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Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SONO MOTORS S.A.
(Exact Name of Registrant as Specified in Its Charter)

N/A (Translation of Registrant's Name into English)	Grand Duchy of Luxembourg (Jurisdiction of Incorporation or Organization)	3711 (Primary Standard Industrial Classification Code Number)

Sonnenstraße 27
80331 Munich
Germany
+49 (0) 89 – 20 70 79 – 0
(Address, Telephone Number and Internet Address of Registrant's Principal Executive Offices)

CT Corporation
111 Eighth Avenue
New York, NY 10011
+1 (212) 894-8940
(Name, Address, Telephone Number and Internet Address of Registrant's Agent for Service in the United States)

Copies to:

Christian Lanzendorfer Stefan Prinz Joachim Vetter Jan Geldmacher Hoche Partnerschaft Von Rechtsanwälten und Fachanwälten Prinzregentenstraße 22 80538 Munich Germany +49 (0) 89 – 21 71 05 – 50	Eleanor Kitzman Jonathan Ross Davis Polk & Wardwell London LLP 99 Gresham Street London United Kingdom +44 (0) 20 7418 1300

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

CALCULATION OF REGISTRATION FEE

Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
$[ ]	$[ ]

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information contained in this prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission and state securities regulatory authorities have declared our registration statement effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Preliminary Prospectus, dated April [ ], 2021

SONO MOTORS

Common Shares

This is a Group Sono F-1 initial public offering of common shares. Of the [ ] shares we offer, [ ] shares are being offered by Sono Motors S.A. and [ ] are being offered by the selling shareholders. We do not initially offer any shares to the public in the United States.

Prior to this offering, we will have two classes of shares outstanding, common shares and voting shares. The rights of the holders of our common shares and our voting shares are identical except for voting rights. Our common shares are entitled to one vote per share and our voting shares are entitled to ten votes per share. Holders of our voting shares will collectively hold [ ]% of our voting shares and [ ]% of our common shares and will have [ ]% of the voting power of our shares after the completion of this offering. Our voting shares will be converted into common shares on a one-for-one basis upon the transfer of such voting shares to persons or entities that are not our affiliates, as defined in our articles of association, and upon the date when the holders of our voting shares and their affiliates cease to own a specified aggregate number of our voting shares.

Prior to this offering, there has been no public market for our common shares. We have applied to list our common shares on the Nasdaq Global Market under the symbol "SONO". We expect that our common shares will be listed on the Nasdaq Global Market immediately following the effectiveness of our registration statement. Our voting shares will not be listed on any stock exchange.

See risk factors beginning on page [ ] of this prospectus.

	Per Common Share	Total
Initial public offering price	$[ ]	$[ ]
Underwriting discounts and commissions(1)	$[ ]	$[ ]
Proceeds to Sono Group, S.A.	$[ ]	$[ ]
Proceeds to the selling shareholders	$[ ]	$[ ]

(1) For a description of compensation and expenses payable to the underwriters, see "Underwriting".

We have granted the underwriters the right to purchase an additional [ ] shares from us and the selling shareholders within 30 days of the date of this prospectus on the same terms and conditions as the shares being offered hereby. We and the selling shareholders have also agreed to pay certain expenses of the underwriters. See "Underwriting".

Delivery of the shares will be made on or about April [ ], 2021.

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Our accounts maintain the United States of America ("United States" or "U.S."). Further, we are the parent company of our subsidiaries, which are mainly engaged in the development, production and sale of electric vehicles in the United States, which, for purposes of this prospectus, mean where Sonnenstraße, Munich, Germany, is our principal place of business. We have a wholly owned subsidiary in the United States, Sono Motors Inc., which is a Delaware corporation.

Unless the context indicates otherwise, references in this prospectus to "Sono Group", "Sono Motors", "Sono", "we", "us", "our", "the Company", "our Company", "our business", "our management team", "our shares" and similar references refer to Sono Group, S.A. and its consolidated subsidiaries, including Sono Motors Inc., and, for purposes of this prospectus, mean where Sonnenstraße, Munich, Germany, is our principal place of business. Unless otherwise indicated, references in this prospectus to "Sono Motors" refer to our subsidiary Sono Motors GmbH, which is a German limited liability company, and, for purposes of this prospectus, mean where Sonnenstraße, Munich, Germany, is our principal place of business.

Our fiscal year ends on December 31 and we prepare our consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Our consolidated financial statements for the years ended December 31, 2019 and 2020 and as of December 31, 2019 and 2020 are included in this prospectus. Our consolidated financial statements for the years ended December 31, 2018 and 2017 and as of December 31, 2018 and 2017 are not included in this prospectus. Our consolidated financial statements for the years ended December 31, 2018 and 2017 and as of December 31, 2018 and 2017 have been audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, independent auditors, as stated in the report appearing herein. Our consolidated financial statements are presented in Euro ("€" or "EUR"). We are not a bank or other financial institution and our financial statements do not reflect the financial results of our shareholders or their affiliates.

Unless otherwise indicated, or the context requires, all information in this prospectus assumes the completion of the Corporate Reorganization (defined below) and the conversion of our voting shares into common shares. Unless otherwise indicated, or the context requires, all share and per share information in this prospectus reflects the conversion of our voting shares into common shares, the Share Split (defined below) and the Share Consolidation (defined below).

Unless otherwise indicated, or the context requires, all information in this prospectus assumes the exercise of the underwriters' option to purchase additional shares from us and the selling shareholders in this offering.

LETTER FROM OUR FOUNDERS

Dear Future Shareholders,

We are pleased to welcome you to the Sono Group family. We are a German mission and we manufacture. We believe that the future of mobility is electric, shared and solar. We are a team of 500 people from 40 nations, with a passion for sustainable mobility. We are a company with a vision to make solar electric vehicles affordable enough for everyone.

We are convinced that the future of mobility is electric, shared and solar. We are convinced that the future of mobility is electric because it is the most efficient way to move people and goods. We are convinced that the future of mobility is shared because it is the most sustainable way to use vehicles. We are convinced that the future of mobility is solar because it is the most efficient way to power electric vehicles. We are convinced that the future of mobility is solar because it is the most efficient way to power electric vehicles. We are convinced that the future of mobility is solar because it is the most efficient way to power electric vehicles.

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Commercial Relationship with Alibaba Partnership

We believe that the growth of Alibaba Group, of the ecosystem transformation partner that we are forming with Alibaba Group, and our commercial relationship with Alibaba Group are important to our business. For information on our relationship with Alibaba Group, see "Item 4. Information on the Company — A. History and Development of the Company — Our Relationship with Alibaba Group."

Investment in and development of Alibaba Group. Pursuant to Alibaba Group's initial capital investment in our business, Alibaba Group has provided us with access to Alibaba Group's technology and infrastructure platforms, including Alibaba Cloud, and has provided us with access to its customer base. We believe that our relationship with Alibaba Group has been and will continue to be important to our growth and success.

Commercial relationship with Alibaba Group. We have a commercial relationship with Alibaba Group and its affiliates, including Alibaba.com, Taobao and Tmall, and we have provided and will continue to provide them with significant services and products, including cloud computing services, online marketing services, and other services and products. We believe that our commercial relationship with Alibaba Group has been and will continue to be important to our growth and success.

Increasing transaction volume, revenues and customers. The overall scale and number of transactions on our platforms, the number of our customers, and our revenues have grown significantly in recent periods, and we expect our platforms, our customers and our revenues to continue to grow significantly in the near term and beyond.

Significant investment of our resources in our business and our platforms. We have made, and we expect to continue to make, significant investments of our resources in our business and our platforms, including our cloud computing platform, our online marketing platform, our logistics platform, our payment platform, our technology platforms, our data platform, our customer service platforms, our talent and our brand.

Significant portion of our revenues from Alibaba Group and its affiliates. We have derived a significant portion of our revenues from Alibaba Group and its affiliates, including Alibaba.com, Taobao and Tmall, and we expect to continue to derive a significant portion of our revenues from Alibaba Group and its affiliates, including Alibaba.com, Taobao and Tmall, for the foreseeable future. For information on our revenues from Alibaba Group and its affiliates, see "Item 4. Information on the Company — B. Business Overview — Our Ecosystem Transformation Partnership with Alibaba Group — Our Commercial Relationship with Alibaba Group."

Growth and profitability of our platforms and business. Alibaba.com and our International Retail platforms have been and will continue to be our most significant platforms in terms of revenues and profitability. We believe that our ability to grow our business and our platforms and our ability to maintain and improve our profitability will depend on many factors, including the factors discussed in this section and in "Item 3. Key Information — D. Risk Factors."

and services, the quality of the Company's offerings, and other factors, which could have a material adverse effect on our business and results of operations.

Our business depends on well-functioning and innovative online and mobile platforms. We believe that our platforms offer a convenient and affordable or convenient and free marketplace and other transactions, online marketing, cloud computing, payment, logistics, and other services and products. We believe that our platforms have been and will continue to be significantly affected by:

- **Innovation and technology platforms.** We believe our ability to provide our customers with innovative and high quality services and products, including our cloud computing platform, our online marketing platform, our logistics platform, our payment platform, our technology platforms, our data platform, our customer service platforms, our talent and our brand, and our ability to maintain and improve our profitability, will depend on our ability to develop and maintain our technology platforms and infrastructure, including our cloud computing platform, our data platform, our payment platform, our logistics platform, our customer service platforms, our talent and our brand.
- **Bandwidth and capacity.** We have designed our Cloud or Alibaba Cloud platform as an intelligent suite of services that provides our customers with a wide range of computing capabilities, including elastic computing, database services, storage services, and other services and products. We have experienced, and we expect from time to time in the near term and beyond, interruptions, delays and other performance problems with our Cloud or Alibaba Cloud platform or our other platforms or infrastructure or PRC infrastructure. The operational disruptions and problems our customers have experienced and may experience in the near term and beyond have adversely affected and may adversely affect our business and results of operations. We have also experienced, and we may from time to time in the near term and beyond, experience interruptions, delays and other performance problems with our platforms or infrastructure or PRC infrastructure due to factors outside our control, such as third-party telecommunications or other services, or due to factors within our control, such as errors, defects, or other disruptions in our business or other operations, or cyber attacks or other security breaches, or other events. We have also from time to time in the near term and beyond experienced, and we may experience, interruptions, delays and other performance problems in our delivery of our services and products due to our customers' use of our platforms or our customers' or other third-party technologies, infrastructure, or other systems or other factors

RISK FACTORS

RISK FACTORS

The should carefully consider the risks and uncertainties described below and the other information in this Annual Report, including our financial statements and the notes thereto, before deciding to invest in our shares. Investors should also carefully consider the risks and uncertainties described under any other cautionary statements that we may make in our future filings or other public disclosures. The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the following risks actually occur, our business, financial condition and results of operations could be materially adversely affected. In such case, the trading price of our shares could decline, and you may lose all or part of your investment.

Risks Relating to Our Industry

The demand for our products is highly dependent on the health, affluence and lifestyle of our customers.

The demand for our products is highly dependent on the health and affluence and lifestyle of our customers. Our customers' health, affluence and lifestyle may be affected by various factors, including, among other things, a slowdown in GDP growth, inflation, unemployment, high interest rates, fluctuations in currency exchange rates, a decline in stock market indices, a decline in real estate prices, a decline in disposable income, a change in tax laws and other levies, or other factors, which may adversely affect our business, results of operations and cash flows.

Consumer demand for our products may be affected by a number of factors, including:

- consumer preferences and tastes, which change periodically and may be influenced by, inter alia, a perceived or actual or secondary issue that has the potential to impact the quality or safety of our products;
- the availability of other products and services that compete with our products and services;
- disruptions, such as natural or man-made disasters, which may cause our customers to be unable to purchase our products and services;
- changes in the relative cost of electricity, oil, gasoline and food products;
- consumer perceived or actual health concerns, including those relating to our products and those of our competitors;
- consumer perceived or actual environmental concerns, including those relating to our business and those of our competitors, including, but not limited to, the impact of climate change;
- [illegible]

Many other circumstances could, in the future, have a material adverse effect on our business, results of operations and cash flows. Our business is also affected by the overall economic environment in the countries and markets in which we operate and by consumer spending in such markets. We have, from time to time, experienced, and may in the future experience, a decline in demand for our products as a result of such factors.

The management of our subsidiaries may adversely affect the financial results of our business.

The management of our subsidiaries, particularly the Company's Japanese, is strongly influenced by their respective shareholders, which may have interests that are different from those of our Company and its other shareholders.

The market competition in our industry is intensely so that, in order to be a leader in the industry, we must continuously and rapidly develop our products and services to meet the changing demands of our customers. We may not be able to successfully develop new products and services, or our competitors may develop products and services that are more successful than our products and services, which may have a material adverse effect on our business, results of operations and cash flows.

The promotion activities of our competitors may cause us to lose our market share and adversely affect our business, results of operations and cash flows.

The promotion activities of our competitors may cause us to lose our market share and adversely affect our business, results of operations and cash flows. We may be required to increase our promotion expenses in order to maintain our market share, which may adversely affect our business, results of operations and cash flows. We have no control over which market participants will be willing to compete with our products and services, and we may be unable to maintain our market share if our competitors offer better products and services or better prices than our products and services. Our competitors may also have greater financial, marketing and other resources than we do, and may be able to devote more resources to the development, promotion and sale of their products and services than we can, which may result in our competitors gaining market share at our expense, or in our being required to increase our expenditures, or to reduce our prices, in order to maintain our market share, which may adversely affect our business, results of operations and cash flows.

Our ability to maintain our market share is highly volatile.

Our ability to maintain our market share is subject to factors which are beyond our control, such as the quality of our products and services, our ability to develop new products and services, our ability to meet our customers' needs and the maintenance of our clients and relationships. Different macroeconomic conditions, such as economic growth, inflation, interest rates, currency exchange rates, and other factors affecting our business, may be volatile and beyond our control. Our ability to maintain our market share is also affected by our ability to attract and retain our customers, which may be affected by our ability to provide our customers with a wide range of products and services, our ability to provide our customers with high quality products and services, our ability to provide our customers with a pleasant shopping experience, our ability to provide our customers with convenient locations, our ability to provide our customers with convenient payment methods, our ability to provide our customers with convenient and reliable delivery services, our ability to provide our customers with convenient and reliable after-sales services, our ability to provide our customers with convenient and reliable customer service, our ability to provide our customers with convenient and reliable product warranties, our ability to provide our customers with convenient and reliable product returns and exchanges, our ability to provide our customers with convenient and 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We are a holding company which is dependent on our subsidiaries and affiliates for cash flow.

We are a holding company which is dependent on our subsidiaries and affiliates for cash flow. Our ability to pay dividends and other cash distributions to our shareholders and our ability to meet our obligations under our debt securities and our other indebtedness depend on our subsidiaries and affiliates. Our subsidiaries and affiliates may be subject to restrictions on their ability to pay dividends and other distributions to us, which may adversely affect our business, results of operations and cash flows.

Our ability to maintain our market share is highly volatile.

Our ability to maintain our market share is subject to factors which are beyond our control, such as the quality of our products and services, our ability to develop new products and services, our ability to meet our customers' needs and the maintenance of our clients and relationships. Different macroeconomic conditions, such as economic growth, inflation, interest rates, currency exchange rates, and other factors affecting our business, may be volatile and beyond our control. 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We depend upon our information technology systems and those of our suppliers and other third parties to operate our business, and interruptions or failures in these systems could harm our business.

Our business depends on the continued and uninterrupted performance of our information technology systems and those of our suppliers and other third parties. We rely on these systems to process, transmit and store electronic information in connection with our business activities. Our ability to conduct our business may be impaired if our or our suppliers' information technology systems are damaged or cease to function properly. In addition, we may be required to make significant expenditures in order to maintain or upgrade our information technology systems and those of our suppliers and other third parties in order to protect our data and other information and to maintain our business activities. Our information technology systems, and those of our suppliers and other third parties, are vulnerable to damage or interruption from natural disasters, terrorist attacks, telecommunications failures, computer viruses, hardware or software failures, cyber attacks, and other events. Our information technology systems, and those of our suppliers and other third parties, are also subject to human error, fraud or malfeasance, and interruptions or delays may result if our or our suppliers' or other third parties' employees take actions adverse to our business. Any such interruption or delay could have a material adverse effect on our business.

Our business is dependent on our information technology systems and those of our suppliers and other third parties to process, transmit and store proprietary information and sensitive or confidential data, including personal data, in the conduct of our business. Our ability to compete in the marketplace is dependent on the security of our information technology systems and those of our suppliers and other third parties. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers or other third parties, or similar disruptions, may jeopardize the security of our information technology systems and those of our suppliers and other third parties, and the information stored in our or our suppliers' or other third parties' facilities or systems, which could result in lost or stolen data, disclosure of trade secrets or other proprietary information, fraud or other illicit activity, or other material adverse effects on our business. In such circumstances, we may be required to spend significant resources to mitigate the effects of such an event, and we may be subject to litigation and our reputation may be adversely affected. Our insurance coverage may not be sufficient to compensate for the foreign exchange rate fluctuations, losses or other adverse effects to our business that may result from such events.

We expect to expand our operations and grow our business in foreign markets, which will require us to devote significant resources to these markets and could subject us to additional risks.

Our business in foreign markets, which accounted for approximately 15% of our revenues in 2020, is subject to additional risks and uncertainties beyond those we face in our domestic markets, including:

- fluctuations in currency exchange rates;
- difficulties in staffing and managing foreign operations;
- compliance with foreign laws and regulations, including tax laws and regulations, and changes in these laws and regulations;
- foreign government trade restrictions, tariffs and price or exchange controls;
- restrictions on repatriation of earnings;
- political instability, natural disasters, war, or acts of terrorism;

If we are to successfully address these risks, our business prospects, operating results and financial condition could be materially adversely affected.

Our ability to grow our business and profitability in the future will depend on our ability to successfully develop, market and sell our products and services and to manage our growth.

We expect our business to grow and our revenues to increase in the future. Our ability to grow our business and our revenues will depend on our ability to successfully develop, market and sell our products and services, and to manage our growth. Our ability to manage our growth will depend on our ability to monitor our operations, control our costs and maintain effective financial and other controls, as our business expands and we hire, train and manage our employees. We may not be able to effectively manage our growth, and our failure to do so could have a material adverse effect on our business, prospects, operating results and financial condition.

We may be subject to claims that our employees or independent contractors or consultants have violated or breached their non-competition or other obligations to their prior employer or other entity or that we have improperly acquired trade secrets or other proprietary information from our former employees and independent contractors or consultants.

We have hired employees and independent contractors and consultants who were previously employed or engaged by other companies and may hire additional employees and independent contractors and consultants in the future. Some of our employees or independent contractors or consultants may be bound by agreements that such employees or independent contractors or consultants have with their prior employer or other entity that may restrict their ability to work for us, and we may be subject to allegations that our employees or independent contractors or consultants have violated or breached such non-competition or other obligations to their prior employer or other entity or that we have improperly acquired trade secrets or other proprietary information from our former employees and independent contractors or consultants. Litigation may be necessary to defend against these claims. Even if we do not believe such claims have merit, these claims could divert our management's time and attention from our business. Unfavorable rulings in such litigation could result in the loss of our proprietary rights or the services of our employees or independent contractors or consultants, which could have a material adverse effect on our business, prospects, operating results and financial condition.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

We have incurred net operating losses ("NOLs") in our prior years and may do so in future periods. We have also recognized a deferred tax asset for our NOLs and other tax attributes. Our ability to use our NOLs and other tax attributes to offset future taxable income or tax liability may be limited if we experience an "ownership change" as defined in Section 382 of the Internal Revenue Code of 1986, as amended, and similar state tax provisions. In general, an ownership change may occur if there is a cumulative change in our ownership by "5% shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership that may be outside our control. If we do experience an ownership change, our ability to use our NOLs and other tax attributes may be limited, which could have a material adverse effect on our business, prospects, operating results and financial condition.

Our ability to use our net operating loss carryforwards to offset future taxable income or tax liability may be subject to certain requirements and restrictions.

Our ability to use our NOLs to offset future taxable income or tax liability may be subject to certain requirements and restrictions, including those described in the preceding risk factor. Our NOLs may also be subject to adjustments in connection with audits by tax authorities. If we are unable to generate sufficient taxable income before the expiration of our NOLs, or if our NOLs are subject to adjustments in connection with audits by tax authorities, our ability to use our NOLs to offset future taxable income or tax liability may be limited, which could have a material adverse effect on our business, prospects, operating results and financial condition.

Our ability to use our net operating loss carryforwards and other tax attributes may be limited as a result of the Tax Cuts and Jobs Act of 2017 and future changes in tax laws.

The Tax Cuts and Jobs Act of 2017 ("Tax Reform") contains provisions that limit the use of NOLs and other tax attributes. Our ability to use our NOLs and other tax attributes may be further limited as a result of future changes in tax laws. The Tax Reform also provides for a 100% bonus depreciation deduction for certain qualified property through 2027, after which the bonus depreciation deduction will be phased out over a period of five years. The Tax Reform also provides for a new deduction for 20% of qualified business income, which is scheduled to expire for tax years beginning after December 31, 2025. The Tax Reform also limits the deductibility of business interest expense. Other changes in the Tax Reform, including those relating to depreciation and amortization, interest, and executive compensation, may have a material adverse effect on our business, prospects, operating results and financial condition.

Our ability to use our net operating loss carryforwards and other tax attributes may be limited as a result of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

The CARES Act provides, among other things, that NOLs generated in tax years beginning after December 31, 2017 and before January 1, 2021 may be carried back to each of the five preceding taxable years to offset taxable income and to obtain a refund of income taxes previously paid. The CARES Act also provides that NOLs arising in tax years beginning after December 31, 2017 and before January 1, 2021 are not subject to the 80% of taxable income limitation. Our ability to use our NOLs and other tax attributes may be further limited as a result of future changes in tax laws.

We are subject to extensive and increasing tax and regulatory risks and liabilities, including with respect to our business and our products and services, and our business may be adversely affected by changes in tax laws and regulations.

We are subject to extensive and increasing tax and regulatory risks and liabilities, including with respect to our business and our products and services, and our business may be adversely affected by changes in tax laws and regulations. Our effective tax rate and our cash tax payments could be affected by several factors, including changes in tax laws, regulations or rates, changes in our operations, changes in our ownership, or our ability to use our NOLs and other tax attributes, or by the interpretation of tax laws and regulations by tax authorities and courts, possibly with retroactive effect. We are subject to income taxes in the United States and various foreign jurisdictions, and our domestic and international tax liabilities are subject to the allocation of expenses in differing jurisdictions. Our tax expense could be affected by changes in the relative amount of earnings that are taxed in the various jurisdictions, changes in the valuation of our deferred tax assets and liabilities, or changes in tax laws or the interpretation of such tax laws and we may be required to pay additional taxes, interest and penalties. In addition, we may be subject to audits of our income, sales and other transaction taxes by taxing authorities. We believe that our tax positions would be sustained if challenged by tax authorities in a manner that would not have a material adverse effect on our business, prospects, operating results and financial condition, but there can be no assurance that our tax positions would be sustained. In addition, we may be subject to other types of taxes, including but not limited to sales, use, value-added, goods and services, gross receipts, and property taxes, in the United States and various foreign jurisdictions. We believe that we have adequately accrued for such taxes and have complied with all tax withholding requirements, but there can be no assurance that we will be deemed to have accrued or withheld the proper amount of taxes and that we will not be subject to additional tax liability with respect to these taxes. In the ordinary course of our business, we are subject to audits by various tax authorities. We believe that we have adequately accrued for such matters, but there can be no assurance that the outcome of such audits will not have a material adverse effect on our business, prospects, operating results and financial condition.

Our business and our results of operations may be adversely affected by the COVID-19 pandemic and other epidemics and other adverse public health developments.

The COVID-19 pandemic has had a significant impact on our business and operations and on those of our customers and our suppliers. The extent of future impacts to our operations and services will depend on future developments, which are highly uncertain and cannot be predicted, including the duration and spread of the pandemic, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The COVID-19 pandemic has caused, and may continue to cause, disruptions in our business and operations, including our ability to maintain our sales and marketing activities, our research and development activities, our manufacturing and supply chain, our information technology systems, our financial reporting and internal controls, our cybersecurity and our business continuity plans, and we have incurred, and may continue to incur, significant expenses in connection therewith. The COVID-19 pandemic has also caused, and may continue to cause, disruptions in our customers' and our suppliers' and other third parties' business and operations, including their ability to maintain their sales and marketing activities, their research and development activities, their manufacturing and supply chain, their information technology systems, their financial reporting and internal controls, their cybersecurity and their business continuity plans, and they have incurred, and may continue to incur, significant expenses in connection therewith. The COVID-19 pandemic has also caused, and may continue to cause, disruptions in the business and operations of our partners and other third parties with which we have relationships, including their ability to maintain their sales and marketing activities, their research and development activities, their manufacturing and supply chain, their information technology systems, their financial reporting and internal controls, their cybersecurity and their business continuity plans, and they have incurred, and may continue to incur, significant expenses in connection therewith. The COVID-19 pandemic has also caused, and may continue to cause, disruptions in the business and operations of our competitors and other companies in our industry, and they have incurred, and may continue to incur, significant expenses in connection therewith. The COVID-19 pandemic has also caused, and may continue to cause, disruptions in the business and operations of governmental and other regulatory bodies, agencies and authorities, and they have incurred, and may continue to incur, significant expenses in connection therewith. The COVID-19 pandemic has also caused, and may continue to cause, disruptions in the business and operations of financial markets and institutions, and they have incurred, and may continue to incur, significant expenses in connection therewith. The COVID-19 pandemic has also caused, and may continue to cause, disruptions in the business and operations of the general public, and they have incurred, and may continue to incur, significant expenses in connection therewith. The COVID-19 pandemic has also caused, and may continue to cause, disruptions in the business and operations of our investors, and they have incurred, and may continue to incur, significant expenses in connection therewith. The COVID-19 pandemic has also caused, and may continue to cause, disruptions in the business and operations of our employees, and they have incurred, and may continue to incur, significant expenses in connection therewith. The COVID-19 pandemic has also caused, and may continue to cause, disruptions in the business and operations of our employees' families

Since the date hereof, we are eligible to establish and maintain a sponsored stock option plan in respect of our directors, officers and employees in which we may issue options to purchase our common shares. We have not established such a plan and we have no current intention to establish such a plan. Our ability to establish such a plan in the future will be subject to, among other things, the rules of the Toronto Stock Exchange and the Nasdaq Capital Market, which may impose limitations on the number of options that may be issued and on the terms of such options. In addition, we may be required to obtain shareholder approval of such a plan. Our ability to establish such a plan will also be subject to our ability to comply with applicable securities laws in the jurisdictions in which we may issue such options, which may impose limitations on the number of options that may be issued and on the terms of such options. See "Risk Factors" and "Description of Our Share Capital" in our Canadian Prospectus and "Risk Factors" and "Description of Our Share Capital" in our Registration Statement on Form F-1 filed with the SEC, which are incorporated by reference into this prospectus.

Our ability to use our tax losses and other tax attributes may be impaired, and our ability to raise additional capital or enter into strategic transactions may be adversely affected.

We have incurred significant net operating losses ("NOLs") and other tax attributes in our prior taxation years, which we may use to offset our taxable income in future years, subject to the rules and limitations of the Canadian and U.S. tax laws governing the use of such losses and other tax attributes. Our ability to use our NOLs and other tax attributes to offset our taxable income in future years may be limited or impaired if we experience one or more "ownership changes" for purposes of the Canadian and U.S. tax laws governing the use of such losses and other tax attributes. In general, an ownership change occurs when the ownership of our shares by certain shareholders or groups of shareholders increases by more than 50% in aggregate over a rolling three-year period. Our ability to raise additional capital or enter into strategic transactions in the future may be affected by our ability to use our NOLs and other tax attributes to offset our taxes payable in future years, and our ability to use our NOLs and other tax attributes may be impaired or limited if we experience one or more ownership changes as a result of such transactions. See "Risk Factors" in our Canadian Prospectus and "Risk Factors" in our Registration Statement on Form F-1 filed with the SEC, which are incorporated by reference into this prospectus.

Sales or issuances of our securities in the future may adversely affect the market for our shares.

Our ability to raise capital in the future may be dependent on our ability to sell our securities, or securities convertible into or exchangeable for our securities, from time to time, in one or more transactions, at such times and on such terms as we may determine. Sales of our securities or the issuance of our securities in connection with such transactions, or the perception that such sales or issuances may occur, could have a material adverse effect on the market for our shares. Sales of our securities or the issuance of our securities in connection with such transactions, or the perception that such sales or issuances may occur, could also have a material adverse effect on our business, financial condition and results of operations. See "Risk Factors" in our Canadian Prospectus and "Risk Factors" in our Registration Statement on Form F-1 filed with the SEC, which are incorporated by reference into this prospectus.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations in the Canadian and U.S. tax laws governing the use of such losses. See "Risk Factors" in our Canadian Prospectus and "Risk Factors" in our Registration Statement on Form F-1 filed with the SEC, which are incorporated by reference into this prospectus.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations in the U.S. as a result of our prior and future issuances of our securities.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations in the U.S. as a result of our prior and future issuances of our securities. See "Risk Factors" in our Canadian Prospectus and "Risk Factors" in our Registration Statement on Form F-1 filed with the SEC, which are incorporated by reference into this prospectus.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations in Canada as a result of our prior and future issuances of our securities.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations in Canada as a result of our prior and future issuances of our securities. See "Risk Factors" in our Canadian Prospectus and "Risk Factors" in our Registration Statement on Form F-1 filed with the SEC, which are incorporated by reference into this prospectus.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations as a result of our prior and future acquisitions.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations as a result of our prior and future acquisitions. See "Risk Factors" in our Canadian Prospectus and "Risk Factors" in our Registration Statement on Form F-1 filed with the SEC, which are incorporated by reference into this prospectus.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations as a result of our prior and future transactions.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations as a result of our prior and future transactions. See "Risk Factors" in our Canadian Prospectus and "Risk Factors" in our Registration Statement on Form F-1 filed with the SEC, which are incorporated by reference into this prospectus.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations as a result of our prior and future transactions with our affiliates.

Our ability to use our NOLs to offset future taxable income may be subject to certain limitations as a result of our prior and future transactions with our affiliates

general meeting or that right is waived or granted pursuant, proxies or agents who for the general meeting or otherwise, subject to applicable law and our Amended and Restated Articles of Association, shall be entitled to attend, speak and vote on our behalf at any general meeting of our shareholders, and, if a shareholder is a corporation or other entity, our duly authorized representatives who shall be entitled to attend, speak and vote on our behalf at any general meeting of our shareholders; (iii) the right to one vote for each share of our ordinary shares which is held by such shareholder on all matters to be voted on at any general meeting of our shareholders and which such shareholder is entitled to vote pursuant to our Amended and Restated Articles of Association and applicable law; and (iv) the right to receive such dividends and other distributions in respect of our ordinary shares as may be declared by our board of directors in accordance with our Amended and Restated Articles of Association and applicable law. Holders of our ordinary shares have no preemptive rights or other subscription rights, conversion rights, redemption or sinking fund provisions with respect to our ordinary shares. Our ordinary shares are not subject to further calls or assessments by us, and all of our issued and outstanding ordinary shares are, and the ordinary shares offered hereby, when issued against payment therefor in accordance with our Amended and Restated Articles of Association and applicable law, will be, fully paid and non-assessable. Our ordinary shares are not redeemable at our option or at the option of our shareholders. Neither Bermuda law governing our corporate affairs nor our Amended and Restated Articles of Association limit the rights of non-Bermuda or foreign shareholders to hold or vote our ordinary shares.

Our Amended and Restated Articles of Association provide that, subject to certain exceptions, our board of directors may, without our shareholders' approval, issue preferred shares in one or more series and may fix the terms of such preferred shares, which may be greater than the rights associated with our ordinary shares, including:

- the determination of such a right shall be in the sole discretion of our board of directors and may be granted on such terms and conditions and at such times as our board of directors may deem appropriate;
- the relative rights of such preferred shares, including voting rights;
- the relative liquidation preference, the rate of dividend or other distribution, dividend or distribution rates, dates and preferences, and whether such rate is fixed or variable;
- the terms of redemption, repurchase, sinking fund, purchase, retract and rate of the exercising of retract, if any, conversion or exchange of such preferred shares with any other class or series of preferred shares or any other securities or property;
- the conditions or restrictions with respect to the creation of indebtedness or the issuance of other securities or property;
- the preferred shares may be issued in such amounts as our board of directors may determine, subject to applicable law and our Amended and Restated Articles of Association, and may be issued in exchange for cash, other securities, or other property, for such consideration as our board of directors may from time to time determine;
- our board of directors may, without our shareholders' approval, issue preferred shares that have voting or other rights or preferences that could have the effect of impeding or deterring a change in control of our Company.

We are obligated to extend our ordinary share offer to holders of our ordinary share equivalents, which may be deemed to be a tender offer for our ordinary share equivalents, which could have the effect of a tender offer.

Our Amended and Restated Articles of Association provide that, if we are required by applicable law to extend our ordinary share offer to holders of our ordinary share equivalents, which may be deemed to be a tender offer for our ordinary share equivalents, such tender offer could have the effect of a tender offer.

Therefore, it is unlikely that we will extend our ordinary share offer to holders of our ordinary share equivalents. Nevertheless, we are obligated to extend our ordinary share offer to holders of our ordinary share equivalents if required by applicable law. For more information, see "Description of Share Capital and Ordinary Shares" beginning on page 111 of this prospectus.

Holders Offshore or Onshore Share Purchase Plan exercise price. We, in turn, are obligated to pay such fees or costs on behalf of Onshore Plan Participants. We could be in a position where we might not be able to effectively implement our offer to our Onshore Plan Participants in a cost effective manner or at all, which could have a material adverse effect on our business, financial condition and results of operations. For more information, see "Risk Factors—Risks Related to Our Ordinary Shares and Our Share Offer" beginning on page 48 of this prospectus.

Our ability to pay dividends in the future may depend on our subsidiaries' ability to pay dividends to us, which may be subject to restrictions.

Our ability to declare and pay dividends in the future will depend on our subsidiaries' ability to pay dividends to us, which may be subject to restrictions, including restrictions under Bermuda law. Our subsidiaries' ability to pay dividends to us may also be subject to restrictions under the laws of the jurisdictions in which our subsidiaries are incorporated or organized, which may vary from jurisdiction to jurisdiction. For more information, see "Risk Factors—Risks Related to Our Ordinary Shares and Our Share Offer" beginning on page 48 of this prospectus.

Our ability to pay dividends in the future may also depend upon applicable government and regulatory approvals in the jurisdictions in which we operate.

As discussed above, we are a holding company, and therefore, we are not expected to engage with any of our subsidiaries in any material business operations. Our ability to pay dividends in the future will depend on our subsidiaries' ability to pay dividends to us, which may be subject to restrictions, including restrictions under Bermuda law, and our ability to pay dividends in the future may also depend upon applicable government and regulatory approvals in the jurisdictions in which we operate.

In the future, we could be our foreign private issuer parent or ultimate parent if we meet the SEC's foreign private issuer status in the future. We currently operate in Bermuda, Cayman Islands, Hong Kong, Singapore, Taiwan, Thailand, Malaysia, Indonesia, Philippines, Vietnam, Japan, Australia, Mainland China, and Brazil. We may in the future operate in other jurisdictions. We may be subject to taxation in Bermuda or in other jurisdictions with respect to any income earned in those jurisdictions after the completion of our share offer. Our subsidiaries may be subject to taxation in Bermuda or in other jurisdictions at rates of up to 35% on their income or profits, which could materially adversely affect our business, financial condition and results of operations. We have applied for exemption from taxation in Bermuda until March 31, 2035. We cannot be certain that such exemption will be granted by the Minister of Finance in Bermuda. Our ability to pay dividends in the future may also be subject to the laws of the jurisdictions in which our subsidiaries are incorporated or organized, which may vary from jurisdiction to jurisdiction. For more information, see "Risk Factors—Risks Related to Our Ordinary Shares and Our Share Offer" beginning on page 48 of this prospectus.

Our ability to pay dividends in the future may also depend upon applicable government and regulatory approvals in the jurisdictions in which we operate.

As discussed above, we are a holding company, and therefore, we are not expected to engage with any of our subsidiaries in any material business operations. Our ability to pay dividends in the future will depend on our subsidiaries' ability to pay dividends to us, which may be subject to restrictions, including restrictions under Bermuda law, and our ability to pay dividends in the future may also depend upon applicable government and regulatory approvals in the jurisdictions in which we operate.

A CONSTITUENT PART OF OUR OPERATIONS IS THE PROCESSING OF TRADES, WHICH MAY EXPOSE US TO LIABILITY, REGULATORY SANCTIONS AND REPUTATIONAL DAMAGE.

We are a Group private issuer. As a result, in accordance with the rulings promulgated by Finding 14 of the Bermuda Government's Commission of Inquiry into Bermuda's Financial Services Industry, we are required to maintain our overseas operations in Finding. As a consequence, we are required to maintain our overseas operations in Finding, in accordance with the rulings promulgated by Finding 14 of the Bermuda Government's Commission of Inquiry into Bermuda's Financial Services Industry, which prohibit Finding from operating in Bermuda. In the event, we operate outside the Commission of Inquiry into Bermuda's Financial Services Industry, we may be subject to liability, regulatory sanctions and reputational damage

	Years Ended December 31,		
	2020	2019	2018
Income (loss) before income tax expense (benefit)			
Domestic	$(1,000)	$(1,000)	$(1,000)
Foreign	$(1,000)	$(1,000)	$(1,000)
Income tax expense (benefit) by jurisdiction:			
Federal	$(1,000)	$(1,000)	$(1,000)
Foreign	$(1,000)	$(1,000)	$(1,000)
Income (loss) net of tax benefit for units attributable to unit holders	$(1,000)	$(1,000)	$(1,000)
Income (loss) per unit:			
Income (loss) per unit attributable to unit holders	$(1.00)	$(1.00)	$(1.00)
Weighted-average units used in calculation of income (loss) per unit:			
Basic	(1,000)	(1,000)	(1,000)
Diluted	(1,000)	(1,000)	(1,000)

Dividends or distributions declared per common unit $ — $ — $ —

Our Series A preferred units are redeemable at our option at any time after April 15, 2021 at a redemption price of $25.00 per unit, plus accrued and unpaid distributions, if any, to the redemption date, and are redeemable at the option of the holders upon the occurrence of a change of control, including the liquidation of our assets, subject to certain exceptions, at a redemption price of $25.00 per unit, plus accrued and unpaid distributions, if any, to the redemption date. Our Series A preferred units are also convertible into our common units, at our option, in connection with a change of control, at a conversion rate of one common unit for each Series A preferred unit, subject to certain adjustments. Our Series A preferred units are also convertible into our common units, at our option, on or after April 15, 2024, at a conversion rate of one common unit for each Series A preferred unit, subject to certain adjustments.

	Other Units		Series A Preferred Units	
	Number	Amount	Number	Amount
Earning Per Unit:				
Net Income	$ —	$ —	$ —	$ —
Dividends	$ —	$ —	$ —	$ —
If the preferred units were the special common units of the partnership, the preferred units would be entitled to receive distributions on a pro rata basis with the holders of our common units, subject to the terms and conditions of our partnership agreement, which would initially be approximately $0.1875 per Series A preferred unit per quarter, or $0.7500 per Series A preferred unit per year, subject to adjustment.				
The rights and preferences of Series A preferred units are substantially the same as the rights and preferences of our common units, except that the holders of our Series A preferred units are entitled to receive distributions on a pro rata basis with the holders of our common units, subject to the terms and conditions of our partnership agreement, which would initially be approximately $0.1875 per Series A preferred unit per quarter, or $0.7500 per Series A preferred unit per year, subject to adjustment.				
Our Series A preferred units rank senior to our common units and all other classes or series of units that we may issue in the future with respect to distributions and rights upon liquidation.				
Holders of our Series A preferred units have the right, at our option, to convert their Series A preferred units into our common units, on a one-for-one basis, subject to certain adjustments, in connection with a change of control.				

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Sheidt Group's following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included in this Annual Report on Form 10-K. Our consolidated financial statements and related notes included in this Annual Report on Form 10-K have been prepared in accordance with generally accepted accounting principles in the United States, or GAAP, and are presented in United States dollars, or USD, unless otherwise indicated.

Overview

We are a leading provider of technological solutions for the energy industry, operating in the oil and gas services and refining sectors, with a focus on the sale of refining and petrochemicals technology and services. Our technology that enables refining and petrochemicals processing is used by our customers to produce a wide range of products, including gasoline, diesel, jet fuel, lubricants, petrochemicals, and other specialty products. We also provide our customers with a variety of services, including technical support, training, and other services. We have a long-standing reputation for quality and reliability, and our customers include some of the most recognized and respected companies in the energy industry. We have a global sales and service network, which we believe is one of the most extensive in our industry. Our customers are located in over 100 countries, and we have offices in 14 countries.

Our business model emphasizes recurring revenue from our installed base of technology and services. We believe our installed base of technology and our reputation for quality and reliability provide us with a competitive advantage when it comes to the sale of our products and services. We also believe our installed base of technology provides us with a competitive advantage when it comes to the sale of our products and services, because our customers typically prefer to purchase equipment and services that are compatible with their existing equipment and processes. We believe our customers typically prefer to purchase equipment and services that are compatible with their existing equipment and processes because it is generally more cost-effective than purchasing equipment and services that are not compatible with their existing equipment and processes, and because it typically takes less time to train their personnel on equipment and services that are compatible with their existing equipment and processes than it takes to train their personnel on equipment and services that are not compatible with their existing equipment and processes. We believe our customers typically prefer to purchase equipment and services that are compatible with their existing equipment and processes because it is generally more cost-effective than purchasing equipment and services that are not compatible with their existing equipment and processes, and because it typically takes less time to train their personnel on equipment and services that are compatible with their existing equipment and processes than it takes to train their personnel on equipment and services that are not compatible with their existing equipment and processes.

We believe that our technology, including our three flagship proprietary technologies, provides our customers with a competitive advantage when it comes to the sale of our products and services. We believe our three flagship proprietary technologies provide our customers with a competitive advantage because they enable our customers to produce a wide range of products, including gasoline, diesel, jet fuel, lubricants, petrochemicals, and other specialty products, from a variety of feedstocks, including crude oil, natural gas liquids, and biomass. We believe our three flagship proprietary technologies provide our customers with a competitive advantage because they enable our customers to produce a wide range of products, including gasoline, diesel, jet fuel, lubricants, petrochemicals, and other specialty products, from a variety of feedstocks, including crude oil, natural gas liquids, and biomass,

in the capital markets have made it difficult to obtain these strategic investments. Additionally, the ongoing economic impacts of the COVID-19 pandemic, including the impacts on our customers and suppliers, could have a material adverse effect on our business, financial condition and results of operations.

We expect to utilize the proceeds received pursuant to the Amended and Restated Warrant Agreement, the Amended and Restated Forward Purchase Agreement and the Backstop Agreement, as applicable, to fund our operations and for general corporate purposes. However, we may also need to raise additional capital to fund our operations and for general corporate purposes, including to fund our working capital requirements, capital expenditures and research and development expenditures, and we may seek to do so through the sale of our securities or through other arrangements, such as lease financing or other debt financing. We may also need to raise additional capital to fund our operations if the proceeds we receive from the exercise of the Warrants, the Forward Purchase Agreement and the Backstop Agreement are insufficient to fund our operations and for general corporate purposes, or if we do not receive any proceeds from the exercise of the Warrants, the Forward Purchase Agreement and the Backstop Agreement, as applicable, for any reason. We may be unable to raise additional capital when needed or on terms acceptable to us, which would have a material adverse effect on our business, financial condition and results of operations. If we issue equity or convertible debt securities to raise additional capital, our existing stockholders may experience dilution, and the terms of such securities may include liquidation or other preferential rights and may have an adverse effect on our existing stockholders. If we issue debt securities, we would be required to pay interest on such securities, and the terms of such securities could impose restrictions on our operations. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we need it, our ability to continue to fund our operations may be adversely affected, and we could be unable to meet our obligations as they become due or to execute our business plan as we have planned.

Our ability to operate our business effectively may be impaired if our current or future officers and key employees terminate their employment with us. Our current officers and other key employees have extensive operating and leadership experience in the automotive industry and have significant knowledge of our business and strategic direction. Our future success depends in part on our ability to attract, retain and motivate our officers and other key employees, including our Chief Executive Officer and our Chief Financial Officer, and our ability to identify, hire and integrate new officers and other key employees, including our Chief Operating Officer, our Chief Technology Officer and our Chief Commercial Officer, who may be difficult to identify and hire. If any of our officers or other key employees terminate their employment with us, our business may be adversely affected. In addition, we do not maintain "key man" insurance for any of our officers or other key employees.

Our ability to operate our business effectively may be impaired if our current or future officers and key employees terminate their employment with us. Our current officers and other key employees have extensive operating and leadership experience in the automotive industry and have significant knowledge of our business and strategic direction. Our future success depends in part on our ability to attract, retain and motivate our officers and other key employees, including our Chief Executive Officer and our Chief Financial Officer, and our ability to identify, hire and integrate new officers and other key employees, including our Chief Operating Officer, our Chief Technology Officer and our Chief Commercial Officer, who may be difficult to identify and hire. If any of our officers or other key employees terminate their employment with us, our business may be adversely affected. In addition, we do not maintain "key man" insurance for any of our officers or other key employees.

adverse to PIPE, COVID-19 and/or capital market impacts on our ability to generate sufficient revenues, or otherwise, should we have some unforeseen expenses, our ongoing COVID-19 contract is negatively affected, or our ongoing COVID-19 contract is terminated.

Cash Flow

We are not currently cash flow positive. Our business is dependent on our ability to raise capital sufficient to fund our operations and to achieve positive cash flow from our operations. Our ability to achieve positive cash flow from our operations is dependent on our ability to successfully execute our business plan, which is subject to a number of factors, including our ability to successfully market our products, our ability to successfully manufacture our products, our ability to successfully deploy our production facilities, our ability to successfully deploy our vehicle charging infrastructure, our ability to successfully deploy our battery swap stations, our ability to successfully deploy our battery swap technology, our ability to successfully deploy our battery swap vehicles, our ability to successfully deploy our battery swap service, our ability to successfully deploy our battery swap business model, our ability to successfully deploy our battery swap business model in China, our ability to successfully deploy our battery swap business model in other countries, our ability to successfully deploy our battery swap business model in other markets, our ability to successfully deploy our battery swap business model in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries, our ability to successfully deploy our battery swap business model in other markets in other countries in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in other markets in China, our ability to successfully deploy our battery swap business model in other markets in other countries in other markets

Our Technology

Our technology is a multinational collaboration in the fields of our Silicon Carbide Power and Gallium Nitride Power Electronics Technology platforms, which are based on our proprietary technology platforms, which are based on our proprietary technology platforms, which are based on our proprietary

Continuance from Jurisdiction

Our Articles provide that we may, subject to our articles, bylaws, rules, policies, resolutions and applicable laws, continue in or to any jurisdiction in which we are incorporated, amalgamated or continued as a company or a corporation pursuant to the laws of such jurisdiction, on such terms as our directors may determine, or as may be ordered by our shareholders in accordance with our articles.

Amendment to Our Articles and Notice of Shareholder Proposals

Our Articles may be amended by an ordinary resolution of our shareholders, or by a resolution of our directors if such amendment is required or permitted by the BCBCA, subject to certain exceptions. Notice of shareholder proposals must be given to our corporate secretary in accordance with the BCBCA and, if such shareholder proposal is to be made at an annual meeting of our shareholders, within a reasonable time before the meeting.

Rights, Preferences and Restrictions

Shareholders may vote on all matters at annual meetings and at any other meeting of our shareholders, except for matters that are required to be voted on by our directors or by our shareholders.

Each Class A Common Share and Class B Common Share carries the exercise of fractions votes for the purpose of any vote of our shareholders, and the holders of Class A Common Shares and Class B Common Shares are entitled to receive dividends, if any, as our directors may from time to time determine, and upon our liquidation, dissolution or winding up, to share in the distribution of our assets, in proportion to the number of and amount paid up on such shares held by them, subject to the rights of our shareholders in priority to such shares.

Furthermore, such shares are subject to and may be affected by the Preferred Share and the rights, privileges, restrictions and conditions attaching to the Preferred Share as a class, which may be exercised by our directors at any time or from time to time before the issuance of the Preferred Share, and which may be exercised in respect of, among other matters, dividends, redemption, conversion, exchange, vote, restriction, limitation, retraction, redemption and other rights, privileges, restrictions and conditions as our directors may determine in their sole discretion.

Cross-Jurisdiction Exchange and Capital Markets

Our Articles provide that, in the event that a cross-jurisdiction exchange, as such term is defined under National Instrument 62-104 — Take-Over Bids and Issuer Bids of the Canadian Securities Administrators, or any other transaction or series of related transactions (which, for greater certainty, shall not include a transaction or series of related transactions in which our shareholders are offered the opportunity to sell their shares to us or our subsidiaries) is proposed by our shareholders and is recommended by our directors, or is approved by our directors, then in such circumstances, our shareholders will be deemed to have consented to such transaction or series of related transactions and to have waived any right of dissent and any right to bring an action against us or our directors or officers in connection with such transaction or series of related transactions.

Dividends

Our Articles provide that, subject to our liquidation, dissolution or winding up, the holders of our Class A Common Shares and Class B Common Shares are entitled to receive dividends, if any, as our directors may from time to time determine, and upon our liquidation, dissolution or winding up, to share in the distribution of our assets, in proportion to the number of and amount paid up on such shares held by them, subject to the rights of our shareholders in priority to such shares.

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Liquidation

Our Articles provide that, subject to our liquidation, dissolution or winding up, the holders of our Class A Common Shares and Class B Common Shares are entitled to receive dividends, if any, as our directors may from time to time determine, and upon our liquidation, dissolution or winding up, to share in the distribution of our assets, in proportion to the number of and amount paid up on such shares held by them, subject to the rights of our shareholders in priority to such shares.

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Liability of Our Directors

Our Articles provide that, subject to our liquidation, dissolution or winding up, the holders of our Class A Common Shares and Class B Common Shares are entitled to receive dividends, if any, as our directors may from time to time determine, and upon our liquidation, dissolution or winding up, to share in the distribution of our assets, in proportion to the number of and amount paid up on such shares held by them, subject to the rights of our shareholders in priority to such shares.

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Indemnification

Our Articles provide that, subject to our liquidation, dissolution or winding up, the holders of our Class A Common Shares and Class B Common Shares are entitled to receive dividends, if any, as our directors may from time to time determine, and upon our liquidation, dissolution or winding up, to share in the distribution of our assets, in proportion to the number of and amount paid up on such shares held by them, subject to the rights of our shareholders in priority to such shares.

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Exchange Rate

Our Articles provide that, subject to our liquidation, dissolution or winding up, the holders of our Class A Common Shares and Class B Common Shares are entitled to receive dividends, if any, as our directors may from time to time determine, and upon our liquidation, dissolution or winding up, to share in the distribution of our assets, in proportion to the number of and amount paid up on such shares held by them, subject to the rights of our shareholders in priority to such shares.

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Transfer Agent and Registrar

Our Articles provide that, subject to our liquidation, dissolution or winding up, the holders of our Class A Common Shares and Class B Common Shares are entitled to receive dividends, if any, as our directors may from time to time determine, and upon our liquidation, dissolution or winding up, to share in the distribution of our assets, in proportion to the number of and amount paid up on such shares held by them, subject to the rights of our shareholders in priority to such shares.

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Stock Exchange

Our Articles provide that, subject to our liquidation, dissolution or winding up, the holders of our Class A Common Shares and Class B Common Shares are entitled to receive dividends, if any, as our directors may from time to time determine, and upon our liquidation, dissolution or winding up, to share in the distribution of our assets, in proportion to the number of and amount paid up on such shares held by them, subject to the rights of our shareholders in priority to such shares.

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Other Provisions

Our Articles provide that, subject to our liquidation, dissolution or winding up, the holders of our Class A Common Shares and Class B Common Shares are entitled to receive dividends, if any, as our directors may from time to time determine, and upon our liquidation, dissolution or winding up, to share in the distribution of our assets, in proportion to the number of and amount paid up on such shares held by them, subject to the rights of our shareholders in priority to such shares.

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MANAGEMENT

MANAGEMENT

Board Vacancies

We have a vacancy board vacancies, which may be filled by our current board members and a separate vacancy board vacancies, which may be filled by our current board members. Vacancies on Board membership arising out of our management board vacancies may be filled by our current board members.

Management Board

Our management board consists of our chief executive officer, our chief operating officer and our chief financial officer, and such other members of our management board as our chief executive officer or our chief operating officer may from time to time appoint. Our management board members are responsible for the management and administration of our business, including the day-to-day operations of our business, and for the implementation of our strategic plan and our business plan, as approved by our board of directors, and for the implementation of our policies and procedures, as approved by our board of directors, and for the implementation of our internal controls and our disclosure controls

NO LEGITIMATE TRADING PLAN

The following is a list of our current and former directors and executive officers who have entered into trading plans in accordance with Rule 10b5-1 under the Exchange Act, or who have indicated that they may, from time to time, enter into such trading plans.

Kathryn Hill, President, Chief Financial Officer and Secretary (Retired)

Our management team and other employees may also enter into such trading plans in which we are a participant in accordance with our insider trading policy.

Participation with Other Material Persons

Other than as described in our annual and quarterly reports and our proxy statements or prospectuses, the Company is not aware of any other material relationships between or among the stockholders of our common stock and any other stockholders or any unaffiliated third parties regarding the ownership, voting or disposition of our common stock.

Our Chairman, President and Chief Executive Officer, Jeffrey Hillman, beneficially owns approximately 2.8% of our Class A common stock and approximately 10.0% of our Class B common stock, which collectively represent approximately 3.0% of our outstanding shares of common stock. The remaining outstanding shares of our Class A common stock are owned by approximately 1,000 stockholders of record, and the remaining outstanding shares of our Class B common stock are owned by approximately 300 stockholders of record. Our Class A common stock is quoted on the OTCQB Venture Market under the symbol "ZSPH" and our Class B common stock is not publicly traded. Our Class A common stock and our Class B common stock are substantially identical except with respect to voting rights and certain transfer rights. Our Class A common stock is entitled to one vote per share and our Class B common stock is entitled to ten votes per share. Our Class A common stock and our Class B common stock are also subject to different transfer restrictions. Our Class A common stock is freely transferable, subject to applicable securities laws, while our Class B common stock is subject to certain transfer restrictions and may only be transferred to certain permitted transferees, including our Chairman, President and Chief Executive Officer, Jeffrey Hillman, and his immediate family members, and through no legal fees or other material costs associated with such transfer.

Our Chairman, President and Chief Executive Officer, Jeffrey Hillman, beneficially owns approximately 2.8% of our Class A common stock and approximately 10.0% of our Class B common stock, which collectively represent approximately 3.0% of our outstanding shares of common stock. The remaining outstanding shares of our Class A common stock are owned by approximately 1,000 stockholders of record, and the remaining outstanding shares of our Class B common stock are owned by approximately 300 stockholders of record. Our Class A common stock is quoted on the OTCQB Venture Market under the symbol "ZSPH" and our Class B common stock is not publicly traded. Our Class A common stock and our Class B common stock are substantially identical except with respect to voting rights and certain transfer rights. Our Class A common stock is entitled to one vote per share and our Class B common stock is entitled to ten votes per share. Our Class A common stock and our Class B common stock are also subject to different transfer restrictions. Our Class A common stock is freely transferable, subject to applicable securities laws, while our Class B common stock is subject to certain transfer restrictions and may only be transferred to certain permitted transferees, including our Chairman, President and Chief Executive Officer, Jeffrey Hillman, and his immediate family members, and through no legal fees or other material costs associated with such transfer.

DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION

DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION

General

The rights of the holders of Class A ordinary shares and Class B ordinary shares, the distinguishing characteristics of the Class A ordinary shares and Class B ordinary shares, and the material terms of the Class A ordinary shares and Class B ordinary shares are described in the following paragraphs.

Under Dutch law, our authorized share capital is the nominal value that we may issue without amending our articles of association. Our authorized share capital is EUR 1,000,000 and consists of 1,000,000,000 shares of Class A ordinary shares, with a nominal value of EUR 0.01 per share, and 1,000,000,000 shares of Class B ordinary shares, with a nominal value of EUR 0.01 per share. Our authorized share capital may be increased or decreased by a resolution of our shareholders, provided that such resolution is adopted in accordance with our articles of association and Dutch law. Our shareholders may also authorize our management board to issue shares and to grant rights to subscribe for our shares, and to limit or exclude the pre-emptive rights of our shareholders, for a period of no more than five years, provided that such authorization is adopted in accordance with our articles of association and Dutch law. Our shareholders may also authorize our management board to acquire our shares, for a period of no more than 18 months, provided that such authorization is adopted in accordance with our articles of association and Dutch law. Our shareholders may also authorize our management board to cancel our shares, provided that such authorization is adopted in accordance with our articles of association and Dutch law.

Our ordinary shares are in registered form and are issued in accordance with our articles of association and Dutch law. Our ordinary shares are not certificated and are registered in our shareholder register in the name of each shareholder. Our shareholder register is maintained by our transfer agent, Computershare Inc., and Computershare Trust Company, N.A. (together, "Computershare"), in accordance with our articles of association and Dutch law. Our shareholder register shows the number of our ordinary shares held by each shareholder. Our shareholder register does not show the identity of the beneficial owners of our ordinary shares who hold their ordinary shares through a custodian bank, clearing house or other nominee. Our shareholder register does not show the identity of the beneficial owners of our ordinary shares who hold their ordinary shares through a custodian bank, clearing house or other nominee.

Dutch corporate law requires the conversion of bearer shares into registered shares, the dematerialization of bearer shares and the registration of such dematerialized shares in a shareholder register. Our shareholder register includes the number of our ordinary shares held by each shareholder, including the number of our ordinary shares held by each shareholder that is a custodian bank, clearing house or other nominee. Our shareholder register does not show the identity of the beneficial owners of our ordinary shares who hold their ordinary shares through

Minimum composition approval by the vote or by proxy of a majority of the shareholders, or, if a quorum is not present, the vote or proxy of a majority of the shares represented at the meeting.

Director Terms

The Delaware GCL, the DGCL provides, the following factors generally recommendations for the terms for terms, or management, term length, and term limits shareholders:

- Management board members should be appointed for a maximum period of four years, without limiting the right of shareholders to remove directors before the expiration of their term.
- Staggered boards are considered to be an impediment to shareholder rights.
- Term limits. Shareholders should be able to remove directors before the expiration of their term. Staggered boards are considered to be an impediment to shareholder rights. Shareholders should be able to remove directors before the expiration of their term. Cumulative voting is a means of ensuring representation of minority shareholders on the board of directors.

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Material Tax Consequences

Tax Consequences to Holders of Notes

The following is a general summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes by a beneficial owner that is a U.S. holder (as defined below). For purposes of this summary, a U.S. holder means a beneficial owner of a Note that is a citizen or resident of the United States, a domestic corporation, an estate the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if a U.S. court can exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect and all of which are subject to change, possibly on a retroactive basis, and in effect on the date of this offering circular. This summary does not address all tax consequences that may be material to a holder of the Notes and does not address the tax consequences to persons that are not U.S. holders. This summary does not address the tax consequences to persons that may be subject to special tax rules, such as banks, insurance companies, regulated investment companies, dealers in securities or currencies, persons that will hold the Notes as a position in a "straddle" or as part of a "hedging" or "conversion" transaction for tax purposes, persons that have elected mark-to-market accounting for their securities, persons that are tax-exempt entities, persons that are required to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an applicable financial statement, persons that are partnerships or other entities treated as partnerships for United States federal income tax purposes or persons who may be liable for alternative minimum tax. This summary does not address the tax consequences to persons who have a functional currency other than the U.S. dollar. This summary does not address the tax consequences to persons who own (directly, indirectly or constructively) 10% or more of the voting stock of the Issuer. This summary does not address the tax consequences to persons who are "controlled foreign corporations" or "passive foreign investment companies" for U.S. federal income tax purposes. This summary does not address the tax consequences to persons who are U.S. holders of Notes if such persons are not U.S. holders on the date of issuance of the Notes. This summary does not address the tax consequences to persons who are U.S. holders of Notes if such persons are not U.S. holders at any time after

Capital Gains

A gain realized by a Non-U.S. Holder will not be subject to Canadian income tax on capital gains, unless such gain is "taxable Canadian property" to such Non-U.S. Holder and such Non-U.S. Holder is not entitled to claim an exemption under the Canadian-U.S. tax treaty. Generally, our Class A Common Stock will not be "taxable Canadian property" to a Non-U.S. Holder at a particular time if, at such time, our Class A Common Stock is listed on a prescribed stock exchange (which includes the NYSE) and such Non-U.S. Holder (together with persons with which such Non-U.S. Holder is deemed to be a "specified person") has not owned, or been deemed to own, 25% or more of our issued shares of any class or series for 60 months immediately preceding the disposition.

Dividends

We believe that the common share dividends we currently are expected to pay on our Class A Common Stock should be treated as "eligible dividends" for purposes of the Canadian Income Tax Act, and we intend to designate such dividends as "eligible dividends" for purposes of the Canadian Income Tax Act. Dividends paid to a Non-U.S. Holder will be subject to Canadian withholding tax at a rate of 25%, unless such rate is reduced by the tax treaty between Canada and the United States. Accordingly, to such holders of our Class A Common Stock, a Canadian withholding tax at a rate of 15% will be imposed on the gross amount of such dividends.

Tax Treaty

We believe that the common share dividends we currently are expected to pay on our Class A Common Stock should be treated as "eligible dividends" for purposes of the Canadian Income Tax Act, and we intend to designate such dividends as "eligible dividends" for purposes of the Canadian Income Tax Act. Dividends paid to a Non-U.S. Holder will be subject to Canadian withholding tax at a rate of 25%, unless such rate is reduced by the tax treaty between Canada and the United States. Accordingly, to such holders of our Class A Common Stock, a Canadian withholding tax at a rate of 15% will be imposed on the gross amount of such dividends.

Dividends paid to a Non-U.S. Holder that is a corporation that owns at least 10% of our voting shares and 10% of our equity shares (on a combined basis with certain related persons) will be subject to Canadian withholding tax at a rate of 5%.

Dividends paid to a Non-U.S. Holder that is a pension fund that generally is exempt from Canadian income tax will be exempt from Canadian withholding tax if such Non-U.S. Holder (together with persons with which such Non-U.S. Holder is deemed to be a "specified person") has not owned, or been deemed to own, 25% or more of our issued shares of any class or series for 60 months immediately preceding the dividend payment.

Dividends paid to a Non-U.S. Holder that is a tax-exempt person (as defined in Canadian tax law) will be exempt from Canadian withholding tax if such Non-U.S. Holder (together with persons with which such Non-U.S. Holder is deemed to be a "specified person") has not owned, or been deemed to own, 25% or more of our issued shares of any class or series for 60 months immediately preceding the dividend payment, and such dividends are not taxable income of such Non-U.S. Holder. Generally, a tax-exempt person (as defined in Canadian tax law) will be exempt from Canadian withholding tax if such dividends are not taxable income of such Non-U.S. Holder and such Non-U.S. Holder is not a "specified person" in relation to us.

Capital Gains

A gain realized by a Non-U.S. Holder will not be subject to Canadian income tax on capital gains, unless such gain is "taxable Canadian property" to such Non-U.S. Holder and such Non-U.S. Holder is not entitled to claim an exemption under the Canadian-U.S. tax treaty. Generally, our Class A Common Stock will not be "taxable Canadian property" to a Non-U.S. Holder at a particular time if, at such time, our Class A Common Stock is listed on a prescribed stock exchange (which includes the NYSE) and such Non-U.S. Holder (together with persons with which such Non-U.S. Holder is deemed to be a "specified person") has not owned, or been deemed to own, 25% or more of our issued shares of any class or series for 60 months immediately preceding the disposition.

Dividends

We believe that the common share dividends we currently are expected to pay on our Class A Common Stock should be treated as "eligible dividends" for purposes of the Canadian Income Tax Act, and we intend to designate such dividends as "eligible dividends" for purposes of the Canadian Income Tax Act. Dividends paid to a Non-U.S. Holder will be subject to Canadian withholding tax at a rate of 25%, unless such rate is reduced by the tax treaty between Canada and the United States. Accordingly, to such holders of our Class A Common Stock, a Canadian withholding tax at a rate of 15% will be imposed on the gross amount of such dividends.

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Dividends paid to a Non-U.S. Holder that is a corporation that owns at least 10% of our voting shares and 10% of our equity shares (on a combined basis with certain related persons) will be subject to Canadian withholding tax at a rate of 5%.

Dividends paid to a Non-U.S. Holder that is a pension fund that generally is exempt from Canadian income tax will be exempt from Canadian withholding tax if such Non-U.S. Holder (together with persons with which such Non-U.S. Holder is deemed to be a "specified person") has not owned, or been deemed to own, 25% or more of our issued shares of any class or series for 60 months immediately preceding the dividend payment.

Dividends paid to a Non-U.S. Holder that is a tax-exempt person (as defined in Canadian tax law) will be exempt from Canadian withholding tax if such Non-U.S. Holder (together with persons with which such Non-U.S. Holder is deemed to be a "specified person") has not owned, or been deemed to own, 25% or more of our issued shares of any class or series for 60 months immediately preceding the dividend payment, and such dividends are not taxable income of such Non-U.S. Holder. Generally, a tax-exempt person (as defined in Canadian tax law) will be exempt from Canadian withholding tax if such dividends are not taxable income of such Non-U.S. Holder and such Non-U.S. Holder is not a "specified person" in relation to us.

Shareholder Reporting

U.S. Holder. See section "Special Foreign Financial Assets" with respect to our Class A Common Stock and other "specified foreign financial assets" held by U.S. Holders. Failure to file information reports may result in substantial penalties. Each U.S. Holder should consult its tax advisor regarding the potential applicability of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder, including, without limitation, sections 1291 through 1298 of the Internal Revenue Code and sections 1291 through 1298 of the Treasury Regulations, to such U.S. Holder's investment in our Class A Common Stock and the advisability of making a mark-to-market election with respect to our Class A Common Stock.

Non-U.S. Holders

Dividends

Subject to section 1471 of the Internal Revenue Code, as discussed below, and to the rules and discussion below regarding backup withholding and information reporting, dividends paid to a Non-U.S. Holder generally will be subject to U.S. withholding tax at a rate of 30% of the gross amount of such dividends, unless such Non-U.S. Holder is eligible for a reduced rate of withholding tax under an applicable income tax treaty between the United States and such Non-U.S. Holder's country of residence or such Non-U.S. Holder qualifies for an exemption from withholding tax on such dividends because such dividends are effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, such dividends are attributable to such Non-U.S. Holder's permanent establishment in the United States). Dividends that are effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, such dividends are attributable to such Non-U.S. Holder's permanent establishment in the United States) generally will be subject to U.S. withholding tax at the same rate applicable to U.S. Holders. Such effectively connected dividends received by a corporate Non-U.S. Holder may, under certain circumstances, be subject to an additional "branch profits tax" at a rate of 30%, or such lower rate specified by an applicable income tax treaty between the United States and such Non-U.S. Holder's country of residence. Non-U.S. Holders should consult their tax advisors regarding the potential applicability of withholding taxes on dividends paid to them by us, and the potential eligibility for, and the procedures for claiming, the benefits of an applicable income tax treaty between the United States and such Non-U.S. Holder's country of residence.

Sale or Other Disposition of Our Common Stock

Subject to section 1471 of the Internal Revenue Code, as discussed below, and to the rules and discussion below regarding backup withholding and information reporting, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on gain recognized on a sale or other disposition of our Class A Common Stock unless:

- such gain is effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, such gain is attributable to such Non-U.S. Holder's permanent establishment in the United States);
- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of such disposition and certain other conditions are met; or
- our Class A Common Stock constitutes a "United States real property interest" within the meaning of section 897 of the Internal Revenue Code, provided that our Class A Common Stock is regularly traded on an established securities market for purposes of section 897 of the Internal Revenue Code.

If such gain is effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, such gain is attributable to such Non-U.S. Holder's permanent establishment in the United States), such Non-U.S. Holder generally will be subject to U.S. federal income tax on such gain on a net basis in the same manner as if such Non-U.S. Holder were a U.S. Holder. In addition, if such Non-U.S. Holder is a corporation, such gain may be subject to an additional "branch profits tax" at a rate of 30%, or such lower rate specified by an applicable income tax treaty between the United States and such Non-U.S. Holder's country of residence.

If such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of such disposition and certain other conditions are met, such Non-U.S. Holder generally will be subject to U.S. federal income tax on such gain on a net basis in the same manner as if such Non-U.S. Holder were a U.S. Holder. In addition, if such Non-U.S. Holder is a corporation, such gain may be subject to an additional "branch profits tax" at a rate of 30%, or such lower rate specified by an applicable income tax treaty between the United States and such Non-U.S. Holder's country of residence.

If our Class A Common Stock is not regularly traded on an established securities market for purposes of section 897 of the Internal Revenue Code, a Non-U.S. Holder generally will be subject to U.S. federal income tax on such gain on a net basis in the same manner as if such Non-U.S. Holder were a U.S. Holder. In addition, if such Non-U.S. Holder is a corporation, such gain may be subject to an additional "branch profits tax" at a rate of 30%, or such lower rate specified by an applicable income tax treaty between the United States and such Non-U.S. Holder's country of residence.

UNDERWRITING

We and the selling stockholders to the offering hereby hereby have entered into an underwriting agreement with the underwriters named below and the representative thereof, Jefferies LLC, pertaining to the sale of the shares of our Class A Common Stock offered hereby. Subject to the terms and conditions of the underwriting agreement, the underwriters have agreed to purchase, and we and the selling stockholders have agreed to sell, the shares of our Class A Common Stock set forth opposite their respective names below.

Underwriter	Number of Shares of Class A Common Stock
Jefferies LLC	[illegible]
Total	[illegible]

The underwriters are collectively referred to as "underwriters." The underwriting agreement provides that the obligations of the underwriters to purchase the shares of our Class A Common Stock offered hereby are subject to certain conditions precedent and that the underwriters will purchase all of our shares of Class A Common Stock offered by us and the selling stockholders, other than those shares covered by the option to purchase additional shares described below, if any such shares are purchased by the underwriters pursuant to such option.

The underwriters are obligated to purchase the shares of our Class A Common Stock offered hereby, if any such shares are purchased.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make in respect thereof.

The underwriters are offering the shares, subject to prior sale, when, as and if accepted and delivered to them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Option to Purchase Additional Shares

We and the selling stockholders have granted to the underwriters, exercisable for 30 days from the date of the prospectus, an option to purchase up to [illegible] additional shares of our Class A Common Stock from us and the selling stockholders, on the same terms as the shares initially purchased by the underwriters pursuant to the underwriting agreement. If the underwriters exercise this option, the underwriters will purchase additional shares from us and the selling stockholders in approximately the same proportion as set forth in the table above.

Commissions and Discounts

The underwriters propose to offer the shares of our Class A Common Stock offered hereby, when and if sold, to or through dealers, at the public offering price set forth on the cover page of this prospectus and to certain dealers at such price less a concession not in excess of $[illegible] per share. The underwriters may allow, and such dealers may reallow, a concession not in excess of $[illegible] per share to other dealers. After the shares of our Class A Common Stock are released for sale to the public, the underwriters may change the offering price and other selling terms from time to time.

The underwriters have agreed to purchase the shares of our Class A Common Stock offered hereby from us and the selling stockholders, if and when sold, at the initial public offering price set forth on the cover page of this prospectus, less the following amounts:

	Per Share	Total Without Exercise of Option to Purchase Additional Shares	Total With Full Exercise of Option to Purchase Additional Shares
Public offering price	$[illegible]	$[illegible]	$[illegible]
Underwriting discount to us and the selling stockholders	$[illegible]	$[illegible]	$[illegible]
Proceeds before expenses to us	$[illegible]	$[illegible]	$[illegible]

Shares sold by the underwriters to the public will initially be offered to the public at the offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount from the offering price of up to $[illegible] per share. Any such securities dealers may resell shares to certain other brokers or dealers at a discount of up to $[illegible] per share from the offering price. If all of the shares of our Class A Common Stock offered by us and the selling stockholders hereby are not sold at the offering price, the underwriters may change the offering price and other selling terms from time to time.

Discretionary Accounts

The underwriters do not intend to confirm sales of the shares to any accounts over which they have discretionary authority.

Pricing of the Offering

Prior to this offering, there has been a public market for our common shares. The initial public offering price of our common shares, the compensation, discount and other terms and conditions of the underwriting agreement have been determined by negotiations between us and the representative. Among the factors considered in determining the initial public offering price of our common shares were:

- our results of operations and our current financial condition;
- our prospects and our management's prospects;
- the industry in which we compete;
- our past and present operating results and the earnings we expect to generate;
- the trading price of our common shares;
- the ability of our management team;
- the general condition of the securities market at the time of this offering;
- the market capitalization of our peers;
- the demand for our common shares;
- the number of our employees;
- the amount of our cash and other current assets; and
- other factors deemed by the underwriters and us to be relevant.

We have applied to list our common shares on the Nasdaq under the symbol "[illegible]."

Stabilization, Short Sales and Penalty Bids

In connection with this offering, the underwriters may engage in stabilizing transactions, overallotment transactions, covering transactions, imposition of penalty bids, and purchases to cover positions created by short sales.

Stabilizing transactions permit bids to purchase shares of our common shares so long as the stabilizing bids do not exceed a specified maximum, and purchases to stabilize the price of our common shares in accordance with rules and regulations of the Securities and Exchange Commission and the Nasdaq.

Overallotment transactions involve sales by the underwriters of our common shares in excess of the number of our common shares they are obligated to purchase in connection with this offering, which creates a short position in our common shares for their own account. A short sale is covered if the short position is no larger than the number of our common shares available for purchase by the underwriters under the option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of our common shares available for purchase in the open market compared to the price at which they may purchase our common shares through the option to purchase additional shares described above. In the event that the underwriters sell more our common shares than they can cover with exercises of the option to purchase additional shares, the underwriters will have a "naked" short position, which must be closed out by buying our common shares in the open market. Stabilizing transactions, overallotment transactions, covering transactions and purchases to cover positions created by short sales may have the effect of preventing or retarding a decline in the market price of our common shares, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our common shares. As a result, the price of our common shares may be higher than the price that might otherwise exist in the open market. The underwriters may also engage in passive market making transactions in our common shares on the Nasdaq in accordance with Regulation M under the Securities Exchange Act of 1934, as amended, during a specified period prior to the sale of our common shares in this offering. Passive market making transactions must comply with applicable volume and price limits and must be identified and reported to the Nasdaq under applicable rules and regulations.

Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common shares. In addition, neither we nor the underwriters make any representation that the representative will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution

Other than the prospectus in electronic offering materials posted on a website maintained by the lead manager of the syndicate, if any, the underwriters do not intend to distribute any offering materials in connection with the offering. We may agree with the underwriters to allocate a specified number of our common shares for sale to their online brokerage account holders. Internet distributions will be made on the same basis as other allocations and other than as described in this prospectus, we do not believe that any information on any website of the underwriters is material to an investor's decision to invest in our common shares in this offering. We do not believe that any information on any website of the underwriters should be deemed to be part of this prospectus or incorporated by reference herein.

Lock-Up Agreements

Pursuant to certain "lock-up" agreements, our and our management board members, stockholders and all the selling stockholders have agreed, for a period of 180 days from the date of the prospectus (the "lock-up period"), not to offer, sell, contract to sell, pledge, or otherwise dispose of, or enter into any transaction that may be deemed to have the same effect as any of the foregoing, or enter into a hedging or similar arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common shares, or any other securities convertible into, or exercisable or exchangeable for our common shares, whether now owned or hereafter acquired, owned or controlled, or publicly announce an intention to do any of the foregoing, without, in the case of all of the foregoing, the prior written consent of Jefferies LLC. In addition, we and our management board members, stockholders and all the selling stockholders have agreed not to file any registration statement with the Securities and Exchange Commission, or any amendment or supplement thereto, or any prospectus or prospectus supplement thereunder, in respect of any of our common shares or any other securities convertible into, or exercisable or exchangeable for our common shares, during the lock-up period. In addition, we have agreed not to file any registration statement with the Securities and Exchange Commission, or any amendment or supplement thereto, or any prospectus or prospectus supplement thereunder, in respect of any of our common shares or any other securities convertible into, or exercisable or exchangeable for our common shares, during the lock-up period, without the prior written consent of Jefferies LLC, except for, in the case of our filing of a registration statement on Form S-8 or any successor form thereto, any shares or other securities to be issued or any offer to issue shares or other securities pursuant to any employee benefit plan, stock option plan or other employee compensation plan or any dividend reinvestment plan.

Notwithstanding the foregoing, if (1) during the last 17 days of the lock-up period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the lock-up period, we announce that we will release earnings results or material news or a material event relating to us during the 16-day period beginning on the last day of the lock-up period, then in each case the lock-up period will be extended until the expiration of the 18-month period beginning on the date of such release or occurrence, as applicable, unless Jefferies LLC waives, or extends the period of, such restrictions.

Jefferies LLC may, in its sole discretion, release any of our securities subject to these lock-up agreements at any time without notice. In determining whether or not to release our securities and the securities of our management board members, stockholders and the selling stockholders for sale in the market prior to the end of the lock-up period, Jefferies LLC will consider, among other factors, the holder's reasons for requesting the release, the number of our securities for which the release is being requested, the hardship, if any, that may be caused by the continued restriction of our securities subject to the lock-up agreement, the market liquidity and the trading volume of our securities.

Jefferies LLC may, in its sole discretion, also release all or any portion of our securities subject to lock-up agreements with stockholders and holders of options to purchase our securities, in the event that such securities are released for sale in connection with a tender or exchange offer or a bona fide third-party business combination, provided that (1) the holder of our securities agrees that such securities will be subject to the terms of the applicable lock-up agreement for the balance of the lock-up period if the proposed transaction does not occur, and (2) all of our stockholders and holders of our securities who are released from the lock-up restrictions in connection with such transaction agree that such securities will be subject to substantially the same restrictions for a period of at least 30 days.

Other Relationships

The underwriters and their affiliates and affiliates of our parent Blackstone Inc. have performed commercial banking, investment banking and other services for us from time to time for which they have received customary fees and expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business. In the ordinary course of their business activities, the underwriters and their affiliates may actively trade our securities for their own account or for the accounts of their customers, and such trading may at any time result in long and short positions being taken in our securities. Such investment and trading activities may involve our securities and instruments that are subject to our arrangements with the underwriters. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of our securities and may hold, or recommend to clients that they acquire, long and/or short positions in our securities.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area (each a "Relevant Member State"), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that offers of shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in Article 2 of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the relevant dealer nominated by us for any such offer;
- to any person in circumstances which do not require the publication by us of a prospectus pursuant to Articles 3 and 5 of the Prospectus Regulation.

provided that no such offer of shares shall require us or the representatives of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For purposes of this provision, the expression "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

In the United Kingdom, this document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended) may lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons other than relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in with relevant persons.

Notice to Prospective Investors in Canada

The securities may be sold in Canada only to purchasers in the Provinces of British Columbia, Alberta, Ontario, and Quebec, as principal, that are accredited investors and are purchasing or deemed to be purchasing as principal that are not prohibited persons pursuant to National Instrument 45-106 Prospective Exemptions. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (i) to "professional investors" within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or which do not constitute an offer to the public within the meaning of that ordinance. No advertisement, invitation or document relating to the shares has been issued, or may be issued, or be in possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Notice to Prospective Investors in Japan

Shares have not been and will not be offered or sold or be made the subject of an invitation for subscription or purchase, nor have any draft or definitive advertisement, offering circular or other document relating to the offering been distributed in Japan, except in circumstances which will not result in an offer to sell the shares to, or solicitation of an invitation to buy the shares from, any person who is a resident of Japan or to others for re-offering or resale, directly or indirectly, to any person who is a resident of Japan or to any person for reoffering or resale to any person who is a resident of Japan, except pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan (the "Securities and Exchange Law") which is applicable to the offer of the shares, and in compliance with the Securities and Exchange Law and other laws and regulations of Japan applicable to the offer of the shares. Accordingly, the shares will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements and otherwise in compliance with the Securities and Exchange Law and other laws and regulations of Japan applicable to the offer of the shares. Purchasers of the shares may be asked to confirm that such shares will not be offered or sold, directly or indirectly, in Japan or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements and otherwise in compliance with the Securities and Exchange Law and other laws and regulations of Japan applicable thereto.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and other documents or materials in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

- to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289, of Singapore ("SFA"), as amended or modified from time to time) ("SFA") pursuant to Section 274 of the SFA;
- to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA;
- otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by individuals who are each an accredited investor; or
- a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA;
- where the transfer is not to be made by sale or exchange for cash, securities or other assets;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Section 276(4) of the Securities and Future Offers of Investments Securities and Capital Markets Regulations 2018.

Singapore MTR Notice Classification. In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of shares, we have determined, and hereby notify all persons (including all relevant persons) that the shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and "excluded investment products" (as defined in Subsidiary Legislation 289 of the SFA and Notice SFA 04-N12: Notice on the Sale of Investment Products and Notice SFA 04-N12: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the shares described herein. The shares may not be publicly offered in Switzerland within the meaning of the Swiss Federal Act on Financial Services ("FinSA") and no application has or will be made to admit the shares to trading on any trading venue (exchange or multi-lateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the shares constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the shares has been or will be filed with, approved by, or supervised by any Swiss reviewing body pursuant to the FinSA or any other Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA"), and the offer of shares has not been and will not be authorized by FINMA under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection provisions of the CISA do not apply to acquirers of shares.

Notice to Prospective Investors in Australia

No prospectus, product disclosure statement or other disclosure document in relation to the offer of the shares has been lodged with, or will be lodged with, the Australian Securities and Investments Commission ("ASIC"), in accordance with the Corporations Act 2001 (Cth) ("Corporations Act") and any such document will not be lodged with ASIC. This document is not a prospectus, product disclosure statement or other disclosure document for the purposes of the Corporations Act, and does not purport to include the information required of a prospectus, product disclosure statement or other disclosure document in accordance with the Corporations Act or any other applicable Australian law.

In addition, and other than in relation to the offer of the shares to persons who are "sophisticated investors" (see section 708(8) of the Corporations Act), "professional investors" (see section 708(11)(a) of the Corporations Act) or other persons to whom an offer may be made without disclosure to investors under Part 6D.2 of the Corporations Act, or to persons who are "wholesale clients" (see section 761G of the Corporations Act) and in relation to the offer of the shares in Australia to such persons, the offer of the shares is not made in Australia and no offer of the shares may be made to persons in Australia if such offer is made within 12 months after the issue of the shares or which would require disclosure to investors under Part 6D.2 of the Corporations Act or to persons who are not "wholesale clients" (see section 761G of the Corporations Act) and in relation to the offer of the shares in Australia to such persons, such offer is made on terms that, by agreement between us and the person to whom it is made, are such that it is reasonable to conclude that such person is not likely to distribute or make available the shares issued under the offer for sale in Australia within 12 months after the issue of the shares.

Not Each Notice, or accumulation of the total amount, including administrative fees, exceeds $[illegible] in any calendar year. Notice to be given to Corporation by the date which is 30 days after the end of the calendar year in which the payment or transaction with respect to the Universal Life Insurance Contract is made.

Contract Number	[illegible]
Contract Owner Social Security Number or Taxpayer Identification Number	[illegible]
Contract Owner Name	[illegible]
Contract Owner Address	[illegible]
Contract Owner Date of Birth	[illegible]
Contract Owner Gender	[illegible]
Contract Owner Citizenship	[illegible]
Contract Owner Tax Classification	[illegible]
Contract Owner Tax Status	[illegible]
Contract Owner Tax Identification Number

CITY OF TRUSTORS

The City of City of Trustors (the "Trustors") is a municipal corporation in the Trustors Unified Schools District and the annual report for its fiscal year ended June 30, 2020 is available at the Trustors Unified Schools District's website at www.trustorsunified.org. Copies of the Trustors Unified Schools District's annual report may also be obtained by contacting the Trustors Unified Schools District, Attn: Chief Business Officer, 1000 Trustors Way, Trustors, CA 90210.

COMPANY

The financial statements as of December 31, 2020 and 2019 and for the years then ended included in the Company's Annual Report on Form 20-F for the year ended December 31, 2020 (the "Financial Statements") have been audited by Ernst & Young Hua Ming LLP, independent auditors, as stated in their report appearing therein (the "Auditor's Report"). The Auditor's Report contains a qualification with respect to the Company's ability to continue as a going concern. The Financial Statements and the Auditor's Report are available at the Company's principal executive offices.

Shanghai Jiao Tong University
Attn: Chief Financial Officer
Room 1000, 1954 Huashan Avenue
Shanghai, 200030, China

INFORMATION OF CIVIL GUARDIANS

We are organized under the laws of the Cayman Islands, and our assets, under Trustors' control, are located in China. Our operations are conducted in China through our PRC subsidiaries and our variable interest entities and our operations and assets are governed by laws and regulations in China. Our PRC subsidiaries are subject to laws and regulations in China generally applicable to companies in China. Our PRC subsidiaries are also subject to laws and regulations in China applicable to companies in China that are listed on a stock exchange in a jurisdiction other than China, such as the Nasdaq Global Market. Our PRC subsidiaries are also subject to laws and regulations in China applicable to companies in China that are listed on the Nasdaq Global Market, such as laws and regulations relating to corporate governance, public disclosure, and shareholder protections. Our PRC subsidiaries are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the China Securities Regulatory Commission, such as laws and regulations relating to the offering of our securities to investors in China, the registration of our securities with the China Securities Regulatory Commission, and the filing of annual reports and other disclosure documents with the China Securities Regulatory Commission. Our PRC subsidiaries are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Cyberspace Administration of China, such as laws and regulations relating to cybersecurity and data protection. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Commerce, such as laws and regulations relating to foreign investment in China, the registration of our subsidiaries in China with the Ministry of Commerce, and the filing of reports with the Ministry of Commerce. Our PRC subsidiaries are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the State Administration for Market Regulation, such as laws and regulations relating to anti-monopoly and unfair competition. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the State Administration of Foreign Exchange, such as laws and regulations relating to foreign exchange and the registration of our shareholders who are Chinese citizens or residents in China with the State Administration of Foreign Exchange. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the State Administration of Taxation, such as laws and regulations relating to taxation and withholding taxes. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Finance, such as laws and regulations relating to accounting and auditing standards and practices in China. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Human Resources and Social Security, such as laws and regulations relating to employment and social security matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Ecology and Environment, such as laws and regulations relating to environmental protection. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Land and Resources, such as laws and regulations relating to land and mineral rights. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Housing and Urban-Rural Development, such as laws and regulations relating to real estate matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Transport, such as laws and regulations relating to transportation matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Industry and Information Technology, such as laws and regulations relating to telecommunications matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Public Security, such as laws and regulations relating to public security matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Emergency Management, such as laws and regulations relating to emergency management matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Culture and Tourism, such as laws and regulations relating to cultural and tourism matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Agriculture and Rural Affairs, such as laws and regulations relating to agricultural matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Education, such as laws and regulations relating to education matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Science and Technology, such as laws and regulations relating to science and technology matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Health, such as laws and regulations relating to health matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Sports, such as laws and regulations relating to sports matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Veterans Affairs, such as laws and regulations relating to veterans affairs matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Civil Affairs, such as laws and regulations relating to civil affairs matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Justice, such as laws and regulations relating to justice matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Foreign Affairs, such as laws and regulations relating to foreign affairs matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Transportation, such as laws and regulations relating to transportation matters. We are also subject to laws and regulations in China applicable to companies in China that are subject to the jurisdiction of the Ministry of Water Resources, such as laws and regulations relating to water resources

The personal expenses where capital expenses expended by Tetano, Marcos Barrios, Barrios Construcciones and Barrios Inversiones, for the benefit of the Company, amounted to US$ 1,000,000 and US$ 1,000,000 for the years ended December 31, 2020 and 2019, respectively. Management considers that the amounts charged by the related parties are reasonable and in line with those that would be charged by third parties for similar services. As of December 31, 2020 and 2019, the amounts payable to related parties are not subject to any interest or guarantee.

The Company's management considers that the amounts charged by related parties for the management of properties and for the expenses incurred on behalf of the owners' association, are in line with those that would be charged by third parties.

b. Barrios Asset Advisoryes

1) Tax Loss and Credit

As of December 31, 2020 and 2019, and as of December 31, 2018, US$ 1,000,000 in tax credit, due to the expenses incurred, were part of the tax loss in the amount of US$ 1,000,000.

The Company's management considers that the tax credit and the accumulated tax losses expected to be generated in the future will be used against future taxable income, based on the Company's business plan, and considering the current tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit and the tax loss before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss). Management considers that the Company will be able to use the tax credit and the tax loss before the expiration of the term established by the tax laws and regulations in force in the country.

2) Other Current Receivables

The other current receivables amounted to US$ 1,000,000 as of December 31, 2020 and 2019, and US$ 1,000,000 as of December 31, 2018. This item corresponds to the value added tax credit, which is in the process of being recovered from the tax authorities.

The Qualified Investor refers to the subscribers of the specific trusts regarding Real Estate to be developed, administered and managed by the Trustee, in accordance with the provisions of the Trust Agreement and the Regulations of the Trust Investment Funds, that fulfill the requirements established in the Trust Agreement and the Regulations of the Trust Investment Funds, and that have the capacity to assume the risks of the investment, and that have signed the Subscription Agreement, and that have made the investment in a total of the corresponding subscription, in NOW, for a minimum. Plus the nominal value

are expected to be paid back with no inflation and interest, in ten years, and in installments of equal amounts of principal and interest, according to the amortization schedule, and considering the current tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

2.2 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 as of December 31, 2020 and 2019, and US$ 1,000,000 as of December 31, 2018. This item corresponds to the value added tax credit, which is in the process of being recovered from the tax authorities.

2.3 Trade

Trade assets of Rental Income amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018. This item corresponds to the rent of US$ 1,000,000 of the Barrios Inversiones and US$ 1,000,000 of the Barrios Construcciones, for the rental of the Company's properties, and US$ 1,000,000 of the Barrios Inversiones, for the rental of the Company's properties, and US$ 1,000,000 of the Barrios Inversiones, for the rental of the Company's properties.

2.4 Other payable to related parties

The other payable to related parties amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

2.5 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.6 Other payable to related parties

The other payable to related parties amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.7 Other payable to related parties

The other payable to related parties amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.8 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.9 Other payable to related parties

The other payable to related parties amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.10 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.11 Other payable to related parties

The other payable to related parties amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.12 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.13 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.14 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.15 Other payable to related parties

The other payable to related parties amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.16 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.17 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.18 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.19 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.20 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.21 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.22 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.23 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.24 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.25 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

Depending on the general terms and conditions, in case, upon a determination of the Company's management, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in Paraguay. Management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

As of December 31, 2020, the Company's management considers that the Company will be able to use the tax credit before the expiration of the term established by the tax laws and regulations in force in the country (maximum of 5 years from the date of the tax loss).

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.26 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

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Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

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The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
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Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

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Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

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The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

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Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.29 Other Current Receivables

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Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

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Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.30 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

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Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.31 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

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Other payable to related parties	As of December 31, 2020	As of December 31, 2019
Barrios Construcciones	1,000,000	1,000,000
Barrios Inversiones	1,000,000	1,000,000
Total other payable to related parties	1,000,000	1,000,000

2.32 Other Current Receivables

The other current receivables amounted to US$ 1,000,000 and US$ 1,000,000 as of December 31, 2020 and 2019, respectively, and US$ 1,000,000 as of December 31, 2018.

Other payable to related parties	As of December 31, 2020	As of December 31, 2019

Management determines its credit and cash risk

Management has established a credit policy

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Customer credit risk is managed subject to established policy, procedures and control relevant to customer credit risk management. Outstanding customer receivables are regularly monitored. None of the company's customers has been in default during the reporting period. Management does not expect any losses from non-performance by these counterparties.

Derivatives

Derivatives are only entered into with counterparties that have an investment grade credit rating as assigned by international credit rating agencies. Management does not expect any losses from non-performance by these counterparties.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

12.2. Financial risk

12.2.1. Market risk

Management financial services manage market and cash risk exposures. Between when Mars Financial Services is the hedging party, Mars Financial Services enters into an equivalent offsetting hedge transaction with an unrelated third party. Management financial services does not hedge its exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not use derivatives for speculative purposes. Management financial services does not use hedge accounting. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks.

12.2.2. Financial risk

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1. Significant accounting policies (continued)

Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks.

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13. Financial risk management

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1. Significant accounting policies (continued)

14. Financial risk

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1. Significant accounting policies (continued)

16. Financial risk

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1. Significant accounting policies (continued)

18. Financial risk

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1. Significant accounting policies (continued)

20. Financial risk management

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1. Significant accounting policies (continued)

22. Financial risk management

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1. Significant accounting policies (continued)

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1. Significant accounting policies (continued)

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1. Significant accounting policies (continued)

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1. Significant accounting policies (continued)

30. Financial risk management

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1. Significant accounting policies (continued)

32. Financial risk management

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33. Financial risk management

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1. Significant accounting policies (continued)

34. Financial risk management

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1. Significant accounting policies (continued)

36. Financial risk management

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1. Significant accounting policies (continued)

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1. Significant accounting policies (continued)

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1. Significant accounting policies (continued)

42. Financial risk management

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1. Significant accounting policies (continued)

44. Financial risk management

Management financial services manage credit and cash risk exposures. Between when Mars Financial Services is the hedging party, Mars Financial Services enters into an equivalent offsetting hedge transaction with an unrelated third party. Management financial services does not hedge its exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not use derivatives for speculative purposes. Management financial services does not use hedge accounting. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks.

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Management financial services manage credit and cash risk exposures. Between when Mars Financial Services is the hedging party, Mars Financial Services enters into an equivalent offsetting hedge transaction with an unrelated third party. Management financial services does not hedge its exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not use derivatives for speculative purposes. Management financial services does not use hedge accounting. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks. Management financial services does not have any material exposure to foreign currency risk, interest rate risk, commodity price risk, equity price risk, credit risk, liquidity risk, or other market risks.

1. Significant accounting policies (continued)

46. Financial risk management

Management financial services manage credit and cash risk exposures. Between when Mars Financial Services is the hedging party, Mars Financial Services enters into an equivalent offsetting hedge transaction with an unrelated third party. Management financial services does not hedge its exposure to foreign currency risk, interest rate risk, commodity price

	Cumulative Translation Adjustment	Unrealized Gains (Losses) on Cash Flow Hedges	Unrealized Gains (Losses) on Available-for-Sale Securities	Total
Legacy Company				
Legacy Company's balance as of December 31, 2018	$ 4	$ (1)	$ (1)	$ 2
Other comprehensive income (loss)	3	1	1	5
Legacy Company's balance as of December 31, 2019	$ 7	$ —	$ —	$ 7
Other comprehensive income (loss)	(7)	—	—	(7)
Deconsolidation of Legacy Company	$ —	$ —	$ —	$ —
Balance as of December 31, 2020	$ —	$ —	$ —	$ —
Fortuna's Company				
Fortuna's Company's balance as of December 31, 2018	$ —	$ —	$ —	$ —
Other comprehensive income (loss)	1	(1)	—	—
Fortuna's Company's balance as of December 31, 2019	$ 1	$ (1)	$ —	$ —
Other comprehensive income (loss)	(1)	1	—	—
Fortuna's Company's balance as of December 31, 2020	$ —	$ —	$ —	$ —

The Fortuna's Company's balance as of December 31, 2020 and 2019 in the table above includes the balances as of December 31, 2020 and 2019 of Fortuna's Company's 50% ownership in Minera Panamericana Plata S.A. ("MPP"), a Mexican joint venture, which is accounted for using the equity method.

11. Right-of-use Leases

The Company leases its office buildings and warehouses in the Netherlands in Rijswijk and Nuenen and warehouses in Mexico City and Tlalnepantla. The Company's lease agreements have terms ranging from 1 to 10 years, with options to extend the lease for additional periods.

The lease cells presents details on the lease agreements of Sensor Alliance.

	December 31, 2020	December 31, 2019
Right-of-use assets at January 1, 2019	$ —	$ —
Additions to right-of-use assets	1,147	—
Depreciation of right-of-use assets	(1,147)	—
Right-of-use assets at December 31, 2019	$ —	$ —
Additions to right-of-use assets	1,147	1,147
Depreciation of right-of-use assets	(1,147)	(1,147)
Right-of-use assets at December 31, 2020	$ —	$ —
	December 31, 2020	December 31, 2019
Lease liabilities		
Current lease liabilities	$ —	$ —
Non-current lease liabilities	$ —	$ —
Total lease liabilities	$ —	$ —

The Company's lease agreements have terms of 1 year and are renewed annually. The Company's lease payments are fixed and are recorded in operating expenses in the statement of operations. The Company's lease payments for the years ended December 31, 2020 and 2019 are $1,147 and $1,147, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Balance sheet disclosures (continued)

Fixed income investments in the Sensor Alliance as of December 31, 2020 and December 31, 2019 consist of the following:

	December 31, 2020	December 31, 2019
Fixed income investments		
Government securities	$ —	$ —
Corporate securities	—	—
Total fixed income investments	$ —	$ —

The lease cells presents details on the lease agreements of Sensor Alliance.

	December 31, 2020	December 31, 2019
Cash	$ —	$ —
Cash equivalents	$ —	$ —
Total liquidity	$ —	$ —

13. Other current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

14. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

15. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

16. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

17. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

18. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

19. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

20. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

21. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

22. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

23. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

24. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

25. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

26. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

27. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

28. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

29. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

30. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

31. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

32. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

33. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

34. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

35. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

36. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

37. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

38. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

39. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

40. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

41. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

42. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

43. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

44. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

45. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

46. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

47. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

48. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

49. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

50. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

51. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

52. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

53. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

54. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

55. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

56. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

57. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

58. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

59. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

60. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

61. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

62. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

63. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

64. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

65. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

66. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

67. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

68. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

69. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

70. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

71. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

72. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

73. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

74. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

75. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

76. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

77. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

78. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

79. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

80. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

81. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

82. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

83. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

84. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

85. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

86. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

87. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

88. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

89. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

90. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

91. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

92. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

93. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

94. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

95. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

96. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

97. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

98. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

99. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

100. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

101. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

102. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

103. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

104. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

105. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

106. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

107. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

108. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

109. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

110. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

111. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

112. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

113. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

114. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

115. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

116. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

117. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

118. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

119. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

120. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

121. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

122. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

123. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—
Total other current liabilities	$ —	$ —

124. Other current and Non-current liabilities

Other current liabilities consist of the following:

	December 31, 2020	December 31, 2019
Accrued expenses	$ —	$ —
Accrued vacation	—	—
Other current liabilities	—	—

Modification of share-based payment arrangements

In the year ended December 31, 2021, the Company modified the terms of its existing share-based payment arrangements to provide for the acceleration of vesting of certain stock options and restricted stock units ("RSUs") held by employees who were terminated as part of the Company's restructuring initiatives. The Company recognized incremental share-based compensation expense of $1.0 million, $0.3 million and $0.1 million for the years ended December 31, 2021, 2020 and 2019, respectively, for the modification of the terms of the awards. The Company recognized share-based compensation expense of $0.1 million, $0.1 million and $0.1 million for the years ended December 31, 2021, 2020 and 2019, respectively, for employee participation programs for changes to vesting of awards.

The table below sets forth the stock options as of December 31, 2021:

19. Other disclosures (continued)

	Number of shares	Weighted average exercise price
Stock options		
Outstanding at December 31, 2020	1,000,000	$ 0.01
Exercised	(1,000,000)	$ 0.01
Outstanding at December 31, 2021	—	$ —

In the year of issuance of these consolidated financial statements, Nasdaq Stockholm is operating at 100% capacity. The current disaster recovery strategy, Management has determined that either Stockholm or Lund will be able to take over the operations of the other.

The Company maintains long-term investments in the form of debt instruments held to maturity and accounts for them at amortized cost. The Company's investments in debt instruments held to maturity are subject to credit risk and are predominantly in debt securities issued by the Swedish government and Swedish mortgage institutions, which are rated AAA or equivalent by Moody's, S&P, and Fitch.

The Company's cash and cash equivalents are held in various currencies and are held in various locations worldwide. As of December 31, 2021, approximately 20% of the Company's cash and cash equivalents were held in Sweden, 20% in the United Kingdom, 20% in the United States, and the balance in various other countries.

The Company is the DNB Group's ultimate parent and the Swedish insurance subsidiary has the ultimate parent entity of the Company as its immediate parent company. The Company's Swedish insurance subsidiary is required to maintain a minimum solvency margin and a minimum guarantee capital in accordance with the Swedish Insurance Business Act (Sw. *Lag (2010:1980) om försäkringsverksamhet*) and the Swedish Financial Supervisory Authority's (Sw. *Finansinspektionen*) regulations and general guidelines governing the insurance business. The Company's Swedish insurance subsidiary is in compliance with the minimum solvency margin and minimum guarantee capital requirements as of December 31, 2021.

The following table discloses the number of securities, the weighted average fair value at grant date and the exercise price of the stock options and the corresponding vesting dates:

Grant date	Number of options	Weighted average fair value at grant date	Exercise price	Vesting date
Stock options				
Founder grant	1,000,000	$ 0.01	$ 0.01	2/3 vested on the date of the IPO, the remaining 1/3 vested on the first anniversary of the IPO
Total	1,000,000			

The exercise price of all share options of the DNB Group

19. Other disclosures (continued)

The Company's share options are valued at the equity settled share based transactions in accordance with IFRS 2 Share-Based Payments, IFRS 13 Fair Value Measurement.

Valuation	
Share price on grant date (price of IPO)	$ 10
Exercise price	$ 0.01
Expected volatility	35 %
Expected dividends	— %
Expected term (in years)	3 - 5
Risk free interest rate	0.0 %
Fair value of underlying shares	$ 10
Fair value of underlying shares	
Share price on grant date (price of IPO)	$ 10
Discount for lack of marketability	0 %
Fair value of underlying shares	$ 10

The volatility is based on peer companies, the Company's own volatility and the volatility of the DNB Group's share price. The Company's own volatility is based on the volatility of the DNB Group's share price since the IPO.

19.4 Exchange rate risks

The Company's exchange rate risk is attributable to the earnings attributable to Note 5.3. Shareholders, the Company's investment in its subsidiaries and the Company's investment in the Swedish insurance business. The Company's exchange rate risk is also attributable to the Company's investment in its subsidiaries and the Company's investment in the Swedish insurance business. The Company hedges assets with the intention to additional voting rights, but to a larger extent, to hedge its equity.

Net exchange rate risks

	2021	2020
Total exchange rate risk	0 %	0 %
Total hedgeable exchange rate risk	0 %	0 %

Foreign currency exposure attributable to the ordinary equity holders of the company

	2021	2020
Total exposure	0 %	0 %
Total hedgeable exposure	0 %	0 %

Due to the concentration of the DNB Group's operations in Scandinavian currencies, the Company's exposure to currency risk is mainly related to the Swedish Krona (SEK). The Company's exposure to currency risk is also related to the Norwegian Krone (NOK) and the Danish Krone (DKK).

19.5 Market risk

The Company's market risk is attributable to exposure to a lower number of the parent Group's IFRS profits.

- Net exposure to equity investments in Nasdaq;
- Net exposure to Nasdaq's own Share Bonus;
- Net exposure to Nasdaq's own Share Appreciation Rights;
- Other market risks.

19. Other disclosures (continued)

The Company's market risk is attributable to the following:

- Additions of the parent's capital or capital;
- Dependence of the parent's capital or profits;
- Dependence of the parent's capital or profits;
- Dependence of the parent's capital or profits

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SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, as amended, the undersigned, the duly appointed representative in the United States of Sono Group N.V. has signed this registration statement or amendment thereto in the city of Newark, State of Delaware on October 22, 2021

Puglisi & Associates

By: /s/ Donald J. Puglisi

Name: Donald J. Puglisi
Title: Managing Director