019 we started a process involving EY advisory to gradually change our standards towards IFRS as these standards would give a better representation of our growth, mainly because of the representation of the value of our GAAS assets.

Another aspect of GAAS that complicated and potentially limits our growth, is the capital intensive nature of this activity. We foresee that we have to further strengthen our finances in the course of 2020 and 2021. We have started a dialogue with banks and other financing instutions with regards to acquiring a long term project financing facility, on the back of the long term offtake contracts of our GAAS clients. We see this as the quickest route towards more funding against lower costs and it will allow us to free up financial means for new GAAS contracts.

The dialogue is ongoing and has been very encouraging. Successful implementation of a project financing in 2020 would significantly reduce the cost of financing for the company for existing and future GAAS contracts. We envision that we will partially use the proceeds of a project financing to refinance existing, more expensive debt. There should be alternative financing instruments available to the company, if for whatever reason, we fail to complete a project financing in 2020.

Another means of improving our financial overall performance and to strengthen our base for growth, is to keep working on product development and product improvement. For our existing systems we are currently already working on a large cost reduction program. In direct materials, direct labour for assembly, but also including supply chain management, sourcing from multiple suppliers and reduction of maintenance costs.

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Finally we want to broaden our product scope. In 2019 we already signed sourcing contracts for electrolyser components and started the design of our own electrolyser technology in order to become more technologically neutral and have a full scope offering for customers, who can choose a technology based on their specific demands and situation instead of only on what we have available at HyGear. Aside to this, we will put effort in our purification technologies. On one hand the CO2 capture or sequestration technologies to further reduce CO2 emissions from our Hy.GEN systems and on the other hand, end-of-pipe purification technologies that allow industrial end users to buy gases from nearby sources and upgrading them at their site. We believe this so-called Gas.PURE technology offers significant benefits in both cost and environmental impact. We expect to continue these programa in 2020 and have funding in place to do so.

Risks and uncertainties

Our company develops, build, installs and operates capital intensive equipment, often used in long term contracts. This inherently imposes risks that we are trying to reduce as much as possible. The overview below describes the most important risks but is not exhaustive.

Counterparty risk
As any other company we are exposed to the risk that a counterparty can't (fully) fulfil its financial obligations. This risk can (amongst other reasons) happen when a counter party becomes insolvent. We are trying to reduce this risk by making an assessment of each counterparty's financial situation before signing new contracts and by agreeing payment schedules in which a significant part of our expenses are covered before we supply our products. At the same time, we are trying to agree with our suppliers to not pay the full amound of goods purchased, before we have been able to inspect them.

Competition risk
The markets for industrial process gases and hydrogen for transportation applications is large en characterised by several large players, both national and international, that can be regarded as competitors. There is a risk that one of these players can become more successful than us at some point in time. This could result in a situation where we can't (fully) realise our future expectations.

In order to reduce these risks we invest a lot in product development, compared to the size of our company. Our focus is to make our technology more efficient, more cost effective and more reliable, while at the same time we focus on development of new products and technologies that allow us to offer a broader package to our customers and be able to serve a broader customer base. At the same time we are investing in international partnerships and facilities for back-up supply to become regionally stronger.

The risk of dependence on board members
The success of our operations largely depends on specific knowledge and experience of it's statutory directors, members of the management team and a small group of "key-employees". If one or more of these people would cease his relations with the company, it could result in loosing specific knowledge. This could have a short term negative effect on our operations and financials.

We view this risk as inherent to the size of our company and try to spread knowledge over as many people as possible to reduce it.

Cost risks
A large portion of the expenses of our company are fixed, amongst other wage costs, housing and administrative charges. The fixed character of these expenses imposes the risk that if gross margins reduce, the situation could occur that we have insufficient financial means to pay our suppliers or service providers. For this reason, our strategy is to invest in marketing and selling to grow our revenue and reduce our cost of goods sold in order to assure gross margin to grow while maintaining fixed costs stable.

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Risks of supplier limitations
Our company depends on external suppliers for components and sub-modules. In most cases these compaonents can be supplied by multiple sources, but in some cases supply is limited to one or two parties. Examples are catalysts and adsorbens. If one or more of these companies would, either temporarily or fully, stop the supply of these components, it could lead to manufacturing or maintenance delays. For this reason we are actively striving for duel- or multi sourcing for all components.

Risk of dependence on large accounts
Inherent to the nature of our projects for on-site generation and recovery of industrial gases, the number of customers that we serve annually is limited and the revenue for each project relatively large. We are reducing this risk by focusing on multiple industries and within each industry, multiple customers. At the same time we have been changing our strategy since recent years to also adopt a model of what we call Gas as a Service. In Gas as a Service we invest in our equipment and sign long term contracts for certain off-take with large industrial customers. This will in time generate a steady cash flow that would support possible downfall with customers in turn-key installations.

If one or more of these Gas as a Service customers would seize operations, this could have impact on our revenue from that customer. We mitigate this risk by standardising our installations as much as possible so that we can redeploy our systems at new customers when needed.

Risk in acquiring R&D subsidies and grants
One of the reasons for our relatively low profitability is that we consider ourselves to be a high tech growth company with strong focus on product development. Most of our developments are supported by national and international subsidy programs like the EU Horizon 2020 program. If these subsidies would reduce at one point, we will loose leverage on our R&D expenses and have to either reduce our efforts or accept lower profitability or losses. We therefore have an active policy to acquire new research funding and maintain our income from this source.

Liquidity risk
Green Vision Holding b.v. is responsible for the obligations resulting from loans and bonds towards banks, financial institutions and bond holders. These obligations mainly consist of interest and repayment of the principles. The payments will be done from the cash flow from operations. In order to mitigate this risk, management and supervisory board generate monthly rolling forecasts of cash flow for a year in advance.

Solvency risk
We always operated from an objective to retain solvency, defined as equity plus subordinated debt divided by balance sheet total, above 35%. With the introduction of our Gas as a Service supply model, we have reduced this target to 25%. This means that at one point in time, when the company grows further and our GaaS business model proves to be successful, we will have to attract new capital in the form of equity. If we are not successful in attracting new capital or debt, it could happen that we would need to refuse new opportunities, reduce our growth rate or in worst case, our company result would be under pressure.

Reputation risk
The hydrogen production systems of our company have been supplied on a commercial basis since 2009. The design life of the most critical components is 15 years. Therefore we have not been able to proof yet that these systems will actually last as long as we projected. If degradation risks would occur after longer time and multiple systems fail, this could lead to reputation risks and increasing maintenance expenses (if it concerns Gas as a Service supply modes)

Technology risk
After over ten years of field experience, it is known that the functioning of our on-site hydrogen generators depends on local circumstances like natural gas quality, airpressure, temperature, air pollution and water quality. It could occur that in the future, installations would not comply to their specifications under certain

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local circumstances, or that performance of these installations would deteriorate faster than expected. The risks could be that this would lead to increased warranty and maintenance expenses.

Another technological risk is related to Hy.REC recovery systems. The product for recovery of pure hydrogen (Hy.REC-pure) has been operated for longer already, but the product for recovery of mixed gases (Hy.REC-mix) is relatively new. It could appear that this product is technically or economically not viable.

In case these technical risks occur, it could have a negative impact on our growth and or company results.

Fiscal risks
Based on article 12b of the Corporate tax law 1969, we apply for the innovation box in previous years. This results in reduced taxation of our company profits. On this moment we have discussions with the tax authorities to extend the innovation box over ther period 2019 to 2023. The risk exist that the laws are changed which could impact the companies results.

General legal risks
There is always a risk that other parties will prepare lawsuits against us. Wether these lawsuits are admissible or not, defending against allegations will be costly and these costs usually can't be (fully) charged to the counterparty. Legal charges can't be insured fully and therefore our policy is to seek legal advice for especially larger contracts in advance or use standardized contracts that have been evaluated by legal counsil before.

Political and country risk
Political risks concern risks related to stability and legitimacy of political institutes, orderly succession of political leaders, transparency in economic decision making, national safety and geopolitical risks. All these risks could have negative effects on our business and can't be mitigated. We do have an active policy to target countries with stable regimes and certainly when it comes to long term Gas as a Service contracts, we will try to refrain from signing contracts in regions or countries with increased political risks.

Currency risks
The expenses from our operation in Singapore, like salaries, rental and small investments, are paid in Singapore Dollar (SGD). We consider this a minor currency risk because of the size of this operation, relative to the size of the company. Our contracts are usually denominated in Euro. With further internationalisation, it could happen that we need to sign contracts in different currencies, which would yield currency risk. Especially in long term supply agreement, management will always have to assess this risk and decide wether this risk should be hedged for the specific contract or not.

Supervisory Board
At the beginning of 2019 the Supervisory Board ("SVB") consisted of three people:

- Mr. Bernard Fortuyn (Chairman)
- Mr. Martin Adler
- Mr. Jan van der Vliet

Jan van der Vliet, who already announced his departure in 2018, left the SVB after the approval of the annual report in April, 2019. There is an intention to fill the third SVB seat in the course of 2020.

Shareholders Oost NL and STAK HyGear have the right to attend the SVB meetings as witness. Mr. Freek Welling on behalf of Oost NL and Mr. Vincent van Campen on behalf of STAK HyGear have attended (most of) the SVB meetings.

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Five regular meetings were held in 2019. These meetings dealth with several topics of going concern, often related to dinancial, operational and commercial progress. Besided this three extraordinary meetings were held through converence call dealing with short term decision making like personnel stock options, appointment of new management, the acquisition of new debt financing and the sale of shares by existing shareholders.

As of March 6th 2020 the Supervisory Board joins Management in a weekly online meeting to monitor the company's progress during the outbreak of Covid-19 in March, 2020.

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Subsequent event – the Corona crisis

This paragraph is added to cover the financial and non-financial impact of the Corona crisis, due to the global outbreak of Covid-19 in the first quarter of 2020. The Dutch government, like most governments around the world, have put in place a series of extraordinary measures since March 2020.

Impact of Corona

The direct impact of Corona is different for different parts of the business. The company followed the guidelines and directives on containment from the Dutch government and RIVM. So far, there have been no serious cases of sickness in the company due to Covid-19. Everyone, who is capable of working from home, has been working from home since March 14.

Impact on Assembly: Due to the RIVM guideline to maintain 1.5m social distance on the work floor, the work force in the assembly hall had to be reduced. This occurred quite naturally as most third party workers wanted to go home after the announcement of the first quarantine measures. In addition, the company decided to reduce the flexible third party work force with 90%. As a result the existing order book will be spread out over a longer period. It is estimated that we currently assemble HyGEN systems at 50-60% of normal pace. However, assembly costs per unit will be less because we do not use relatively expensive third party labour. We have so far not experienced major disturbance in our supply chain.

Impact on Service & Installation: Travel restrictions have a significant impact on the ability of the delivery team to provide service, maintenance and installation works at the site of the customers. Before the outbreak, we have decided to anticipate on possible travel restrictions by giving priority to services that reuire long traveling. After the restrictions were imposed we have until now been able to keep servicing nearby systems in Europe. For all other locations we have been able to provide services by remote support, making use of customers available technical staff.

Impact on Revenue: As we use Percentage Complete Accounting and we reduced manufacturing staff, it is expected that our revenue will reduce as well as our cost of goods sold. The extend to which this will be notable in our company result will depend on the time it will take before the measures can be relieved as well as the ability of the company to make up for the manufacturing time lost in the rest of the year.

Impact on Sales: The Sales team managed to keep the discussion with (potential) customers ongoing. The dialogue on hot leads was advanced to the final stages (verbally mandated), but we notice that decision processes are slow. The extend to which we will notice this in our booked revenue for the year 2020 remains uncertain and will also depend on the amount of time it will take for industries to resume normal operations.

Impact on R&D: The impact on the work by R&D and Engineering is relatively limited, albeit that the testing of new technology for subsidy projects may be delayed, because of lack of capacity in assembly and social distance measures in the labs.

Measures taken and foreseen

We are more actively tendering for R&D projects, which (also) provide an opportunity to keep the engineering capacity at work on subsidized projects. Actually, we still have a significant backlog of subsidized R&D projects, that the development engineers had very little time for when assembly / production was scaling up last year. The EU, an important source of R&D funding, has announced that they will make additional funding available to stimulate the development of the hydrogen economy.

Financial consequences – managing liquidity

In general, in these challenging times, we manage our liquidity even tighter than before. Discretionary and non-committed investments are postponed. Fortunately, due to a number of large milestone payments on turnkey projects, the first quarter of 2020 was cash generative. Our cash position as per April 1, 2020 was

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slightly over EUR 4 mln, while we did not make any (cash) drawings under our committed credit lines at the banks and Oost NL. It's difficult to assess the overall impact of Covid-19 on our results and liquidity. In general, turnover will reduce, but costs will reduce as well. The impact on liquidity will be partly dampened by wage subsidies provided by the governments of The Netherlands and Singapore.

Uncertainty remains

It must be emphasized that a lot of uncertainty remains in relation to the duration of the Corona crisis and the government measures taken. It is uncertain what the long term impact on the global economy, our client base and therefore our company will be. We need capital, both debt and equity, if we want to maintain our current growth model. Given the envisioned development of a hydrogen economy, there is still a lot of interest in our company and our technological capabilities. We are confident that we have enough liquidity, consisting of cash and committed facilities, for the remainder of the year. Thereafter we will need capital inflow, or we will need to dramatically change our business model.

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Consolidated financial statements

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Consolidated balance sheet as at 31 December 2019

Before profit appropriation

	Note	31 December 2019		31 December 2018	
		€	€	€	€
Non-current assets					
Intangible assets	5	1,523,100		534,681	
Property, plant and equipment	6	15,960,581		11,986,641	
			17,483,681		12,521,322
Current assets					
Inventories	7	1,324,660		935,429	
Construction contracts	8	3,110,218		741,210	
Receivables	9	2,069,282		2,661,731	
Cash and cash equivalents	10	3,591,677		3,201,298	
			10,095,837		7,539,668
			27,579,518		20,060,990

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	Note	31 December 2019 €	€	31 December 2018 €	€
Equity and liabilities					
Group equity *)					
Equity	11	5,083,195		5,175,484	
			5,083,195		5,175,484
Non-current liabilities *)	12		18,593,179		10,798,050
Current liabilities	13		3,903,144		4,087,456
			27,579,518		20,060,990

*) Liability capital consists of equity (group equity) and any subordinated loans recognised as non-current liabilities. See note 12 of the annual report.

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Consolidated income statement for 2019

	Note	2019 €	2019 €	2018 €	2018 €
Net turnover	16		4,422,398		5,155,242
Change construction contracts Products / Services		4,079,730		1,158,108	
Change construction contracts R&D		1,118,707		-500,454	
Total Revenue			9,620,835		5,812,896
Direct material costs	17	4,370,397		1,821,322	
Subcontracting and other external costs		170,087		164,841	
Salaries and wages, temporary workers, less WBSO wages subsidy	18	1,690,957		1,325,295	
Social security contributions	18	608,838		580,679	
Pension contributions	18	250,544		202,237	
Amortisation and depreciation	19	666,972		608,880	
Other operating expenses	20	995,761		273,165	
Total expenses			8,753,556		4,976,419
Operating profit			867,279		836,477
Finance income and costs	21		-1,071,853		-557,828
Profit before tax			-204,574		278,649
Income tax	22		0		-43,581
Profit for the year			-204,574		235,068

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Consolidated cash flow statement for 2019

	Note	2019 €	2019 €	2018 €	2018 €
Cash flows from operating activities					
Operating profit			867,279		836,477
Adjustments for:					
Amortisation and depreciation	19	666,972		608,880	
Movements in provisions		0		-380,129	
			666,972		228,751
Changes in working capital:					
Inventories	7	-37,039		-516,149	
Construction contracts	8	-2,369,008		-111,154	
Receivables	9	592,449		-498,581	
Current liabilities (exclusive of bank overdrafts)	13	-327,272		1,057,304	
			-2,140,866		-68,580
Cash generated from operations			-606,615		996,648
Interest received	21	4,605		15	
Income tax	22	0		-43,581	
Interest paid	21	-916,567		-557,843	
			-911,962		-601,409
Net cash generated from operating activities			-1,477,534		395,239

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	Note	2019		2018	
		€	€	€	€
Cash flows from investing activities					
Purchases of intangible assets	5	-1,002,670		-531,333	
Purchases of property, plant and equipment (PPE)	6	-5,019,900		-4,156,655	
Net cash used in investing activities			-6,022,570		-4,687,988
Cash flows from financing activities					
Repayments of borrowings minus amortised interest	12	-160,576		-74,238	
Proceeds from borrowings	12	7,938,771		6,044,994	
Change in reclassification from non current to current liabilities	12	0		-74,221	
Net dividends paid	28	0		-413,597	
Change in current liabilities	28	142,956		0	
Net cash used in financing activities			7,921,150		5,482,938
Net cash flows	10		380,003		1,190,189
Net increase/(decrease) in cash and cash equivalents			380,003		1,193,683

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

	2019	2018
	€	€
At 1 January	3,201,298	2,007,615
Movements during the year	380,003	1,190,189
Currency translation differences	10,376	3,494
At 31 December	3,591,677	3,201,298

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Notes to the consolidated financial statements

1 General information

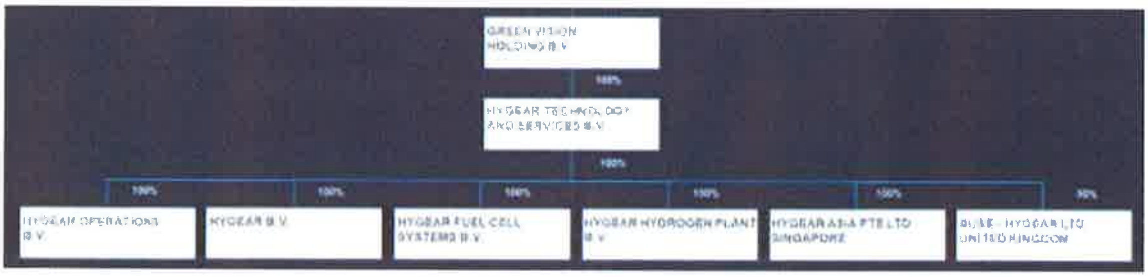
1.1 Operations

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.

1.3 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

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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 2019 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 Hydrogen Plant B.V., Arnhem (100%)
HyGear Asia PTE LTD, Singapore (100%)
Buse – Hygear Ltd. (50%)

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

1.4 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.

1.5 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.

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1.6 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.

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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.

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.

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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.

Development costs

Development costs comprise expenditure on the design and production of new or substantially improved products and processes. Development costs are capitalised only if the development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete the development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Expenditure on development activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the income statement as incurred.
Development costs are amortised over their estimated future useful lives (15 years) from the date that the developed products and processes become commercially viable and are actively marketed to our customer base.

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, productive 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.
Investment subsidies are deducted from the historical cost or manufacturing price of the assets to which the subsidies relate.

The company chooses to capitalize the costs of major maintenance as part of the book value of the asset, if the capitalisation of RJ 212.401 have been satisfied (RJ.212.435).

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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).

Joint ventures

Buse-HyGear Ltd (50%) is our joint venture company established in 2019 in the UK to operate a Decentralised Production Hub for hydrogen near Birmingham that is currently under construction. The purpose is to have the decentralised production hub operational by the end of 2020. Hygear will deliver the equipment which is needed for the location during 2020. In 2019 no activities have taken place within the joint venture. Per 31 December 2019 the joint venture is valued at €0.

Loans to affiliated companies

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.

Financial assets

At initial recognition financial assets are recognised at fair value. Subsequent measurement of the financial assets depends on the classification of the financial asset:

- Financial assets available for trade: Fair value trough profit and loss.
- Derivatives: The derivatives with listed shares as underlying value are measured at fair value trough profit and loss. For the other type of derivatives, like hedging, the entity can choose

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between the cost price and fair value trough profit and loss. During 2019 we didn't have any derivatives
- Purchased obligations and loans: These purchases obligations and loans are measured at amortised cost. The effective interest and the impairment are recognised directly within profit and loss.
- Loans issued: These loans are measured at amortised cost. The effective interest and the impairment are recognised directly within profit and loss.
- Investments in equity instruments: In case of listed shares the investement is measured at fair value trough profit and loss. In case of non listed shares the investment is measured at fair value trough profit and loss or cost price.

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.

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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.

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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.

Financial liabilities

At initial recognition the financial liabilities are recognised at fair value. Subsequent measurement of the financial liabilities depends on the classification of the financial liabilities:

- Financial liabilities available for traide: Fair value trough profit and loss.
- Derivatives: The derivatives with listed shares as underlying value are measured at fair value trough profit and loss. For the other type of derivatives, like hedging, the entity can choose between the cost price and fair value trough profit and loss.
- Other financial liabilities: These are measured at amortised cost.

During 2019 Hygear issued warrants, see also note 13 of the annual reports. The warrants classify as an equity instrument which is not part of the trading portofolio and which is not listed on a stock exchange. Due the fact that the warrants gives the right to purchase the shares the warrants are derivatives. The initial recognition of the derivates is based on the fair value, which was €0. Subsequent measurement is based

In line with RJ290.501 the initial recognition is based on fair value due the fact that the warrants classifies as a derivative the fair value at initial recognition is equal to EUR 0. Based on RJ290.501 and the subsequent measurement based on cost the transaction cost needs to be included in the initial measurement of the warrant.

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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

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.

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 *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.

3.5 *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.

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3.6 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.

Personnel stock options

The personnel stock options are measured at fair value. The expenses are taken to the income statement based on a lineair bases over the duration of the stock options.

3.7 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)

3.8 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 affiliated companies not carried at net asset value and securities are recognised as soon as Green Vision Holding B.V. acquires the right to them.

3.9 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.

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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 concentrated with a few large customers. 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 affiliated companies. These counterparties do not have a history of non-performance.

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Notes to the financial statements

5 Intangible assets

Movements in intangible assets can be broken down as follows:

	Develoment costs	Software	Total
	€	€	€
At 1 January 2019			
Cost or manufacturing price	493.799	89.071	582.870
Accumulated amortisation	-	-48.189	-48.189
Carrying amount	493.799	40.882	534.681
Movements			
Additions:			
Purchases	-	27.242	27.242
Internally generated assets	975.428	-	975.428
Amortised	-	-14.251	-14.251
Balance	975.428	12.991	988.419
At 31 December 2019			
Cost or manfacturing price	1.469.227	116.313	1.585.540
Accumulated amortisation	-	-62.440	-62.440
Carrying amount	1.469.227	53.873	1.523.100
Amortisation rate	6,66%	20%	

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6 Property, plant and equipment

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

	Machinery & Equipment	Lease Equipment	Production Equipment	Furniture & Fixtures	Transport Equipment	Under Construction	Total
	€	€	€	€	€	€	€
At 1 January 2019							
Cost or manufacturing price	1.123.024	3.298.306	2.273.725	961.168	171.342	6.012.651	13.840.216
Accumulated depreciation	-918.874	-363.611	-166.361	-334.499	-70.230	-	-1.853.575
Carrying amount	204.150	2.934.695	2.107.364	626.669	101.112	6.012.651	11.986.641
Movements							
Purchased	-	-	-	100.431	489.880	4.427.383	5.017.694
Exchange rate adjustment	-	-	-	618	1.588	-	2.206
Reclassifications	-	2.883.799	2.441.712	-	-	-5.718.750	-393.239
Depreciated	-121.302	-165.542	-209.111	-94.083	-62.683	-	-652.721
Balance	-121.302	2.718.257	2.232.601	6.966	428.785	-1.291.367	3.973.940
At 31 December 2019							
Cost or manfacturing price	1.123.024	6.182.105	4.715.436	1.062.217	662.810	4.721.284	18.466.876
Accumulated depreciation	-1.040.175	-529.153	-375.472	-428.582	-132.913	-	-2.506.295
Carrying amount	82.849	5.652.952	4.339.964	633.635	529.897	4.721.284	15.960.581
Depreciation rate	20%	6,66%	6,66%	20%	20%	0%	

The remaining amount of the reclassifications of EUR 393.239 is caused by the fact that two assets are reclassified from tangible fixes assets to inventory and intangible fixed assets. The amount which results on the line item reclassifications is the bookvalue of the assets per 1 January 2019.

For the purchases of the transport equipment there are two financial lease agreements concluded with the Rabobank, see also note 12 of the annual report.

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7 Inventories

	31-12-2019	31-12-2018
	€	€
Installations	536,629	0
Raw materials	257,084	149,243
Prepayments purchased goods	530,947	786,186
	1,324,660	935,429

Inventories consist of raw materials kept in stock plus prepayments to suppliers of purchased goods. There is no provision included per 31-12-2019.

8 Construction contracts

Advance payments are balanced with accumulated revenue on construction contracts not completed on the balance sheet date. An amount of € 0,00 (2018: € 133,933) was retained by customers on progress billings. Construction contracts R&D projects include a provision amounting to € 75,490 (2018: € 1,063) for projects whose total accumulated revenue exceeds the maximum agreed total reimbursable project costs.

	31-12-2019	31-12-2018
	€	€
Activated expenses, including profit	16,247,397	10,974,534
Amount invoiced	-15,098,956	-12,786,791
Provision	-75,490	-1,063
	1,072,951	935,429

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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	31-12-2019	31-12-2018
	€	€	€	€
Construction contracts R&D projects	492,047	-1,494,364	-1,002,317	-1,200,000
Construction contracts commercial projects	2,618,171	-542,893	2,075,278	-613,320
Total	3,110,218	-2,037,257	1,072,951	-1,813,320

Construction contracts are recognised as a current liability where progress billings exceed contract revenue. Please refer to note 13 on page 43.

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9 Receivables

	31-12-2019	31-12-2018
	€	€
Trade receivables	1,630,504	1,937,851
Taxes and social security contributions	405,608	644,723
Other receivables, prepayments and accrued income	33,170	79,157
	2,069,282	2,661,731

Trade receivables

	31-12-2019	31-12-2018
	€	€
Trade receivables	1,630,504	1,937,851
Provision trade receivables	0	0
	1,630,504	1,937,851

Taxes and social security contributions

	31-12-2019	31-12-2018
	€	€
Value-added tax	352,307	644,723
Income Tax	53,301	0
	405,608	644,723

Other receivables, prepayments and accrued income

	31-12-2019	31-12-2018
	€	€
Interest	0	15
Prepayments and accrued income	33,170	79,142
	33,170	79,157

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10 Cash and cash equivalents

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

	31-12-2019	31-12-2018
	€	€
Cash and cash equivalents	3,591,677	3,201,298

Cash and cash equivalents include non-maturity deposits to the amount of € 42,657.
A credit facility is available at the Rabobank for an amount of € 1,500,000. 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. Rabobank has issued bank guarantees for an amount of € 5,125 against this facility. The remaining facilty is not used by the company per yearend.

11 Group equity

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

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12 Non-current liabilities

	Balance 01.01.19	from borrowings	Amortised costs	Waivers of borrowings	term < 1 year	Balance 31.12.19
	€	€	€	€	€	€
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
Dividend loan Oost NL (sub)	159.940	-	-	-	-	159.940
Dividend loan DRL Resource (sub)	214.340	-	-	-	-	214.340
Dividend loan Oost NL (sub)	187.332	-	-	-	-	187.332
Loan FHBG HHP (sub)	287.174	500.000	2.714	-25.000	-100.000	664.888
Financial lease DLL H2 Car	20.501	-	-	-8.492	-8.931	3.078
Financial lease DBS Car	38.578	-	-	-3.921	-5.453	29.204
Financial lease H2 Trailers	-	450.750	-	-23.842	-36.763	390.145
Financial lease Heftruck	-	39.130	-	-936	-4.915	33.279
Loan A Rabobank	206.043	-	-	-54.948	-54.948	96.147
Loan B Rabobank	568.135	-	15.404	-111.108	-111.108	361.323
Loan C Rabobank	95.238	-	-	-	-	95.238
Innovation loan HYREC (Innovatiekrediet)	1.175.957	285.423	-	-	-	1.461.380
Loan Oost NL (sub)	-	2.000.000	-	-	-	2.000.000
NPEX Bonds 2017-2023	2.439.993	-	10.621	-	-	2.450.614
NPEX Bonds 2018-2024 (sub)	4.865.379	-	24.295	-	-	4.889.674
NPEX Bonds 2019-2025 (sub)	-	4.823.358	14.637	-	-	4.837.995
	10.977.212	8.098.661	67.671	-228.247	-322.118	18.593.179
Remaining term < 1 year	-179.162					
	10.798.050					

Repayment obligations falling due within 12 months of the end of the financial year, are included in current liabilities for an amount of € 322,118 . Non-current liabilities falling due after 5 years amount to € 7,246,386 The remaing part of € 11,024,675 must be repaid between 1 and 5 years.

Subordinated loans shareholders

On 19 May 2017 subordinated bridge loans were issued by DRL Resource Management B.V. and Oost NL for an amount of € 285,765 and € 250,000. These loans bear 7% interest on an annual basis. Interest is paid quarterly. The loans are repayable per June 2023. The loan is subordinated on the NPEX bonds 2017-2023.

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On 19 June 2017 subordinated dividend loans were issued by DRL Resource Management B.V. and Oost NL for an amount of € 159,940 and € 182,837. These loans bear 7% interest on an annual basis. Interest is paid quarterly. The loans are repayable six months after redemption of the 2017-2023 NPEX bonds. The loan is subordinated on the NPEX bonds 2017-2023.

On 01 July 2018 subordinated dividend loans were issued by DRL Resource Management B.V. and Oost NL for an amount of € 214,340 and 187,332. The DRL loan bears 7,5% interest on an annual basis and the Oost NL loan bears 7,8% interest on an annual basis. Interest is paid quarterly. The loans are repayable per July 2024. The loan is subordinated on the NPEX bonds 2018-2024.

Loan FHBG HPP

On 02 August 2018 a subordinated loan was issued by Fonds Herstructurering Bedrijventerreinen Gelderland (FHBG), part of Oost NL, for a total amount of € 800,000. The loan is to be issued in three tranches. The first tranche, amounting to € 300,000, was received in 2018. The second and third tranche, totalling € 500,000, were received in 2019.

Under the terms of the loan

. Hygear Technology and Services BV and Green Vision Holding BV are are jointly and severally liable for all loan obligations of Hygear Hydrogen Plant BV.

. The loan is subordinated to all current and future receivables by creditors of Hygear Hydrogen Plant BV.

. Receivables by SDI Technology Ventures BV and Oost N.L. NV on Hydrogen Power Plant BV are subordinated to receivables by the issuer of the loan.

. Hygear Hydrogen Plant BV can't make capital disbursements and shares in the company can't be transferred by its shareholders without approval of the loan issuer during the whole loan duration.

The loan is included 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 loan using the effective interest method.

This loan bears 6,32% interest on an annual basis, fixed for a period of five years. Interest is paid quarterly. The loan is repayable in 32 quarterly instalments, with the first instalment due in December 2019 and the last instalment due in September 2027.

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 DBS Car

The financial lease issued by DBS on 21 September 2018 for an amount of SGD 62,930 for a car is repayable over 7 years via monthly instalments.

Loan Rabobank H2 Trailers

The financial lease issued by Rabobank on 2 May 2019 for an amount of EUR 450,750 for two H2 trailers is repayable over 10 years via monthly instalments. In the agreements the trailers are included as collateral for the lease issued by Rabobank.

Loan Toyota Heftruck

The financial lease issued by Toyota on 1 November 2019 for an amount of EUR 39,130 for a heftruck is repayable over 7 years via monthly instalments.

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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 a nominal amount of € 666,666. The loan is included 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 loan using the effective interest method. 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.

Subordinated loan Oost NL

On 25 October 2019 a subordinated loan was issued by Oost NL for a maximum amount of € 5,000,000. A first instalment of € 2,000,000 was received on the issue date. The loan bears 8% interest on an annual basis. Interest is paid quarterly. The company has to pay a 2% fee over the non-utilised loan amount. The loan is repayable per October 2025. 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. As part of the loan agreement we agreed to grant Oost NL up to 199.960 warrants with an exercise price of € 19,50 per share certificate. Per 31 December 2019 the cost price is equal to the fair value at initial recognition. This results in a cost price per 31 December 2019 of €0.

The loan is subordinated to all loans with the exception of loans which are issued by indirect or direct shareholders of the company.

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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. The loan can be broken down as follows:

	€
Advance payments plus accrued interest per 31-12-18	1,175,957
Advance payment received 25-02-2019	96,602
Advance payment received 15-04-2019	48,301
Advance payment received 17-07-2019	48,301
Accrued interest over 2019	92,219
Advance payments plus accrued interest per 31-12-19	1,461,380

The repayment of the loan is due in the period 2020 – 2023. 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 nominal € 2,499,000 public bond placement via NPEX. The bonds are included 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 bonds using the effective interest method.
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%.

NPEX Bonds 2018-2024
On 1 July 2018 HyGear Technology & Services BV concluded a nominal € 4,999,000 public bond placement via NPEX The bonds are included 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 bonds using the effective interest method. The bonds, having a nominal value of € 1.000 each, carry a 7,5% annualised interest rate and a six year duration. Interest is paid monthly and the bonds are redeemable on June 16, 2024. 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%.

The bonds are subordinated to the loans from the Coöperatieve Rabobank U.A., a loan from the Ministry of Economic Affairs and future bankloans.

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NPEX Bonds cum Warrants 2019-2025

On 24 June 2019 HyGear Technology & Services BV concluded a nominal € 4,999,000 public bond placement via NPEX. The bonds are included 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 bonds using the effective interest method.
The bonds, having a nominal value of € 1.000 each, carry a 8% annualised interest rate and a six year duration. Interest is paid monthly and the bonds are redeemable on June 24, 2025. 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.
Each bond has 40 warrants attached that give the bondholder the right until December 1, 2021 to acquire 1 share certificate of Hygear per warrant at an exercise price of € 19,50 per share certificate. In total, we issued 40 x 4.999 = 199.960 warrants to the bond investors. The investors did not pay anything for the warrants and HyGear did not receive any payment other than the proceeds of the bond. Per 31 December 2019 the cost price is equal to the fair value at initial recognition. This results in a cost price per 31 December 2019 of €0.

The bonds are subordinated to the loans from the Coöperatieve Rabobank U.A., a loan from the Ministry of Economic Affairs, a loan from De Lage Landen Financial Services B.V., a loan from the DBS Bank and future loans.

13 Current liabilities

	31-12-2019	31-12-2018
	€	€
Construction contracts R&D projects	1,494,364	1,584,632
Construction contracts commercial projects	542,893	969,898
Repayment obligations	322,118	179,162
Payable shareholders	17,560	17,560
Trade payables	1,131,437	897,202
Payroll tax	55,661	96,826
Other debts, accruals and deferred income	339,111	342,176
	3,903,144	4,087,456

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to its short term character.

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14 Commitments and contingencies not included in the balance sheet

14.1 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.

14.2 Bank guarantees

The following bank guarantees are issued:

	€
At 31 December 2019	
Service guarantee LHPU unit	5,125

14.3 Commitments

Commitments for the (operational) lease of cars for the sum of € 80,291 annually have not been included in the balance sheet. The contracts have different maturities extending until 7 January 2024.

Obligations to pay	€
Up to 1 year	26,086
1 to 5 years	54,205

Commitment for the rent of facilities in The Netherlands for the sum of € 2,462,850 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 € 82,384 annually have not been included in the balance sheet. The contract took effect on 15 May 2019 for a period of 2 years.

Obligations to pay	€
Up to 1 year	398,995
1 to 5 years	1,325,288
Over 5 years	2,545,234

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14.4 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, 2019.

14.5 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.
- HyGear Hydrogen Plant B.V.

15 Events after balance sheet date

This paragraph is added to cover the financial and non-financial impact of the Corona crisis, due to the global outbreak of Covid-19 in the first quarter of 2020. The Dutch government, like most governments around the world, have put in place a series of extraordinary measures since March 2020.

Impact of Corona
The direct impact of Corona is different for different parts of the business. The company followed the guidelines and directives on containment from the Dutch government and RIVM. So far, there have been no serious cases of sickness in the company due to Covid-19. Everyone, who is capable of working from home, has been working from home since March 14.

Impact on Assembly: Due to the RIVM guideline to maintain 1.5m social distance on the work floor, the work force in the assembly hall had to be reduced. This occurred quite naturally as most third party workers wanted to go home after the announcement of the first quarantine measures. In addition, the company decided to reduce the flexible third party work force with 90%. As a result the existing order book will be spread out over a longer period. It is estimated that we currently assemble HyGEN systems at 50-60% of normal pace. However, assembly costs per unit will be less because we do not use relatively expensive third party labour. We have so far not experienced major disturbance in our supply chain.

Impact on Service & Installation: Travel restrictions have a significant impact on the ability of the delivery team to provide service, maintenance and installation works at the site of the customers. Before the outbreak, we have decided to anticipate on possible travel restrictions by giving priority to services that

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reuire long traveling. After the restrictions were imposed we have until now been able to keep servicing nearby systems in Europe. For all other locations we have been able to provide services by remote support, making use of customers available technical staff.

Impact on Revenue: As we use Percentage Complete Accounting and we reduced manufacturing staff, it is expected that our revenue will reduce as well as our cost of goods sold. The extend to which this will be notable in our company result will depend on the time it will take before the measures can be relieved as well as the ability of the company to make up for the manufacturing time lost in the rest of the year.

Impact on Sales: The Sales team managed to keep the discussion with (potential) customers ongoing. The dialogue on hot leads was advanced to the final stages (verbally mandated), but we notice that decision processes are slow. The extend to which we will notice this in our booked revenue for the year 2020 remains uncertain and will also depend on the amount of time it will take for industries to resume normal operations.

Impact on R&D: The impact on the work by R&D and Engineering is relatively limited, albeit that the testing of new technology for subsidy projects may be delayed, because of lack of capacity in assembly and social distance measures in the labs.

Measures taken and foreseen

We are more actively tendering for R&D projects, which (also) provide an opportunity to keep the engineering capacity at work on subsidized projects. Actually, we still have a significant backlog of subsidized R&D projects, that the development engineers had very little time for when assembly / production was scaling up last year. The EU, an important source of R&D funding, has announced that they will make additional funding available to stimulate the development of the hydrogen economy.

Financial consequences – managing liquidity

In general, in these challenging times, we manage our liquidity even tighter than before. Discretionary and non-committed investments are postponed. Fortunately, due to a number of large milestone payments on turnkey projects, the first quarter of 2020 was cash generative. Our cash position as per April 1, 2020 was slightly over EUR 4 mln, while we did not make any (cash) drawings under our committed credit lines at the banks and Oost NL. It's difficult to assess the overall impact of Covid-19 on our results and liquidity. In general, turnover will reduce, but costs will reduce as well. The impact on liquidity will be partly dampened by wage subsidies provided by the governments of The Netherlands and Singapore.

Uncertainty remains

It must be emphasized that a lot of uncertainty remains in relation to the duration of the Corona crisis and the government measures taken. It is uncertain what the long term impact on the global economy, our client base and therefore our company will be. We need capital, both debt and equity, if we want to maintain our current growth model. Given the envisioned development of a hydrogen economy, there is still a lot of interest in our company and our technological capabilities. We are confident that we have enough liquidity, consisting of cash and committed facilities, for the remainder of the year. Thereafter we will need capital inflow, or we will need to dramatically change our business model.

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16 Net turnover

	2019	2018
	€	€
Product Revenue	2,155,457	2,382,236
Service Revenue	420,845	156,254
Lease Revenue	298,391	247,026
R&D Revenue	1,247,987	2,303,311
Hydrogen Plant Revenue	299,717	66,415
Total Revenue	4,422,398	5,155,242

17 Direct material costs

	2019	2018
	€	€
Direct material costs	4,370,397	1,821,322

18 Personnel Expenses

	2019	2018
	€	€
Salaries and wages	3,892,858	3,190,271
Temporary workers	799,592	128,871
WBSO wages subsidy	-1,008,454	-599,781
Social security contributions	608,838	580,679
Pension contributions	250,544	202,237
Capitalised expenses	-1,993,039	-1,394,066
	2,550,339	2,108,211

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19 Amortisation and depreciation

	2019	2018
	€	€
Amortisation and depreciation	666,972	608,880

20 Other operating expenses

	2019	2018
	€	€
Personnel expenses	162,551	130,102
Premises and utilities expenses	260,644	159,884
Selling and marketing expenses	193,982	-204,692
Transport expenses	24,238	14,864
General and administrative expenses	354,346	173,007
	995.761	273,165

Personnel expenses

	2019	2018
	€	€
Cafeteria / food plan	14,029	11,121
Other fringe benefits	24,917	22,621
Education and training	9,198	14,012
Commuting allowance	88,550	60,753
Recruiting expenses	1,820	1,597
Professional fees salary administration	9,309	7,178
EHS expenses	15,109	13,764
Capitalised expenses	-381	-944
	162,551	130,102

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Premises and utilities expenses

	2019	2018
	€	€
Rent expenses facilities	387,535	340,536
Heat power and light	85,922	87,657
Cleaning expenses	10,013	8,023
Trash removal	10,009	12,302
Maintenance expenses	25,228	0
Other facilities expenses	1,111	1,086
Capitalised expenses	-259,174	-289,720
	260,644	159,884

Selling and marketing expenses

	2019	2018
	€	€
Travel and living	389,059	284,722
Trade show and events	30,655	33,653
Warranty provisions	0	-380,129
Membership industry grouping	5,879	-23,649
Marketing expenses	56,677	35,143
Capitalised expenses	-288,288	-154,432
	193,982	-204,692

Transport expenses

	2019	2018
	€	€
Car fuel expenses	14,378	14,328
Car repair and maintenance expenses	4,318	2,584
Car road taxes	2,558	2,915
Car insurance	4,655	5,633

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Car rental (operational lease)	20,851	19,628
Other car expenses	4,489	1,103
VAT private usage lease cars	3,066	5,954
Reimbursed car expenses management / other	-3,827	-3,827
Capitalised expenses	-26,250	-33,454
	24,238	14,864

General and administrative expenses

	2019	2018
	€	€
Postage and courier expense	6,206	12,691
Telephone and internet expense	12,693	12,630
Stationary and office supplies	10,563	9,357
Tooling & maintenance expenses	33,167	29,625
Dues and subscriptions	1,504	1,383
Computer supplies	45,147	31,261
Insurance expense	40,977	33,626
Professional fees accounting	65,707	62,349
Professional fees legal and advisory	168,533	166,745
Patent expenses	90,450	77,263
Other general and admin expenses	47,423	0
Capitalised expenses	-168.024	-263,923
	354,346	173,007

21 Finance income and costs

	2019	2018
	€	€
Interest and similar income	29,983	15
Interest and similar expense	-1,092,625	-557,843
	-1,071,852	-557,828

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22 Income tax

	2019
	€
Income tax – prior years	0
Income tax – current year	0
	0
Profit before tax – domestic	000,000
Profit before tax – foreign	000,000
Profit before tax – total	000,000
Effective tax rate	0%
Applicable tax rate	0%

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 caluculation 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 2019 of € 175,203 which can be added to the cumulative taxable losses in prior years.

Total remaining tax losses carried forward amount to € 1,749,164.

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.

23 Average number of employees

During the year 2019, the average number of employees, based on full-time equivalents, was 72 (2018: 58,1). 4 Employees were employed outside the Netherlands. (2018: 2).

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Company financial statements

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Company balance sheet as at 31 December 2019

(before profit appropriation)

	Note	31 December 2019		31 December 2018	
		€	€	€	€
Non-current assets					
Financial assets	25		1,396,011		1,328,113
Current assets					
Receivables	26	6,448,919		4,803,300	
Cash and cash equivalents	27	642,505		451,883	
			7,091,424		5,255,183
			8,487,535		6,583,296

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	Note	31 December 2019 €	€	31 December 2018 €	€
Equity and liabilities					
Equity	28				
Share capital ordinary	28	21,843		21,843	
Share capital Cum Pref	29	10		10	
Share premium ordinary	30	2,780,331		2,780,331	
Share premium Cum Pref	31	360,800		360,800	
Currency translation reserves	32	10,592		218	
Legal reserves	33	1,469,227		493,799	
Other reserves ordinary	34	608,886		1,265,375	
Other reserves cum pref	35	36,080		18,040	
Profit for the Year		-204,574		235,068	
			5,083,195		5,175,484
Non-current liabilities	36		3,280,214		1,280,214
Current liabilities	47		124,026		127,598
			8,487,435		6,583,296

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Company income statement for 2019

	Note	2019	2018
		€	€
Share of profit of group companies after tax	28	-163,216	279,037
Company loss/profit after tax		-261,648	-43,969
Profit for the year		-424,864	235,068

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Notes to the company financial statements

24 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.

25 Financial assets

Movements in financial assets can be broken down as follows:

	Associates
	€
At 1 January 2019	1,328,113
Currency translation	10,374
Share of profit of group companies after tax	57,524
At 31 December 2019	1,396,011

Long-term

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.

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26 Receivables

	31-12-2019	31-12-2018
	€	€
Receivable from group companies	6,342,502	4,761,918
Tax and social security contributions	52,332	41,372
Other receivables, prepayments and accrued income	54,085	10
	6,448,919	4,803,300

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

	31-12-2019	31-12-2018
	€	€
Income Tax	0	0
Value Added Tax	52,332	41,372
	52,332	41,372

Receivable from group companies

	31-12-2019	31-12-2018
	€	€
Receivable from affiliated company HyGear Technology & Services B.V.	6,342,502	4,761,918

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

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Other receivables, prepayments and accrued income

	31-12-2019	31-12-2018
	€	€
Interest	0	10
Prepayments	54,085	0
	54,085	10

27 Cash and cash equivalents

	31-12-2019	31-12-2018
	€	€
ABN AMRO Bank N.V.	5,841	5,968
Rabobank	630,463	24,724
Deposits	6,201	421,191
	642,505	451,883

Cash and cash equivalents include non-maturity deposits of € 6,201.

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28 Equity

	Issued share capital ordinary	Issued share capital Cum Pref	Share premium ordinary	Share premium Cum Pref	Exchange difference foreign entities	Legal reserves Ordinary	Other reserves Ordinary	Other reserves Cum Pref	Profit for the year	Total
	€	€	€	€	€	€	€		€	€
At 1 January 2019	21.843	10	2.780.331	360.800	218	493.799	1.265.375	18.040	235.068	5.175.484
Changes										
Profit appropriation 2019							217.028	18.040	-235.068	-
Stock dividend via placement of repurchased certificates of ordinary shares							101.911			101.911
Legal reserves capitalised intangible development costs						975.428	-975.428			-
Profit for the year									-204.574	-204.574
Exchange difference foreign entity					10.374					10.374
At 31 December 2019	21.843	10	2.780.331	360.800	10.592	1.469.227	608.886	36.080	-204.574	5.083.195

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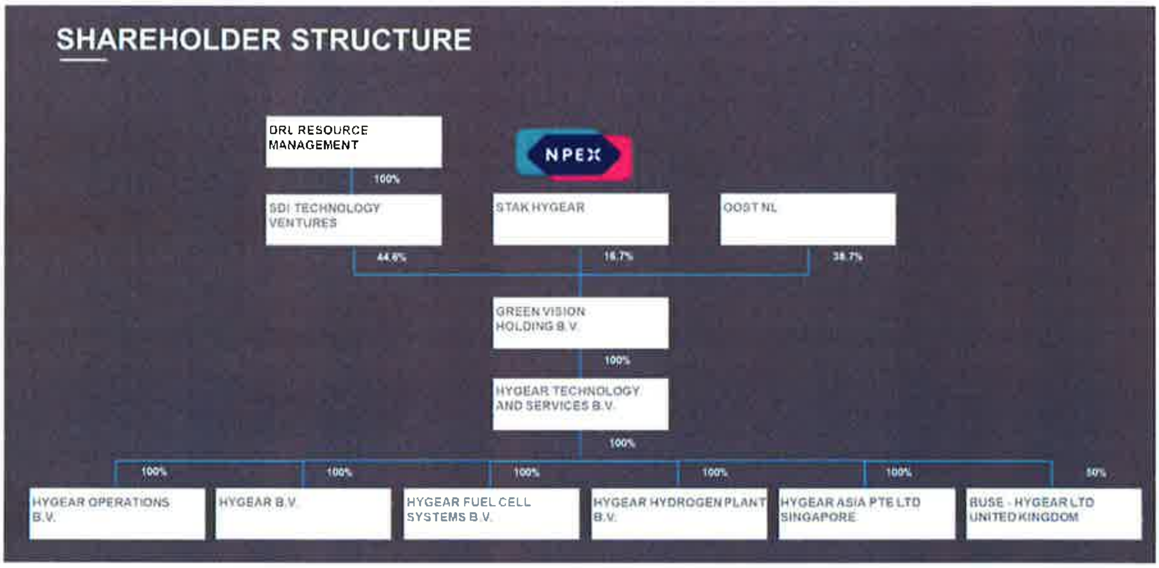
Share capital ordinary

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.



29 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 that were issued on 21-06-2017 to Oost NL raising total proceeds of € 360,810 for the company.

30 Share premium ordinary

No movements during 2019.

31 Share premium Cum Pref

No movements during 2019.

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32 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.

33 Legal reserves ordinary

The legal reserves equal the capitalised development costs, included under intangible assets, per yearend. This is required by Dutch accounting regulations to reflect the non-disbursable character of these funds.

34 Other reserves ordinary

In 2017 a total of 67,009 certificates of ordinary shares were purchased by the company from STAK HyGear for a total consideration of € 494,541. In 2019 there was a dividend of € 101,911,

35 Other reserves cum pref

Holders of the cum pref shares are entitled to a share of the company's profits equaling 5% of the paid share premium cum pref, starting from their year of placement (2017).

36 Non-current liabilities

	31-12-2019	31-12-2018
	€	€
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
Dividend loan Oost NL (sub)	159,940	159,940
Dividend loan DRL Resource (sub)	214,340	214,340
Dividend loan Oost NL (sub)	187,332	187,332
Loan Oost NL (sub)	2,000,000	0
	3,280,214	1,280,214

Subordinated bridge and dividend loans shareholders

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On 19 May 2017 subordinated bridge loans were issued by DRL Resource Management B.V. and Oost NL for an amount of € 285,765 and € 250,000. These loans bear 7% interest on an annual basis. Interest is paid quarterly. The loans are repayable per June 2023.
On 19 June 2017 subordinated dividend loans were issued by DRL Resource Management B.V. and Oost NL for an amount of € 159,940 and € 182,837. These loans bear 7% interest on an annual basis. Interest is paid quarterly. The loans are repayable six months after redemption of the 2017-2023 NPEX bonds.
On 01 July 2018 subordinated dividend loans were issued by DRL Resource Management B.V. and Oost NL for an amount of € 214,340 and 187,332. The DRL loan bears 7,5% interest on an annual basis and the Oost NL loan bears 7,8% interest on an annual basis. Interest is paid quarterly. The loans are repayable per July 2024.

Subordinated loan Oost NL

On 25 October 2019 a subordinated loan was issued by Oost NL for a maximum amount of € 5,000,000. A first instalment of € 2,000,000 was received on the issue date. The loan bears 8% interest on an annual basis. Interest is paid quarterly. The company has to pay a 2% fee over the non-utilised loan amount. The loan is repayable per October 2025. 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.

37 Current liabilities

	31-12-2019	31-12-2018
	€	€
Payable Shareholders	17,560	17,560
Trade payables	98,491	49,487
Other debts, accruals and received prepayments	7,975	60,552
	124,026	127,599

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., HyGear Technology & Services B.V., HyGear Operations B.V. and HyGear Hydrogen Plant 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., HyGear Technology & Services B.V., HyGear Operations B.V. and HyGear Hydrogen Plant B.V. recognise 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.

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38 Average number of employees

During the year 2019, the average number of employees, based on full-time equivalents, was 0 (2018: 0). No employees were employed outside the Netherlands. (2018: 0)

39 Directors' remuneration

	2019	2018
	€	€
Current directors	238,100	254,625
Current supervisory directors	42,132	26,500
	280,232	281,125

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

44 Proposed profit appropriation Ordinary Shareholders

The Management Board proposes to appropriate the result of € -424,864 as follows:

	€
Profit attributable to Cum Pref shareholders	0
At the disposal of the Annual General Meeting of Shareholders	-204,574
Profit for the year	-204,574

The profit appropriation is not reflected in these financial statements.

Arnhem, 29 June 2020

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Green Vision Holding B.V.

The Management Board,

M. van Driel
was signed

The Supervisory Board,

B. Fortuyn
was signed

M. Adler
was signed

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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.

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Independent Auditor's report