

Topsoe Fuel Cell A/S – Nymøllevej 66  
2800 Kgs. Lyngby - Denmark

# Annual Report for 2015

Topsoe Fuel Cell A/S  
CVR No 28 30 85 23

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The Annual Report has been presented and adopted at the Annual General Meeting on March 31, 2016



Chair of the meeting,  
Louise Jessen Høyer

## **Statement by Management and the Board of Directors on the Annual Report**

Management and the Board of Directors have today considered and adopted the Annual Report of Topsoe Fuel Cell A/S for the financial year January 1 to December 31, 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies applied appropriate, and the estimates made reasonable.

In our opinion the Financial Statements give a true and fair view of the financial position at December 31, 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Directors' Report includes a true and fair account of the issues it addresses as well as a description of the Company's most significant risks and elements of uncertainty.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Lyngby, March 31, 2016

### **Management**

Lars Martiny

### **Board of Directors**

Bjerne S. Clausen  
(Chairman)

Lene Ramm

Henrik Topsøe

## Independent Auditor's Report

To the Shareholder of Topsoe Fuel Cell A/S

### Report on the Financial Statements

We have audited the Financial Statements of Topsoe Fuel Cell A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appro-

priate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

### Statement on Directors' Report

We have read Directors' Report in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Directors' Report is consistent with the Financial Statements.

Copenhagen, 31 March 2016

### PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
CVR No. 33 77 12 31

Mikkel Sthyr

State Authorised Public Accountant

Maj-Britt Nørskov Nannestad

State Authorised Public Accountant

## Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2015	2014	2013	2012	2011
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
<b>Key figures</b>					
<b>Profit/(loss)</b>					
Revenue	0	7,372	8,098	12,263	4,411
Gross profit/(loss)	-194	-30,436	-19,155	-26,660	-25,435
EBITDA	-771	-100,769	-88,739	-98,087	-101,171
Depreciation and amortisation	-99	-142,517	-26,496	-25,491	-23,346
Profit/(loss) before financial income and expenses	-870	-243,286	-115,235	-123,578	-124,517
Net financials	-4,083	-4,995	-4,005	-2,938	-3,713
Net profit/(loss)	-1,429	-189,374	-88,782	-94,912	-96,231
<b>Balance sheet</b>					
Balance sheet total	3,863	110,159	295,858	268,851	354,187
Equity	-234,206	-232,777	-43,403	45,379	140,291
Investments in tangible assets	0	-17,623	-26,737	-33,417	-20,793
<b>Number of employees</b>					
	7	104	109	110	120
<b>Ratios in %</b>					
Solvency ratio	-6062.8%	-211.3%	-14.7%	16.9%	39.6%

The ratios have been prepared in accordance with the definitions stated in accounting policies.

## Directors' Report

### Main activities

There are no longer any activities within the Company.

Topsoe Fuel Cell A/S is a wholly-owned subsidiary of Haldor Topsøe A/S, Lyngby, Denmark.

### Results

The net result for 2015 was a loss of DKK 1 million (2014: DKK 189 million).

The net result comprises income and expenses related to the closure of the Company.

The parent company has agreed to continue the financial support of the Company during the closure of the Company.

No events materially affecting the Company's financial position at December 31, 2015 have taken place after the balance sheet date.

### Expectations of the future

Topsoe Fuel Cell A/S is expected to be closed during 2016.

Receivables and payables are expected to be settled during 2016, including government grants.

In 2016 Topsoe Fuel Cell A/S only expects minor costs related to the closure of the Company.

## Accounting Policies

### Basis of preparation

The Annual Report of Topsoe Fuel Cell A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report has been denominated in DKK 1,000.

### Recognition and measurement

All revenues are recognized in the income statement as earned based on the following criteria:

- delivery has been made before year-end,
- a binding sales agreement has been made,
- the sales price has been determined, and
- payment has been received at the time of sale or is probable and can with reasonable certainty be expected to be received.

Based on the above, revenues are recognized in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortized cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits

will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

### Translation of foreign currency

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the rates at the transaction date and the rates at the dates of payment are recognized in financial income and expenses in the income statement.

Receivables and payables in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

### Corporation tax and deferred tax

The Company is jointly taxed with its parent company in the mandatory Danish joint taxation. Tax for the year comprises current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity entries is recognized directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax receivables and current tax liabilities are recognized in receivables in the balance sheet

in the event of overpayment of tax on account, and in liabilities in the event of underpayment of tax on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

## Income Statement

### Revenue

Revenue from the sale of finished goods is recognized in the income statement provided that delivery and transfer of risk have been made to the purchaser by year-end. Revenue is recognized exclusive of VAT and net of discounts relating to sales.

### Other operating income

Other operating income comprises government grant related to operating expenses for research and development activities. Government grant is recognized in the income statement as the corresponding operating expenses are charged to the income statement. This method is applied when it is probable that the economic benefits, including payments, will flow to the Company.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year as well as other operating income with regard to government grant.

### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalization nor are included in expenses for raw materials and consumables.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise amortization, depreciation and impairment of intangible and tangible fixed assets.

### Financial income and expenses

Financial income and expenses comprise interest and realized and unrealized exchange adjustments.

## Balance Sheet

### Intangible assets

#### *Development projects*

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognized as intangible assets.

Projects that do not meet the Company's criteria for recognition in the balance sheet are recognized as expenses in the income statement as incurred.



*Patents*

Patents are measured at cost less accumulated amortization and less any accumulated impairment losses or at a lower value in use. Patents are amortized on a straight-line basis over the remaining patent period, but not exceeding 10 years due to the notoriously fast development of the technologies in question and the ensuing uncertainty of a longer amortization period.

*Software*

Software is measured at cost less accumulated depreciation and less any accumulated impairment losses.

Software is amortized on a straight-line basis over four years.

**Tangible fixed assets**

Tangible fixed assets are measured at cost including write-up less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the external cost of acquisition and expenses directly related to the acquisition until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labor, materials and components and expenses paid to sub-suppliers.

Interest expenses on loans related to financing the construction of major property, plant and equipment investments have been capitalized over the period of construction.

Assets which have a useful life of three years or below as well as assets not exceeding DKK 30,000 are fully recognized in cost in the year of purchase.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	5 - 10 years
Other fixtures and equipment	4 - 7 years

Gains and losses on current replacement of tangible fixed assets are recognized in "Other operating income" and "Other operating expenses".

**Impairment of fixed assets**

The carrying amounts of intangible assets and tangible fixed assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

**Receivables**

Receivables are recognized in the balance sheet at the lower of the amortized cost and the net realizable value, which corresponds to the nominal value less provisions for bad debts.

**Provisions**

Provisions are recognized when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

**Prepayment and deferred income**

Prepayments include expenses incurred in respect of subsequent financial years.

Deferred income includes payments received in respect of income in subsequent financial years.

**Cash flow statement**

In accordance with section 86(4) of the Danish Financial Statement Act, a cash flow statement has not been prepared as the Company's cash flow statement forms part of the consolidated cash flow statement.

**Financial ratios**

The financial ratios have been calculated as follows:

Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets}}$
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## Income Statement January 1 – December 31

	Note	2015 DKK 1,000	2014 DKK 1,000
<b>Revenue</b>		<b>0</b>	<b>7,372</b>
Other operating income	1	45	20,327
Expenses for raw materials and consumables		0	-13,321
Other external expenses		-239	-44,814
<b>Gross profit/(loss)</b>		<b>-194</b>	<b>-30,436</b>
Staff expenses	13	-577	-70,333
Depreciation and amortisation of tangible fixed assets and intangible assets	2	-99	-142,517
<b>Profit/(loss) before financial income and expenses (EBIT)</b>		<b>-870</b>	<b>-243,286</b>
Financial income	3	3	133
Financial expenses	4	-4,086	-5,128
<b>Profit/(loss) before tax</b>		<b>-4,953</b>	<b>-248,281</b>
Tax	5	3,524	58,907
<b>Net profit/(loss)</b>		<b>-1,429</b>	<b>-189,374</b>
<b>Proposed distribution of profit:</b>			
Retained earnings		-1,429	-189,374
		<b>-1,429</b>	<b>-189,374</b>

## Balance Sheet at December 31

	Note	2015 DKK 1,000	2014 DKK 1,000
Patents		0	3,877
Software		0	0
<b>Intangible assets</b>	6	<b>0</b>	<b>3,877</b>
Plant and machinery		0	0
Other fixtures and equipment		0	0
<b>Tangible fixed assets</b>	7	<b>0</b>	<b>0</b>
<b>Fixed assets</b>		<b>0</b>	<b>3,877</b>
Trade receivables		0	723
Deferred tax asset	9	11	0
Other receivables		2,276	7,718
Corporation tax		1,219	57,557
Prepayments	11	0	973
<b>Receivables</b>		<b>3,506</b>	<b>66,971</b>
<b>Cash at bank and in hand</b>		<b>357</b>	<b>39,311</b>
<b>Current assets</b>		<b>3,863</b>	<b>106,282</b>
<b>Assets</b>		<b>3,863</b>	<b>110,159</b>

## Balance Sheet at December 31

	Note	2015 DKK 1,000	2014 DKK 1,000
Share capital	8	30,000	30,000
Retained earnings		-264,206	-262,777
<b>Equity</b>		<b>-234,206</b>	<b>-232,777</b>
Provision for deferred tax	9	0	911
<b>Provisions</b>		<b>0</b>	<b>911</b>
Trade payables		0	1,302
Payables to group enterprises		238,000	327,981
Other payables	10	15	12,476
Deferred income	11	54	266
<b>Short-term liabilities</b>		<b>238,069</b>	<b>342,025</b>
<b>Liabilities</b>		<b>238,069</b>	<b>342,936</b>
<b>Liabilities and equity</b>		<b>3,863</b>	<b>110,159</b>
	Note		
Guarantees	12		
Staff	13		
Related parties	14		
Consolidated financial statements	15		

## Statement of Changes in Equity

	Share Capital	Retained earnings	Total
	DKK 1,000	DKK 1,000	DKK 1,000
Equity at January 1, 2015	30,000	-262,777	-232,777
Net profit/(loss) for the year	0	-1,429	-1,429
<b>Equity at December 31, 2015</b>	<b>30,000</b>	<b>-264,206</b>	<b>-234,206</b>

## Notes to the Annual Report

	2015	2014
	DKK 1,000	DKK 1,000
<b>1 Other operating income</b>		
Other income from group enterprises	0	2,389
Government grant recognized in income statement	45	17,938
	<b>45</b>	<b>20,327</b>
	2015	2014
	DKK 1,000	DKK 1,000
<b>2 Depreciation and amortisation of tangible fixed assets and intangible assets</b>		
Patents	0	14,609
Software	99	2,576
Land and buildings	0	81,971
Plant and machinery	0	2,326
Other fixtures and equipment	0	41,035
	<b>99</b>	<b>142,517</b>
	2015	2014
	DKK 1,000	DKK 1,000
<b>3 Financial income</b>		
Exchange adjustments	3	133
	<b>3</b>	<b>133</b>
	2015	2014
	DKK 1,000	DKK 1,000
<b>4 Financial expenses</b>		
Exchange adjustments	10	7
Interest paid to group enterprises	4,068	4,270
Interest expenses	8	580
Other financial expenses	0	271
	<b>4,086</b>	<b>5,128</b>

## Notes to the Annual Report

	2015 DKK 1,000	2014 DKK 1,000
<b>5 Tax</b>		
Current tax for the year	1,219	57,557
Deferred tax for the year	11	1,273
Adjustment to current tax previous year	1,383	-1,834
Adjustments prior years	911	1,911
	<b>3,524</b>	<b>58,907</b>
<b>6 Intangible assets</b>		
	Patents	Software
	DKK 1,000	DKK 1,000
Cost at January 1, 2015	5,580	1,619
Additions for the year	120	0
Disposals for the year	-5,700	-1,619
Cost at December 31, 2015	0	0
Impairment losses and amortization at January 1, 2015	1,703	1,619
Amortisation for the year	99	0
Reversal of impairment and amortization of sold assets	-1,802	-1,619
Impairment losses and amortization at December 31, 2015	0	0
<b>Carrying amount at December 31, 2015</b>	<b>0</b>	<b>0</b>
Amortized over	10 years	4 years



## Notes to the Annual Report

### 7 Tangible fixed assets

	Plant and machinery	Other fixtures and equipment
	DKK 1,000	DKK 1,000
Cost at January 1, 2015	3,722	54,540
Disposals for the year	-3,722	-54,540
Cost at December 31, 2015	<u>0</u>	<u>0</u>
Depreciation and impairment losses at January 1, 2015	3,722	54,540
Reversal of depreciation on sold and scrapped assets	-3,722	-54,540
Depreciation and impairment losses at December 31, 2015	<u>0</u>	<u>0</u>
<b>Carrying amount at December 31, 2015</b>	<u><b>0</b></u>	<u><b>0</b></u>
Depreciated over	<u>5-10 years</u>	<u>4-7 years</u>

## Notes to the Annual Report

### 8 Share capital

The share capital consists of 30,000 shares of a nominal value of DKK 1,000.  
No shares carry any special rights.

The following shareholder is recorded in the company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

- Haldor Topsøe A/S, Lyngby, Denmark

Specification of changes in share capital.

	Share capital at January 1	Capital increase	Share capital at December 31
	DKK 1,000	DKK 1,000	DKK 1,000
2011	30,000	0	<b>30,000</b>
2012	30,000	0	<b>30,000</b>
2013	30,000	0	<b>30,000</b>
2014	30,000	0	<b>30,000</b>
2015	30,000	0	<b>30,000</b>

The financial support of the parent company will continue in 2016.

### 9 Provision for deferred tax

	2015	2014
	DKK 1,000	DKK 1,000
Intangible assets	0	911
Other	-11	0
	<b>-11</b>	<b>911</b>

### 10 Other payables

	2015	2014
	DKK 1,000	DKK 1,000
Staff related	0	12,220
Other	15	256
	<b>15</b>	<b>12,476</b>

## Notes to the Annual Report

	2015 DKK 1,000	2014 DKK 1,000
<b>11 Prepayments/deferred income</b>		
Recognized as receivables:		
Prepayment of expenses	0	973
	<b>0</b>	<b>973</b>
Recognized as short term liabilities:		
Prepayments related to grant agreements	54	266
	<b>54</b>	<b>266</b>

Prepayments related to grant agreements are expected to be reimbursed during 2016.

## 12 Guarantess

The outstanding balance at December 31, 2015 for guarantees given by the parent company on behalf of Topsoe Fuel Cell A/S amounts to DKK 3 million (2014: DKK 8 million). Guarantees are related to government funding.

	2015 DKK 1,000	2014 DKK 1,000
<b>13 Staff</b>		
Wages and salaries	-28	62,082
Pensions	548	6,625
Other social security expenses	57	2,183
	<b>577</b>	<b>70,890</b>
Capitalization of work performed on tangible fixed assets	0	-557
	<b>577</b>	<b>70,333</b>
The above includes remuneration to Management and the Board of Directors of:	0	1,585
	<b>0</b>	<b>1,585</b>
Average number of employees	<b>7</b>	<b>104</b>

## Notes to the Annual Report

### 14 Related parties

#### Significant interests

#### Basis

- Bjerne S. Clausen, Vedbæk, Denmark
- Haldor Topsøe A/S, Lyngby, Denmark

Chairman of the Board  
Shareholder

In accordance with section 98(c) of the Danish Financial Statement Act information about transactions with related parties have been omitted.

### 15 Consolidated financial statements

Topsoe Fuel Cell A/S is a wholly-owned subsidiary of Haldor Topsøe A/S, Lyngby, and is a consolidated part of Haldor Topsøe A/S. The ultimate parent company, which prepares consolidated financial statements, is Haldor Topsøe Holding A/S.