

AHT Syngas Technology N.V.

Eindhoven

ANNUAL ACCOUNTS

2019

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AHT Syngas Technology N.V.

Director's report

The director's report is available for inspection at the company's office and a copy can be provided on request.



AHT Syngas Technology N.V.**BALANCE SHEET FOR THE YEAR***(after appropriation of the results)*

	<u>2019</u>	<u>2018</u>
	€	€
ASSETS		
A. Non-Current Assets		
Intangible Fixed Assets	614.388	716.786
Tangible Fixed Assets	7.373	8.426
Financial Fixed Assets	46.082	19.340
B. Current Assets		
Receivables, including Prepayments	768.903	816.329
Cash and Cash Equivalents	314.798	221.181
Total	<u><u>1.751.544</u></u>	<u><u>1.782.062</u></u>



AHT Syngas Technology N.V.**BALANCE SHEET FOR THE YEAR***(after appropriation of the results)*

	<u>2019</u>	<u>2018</u>
	€	€
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		
C. Shareholders' equity		
Issued and Paid Share Capital	1.900.000	1.500.000
Share Premium Reserves	4.378.977	4.350.727
Legal Reserves	614.388	716.786
Other Reserves	-5.624.946	-5.897.336
D. Provisions	25.260	25.260
E. Short-term Liabilities and Accrued Liabilities	457.865	1.086.625
		-
Total	<u><u>1.751.544</u></u>	<u><u>1.782.062</u></u>

AHT Syngas Technology N.V.**PROFIT AND LOSS ACCOUNTS**

	Notes	<u>2019</u>	<u>2018</u>
		€	€
Gross Margin	F.	291.571	413.571
Personnel Cost	G.	122.477	84.291
Amortisation/Depreciation of (In)Tangible Fixed Assets		103.451	107.665
Other Operating Expenses	H.	138.153	148.426
Total Operating Expenses		364.081	340.382
Interest Expenses and Similar Charges		12.455	8.250
Total Financial Income and Expenses		12.455	8.250
Other Comprehensive Income	I.	214.767	-
Result before Taxation		129.802	64.939
Taxation	J.	40.190	-
Net Result for the Year		169.992	64.939

AHT Syngas Technology N.V.

ACCOUNTING POLICIES

General

The company was established on July 23, 2007 as a limited company.

Registered Office

The company has its registered office in Eindhoven, the Netherlands.

Activities of the Company

The company mainly acts as a holding and financing company. The execution of the project activities takes place in the administrative office of AHT Syngas Technology N.V., which is established in Overath, Germany.

Financial Year

The financial year of the company runs from January 1, 2019 to December 31, 2019.

Accounting Principles for the Balance Sheet

The financial statements have been prepared in accordance with the provisions of Title 9 Book 2 of the Dutch Civil Code. The general basis for the valuation of assets and liabilities, as well as for the determination of the result, is the acquisition cost, historical cost or at fair value at the time of acquisition. Unless stated otherwise, assets and liabilities are included at historical cost.

The financial statements are prepared in euros.

Reclassification of Comparative Figures

The figures for 2018 have been reclassified to allow comparability with 2019.

Intangible Fixed Assets

Intangible fixed assets are valued at historical costs, less linear amortization. Impairments are taken into consideration, as this is relevant in the event that the carrying amount of the asset (or of the cash generating unit to which the asset belongs) is higher than its realizable value. The intangible fixed assets are amortised in 10 years.

Tangible Fixed Assets

The tangible fixed assets are valued at purchase value, less linear depreciation, based on the expected economic life, and if applicable with impairments. The following expected economic lifetimes are used:

Other Tangible Fixed Assets	5 years
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AHT Syngas Technology N.V.

Financial Fixed Assets

Deferred tax assets, including those deferred tax assets arising from forward loss compensation, are measured to the extent that it is probable that the asset will be realized in the future, based on the currently available information. Deferred tax assets and liabilities are valued at nominal value.

Work in Progress

Work in progress concerns projects commissioned by third parties. These are valued at cost plus profit recognized up to then, in proportion to the progress of the project, less expected losses and less invoiced installments. In case losses on projects are expected, the total expected loss on the project is recognized directly as an expense in the relevant period. The cost includes all costs that are directly related to the projects.

Revenues resulting from additional work are included in the total contract revenues if the amount has been accepted by the client in any way. Claims and incentives are valued in work in progress to the extent that it is likely that they will lead to revenue and can be reliably determined.

Interest and development costs for work in progress are only capitalized if the asset is under construction. If no manufacturing activities take place during a longer period, interest and development costs are no longer capitalized.

The capitalized gain on work in progress is based on the expected end result, taking into account the progress percentage. The progress percentage consists of the ratio of booked costs to the total expected costs, to be viewed separately for each project.

Current Assets

The receivables are initially recognized at fair value and subsequently valued at amortized cost, which is equal to the nominal value, after deduction of the provisions deemed necessary for the risk of bad debts.

Cash and Cash Equivalents

The cash and cash equivalents, unless otherwise stated, are at the free disposal of the company.

Provisions

Provisions are formed for legally enforceable or actual obligations arising from events on or before the balance sheet date for which it is probable that an outflow of resources is necessary and the size of which can be reliably estimated. The provisions mainly consist of provisions for warranty claims and are valued at nominal value.

Short-term Liabilities and Accrued Liabilities

The short-term liabilities and accrued liabilities have an expected term of at most one year, unless stated otherwise in the notes. Write-off of short term liabilities and accrued liabilities are recorded in the profit and loss when the liability no longer exist.

AHT Syngas Technology N.V.

Accounting principles for the profit and loss account

General

The result is determined as the difference between the net turnover and all related costs attributable to the reporting year. The costs are determined with due observance of the aforementioned accounting policies.

Profits are recognized in the year in which the turnover is realized. Losses are taken into account in the year in which they are foreseeable.

The other income and expenses are allocated to the reporting period to which they relate.

Work in Progress

The agreed revenue and costs with regard to work in progress are recognized in the income statement in proportion to the stage of completion of the project. The stage of completion is determined on the basis of the ratio of booked costs to the total expected costs.

If the outcome of a contract cannot be reliably determined, contractual revenue is only recognized to the extent that it is probable that the costs incurred can be recovered. Expected losses on projects are immediately recognized in the profit and loss account.

Revenues resulting from additional work are included in the total contract revenues if the amount has been accepted by the client in any way. Claims and incentives are valued in work in progress to the extent that it is likely that they will lead to revenue and can be reliably determined.

Interest Income and Expenses

The financial income and expenses concern received (to be received) and paid (to be paid) interest.

AHT Syngas Technology N.V.**NOTES ON THE BALANCE SHEET****A. Non-Current Assets****Intangible Fixed Assets****Engineering
Design**

€

Purchase value per 1-1-2019
 Cum. Amortisation per 1-1-2019
 Bookvalue per 1-1-2019

1.023.980
 -307.194
 716.786

Investments
 Amortisation
 Impairment
 Mutations during the year

-
 -102.398
 -
 -102.398

Purchase value per 31-12-2019
 Cum. Amortisation per 31-12-2019
Bookvalue per 31-12-2019

1.023.980
 -409.592
614.388

Tangible Fixed Assets**Other Tangible
Fixed Assets**

€

Purchase value per 1-1-2019
 Cum. Depreciation per 1-1-2019
 Bookvalue per 1-1-2019

15.800
 -7.374
 8.426

Investments
 Depreciation
 Impairment
 Mutations during the year

-
 -1.053
 -
 -1.053

Purchase value per 31-12-2019
 Cum. Depreciation per 31-12-2019
Bookvalue per 31-12-2019

15.800
 -8.427
7.373

AHT Syngas Technology N.V.

Financial Fixed Assets	31.12.2019	31.12.2018
	€	€
Deferred Tax Assets	46.082	5.892
Other Financial Fixed Assets	-	13.448
Total	46.082	19.340

B. Current assets

Receivables, including prepayments	31.12.2019	31.12.2018
	€	€
Trade Debtors	163.417	77.474
Receivables from Related Parties	555.252	435.252
Other Receivables	50.234	303.603
Total	768.903	816.329

Cash and cash equivalents	31.12.2019	31.12.2018
	€	€
Cash at Bank	314.798	221.181
Total	314.798	221.181

The cash and cash equivalents are at the free disposal of the company.

C. Shareholders' equity

	31.12.2019	31.12.2018
	€	€
Issued and Paid Share Capital	1.900.000	1.500.000
Share Premium Reserves	4.378.977	4.350.727
Legal Reserves	614.388	716.786
Other Reserves	-5.624.946	-5.897.336
Total	1.268.419	670.177

The company's issued and paid share capital increased in 2019 with the issue of 400.000 shares with a nominal value of € 1,00. The total issued and paid capital is at balance sheet date 1.900.000 ordinary shares with a nominal value of EUR 1,00 per share.

AHT Syngas Technology N.V.

Legal Reserves	2019	2018
	<u>€</u>	<u>€</u>
Carrying amount as of January 1st	716.786	819.184
Movement (amortisation intangible fixed assets)	-102.398	-102.398
Carrying amount as of December 31st	<u>614.388</u>	<u>716.786</u>

A legal reserve has been formed within equity with regards to the recognised development of engineering designs.

Share Premium	2019	2018
	<u>€</u>	<u>€</u>
Carrying amount as of January 1st	4.350.727	4.350.727
Movement (capital increase)	28.250	-
Carrying amount as of December 31st	<u>4.378.977</u>	<u>4.350.727</u>

The share premium increased in the financial year due to the issue of new shares that were sold at a higher amount than the nominal value.

Other Reserves	2019	2018
	<u>€</u>	<u>€</u>
Carrying amount as of January 1st	-5.897.336	-6.064.674
Allocation of financial year net result	169.992	64.939
Movement legal reserve	102.398	102.398
Carrying amount as of December 31st	<u>-5.624.946</u>	<u>-5.897.337</u>

D. Provisions

	31.12.2019	31.12.2018
	<u>€</u>	<u>€</u>
Warranty Provision	25.260	25.260
Total	<u>25.260</u>	<u>25.260</u>

AHT Syngas Technology N.V.**E. Short-term liabilities and accrued liabilities**

Other Short-term liabilities	31.12.2019	31.12.2018
	€	€
Work in Progress	22.537	-
Trade Creditors	36.242	99.239
Payables to Related Parties	379.456	486.584
Deferred Income	-	449.860
Other Liabilities	19.630	50.942
Total	457.865	1.086.625

Rights and obligations not reflected in the balance sheet

The company has an annual rental obligation of € 30.000 (2018: € 30.000).

Subsequent events after balance sheet date

We are currently working on multiple projects. These projects will provide us enough work until end of 2020 and depending on receiving permission for projects in East and North Germany, this may last even until 2021. Therefore there is no immediate influence on the business due to the COVID-19 pandemic. Nevertheless there are delays on overseas projects. Prepared projects in Japan are delayed due to political influence not supporting renewable energy like before. We therefore made changes to our waste business in this market and signed in April 2020 an MoU with a big Japanese Company, working in this field of Industry.

Due to restrictions in travel possibilities, the Indonesian projects lost on speed. We did not manage to sign a new contract, which was an extension on the first two contracts with our Indonesian client. Furthermore, there is competition with an Indian Company, which offers poor quality but better prices. Since these companies have the possibility to finance the projects as well, they have a short term advantage. Therefore we are focusing more on European and American markets. Since we invested in the development of a Hydro Thermal Carbonization Processes and realized one project successfully in Switzerland, this opens new market possibilities.

AHT Syngas Technology N.V.**NOTES ON THE PROFIT AND LOSS ACCOUNTS****F. Gross Margin**

Under the gross margin an amount of € 120.000 is recognised regarding a receivable which consists of a claim on related party Future NRG.

G. Staff

During the year the company had 0 employees (2018: 0) in the Netherlands. As per balance sheet date there are 5 employees working for the administrative office of AHT Syngas Technology N.V., which is established in Overath, Germany.

H. Other Operating Expenses

	<u>2019</u>	<u>2018</u>
	€	€
Rent	25.712	29.711
Office costs	10.877	4.705
Accountant and administration costs	24.059	2.100
Advisory fees	45.365	37.353
Other general expenses	32.140	74.557
Total	<u>138.153</u>	<u>148.426</u>

I. Other Comprehensive Income

The other comprehensive income relates to the write-off of old debts.

J. Taxation

The total losses at balance sheet date are € 594.655, which can be used to compensate future profits. For this a deferred tax asset due to net loss carry-overs from prior years is added to the balance sheet. Management estimates that part (about 50%) of the net loss carry-overs from prior years will be settled with future profits.

AHT Syngas Technology N.V.

Eindhoven, 30-06-2020

Signed on behalf of AHT Syngas Technology N.V.,

w.s. Ferges, G.B.
CEO

w.s. McDevitt, K.P.
Supervisory Board

AHT Syngas Technology N.V.

OTHER INFORMATION

Statutory regulations on the appropriation of the result

Article 15 of the Articles of Association stipulates that the annual profit achieved is at the free disposal of the general meeting.

As such we propose to allocate the profit for the year 2019 to the other reserves. This has already been taken into account in the financial statement 2019.



INDEPENDENT AUDITOR'S REPORT

To: The shareholders of A.H.T. Syngas Technology N.V.

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

A. Our disclaimer of opinion

We were engaged to audit the financial statements 2019 of A.H.T. Syngas Technology N.V. based in Eindhoven.

We do not express an opinion on the accompanying financial statements of the company. Due to the significance of the matter/matters described in the 'Basis for our disclaimer of opinion' section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying financial statements as a whole.

The financial statements comprise:

1. the balance sheet as at 31 December 2019;
2. the profit and loss account for 2019; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our disclaimer of opinion

Given the nature and the size of the entity and its operations it is not possible for the company to maintain appropriate internal controls without incurring disproportionate costs. We have been unable to perform sufficient audit procedures to obtain reasonable assurance on the accuracy and completeness of turnover and related items (cost of sales and work in progress), as shown in the financial statements of the entity.

We are independent of A.H.T. Syngas Technology N.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).

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.

Due to the significance of the matter/matters described in the 'Basis for our disclaimer of opinion' section, we have not been able to consider in accordance with Part 9 of Book 2 of the Civil Code whether or not 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 were engaged to read the other information and, based on our knowledge and understanding to be obtained through our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

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

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

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

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

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

Our responsibilities for the audit of the financial statements

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. However, due to the matter/ matters described in the 'Basis for our disclaimer of opinion' section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We provide those charged with governance 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.

From the matters communicated with those charged with governance, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, June 30, 2020

Signed on and behalf of:
010ACCOUNTANTS B.V.

w.s. R.A.M. Ramsahai MSc RA