

# Volta Trucks AB (publ)

Org.nr. 559204-5545

## Annual report 2020 01 01 - 2021 06 30

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The Board of Directors in Volta Trucks AB, hereby submits the annual report for the financial year 2020-01-01 - 21-06-30, the company's second financial year.

The annual report shows the company Volta Trucks AB (publ), with its seat in Stockholm, standalone.

The accounting currency of the Company is SEK.

## Director's report

### Operations

Volta Trucks AB is the parent company of the wholly-owned subsidiaries Volta Trucks Ltd, UK and Volta Trucks SAS, France. Volta Trucks is a scale-up full-electric commercial vehicle manufacturer and services company.

### Events of importance during the financial year

The period of the Company's financial year has been amended from calendar year to end June 30. It has the effect that the financial year 2020/2021 consists of 18 months. The previous financial year, the Company's first financial year, consisted of 8 months.

During the financial year new share issues have been carried out, increasing the share capital with SEK 31 305 to SEK 93 805 kronor and increasing the non-restricted share premium with SEK 35 073 370.

The Company has also carried out a capitalization issue in which SEK 412 742 has been transferred to share capital from the non-restricted equity.

The Company took during the financial year a convertible debenture loan of KSEK 176 950. The investors that subscribed for the convertible debenture loan owns the right to convert the loan to shares in Volta Trucks AB to a subscription price of SEK 458,40 per share. The period for the right to convert the loan to shares runs between 2020-12-08 - 2025-09-16.

At an extraordinary general meeting March 2, 2021 it was resolved on a directed issue of subscription warrants to key persons. Each warrant entitles to subscribe one share in Volta Trucks AB to a subscription price of SEK 267 per share. The warrants may be exercised for subscription of shares from and including December 1, 2023 up to and including December 30, 2023. Upon full exercise the share capital will increase with not more than SEK 10 130,94.

### Going concern

Volta Trucks AB's financial statements have been prepared in accordance with the accounting policies that apply for a going concern assumption, that is, that Volta Trucks will have the ability to continue conducting its business during the foreseeable future. The foreseeable future extends at least to, but is not limited to, twelve months after the end of the reporting period. It is the Board of Directors and CEO who are responsible for assessing the Company's ability to continue operating. To be able to make this assessment in a correct manner, consideration must be given to all available information and assumptions about the future. Further, the Board of Directors and CEO continuously monitor circumstances that may affect the assessment of the validity of the going concern assumption, where the most critical risk is access to funding. Since Volta Trucks is in a phase of growth, the Company continues to report significant losses. This may lead to strained liquidity and a need to secure long-term funding for the Company. Should the Company, contrary to the current view, be unable to secure the funding needed, a risk exists with regards to the going concern.

### Two years summary

Below the company's development during the two financial years of activities is shown.

Amount in KSEK	2020 01 01	2019 05 06
	2021 06 30	2019 12 31
	(18 months)	(8 months)
Net sales	0	0
Result after financial items	-48 970	-12 345
Balance sheet total	177 820	8 785
Liquid ratio	278%	814%
Equity ratio	18%	88%

For definitions of the key ratios, please see Accounting- and Valuationprinciples.

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#### Statement of changes in equity

	Share capital	Ongoing new share issue	Non restricted share premium	Retained earnings incl net loss for the year	Total
Opening balance	62 500	12 500	19 975 000	-12 345 005	7 704 995
Registration of the ongoing new share issue	12 500	-12 500	-	-	0
New share issue resolution March 2020	18 726	-	24 980 484	-	24 999 210
New share issue resolution June 2020	79	-	105 386	-	105 465
Capitalization issue resolution September 2020	412 742	-	-412 742	-	0
Equity component convertible loan	-	-	48 962 316	-	48 962 316
Revaluation equity component convertibles	-	-	-4 825 594	4 825 594	0
Proceeds from issuing of warrants	-	-	38 929	-	38 929
New share issue expense	-	-	-154 000	-	-154 000
Net loss for the year	-	-	-	-48 969 883	-48 969 883
<b>Closing balance</b>	<b>506 547</b>	<b>0</b>	<b>88 669 779</b>	<b>-56 489 294</b>	<b>32 687 032</b>

#### Proposed allocation of profit

It is proposed by the Board of Directors that the company's profit will be allocated as follows

Non-restricted share premium	88 669 779
Retained earnings	-7 519 411
Net loss for the year	-48 969 883
	<b>32 180 485</b>
Profit carried forward	32 180 485
<b>Total</b>	<b>32 180 485</b>

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**PROFIT AND LOSS ACCOUNTS***Amounts in SEK*

		<b>2020 01 01</b>	<b>2019 05 06</b>
		<b>2021 06 30</b>	<b>2019 12 31</b>
	Note		
	1		
<b>Revenue</b>			
Net sales		-	-
Other income		-	17 340
<b>Total operating income</b>		<b>0</b>	<b>17 340</b>
<b>Operating expenses</b>			
Development costs		-7 833 407	-10 676 607
Other external costs	2	-28 017 901	-896 870
Personnel costs	3	-2 478 945	-743 310
Other operating income		-77 267	-44 970
<b>Total operating expense</b>		<b>-38 407 520</b>	<b>-12 361 757</b>
<b>Operating profit/loss</b>		<b>-38 407 520</b>	<b>-12 344 417</b>
<b>Result from financial items</b>			
Other interest income and similar income	4	795 135	-
Interest expense and similar expense	5	-8 074 178	-588
Other financial items		-3 283 320	-
<b>Total financial items</b>		<b>-10 562 363</b>	<b>-588</b>
<b>Result after financial items</b>		<b>-48 969 883</b>	<b>-12 345 005</b>
<b>Result after tax</b>		<b>-48 969 883</b>	<b>-12 345 005</b>
<b>Net loss for the year</b>		<b>-48 969 883</b>	<b>-12 345 005</b>

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## BALANCE SHEETS

Amounts in SEK

	Note	<u>2021 06 30</u>	<u>2019 12 31</u>
<b>ASSETS</b>	1		
<b>Fixed assets</b>			
<b>Financial assets</b>			
Participation in group companies	6	504 987	-
Non-current receivables from group companies	7	114 482 405	-
<b>Total financial assets</b>		<b>114 987 392</b>	<b>0</b>
<b>Total fixed assets</b>		<b>114 987 392</b>	<b>0</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Tax receivables		28 520	18 342
Other receivables		2 579 568	573 951
Prepayments and deferred income		49 128	8 730
<b>Total current receivables</b>		<b>2 657 216</b>	<b>601 023</b>
<b>Cash and bank balance</b>		<b>60 175 776</b>	<b>8 183 666</b>
<b>Total current assets</b>		<b>62 832 992</b>	<b>8 784 689</b>
<b>Total assets</b>		<b>177 820 384</b>	<b>8 784 689</b>

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## BALANCE SHEETS

*Amounts in SEK*

	Note	<u>2021 06 30</u>	<u>2019 12 31</u>
<b>EQUITY AND LIABILITIES</b>	1		
<b>Equity</b>	8		
Restricted equity			
Share capital		506 547	62 500
Ongoing new share issue		-	12 500
		<u>506 547</u>	<u>75 000</u>
Non-restricted equity			
Non-restricted share premium		88 669 779	19 975 000
Retained earnings		-7 519 411	-
Net loss for the year		<u>-48 969 883</u>	<u>-12 345 005</u>
		32 180 485	7 629 995
<b>Total equity</b>		<b>32 687 032</b>	<b>7 704 995</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	9	<u>122 523 635</u>	<u>-</u>
<b>Total non-current liabilities</b>		<b>122 523 635</b>	<b>0</b>
<b>Current liabilities</b>			
Accounts payable		10 654 308	915 978
Other liabilities		161 365	49 017
Accrued expenses		<u>11 794 044</u>	<u>114 699</u>
<b>Total current liabilities</b>		<b>22 609 717</b>	<b>1 079 694</b>
<b>Total equity and liabilities</b>		<b>177 820 384</b>	<b>8 784 689</b>

## NOTES

### 1 Accounting and valuation principles

The accounting principles and valuation principles applied are consistent with the Annual Accounts Act and the recommendation of the Accounting Board, BFNAR 2012:1.(K3)

#### Accounting currency

The accounting currency of the Company is SEK.

#### Definition key ratio

Liquid ratio	Current assets not including inventory / Current liabilities
Equity ratio	Total Adjusted Equity / Balance sheet total

#### Revenue

The Company reports income when the amount can be measured in a reliable manner, when it is likely that future benefits will accrue to the company. When the revenue can be measured in a reliable manner, but the transaction has not been concluded at the Balance date, the income will, in the Balance sheet, be classified as accrued income.

Revenue is reported after deductions for discounts, VAT and other taxes that are directly linked to the sales.

#### Other operating income

Income arising from subordinated activities within the principal operation are presented as other operating income.

#### Leases

Leasing agreements that essentially transfer the financial risks and benefits of owning an asset from the lessor to the lessee is classified as finance leases. Financial leasing entails that rights and obligations are classified as assets and liabilities in the balance sheet.

The asset and the liability are initially valued to the lower of the asset's fair value and the present value of the minimum lease payments. Expenses directly attributable to the lease agreement is added to the value of the asset. Leasing fees are distributed on interest and amortization according to the effective interest method.

Variable fees are reported as expenses in the period in which they arise. The leased asset is depreciated linearly over its estimated useful life.

Lease agreements where the economic benefits and risks attributable to the lease object essentially remain with the leasing company, is classified as operational leasing.

Payments, including an increased rent, under these agreements are reported as costs, linear over the lease period.

#### Employee benefits

##### *Short-term benefits*

Short-term benefits consist of salaries, social security contributions, paid vacation, paid sick leave and bonuses. Short-term payments are recognized as an expense and a liability when there is a legal or informal obligation to pay a compensation.

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### **Taxes**

The period's tax expense is made up of actual tax expense for the year and changes in the provision for deferred tax liabilities and changes in the presented value of the deferred tax receivables.

The actual tax liability is based on the taxable income for the year. The taxable income diverge from net profit/loss for the year as presented in the income statement, as the taxable income not contains either income or expenses non taxable or non deductible the actual financial year or taxable or deductible other years than the actual financial year.

Deferred tax is the tax as the company expects to pay or receive based on the differences between the presented values of assets and liabilities in the balance sheet and the equivalent taxable values.

Deferred tax receivables for taxable losses carried forward will only be presented if it is likely they can be made used of and only to the extent of the expected decreased future tax expenses.

The Company has accumulated tax loss carried forward of 61 445 919 SEK (12 334 533 SEK).

### **Intangible fixed assets**

The Company reports internally generated intangible fixed assets according to the cost recognition model. This means that all expenditure relating to the development of an internally generated intangible fixed asset are expensed immediately when they arise.

### **Financial instruments**

Financial instruments are valued on the basis of the acquisition value. The instrument is recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised in the balance sheet when the contractual rights to receive the cash-flows from the assets cease, are settled and the Company has transferred virtually all risks and benefits associated with the ownership.

Financial liabilities are derecognised in the balance sheet when the obligations have been settled or otherwise ceased.

### **Classification**

Assets are classified as current assets if they are expected to be sold, or are intended for sale or consumption during the Company's normal business cycle, they are held primarily for trading purposes, they are expected to be realised within twelve months of the reporting date or they consist of cash and cash equivalents. All other assets are classified as non-current assets.

Liabilities are classified as current liabilities if they are expected to be settled during the Company's normal business cycle, they are held primarily for trading purposes, they are expected to be settled within twelve months of the reporting date or the Company does not have an unconditional right to postpone the settlement of the liability for at least twelve months after the reporting date. All other liabilities are classified as non-current.

### **Foreign currencies**

Transactions in foreign currencies are translated into the functional currency at the exchange rate in force on the transaction date. Receivables and liabilities in foreign currencies are translated into the functional currency at the exchange rate in force on the reporting date. Exchange rate differences arising from the conversions are recognised in profit/loss for the year.

### **The Group**

Volta Trucks AB (publ) is the Parent company to Volta Trucks Ltd, UK and Volta Trucks SAS, France, in which companies, Volta Trucks AB (publ) holds 100% of the total number of shares.

Consolidated accounts have not been prepared in accordance with the Annual Accounts Act ch 7 § 3.

No sales or purchases have been made within the Group during the financial year.

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#### 2 Leasing contracts

The Company has only operational leasing contracts.  
The leasing costs are posted over the profit and loss account.

	2020 01 01 2021 06 30	2019 05 06 2019 12 31
Contracted minimum leasing costs to pay in the future		
Within one year	23 145	10 800
Within two to five years	-	-
Later than five years from now	-	-
Leasing costs for the year	28 773	41 800

The Company's leasing contracts consist of rental agreements for two offices, agreements running with one and twelve months notice periods respectively.

	2020 01 01 2021 06 30	2019 05 06 2019 12 31
3 Average number of employees		
Average number of employees	2	1

	2020 01 01 2021 06 30	2019 05 06 2019 12 31
4 Other interest income and similar income		
Interest income from group companies	795 135	-
	795 135	0

	2020 01 01 2021 06 30	2019 05 06 2019 12 31
5 Interest expense and similar items		
Interest expense convertible loan	2 123 400	-
Interest expense discounting convertible loan	5 950 590	-
Other interest expense	188	588
	8 074 178	588

	2021 06 30	2019 12 31
6 Participation in group companies		
<i>Accumulated acquisition value</i>		
Opening balance	-	-
Investment	504 987	-
Closing balance	504 987	0

#### Specification of the Company's participation in group companies

Subsidiaries	Number of shares	Participation in %	Booked value 2021-06-30
Volta Trucks Ltd, UK	3	100	37
Volta Trucks SAS, France	5 000	100	504 950
			504 987



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<b>7 Non-current receivables from group companies</b>	<b>2021 06 30</b>	<b>2019 12 31</b>
Volta Trucks Ltd, UK	114 482 405	-
	<b>114 482 405</b>	<b>0</b>

<b>8 Equity</b>	<b>2021 06 30</b>	<b>2019 12 31</b>
<i>Share capital</i>		
Number of registered shares as of the reporting date (all shares = A-shares)	938 050	625 000
Share capital as of the reporting date	506 547	62 500

During the financial year new share issues have been carried out, increasing the share capital with SEK 31 305 to SEK 93 805 kronor and increasing the non-restricted share premium with SEK 35 073 370.

The Company has also carried out a capitilazation issue in which SEK 412 742 has been transferred to share capital from the non-restricted equity. After the capitalization issue the share capital amounts to SEK 506 547.

The Company took during the financial year a convertible debenture loan of KSEK 176 950. The investors that subscribed for the convertible debenture loan owns the right to convert the loan to shares in Volta Trucks AB to a subscription price of SEK 458,40 per share. The period for the right to convert the loan to shares runs between 2020-12-08 - 2025-09-16. At full conversion the number of shares will increase with 386 016 shares and the share capital will increase with SEK 208 448,64.

At an extraordinary general meeting March 2, 2021 it was resolved on a directed issue of subscription warrants to key persons. Each warrant entitles to subscribe one share in Volta Trucks AB to a subscription price of SEK 267 per share. The warrants may be exercised for subskription of shares from and including December 1, 2023 up to and including December 30, 2023. Upon full exercise the share capital will increase with not more than SEK 10 130,94 and the number of shares with not more than 18 761 shares.

<b>9 Non-current liabilities</b>	<b>2021 06 30</b>	<b>2019 12 31</b>
Liabilities due for payment between 1 to 5 years from the reporting date	122 523 635	-

The non-current liabilities consist of a convertible debenture loan with a nominal value of SEK 176 950 000. The loan is due to payment September 30, 2025, and runs with a fixed interest rate of 2%, provided that all loan terms and conditions are met. If the Company fails to meet the terms and conditions, the interest rate can be increased up to 10%.

The investors that subscribed for the convertible debenture loan owns the right to convert the loan to shares in Volta Trucks AB to a subscription price of SEK 458,40 per share.

The period for the right to convert the loan to shares runs between 2020-12-08 - 2025-09-16.

The nominal value of the liability of KSEK 176 950 has been calculated at present value with a discount interest rate of 11,6% to a booked value of KSEK 122 524.

### 10 Events of importance after the end of the financial year

Volta Trucks has after the end of the financial year successfully carried out a funding round with a total capital raise of MEUR 42,2. In total 575 939 number of B-shares will be issued and the share capital will increase with SEK 311 007 to 817 554 kronor.

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Stockholm

Carl-Magnus Norden  
Chairman

Peter Bardenfleth-Hansen  
Director

Seshu Bhagavathula  
Director

Sharp McGivaren  
Director

Marcus Trummer  
Director

Essa Al-Saleh  
Director, CEO

Our audit report was submitted on 2021-

ÖhrlingsPricewaterhouseCoopers AB

Aleksander Lyckow  
Authorized Public Accountant