

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

Annual Report for 2016

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

The Annual Report has been presented and adopted at the Annual General Meeting on March 21, 2017



Chair of the meeting,
Louise Jessen Høyer

Contents

Statements

Statement by Management and the Board of Directors on the Annual Report	1
Independent Auditor's Report	2

Directors' Report

Directors' Report	4
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Financial Statements

Accounting Policies	5
Income Statement January 1 – December 31	7
Balance Sheet at December 31	8
Notes to the Annual Report	10

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, 2016.

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, 2016 of the Company and of the results of the Company operations for 2016.

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.

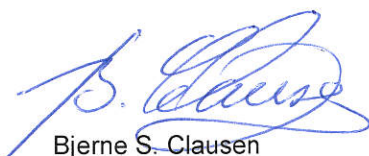
Lyngby, March 21, 2017

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

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Topsoe Fuel Cell A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's

Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities 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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is

a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 21 March 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31



Mikkel Sthyr
State Authorised Public Accountant



Maj-Britt Nørskov Nannestad
State Authorised Public Accountant

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 2016 was a loss of DKK 2 million (2015: DKK 1 million).

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

Payables to Group enterprises have in 2016 been converted to share capital at a rate of 2,380.

No events materially affecting the Company's financial position at December 31, 2016 have taken place after the balance sheet date.

Expectations of the future

Topsoe Fuel Cell A/S is expected to be closed during 2018.

Receivables, government grants, are expected to be settled during 2017/2018.

In 2017 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 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from previous years.

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

Recognition and measurement

Income is recognized in the income statement as earned. All expenses are 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

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.

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

Patents

Patents are measured at cost less accumulated amortization and less any accumulated impairment losses or at a lower value in use. Patents are amor-

tized 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.

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.

Deferred income

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

Income Statement January 1 – December 31

	Note	2016 DKK 1,000	2015 DKK 1,000
Other operating income		45	45
Other external expenses		-20	-239
Gross profit/(loss)		25	-194
Staff expenses	1	-6	-577
Amortisation of intangible assets		0	-99
Profit/(loss) before financial income and expenses (EBIT)		19	-870
Financial income		0	3
Financial expenses	2	-1,919	-4,086
Profit/(loss) before tax		-1,900	-4,953
Tax		-503	3,524
Net profit/(loss)		-2,403	-1,429
Proposed distribution of profit:			
Retained earnings		-2,403	-1,429
		-2,403	-1,429

Balance Sheet at December 31

Assets

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		DKK 1,000	DKK 1,000
Deferred tax asset		0	11
Other receivables		642	2,276
Corporation tax		425	1,219
Receivables		<u>1,067</u>	<u>3,506</u>
Cash at bank and in hand		<u>324</u>	<u>357</u>
Current assets		<u>1,391</u>	<u>3,863</u>
Assets		<u>1,391</u>	<u>3,863</u>

Balance Sheet at December 31

Liabilities and equity

	<u>Note</u>	2016 DKK 1,000	2015 DKK 1,000
Share capital		40,000	30,000
Retained earnings		-38,609	-264,206
Equity		1,391	-234,206
Payables to group enterprises		0	238,000
Other payables		0	15
Deferred income		0	54
Short-term liabilities		0	238,069
Liabilities		0	238,069
Liabilities and equity		1,391	3,863
	<u>Note</u>		
Guarantees	3		
Consolidated financial statements	4		
Contingent liabilities	5		

Notes to the Annual Report

	2016	2015
	DKK 1,000	DKK 1,000
1 Staff		
Wages and salaries	-1	-28
Pensions	0	548
Other social security expenses	7	57
	<u>6</u>	<u>577</u>
Average number of employees	<u>0</u>	<u>7</u>
	2016	2015
	DKK 1,000	DKK 1,000
2 Financial expenses		
Exchange adjustments	5	10
Interest paid to group enterprises	1,909	4,068
Interest expenses	0	8
Other financial expenses	5	0
	<u>1,919</u>	<u>4,086</u>

3 Guarantess

The outstanding balance at December 31, 2016 for guarantees given by the parent company on behalf of Topsoe Fuel Cell A/S amounts to DKK 0 million (2015: DKK 3 million). Guarantees are related to government funding.

4 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.

5 Contingent liabilities

Through participation in joint taxation scheme with Haldor Topsøe Holding A/S, the company is jointly and severally liable for taxes payable, etc. in Denmark.