



**2020**

# Annual Report



**Liquid Wind**  
eMPowering our Future

# Together for Our Carbon Neutral Future



**Liquid Wind is a Power-to-Fuel Development Company committed to reducing carbon emissions.** The company develops, finances, builds and manages replicable facilities for the production of eMethanol, to accelerate the transition to carbon neutral shipping and transportation.

Liquid Wind has carefully assembled a world-class Consortium, consisting of Alfa Laval, Carbon Clean, Haldor Topsoe, Siemens Energy and Worley. Together they will integrate their leading technologies to produce cost-effective liquid electro-fuel. Plans for the first facility are well underway, which will be hosted by Övik Energi on the north-east coast of Sweden. Liquid Wind expects to be supplying eMethanol from early 2024.

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# “We closed 2020 in a very strong position and we are seeing the results of our hard work and determination as we move into 2021”

*Claes Fredriksson, CEO & Founder, Liquid Wind*

Dear Liquid Wind Community,

This has truly been a year to remember, and not only for the obvious reason, but because it was the year when electro-fuel and hydrogen really started to gain traction as a fuel for a more sustainable future. While that was happening, Liquid Wind continued to make strong progress and was in a prime position to leverage this interest, securing leading partners and funding to support our ambitions.

As it has been for many, 2020 was a challenging year for Liquid Wind. Access to funding was delayed and withdrawn, and meetings and events were cancelled. Disappointingly, this meant we needed to slow down some of our activities. This was a strong test for our team; however this only strengthened our collective resolve and belief in what we were working towards.

Despite the turbulence and uncertainty, I am delighted to share that we closed 2020 in a very strong position, and we are seeing the results of our hard work and determination as we move into 2021. We have many of the puzzle pieces we need to succeed in place, a clear plan, an expert team and world-class partners, and we are well on the way to securing the other pieces needed.

Throughout the year, general understanding of more sustainable fuel options and the urgency to gain access to these has increased drastically, across the value chain. eMethanol is now seen as an important part of the future fuel mix, particularly within the shipping industry. As such Liquid Wind has decided to focus our efforts on the marine fuel market. The marine industry also aligns nicely with our business model, with the large players able to purchase the full facility capacity.

Maersk are looking to lead the marine transition, committing to carbon neutrality by 2050 and they are planning to launch their first carbon neutral vessel using eMethanol in 2023. Engine developers are gearing up to meet the demand for methanol and dual fuel engines. Our partners, Alfa Laval and Uniper, have also announced projects to enable the transition to methanol powered shipping.

Liquid Wind will be proud to supply the ‘greenest’ methanol with the lowest climate impact, as we have decided that eMethanol produced by Liquid Wind facilities will only use biogenic CO<sub>2</sub>. This decision aligns well with customer demand and likely regulatory terms.

The next exciting milestones during 2021, are to complete Basic Engineering, secure the project investor and fuel off-taker, and get ready for financial close for FlagshipONE early in 2022. All big endeavours and we are making steady progress.

I am honoured to share that Liquid Wind has been described as one of the ‘most advanced projects’ in the field of eFuels by several leading industry experts, including Siemens Energy. All thanks to the commitment and hard work by the Liquid Wind team, as well as the invaluable support and input from our partners, shareholders and community.

With my best regards,



**Claes Fredriksson**  
CEO & Founder,  
Liquid Wind



# Gaining Momentum

## 2017

- Completed feasibility study
- Incorporated company
- Established advisory board
- Joined Innovatum Start-Up Incubator

## 2018

- Established collaboration with value chain
- Selected first Consortium partners
- Liquid Wind Team grows to 3

## 2019

- Signed agreements with key partners
- Raised 6M SEK from angels and 2M SEK via crowdfunding
- Liquid Wind Team grows to 7

## 2020

- Seed round closed at 13M SEK
- Strong traction with Series A
- Signed interest (LOI) for off-take with Maersk, Ford and Stena Line
- Secured CO<sub>2</sub> supply and land with Övik Energi
- Signed Term Sheet for financing of first facility
- Applied for EU Innovation Fund
- Graduated from Innovatum Start-up Incubator
- Interest in eFuel and Liquid Wind continues to grow
- Liquid Wind Team grows to 10

## 2021

- Completed basis of design
- Started basic engineering
- Closed Series A funding at 40M SEK
- Worley selected as EPCm for first facility

# Management Report

Over the course of 2020, Liquid Wind has continued to accelerate its pace and developed a strong business model to produce carbon neutral fuel for the shipping industry. The company has established a compelling climate solution, which has attracted world-class partners, significant investment and growing interest from media and industry.

Building on this robust foundation, Liquid Wind is gearing up for the efficient and rapid development of eMethanol facilities. The company is developing extensive knowledge and unique IP for the intelligent replication of facilities which will be sold to large project investors such as infrastructure funds. This knowledge will also be packaged and licensed to local co-developers, as an 'industrial franchising' concept, shortening time to market for eMethanol while increasing Liquid Wind's reach and revenue stream.

Liquid Wind focused on four key areas in 2020;



### ***Building a Robust Organisation***

Recruiting and contracting critical expertise to Liquid Wind. Securing collaborative world-class partners who believe in and align with our vision and mission.



### ***Financing of Liquid Wind AB***

Raising capital from private, industrial and strategic investors for the continuous operation of the company and development work for eMethanol facilities.



### ***Funding Construction of FlagshipONE***

Structuring the first project and negotiating with potential buyers, resulting in a signed Term Sheet with a globally renowned infrastructure fund.



### ***Securing Fuel Off-taker***

Engaging with large players in the marine industry, to secure the first eMethanol Purchase Agreement (eMPA).

## Key Activities

### Growing the Team

It has been of the utmost importance to gradually build a strong, sustainable, diversified team, with cutting-edge expertise. We have successfully attracted the right people and skills to lead and deliver on Liquid Wind's mission.

In 2020 our team grew to 10 people. Four joined within the commercial, sustainability, legal and regulatory areas.

In 2021, whilst remaining lean and focused, we will expand the team to successfully reach Financial Close for the first facility in Q1 2022. We will continue to strengthen the company and build a steady facility pipeline.

### Securing the Consortium

Throughout 2020, the Consortium continued to take shape and collaboration strengthened. February saw the kick-off of the Basis of Design phase, with over 30 participants meeting in Gothenburg, Sweden. The outbreak of COVID-19 and delays to funding slowed progress, however the Design Basis document was completed early in 2021. The document provides a strong understanding of the work requirements and partners needed for the facility, and will support Basic Engineering throughout 2021.

In July the decision was made to end the collaboration with COWI. Leading Liquid Wind to review bids from three different EPCm partners during the autumn. BWSC, based in Copenhagen, were selected. However in November the owners of BWSC decided that they would no longer offer EPCm services. A new bid process was subsequently initiated at the start of 2021, resulting in the selection of Worley.

During the year the decision was also made to discontinue work with Nel Hydrogen. At the end of 2020, the Consortium consisted of Carbon Clean, Haldor Topsoe and Siemens Energy.

## Raising Capital

In March, the Seed funding round was concluded. Haldor Topsoe, numerous business angels, several employees and the crowdfunding holding company LW Community AB, joined as investors. A total of 13,361 shares were issued at a value of 1,000 SEK per share.

During the spring, it was announced that Liquid Wind would not receive funding from the EU “Fast Track to Innovation” program. Furthermore, an unexpected announcement came from InnoEnergy that they were not in a position to finance Liquid Wind. At the same time COVID-19 spread rapidly, prompting Liquid Wind to activate a savings program for six months.

A second round of crowdfunding was initiated earlier than originally planned, and the Series A funding round was prepared during the summer.

The EU-ETS announced the “Innovation Fund” program and Liquid Wind applied for funding together with; AP Möller Maersk, BWSC, Haldor Topsoe and Siemens Energy. The application process was managed by ZAZ Ventures, a specialist in EU-funding applications.

By the end of 2020, the Swedish Environmental Protection Agency had still not announced a decision with regards to financial support from Klimatklivet. A decision is expected during the first half of 2021.

## Developing Flagship Facilities

The search for an appropriate host for the first facility, FlagshipONE, intensified during Q2. The host will provide access to land and biogenic CO<sub>2</sub> to support the facility. During the spring, a LOI was signed with three potential partners. In October, a Term Sheet was signed with Övik Energi. Övik’s Combined Heat and Power Plant, located on the northeast coast of Sweden, is an ideal partner and their team are excited to host FlagshipONE. Construction of the facility is expected to commence early in 2022 with eMethanol available from early 2024.



*Övik Energi will provide land and CO<sub>2</sub> for FlagshipONE.*

In July, FlagshipTWO AB was registered, as a company solely owned by Liquid Wind. Negotiations regarding hosting and financing for subsequent facilities are ongoing and will be a key focus for 2021.

## Partnering with Infrastructure Funds

Flagship facilities will be financed and sold to large investors, such as infrastructure funds. Liquid Wind has gained interest from a promising prospect looking to invest in eFuel production capacity, and expects to sign an investment agreement in the first half of 2021. Final Investment Decision for FlagshipONE is planned for Q1 2022.

## Planning Industrial Franchising

Liquid Wind’s intellectual property (IP) for the cost-effective development of standardised facilities will be packaged and licensed to suitable co-developers. Combining Liquid Wind’s expertise with local knowledge and contacts, will accelerate the rate of replication of eMethanol facilities and increase the supply of renewable fuel. This will also provide an additional revenue stream to Liquid Wind.

By the close of 2020, Liquid Wind had received numerous requests from a broad range of parties interested in co-developing eMethanol facilities. Liquid Wind is now in detailed conversations with two experienced partners in Europe.

## Gaining Visibility

Interest in eFuel is gaining traction within Europe, Liquid Wind is taking a prominent place within this conversation as a leading developer of eFuel facilities. To continue to build on this momentum, Liquid Wind will develop a compelling brand strategy to ensure a strong position for the company and the fuel. This project will continue throughout 2021.

During 2020 Liquid Wind and the Flagship project received strong media interest. Local coverage grew significantly following the announcement of Övik Energi as the facility host.

Physical events and conferences were postponed or held online, due to the pandemic. However Liquid Wind was able to build interest and extend its reach through relevant webinars, both as a speaker and a participant.



*Claes speaking at a Carbon Capture and Utilisation Event, hosted by North Sea Region in Edinburgh.*

## Supporting eFuels

Liquid Wind engages with relevant partners and projects to advance understanding and development to support eFuels across the value chain, with a particular focus on the Marine Industry.

**EU Fastwater Project** – promotes and supports the use of methanol as a fuel for smaller vessels. Methanol vessels are developed and tested in partnership with companies such as ScandiNAOS, Scania and the Swedish Marine Authority. Methods of converting engines, handling and storage of new fuel will also be developed and promoted.

**RISE (Research Institute Sweden) and IVL (Swedish Environmental Research Institute)** – collaborate to find the most efficient and cost-effective way to produce renewable methanol, testing different electrolyser technology and the use of pressurised systems.

**Engine Manufacture and Conversion** – Liquid Wind discusses conversion and development of methanol and dual fuel engines.

**Universities** – Liquid Wind collaborates with the following universities, Lund, Chalmers, and Luleå, to support the use of methanol in multiple applications.

## Regulation and Legislation

At EU level, research on policy creation was conducted to support amendments to the renewable fuel regulatory framework in 2021. Expected changes include; clarification of the definition of RFNBO (Renewable Fuel of Non-Biological Origin), which includes eFuels; and mandates for shipping, including CO<sub>2</sub> reduction targets and emission calculation requirements.

Within Sweden, the government proposed to include eFuels within the obligatory blending scheme. Currently only biofuels are approved to be blended with petrol and diesel to meet the renewable fuel quota. The decision will be taken in 2021.

Liquid Wind initiated the Nordic eFuel Alliance, to advance understanding and regulatory support for eFuels within the Nordics. The main focus is the implementation of a consumption quota/mandate for eFuels. Members currently include the four nordic eFuel production companies — Norsk eFuel (Norway), ST1 (Finland), CRI (Iceland) and Liquid Wind (Sweden).

Liquid Wind is a co-founder of the Leaders of Sustainable Fuel Change (LoSFC), an organisation focused on finding suitable financial support mechanisms for the production of renewable fuel in Sweden. Activities in LoSFC were paused in 2020 as Liquid Wind increased focus on the marine sector, making the land transport market less relevant.

## Additional Partners

Throughout 2020, Liquid Wind has continued to be active within the following organisations and forums:

- Johanneberg Science Park, Göteborg
- Fossilfritt Sverige 2030, Stockholm
- Västsvenska Kemi och Materialklustret, Västra Götaland
- 2030 Sekretariatet, Stockholm
- 100% Förnybart, Stockholm

Liquid Wind graduated from the Innovatum Start-up Incubator in Trollhättan.

## Other Notable Events

### COVID-19

The pandemic has affected Liquid Wind both negatively and positively. During the first half of 2020, the team had to reduce travel, resulting in missed opportunities to meet customers and partners, which also affected funding. By the end of the year, the team and prospective collaborators alike, had adapted and found new ways to conduct business. Liquid Wind was able to attract new investors despite the pandemic. In addition, the team became more efficient even with the travel restrictions.

During 2021, it will be important to maintain optimal performance; zero infected employees or in-house consultants; and to stick to new efficient work procedures, while balancing physical and digital meetings.

### Events in Early 2021

A new procurement process for the EPCm partner was conducted between January and March 2021, with six companies participating in the bid. Following an intensive decision-making process, Worley was chosen as the EPCm partner. Worley offer extensive, relevant experience and a structured, professional approach which will support with efficiently and rapidly designing and replicating facilities.

An additional 22,689 shares were issued in April 2021, to a total value of 40 million SEK. This included investment from Alfa Laval, Carbon Clean, Falkor, Siemens Energy and Sydkraft (Uniper). Other investors included business angels, Canadian Crowdfunders as well as several employees and consultants.

On March 24 2021, an announcement came from the EU-ETS "Innovation Fund" that Liquid Wind had made it to the second funding round. An updated, final application will be submitted on June 23 2021. Qualifying for stage 2 means that the number of competing applicants decreases from 311 to 70, for a total of 30 funding allotments. The final decision is expected by the end of 2021.

The decision to engage an infrastructure fund partner in developing FlagshipONE will be made during Q2 2021.

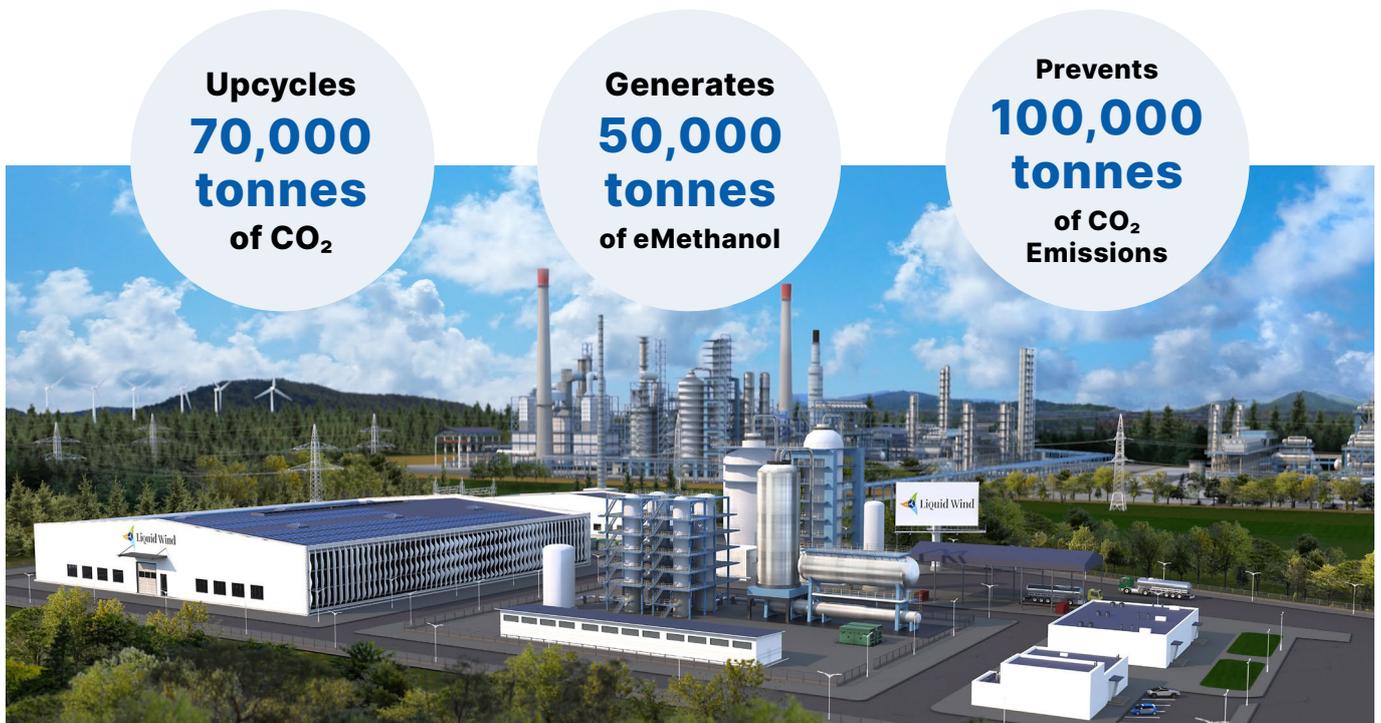
Liquid Wind has secured two industrial franchising partners. Falkor, in southern Europe, and LSASANCAT HOLDCO AS, in Norway, will license Liquid Wind's knowledge and experience to develop eMethanol facilities locally in their respective regions.

# Now's the Time for Climate Action

**Liquid Wind is part of the climate solution.**

Clean fuel is a critical part of securing a habitable planet for all. Through collaboration, openness, and a relentless focus on efficiency, Liquid Wind will integrate applicable, cutting-edge technology to accelerate access to clean fuel. This will support a stable economy, whilst significantly reducing carbon emissions from shipping and transport.

**Per year, each standard facility:**



## 2050 Goal

**Prevent the emission of 50 million tonnes of carbon dioxide, every year.**

(That is the equivalent of Sweden's total emissions!)

# Life Cycle Analysis of eMethanol



Felix Jung joined Liquid Wind during his European Masters in Sustainable Energy System Management from The Association of European

Renewable Energy Research Centres (EUREC). For his thesis Felix conducted a Life Cycle Analysis of eMethanol. Following the completion of his Masters, the Liquid Wind team is delighted to have Felix's support as a Sustainability & Planning Specialist.

*"A well-to-wake Life Cycle Analysis of eMethanol showed that switching from standard Marine Fuel, HFO, to wind-based eMethanol will reduce greenhouse gas emissions by 94%. Demonstrating that eMethanol offers a viable and sustainable alternative to fossil fuels."*

**Felix Jung**  
Sustainability & Planning Specialist, Liquid Wind

## Supporting UN Sustainable Development Goals

**7** AFFORDABLE AND CLEAN ENERGY



Long-distance shipping and heavy road transport are currently considered 'hard-to-abate' sectors, as they lack viable alternatives to fossil fuels. Liquid Wind will address this challenge by providing access to large volumes of renewable liquid fuel, which is compatible with existing infrastructure and can enable a significant reduction in fossil carbon emissions.

**13** CLIMATE ACTION



Liquid Wind is committed to urgent and practical action to mitigate climate change. Using a standardised and modular approach, we can efficiently replicate eMethanol facilities to provide large volumes of carbon neutral fuel to replace fossil fuels.

**14** LIFE BELOW WATER



As well as reducing pollutants impacting our climate, eMethanol is also better for life below water. Marine toxicity is low and it rapidly dissolves in water, supporting the Marine Industry in their ambitions for better ocean stewardship.

**17** PARTNERSHIPS FOR THE GOALS



We cannot achieve the changes needed to mitigate climate change alone, it is critical that we work together. Liquid Wind has assembled a powerful Consortium of world-class companies who believe and support our ambition. Together we will bring carbon neutral fuel to market at scale and support the sustainable energy transition. Liquid Wind also collaborates with research institutes and universities to advance understanding of eFuels.

# Together for Our Carbon Neutral Future

Liquid Wind is proud to have attracted world-class partners to bring eMethanol to market at scale and significantly reduce carbon emissions.



Carbon Clean's efficient and low-cost technology will capture and concentrate biogenic carbon dioxide emissions from industry.

[View Press Release](#)



Haldor Topsoe's cost-efficient eMethanol technology and proprietary catalyst will combine CO<sub>2</sub> and hydrogen to form eMethanol.

[View Press Release](#)



Siemens Energy's leading electrolyzer technology will efficiently and cost-effectively convert water into hydrogen. Siemens will also provide other services to support the smooth operation and intelligent replication of eMethanol facilities.

[View Press Release](#)



Alfa Laval will provide expertise in energy optimisation, and equipment for multiple stages in the conversion process. Which will improve efficiency and minimise the use of resources.

[View Press Release](#)



Worley will provide front-end engineering design services, to plan the efficient integration of the technology components, as well as the balance of plant engineering.

[View Press Release](#)



Uniper will work on medium term solutions to eMethanol distribution, leveraging their knowhow in electricity supply and fuel distribution.

[View Press Release](#)

# The Perfect Match



The first facility will be located on the site of Övik Energi in north-east Sweden.

In November 2020, Liquid Wind secured the site and CO<sub>2</sub> supply for the first eMethanol facility, FlagshipONE. Hörneborgsverket is a combined heat and power plant, owned by Övik Energi, and is the ideal partner for eMethanol production.

## The site:

- emits biogenic CO<sub>2</sub>, which will be converted into carbon neutral fuel
- is located in northern Sweden, close to low-cost wind power
- is close to a tankfarm and a port, supporting distribution of fuel
- offers process synergies, allowing for the circular exchange of resources. Improving efficiency and reducing costs.



*“Having the opportunity to be among the first in the world to capture and use biogenic carbon dioxide to produce electro-fuel is very exciting. This development opportunity strengthens our role as an energy*

*supplier, enabling us to become more energy efficient in our production as well as reducing our carbon emissions.”*

**Kristina Säfsten**  
CEO, Övik Energi



*“We are delighted to be collaborating with Övik Energi. There are many synergies between our two companies which will be very valuable. It is also very exciting to have secured the site*

*for our first facility, bringing us closer to delivering carbon neutral fuel to market.”*

**Claes Fredriksson**  
CEO, Liquid Wind

Construction of the facility is expected to commence early in 2022 with eMethanol available from early 2024.

# Financial Report

## Multi-year Overview (TKR)

<i>(Amounts in SEK Thousand)</i>	2020	2019	2018	2017 (8 Mon)
Net Turnover	5 557	159	0	0
Profit/Loss After Financial Items	-8 217	-6 905	-310	-13
Equity/Assets Ratio (%)	41	67	Neg	100

For definitions of key ratios, see Accounting and Valuation Principles.

## Changes in Equity (2020)

<i>(Amounts in SEK)</i>	Share Capital	Share Premium Reserve	Premium Reserve	Retained Profit/Loss	Profit/Loss This Year	Total
Amount at the Opening of the Year	50 000	13 361	13 347 639	-298 299	-6 905 111	<b>6 207 590</b>
Stock Dividend	13 361	-13 361				<b>0</b>
Appropriation of earnings as per resolution of the Annual General Meeting				-6 905 111	6 905 111	<b>0</b>
New Share Issue		3 249	5 844 951			<b>5 848 200</b>
Profit/Loss for the Year					-8 232 238	<b>-8 232 238</b>
<b>Amount at the End of the Year</b>	<b>63 361</b>	<b>3 249</b>	<b>19 192 590</b>	<b>-7 203 410</b>	<b>-8 232 238</b>	<b>3 823 552</b>

The conditional, non-reimbursed, shareholders' contribution amounted to SEK 25,000 (25,000) as at balance sheet date.

## Proposed Profit Appropriation (2020)

The Board of Directors recommends the following available funds (SEK):

<i>(Amounts in SEK)</i>	
Accumulated Losses	-7 203 410
Share Premium Reserve	19 192 590
Year's Losses	-8 232 238
<b>Total Profit</b>	<b>3 756 942</b>
<b>Be Appropriated As: To Be Carried Forward</b>	<b>3 756 942</b>

The company's earnings and financial position in general are described in the following income statement and balance sheet with Notes.

## Income Statement

<i>(Amounts in SEK)</i>	Note	2020/01/01 - 2020/12/31	2019/01/01 - 2019/12/31
<b>Operating Revenues</b>			
Net Sales		5 556 998	158 754
Other Operating Income		715 101	20 000
<b>Total Revenue</b>		<b>6 272 099</b>	<b>178 754</b>
<b>Operating Expenses</b>			
Project Development Expenses and Consumables		-6 486 257	0
Other External Costs		-4 538 981	-5 825 173
Personnel Costs	2	-3 326 420	-1 256 928
Other Operating Expenses		-137 184	0
<b>Total Operating Expenses</b>		<b>-14 488 842</b>	<b>-7 082 101</b>
<b>Operating Profit/Loss</b>		<b>-8 216 743</b>	<b>-6 903 347</b>
<b>Profit/Loss From Financial Items</b>			
Interest Expenses		-15 495	-1 764
<b>Profit/Loss After Financial Items</b>		<b>-8 232 238</b>	<b>-6 905 111</b>
<b>Pre-tax Profit/Loss</b>		<b>-8 232 238</b>	<b>-6 905 111</b>
<b>Net Profit/Loss for the Year</b>		<b>-8 232 238</b>	<b>-6 905 111</b>

## Balance Sheet

<b>Assets</b> (Amounts in SEK)	<b>Note</b>	<b>2020/12/31</b>	<b>2019/12/31</b>
Subscribed but Unpaid Capital		0	8 337 000
<b>Fixed Assets</b>			
<i>Financial Assets</i>			
Participations in Group Companies	3	5 730 000	80 000
<b>Total Fixed Assets</b>		<b>5 730 000</b>	<b>80 000</b>
<b>Current Assets</b>			
<i>Current Receivables</i>			
Other Receivables		607 226	519 943
Deferred Expenses and Accrued Income		74 138	0
<b>Total</b>		<b>681 364</b>	<b>519 943</b>
<b>Cash on Hand and in Bank</b>		<b>3 019 293</b>	<b>343 776</b>
<b>Total Current Assets</b>		<b>3 700 657</b>	<b>863 719</b>
<b>Total Assets</b>		<b>9 430 657</b>	<b>9 280 719</b>

## Equity and Liabilities

<i>(Amounts in SEK)</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Equity</b>			
<i>Restricted Reserves</i>			
Share Capital		63 361	50 000
Unregistered Share Capital		3 249	13 361
<b>Total</b>		<b>66 610</b>	<b>63 361</b>
<i>Non-restricted Equity</i>			
Share Premium Reserve		19 192 590	13 347 639
Retained Earnings or Losses		-7 203 410	-298 299
Profit/Loss for the Year		-8 232 238	-6 905 111
<b>Total</b>		<b>3 756 942</b>	<b>6 144 229</b>
<b>Total Equity</b>		<b>3 823 552</b>	<b>6 207 590</b>
<b>Long-term Liabilities</b>			
	4		
Liabilities to Group Companies		976 000	661 000
Other Liabilities		472 500	0
<b>Total Long-term Liabilities</b>		<b>1 448 500</b>	<b>661 000</b>
<b>Current Liabilities</b>			
	4		
Accounts Payable		945 248	1 099 250
Liabilities to Group Companies		819 050	0
Current Tax Liabilities		57 787	0
Other Liabilities		1 000 002	663 549
Accrued Expenses and Deferred Income		1 336 518	649 330
<b>Total Current Liabilities</b>		<b>4 158 605</b>	<b>2 412 129</b>
<b>Total Equity and Liabilities</b>		<b>9 430 657</b>	<b>9 280 719</b>

# Notes

## Note 1: Accounting and Valuation Principles

### General Information

The annual report is prepared in accordance with the Swedish Annual Accounts Act and BFAR 2012:1 Annual Reporting and consolidated reports (K3).

#### **First Time Practitioners (K3)**

The annual report has been prepared for the first time in accordance with BFAR 2012: 1 Annual Reporting and consolidated reports (K3). The transition to K3 has not led to any changes in the presentation of the income statement, balance sheet, cash flow statement or notes, and no effect on equity has arisen in conjunction with the transition to K3.

### Revenue Recognition

Revenue has been recognized at the fair value of the consideration received or which will be received and is reported to the extent that it is probable that the economic benefits will be incurred by the company, and when the revenue can be reliably measured.

### Intangible Assets

The company reports internally generated intangible assets according to the cost model. This implies that all expenses related to the development of an internally generated intangible asset are expensed directly when incurred.

### Financial Instruments

Financial instruments are valued on the basis of acquisition value. The instrument is reported in the balance sheet when the company becomes a party to the contractual conditions of the instrument. Financial assets are derecognized when the rights to receive

the cash flows from the instruments have expired or have been transferred and when the company has transferred, substantially, all of the risks and rewards associated with ownership. Financial liabilities are derecognized when the obligations have been settled or otherwise terminated.

#### **Participations in Subsidiaries**

Participations in subsidiaries are carried at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs.

Any possible capital contributions are added to the cost as they arise.

#### **Accounts Receivables/Current Receivables**

Accounts receivables and current receivables are reported as current assets in the amount expected to be paid after deduction of individually assessed doubtful debts.

#### **Loan-liabilities and Account Payables**

Loan-liabilities and accounts payables are recognized initially at cost after deduction of transaction costs. If the carrying amount differs from the amount that will be repaid at maturity date, the difference is allocated as an interest expense over the term of the loan applying the effective interest rate of the instrument. This implies that the carrying amount agrees with the amount to be repaid as at due date.

#### **Offset of Financial Receivables and Financial Liabilities**

A financial asset and a financial liability are offset and accounted for net in the balance sheet only when there is a legally enforceable right to do so, and when settlement is intended to take place in a net amount, or when a simultaneous sale of the asset and a settlement of the debt is to take place.

#### **Impairment of Financial Fixed Assets**

At each balance sheet date, there is an assessment as to whether there are indications of impairment of financial fixed assets. Impairment losses are reported if the decline in value is considered to be permanent, and such losses are assessed on an individual basis.

## Income Taxes

### Current Tax

Total tax consists of current tax and deferred tax. Taxes are reported in the income statement, except when the underlying transaction is reported directly in equity, whereby the associated tax effects are reported in equity.

### Deferred Tax

Deferred tax comprises of the income tax relating to future financial years arising as a result of past events. The reporting of deferred tax is based on the balance sheet method. According to this method, deferred tax liabilities and deferred tax assets on temporary differences arising between the tax base of recognized assets and liabilities, and as regards other tax credits or deficits, are reported.

Deferred tax assets are offset against deferred tax liabilities if, and only if, they can be paid on the basis of a net amount. Deferred tax is calculated base on the applicable rate as at balance sheet date. The effects of changes in applicable tax rates are reported in the period in which the change comes into effect. Deferred tax assets are reported as financial fixed assets and deferred tax liabilities as a provision.

Deferred tax assets referring to tax losses carried forward or other future tax deductions are reported to the extent that it is probable that such deductions can be offset against future taxable profits.

Due to the relationship between accounting and taxation, deferred tax liabilities attributable to untaxed reserves are not reported separately.

## Employee Remuneration

Employee benefits refer to all kinds of benefits the company provides to employees. Short-term employee benefits include wages, holiday pay, paid leave, bonuses and reimbursement upon completion of employment (pensions) etc. Short-term employee benefits are reported as an expense and a liability when there is a legal or constructive obligation to pay compensation as a result of a past event, and a reliable estimate of the amount can be made.

### Employee Benefits After Termination of Employment

The company has only defined contribution pension plans. Defined contribution plans are plans where appropriate fees are paid and there is no obligation to make any further addition to these charges.

Expenses for defined contribution plans are recognized as an expense in the period in which employees perform the services comprising the basis of the obligation.

## Public Contributions

Public contributions are reported as income when the future performance stipulated as a requirement to receive the contribution has taken place. In those cases, in which the contribution is obtained prior to such performance being completed, the contribution is reported as a liability in the balance sheet. Public contributions are measured at the fair value of consideration received or receivable.

## Group Relationships

The company is a parent company but with reference to the exception rules stipulated in Chapter 7, §3 of the Annual Accounts Act, no consolidated financial statements are prepared.

## Definition of Key Business Ratios

*Net Sales* - Main operating revenues, invoiced expenses, ancillary income and revenue adjustments.

*Profit/Loss After Financial Items* - Profits after financial items and costs but before appropriations and taxes.

*Equity/Assets Ratio (%)* - Adjusted equity (equity and untaxed reserves with deduction of deferred tax) as a percent of the balance sheet total.

## Note 2: Liquid Wind Team

	2020	2019
Average Number of Employees	3	1
Average number of Inhouse Consultants	7	6

## Note 3: Participation in Group Companies

<i>(Amounts in SEK)</i>	2020/12/31	2019/12/31
Acquisition Value, Opening Balance	80 000	0
Purchases	100 000	80 000
Conditional Shareholder Contribution	5 550 000	0
<b>Accumulated Acquisition Value, Closing Balance</b>	<b>5 730 000</b>	<b>80 000</b>
<b>Carrying value, Closing Balance</b>	<b>5 730 000</b>	<b>80 000</b>

## Note 4: Liabilities Related to Several Records

Some of the company's liabilities include both a long-term and short-term portion. These liabilities are reported in the following items in the balance sheet:

<i>(Amounts in SEK)</i>	2020/12/31	2019/12/31
<b>Long-term Liabilities</b>		
Liabilities to Group Companies	976 000	661 000
Other Liabilities	472 500	0
<b>Total</b>	<b>1 448 500</b>	<b>661 000</b>
<b>Current Liabilities</b>		
Liabilities to Group Companies	819 050	0
Other Liabilities	277 500	628 342
<b>Total</b>	<b>1 096 550</b>	<b>628 342</b>

# Board of Directors



**Claes Fredriksson**



Wealth of knowledge and experience of innovative renewable energy solutions. CEO and Founder of Liquid Wind, determined to accelerate sustainable solutions.



**Hans Björkström**



Valuable knowledge of renewable energy sector. Designed and implemented many complex process plants, including for Methanol.



**Tore Sylvester Jeppesen**



At Haldor Topsoe, Liquid Wind Consortium partner and shareholder, Tore is responsible for the commercialisation of the electrified production of chemicals.

# Management Team



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*CEO & Founder*

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**Thomas Nilsson**



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**Tuya Bold**



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**Allie Downes**



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**Ulrik Falkenberg Lending**

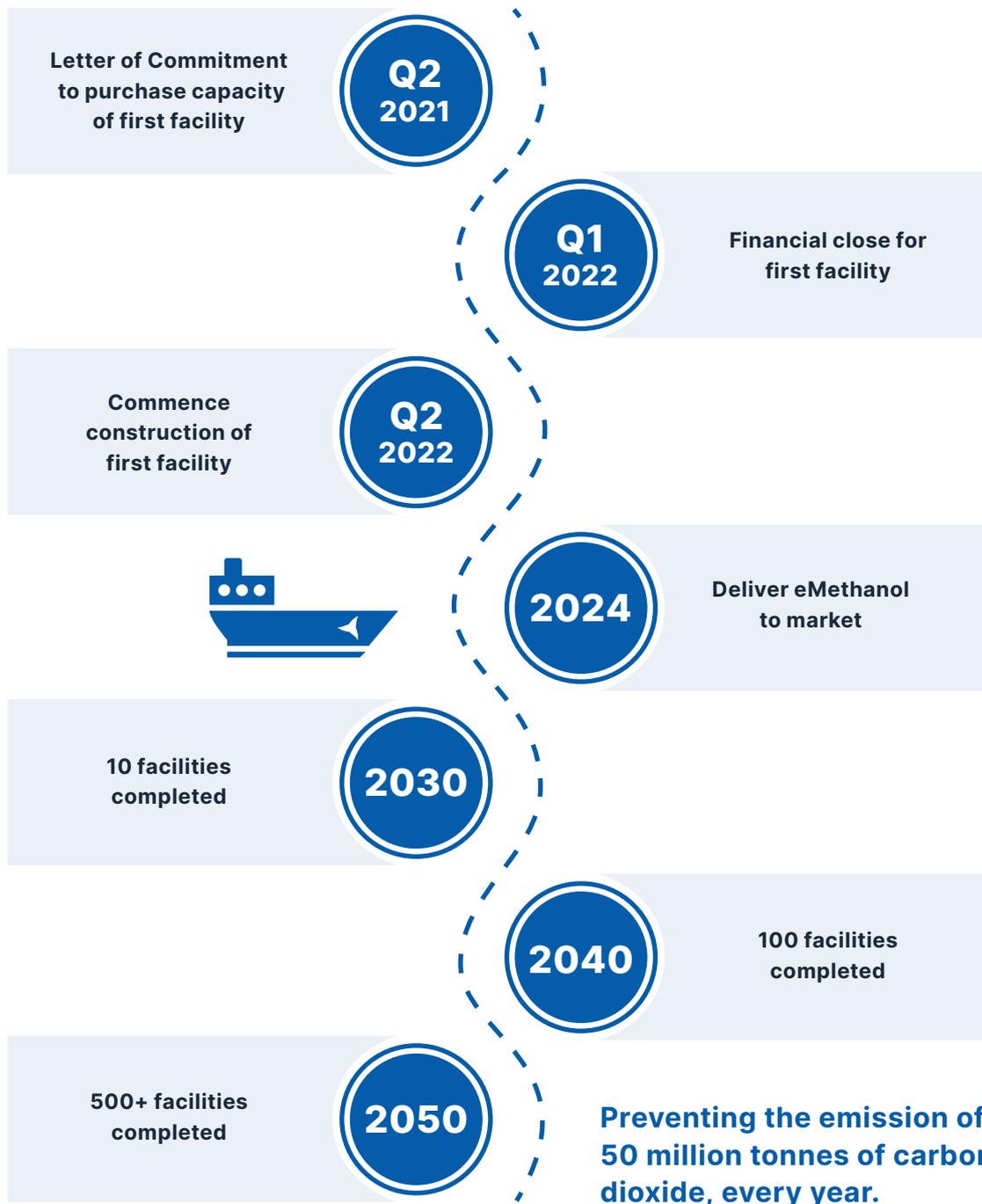


*Commercial Manager*

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# Bringing eMethanol to Market at Scale

Liquid Wind is making steady progress towards our ambitious plans. We are focused on reaching the following exciting milestones over the coming months, years and decades.





# Join Us and Empower Our Carbon Neutral Future



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