



## **Dantherm Power A/S**

CVR No. 30 80 49 96

Majsmarken 1

9500 Hobro

## **Annual Report 2015**

Approved at Annual General Meeting  
Copenhagen, 5 April 2016

  
Chairman

Company information	3
Statement by Management	4
Independent Auditors Report	5 - 6
Annual report	7
Accounting policies	8 - 11
Income statement	12
Balance sheet	13 - 14
Notes	15 - 18

---

**The Company**

---

Dantherm Power A/S  
Majsmarken 1  
DK- 9500 Hobro  
Telephone no: 88 43 55 00  
Residence: Mariagerfjord kommune - Denmark  
www.dantherm-power.com  
E-mail: power@dantherm.com  
CVR-no 30 80 49 96  
Financial year: 1 January – 31 December

---

**Board of directors**

---

Tony Guglielmin (chairman)  
Kevin Michael Colbow  
Preben Tolstrup  
Oliver McFall

---

**Management**

---

Managing director Jesper Themsen

---

**Auditors**

---

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13, 8210 Aarhus V  
CVR-no. 25578198

## Statement by Management

---

The Management and the Board of Directors have today discussed and approved the annual report for the financial year 1 January – 31 December 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters addressed therein.

We recommend that the annual report be approved at the annual general meeting.

Hobro, 5 April 2016

**Management**

Jesper Thomsen  
Managing director

**Board of directors**

Tony Guglielmin  
Chairman

Kevin Michael Colbow

Preben Tolstrup

Oliver McFall

**To the shareholders of Dantherm Power A/S**

**Independent auditors' report on the financial statements**

We have audited the financial statements of Dantherm Power A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. 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 and presentation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider 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 appropriate 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.

Our audit has not resulted in any qualification.

***Opinion***

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

***Emphasis of matter regarding matters in the financial statement***

Without modifying our opinion, we draw attention to the uncertainty surrounding the Company's ability as going concern. Reference is made in note 0 to the financial statements disclosing that a commitment has been obtained from the major shareholder Ballard Power Systems Inc. for a support of the needed cash to carry through operations in 2016, but highlight the uncertainty relating to estimates. It is stated that, it is estimated that the major shareholder has sufficient cash to finance this commitment.

Accordingly, the annual report is presented based on the going concern status of the Company.

***Statement on the Management's review***

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 5. April 2016

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR-no. 25578198



Steffen S. Hansen  
State authorized Public Accountant



Mikkel Trabjerg Knudsen  
State authorized Public Accountant

## **Purpose and main activities**

Dantherm Power A/S is engaged in the development, sale and production of fuel cell technology systems.

## **Development in the Company's activities and financial position**

For several years, the Dantherm Power has been devoting considerable resources to development of commercial products based on the fuel cell technology. The development has continued in 2015.

Turnover has been lower than expected. The achieved level of turnover and profit for the year is below management's expectations.

At the end of 2015 the Company has lost its equity.

The Company's income statement for the year ended 31 December 2015 shows a net loss of t.DKK 15.816 and the balance sheet at 31 December 2015 shows equity of t.DKK -48.554.

The development activities have in 2015 matured in line with the expectations.

## **Considerable uncertainty**

The major shareholder, Ballard Power Systems Inc. has committed to support with the needed cash, which according to Management will suffice to carry through operations in 2016. It is Management opinion that major shareholder the requirements of cash needed are available to finance this commitment.

The annual report is therefore presented based on the going Concern status of the Company.

## **Events occurring after the balance sheet date**

After the end of the financial year, no significant events of importance to the company's financial position have occurred.

The annual report for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

**FOREIGN CURRENCY AND HEDGING TRANSACTIONS**

The annual report is presented in Danish kroner.

During the year, foreign currency transactions are translated into Danish kroner using the rate of exchange applicable at the date of transaction or, for hedged transactions, the hedged rate of exchange. Receivables and liabilities other than provisions in foreign currencies are translated into Danish kroner using the exchange rates applicable at the balance sheet date or, for hedged amounts, the hedged rate of exchange. Realized and unrealised translation gains and losses are recognised in the income statement under net financials.

**INCOME STATEMENT****Revenue**

Income from the sale of goods and services is recognised in the income statement when delivery and the passing of the risk have taken place before year-end. Revenue is determined less VAT and discounts.

**Government Grants**

The Company receives grants for certain research and development projects. Government grants are recognized at the time where the final and binding right to it has been obtained and that the conditions associated with the grant will be met. Government grants related to costs incurred are offset against costs as they are incurred.

**Other operating costs**

Other operating costs are comprised by costs related to distribution, sales, advertising, administration, lease expenses, loss on debtors etc.

**Gross profit**

In accordance with section 32 of the Danish Financial Statement Act, revenue, government grants and other operating costs are comprised into the financial statement caption gross profit

**Staff costs**

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc. to the Company's employees excluding refunds from public authorities.



**Depreciation and amortization**

Depreciation of tangible fixed assets aim at complete write-offs over the expected useful lives of the assets. For the Company, useful life is applied as follows:

Development:	3 - 5 years
Software:	3 years
Contractual and other legal rights	3 - 5 years
Leasehold improvements:	5 years
Plant and machinery:	5 - 8 years
Other fixtures and fittings, tools and equipment:	3 - 5 years

**Net financials**

Interest receivable and similar income and interest payable and similar expenses, translation adjustments as well as realised and unrealised capital gains and losses are recognised under financial income and expenses.

**Tax of income for the year**

The current and deferred taxation for the period is recognised in the income statement as taxes for the year with the portion attributable to the net profit or loss for the year, and directly against equity with the portion attributable to amounts recognised directly against equity.

Deferred tax liabilities and deferred tax assets are fully recognised in the balance sheet with 22 per cent of all temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax assets are recognised, following an assessment, at expected realisable value through a set-off against deferred tax liabilities or against tax on future earnings.

**BALANCE SHEET****Intangible assets**

Development projects that are clearly defined and identifiable, where the technical durability, sufficient resources and a potential future market can be identified, and it is the intention to produce, introduce or use the project, are recognised as intangible assets, if the cost price can be identified, and there is sufficient evidence, that the future profit can cover the production-, sales- and administration costs, and the development cost. Other development costs are recognized in the income statement, as the costs occur.

Intangible assets are recognised in the balance sheet at the lower of cost less accumulated amortisation and the recoverable amount.

**Leasehold, plant and equipment**

Leasehold, plant and equipment are recognised in the balance sheet at the lower of cost less accumulated depreciation and the recoverable amount.

Payments in connection with operational lease and other rental agreements are recognized in the income statement according to the period of the contract. The Company total liability related to the operational lease- and rental agreements are reported as contingent liability.

**Other financial assets**

Other financial assets are measured at the market value.

**Inventories**

Inventories are recognised at the lower of cost according to the FIFO principle and net realisable value.

Manufactured goods and work in progress are recognised at cost, comprising the amount of direct and indirect costs.

**Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined on the basis of an assessment of the individual receivables

**Cash at bank and in hand**

Cash at bank and in hand include cash deposits.

### **Equity**

The proposed dividend for the financial year is recognised as a special item under equity.

### **Provisions**

Other provision comprises expected costs for warranties liabilities and is recognised when the company has such liability. The provisions are measured at estimated fair value.

### **Liabilities**

Short time liabilities are likewise measured at amortised cost, which usually means the nominal value.

### **Deferred payables**

Deferred payables recognized as liabilities includes received payments related to future profit, this includes Government grants.

## Income statement

		2015 t.DKK	2014 t.DKK
	<b>Gross profit</b>	<b>2.386</b>	<b>5.270</b>
1	Staff costs	-21.296	-18.834
	<b>Loss before depreciation</b>	<b>-18.910</b>	<b>-13.564</b>
2	Depreciation/amortisation of property, plant and equipment and intangible assets	-2.986	-7.276
	<b>Operating profit/loss</b>	<b>-21.896</b>	<b>-20.840</b>
3	Financial income	151	100
4	Financial expenses	-2.239	-1.254
	<b>Profit/loss before tax</b>	<b>-23.984</b>	<b>-21.994</b>
5	Tax on loss for the year	8.168	3.855
	<b>Loss for the year</b>	<b>-15.816</b>	<b>-18.139</b>
	<b>Distribution of loss</b>		
	Balance as 01.01.15	-32.738	-14.599
	Loss for the year	-15.816	-18.139
	<b>Loss available for distribution at the general meeting</b>	<b>-48.554</b>	<b>-32.738</b>
	<b>Suggested distribution of loss</b>		
	Retained earnings	-48.554	-32.738
	<b>Total</b>	<b>-48.554</b>	<b>-32.738</b>

## Balance sheet

## ASSETS

Note		31.12.15 t.DKK	31.12.14 t.DKK
	Contractual and other legal rights	0	255
	Developments	0	2.599
6	<b>Total intangible assets</b>	<b>0</b>	<b>2.854</b>
	Leasehold improvements	139	213
	Technical plant and machinery	1	19
	Other fixtures and fittings, tools and equipment	0	39
7	<b>Total leasehold, plant and equipment</b>	<b>140</b>	<b>271</b>
	Other financial assets	39	35
	<b>Total financial assets</b>	<b>39</b>	<b>35</b>
	<b>Total non-current assets</b>	<b>179</b>	<b>3.160</b>
	Raw materials and consumables	1.772	1.714
	Work in progress	1.211	113
	Finished goods and goods for resale	193	788
	<b>Inventories</b>	<b>3.176</b>	<b>2.615</b>
	Trade receivables	1.882	1.928
	Amounts owed by group Companies	967	1.492
	Amounts owed by associated Companies	0	102
	Other receivables	11.711	10.592
	Prepayments	418	245
	<b>Total receivables</b>	<b>14.978</b>	<b>14.359</b>
	<b>Cash at bank and in hand</b>	<b>9.173</b>	<b>1.348</b>
	<b>Total current assets</b>	<b>27.327</b>	<b>18.322</b>
	<b>TOTAL ASSETS</b>	<b>27.506</b>	<b>21.482</b>

## Balance sheet

## EQUITY AND LIABILITIES

Note		31.12.15 t.DKK	31.12.14 t.DKK
	Share capital	5.205	5.783
	Retained earnings	-47.976	-32.738
8	<b>Total equity</b>	<b>-42.771</b>	<b>-26.955</b>
	Warranty provisions	205	350
	<b>Total provisions</b>	<b>205</b>	<b>350</b>
	Amounts owed to group Companies	47.477	22.118
	Amounts owed to associated Companies	3.455	3.254
9	<b>Non-current liabilities</b>	<b>50.932</b>	<b>25.372</b>
	Prepayments from customers	464	464
	Trade payables	1.740	2.153
	Amounts owed to group Companies	495	1.910
	Amounts owed to associated Companies	170	514
	Other payables	8.739	6.362
	Deferred income	7.532	11.312
	<b>Current liabilities other than provisions</b>	<b>19.140</b>	<b>22.715</b>
	<b>Total liabilities other than provisions</b>	<b>70.072</b>	<b>48.087</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27.506</b>	<b>21.482</b>
10	Contractual obligations		
11	Contingent liabilities		
12	Group relations		

**0. Disclosure of material uncertainties regarding going concern status**

The major shareholder Ballard Power Systems Inc. has committed to support the needed cash which according to Management, will suffice to carry through operations in 2016.

The annual report is therefore presented based on the going concern status of the Company.

	2015 t.DKK	2014 t.DKK
<b>1. Staff costs</b>		
Wages and salaries	18.610	16.176
Pensions	2.080	1.863
Other social security costs	606	795
<b>Total</b>	<b>21.296</b>	<b>18.834</b>
Average number of employees	40	38

**2. Depreciation/amortisation of property, plant and equipment and intangible assets**

Depreciation and amortisation, intangible assets	2.855	6.941
Depreciation and amortisation, property, plant and equipment	131	335
<b>Total</b>	<b>2.986</b>	<b>7.276</b>

**3. Other financial income**

Exchange gains	151	100
<b>Total</b>	<b>151</b>	<b>100</b>

**4. Financial expenses**

Interest expense to related companies	2.160	1.098
Interest expense to banks	0	1
Exchange losses	63	128
Other financial expenses	16	27
<b>Total</b>	<b>2.239</b>	<b>1.254</b>



	2015 t.DKK	2014 t.DKK
<b>5. Tax on profit/loss for the year</b>		
Adjustment of tax in respect of previous years	2.293	0
Calculated tax of the taxable income	5.875	3.855
<b>Total tax for the year</b>	<b>8.168</b>	<b>3.855</b>

The Company has a deferred tax assets totaling t.DKK 46.771 (2014: t.DKK 47.004), which hasn't been accounted for. Management doesn't consider it likely that the Company will be able to use it within the next 3-5 years.

## 6. Intangible assets

	Contractual and other legal rights	Development projects	Software	Total 31.12.15	Total 31.12.14
Amounts in t.DKK					
Cost at 01.01.15	15.290	27.720	249	43.259	43.259
Cost at 31.12.15	15.290	27.720	249	43.259	43.259
Depreciation at 01.01.15	15.035	25.120	249	40.404	33.463
Depreciation during the year	255	2.600	0	2.855	6.941
Depreciation at 31.12.15	15.290	27.720	249	43.259	40.404
<b>Carrying amount at 31.12.15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.854</b>



## 7. Property, plant and equipment

	Leasehold improvements	Technical plant and machinery	Fixtures etc.	Total 31.12.15	Total 31.12.14
Amounts in t.DKK					
Cost at 01.01.15	2.330	530	529	3.389	3.364
Additions during the year	0	0	0	0	25
Cost at 31.12.15	2.330	530	529	3.389	3.389
Depreciation at 01.01.15	2.117	511	490	3.118	2.783
Depreciation during the year	74	18	39	131	335
Disposals during the year	0	0	0	0	0
Depreciation at 31.12.15	2.191	529	529	3.249	3.118
Carrying amount at 31.12.15	139	1	0	140	271

## 8. Equity

	Share capital	Retained earnings	Total 31.12.15
Amounts in t.DKK			
Balance as at 01.01.15	5.783	-32.738	-26.955
Net result for the year	0	-15.816	-15.816
Capital decrease	-578	578	0
Balance as at 31.12.15	5.205	-47.976	-42.771

Changes in share capital in the financial year and the previous five financial years:

Share capital as at 01.01.07	1.000
Capital increase 20.05.08	500
Capital increase 18.01.10	2.510
Capital increase 01.09.10	1.195
Capital increase 26.03.13	578
Capital increase 27.11.13	0,1
Capital decrease 17.06.15	-578

Share capital as at 31.12.15	5.205
------------------------------	-------

The share capital is specified as follows:

A-shares	1.500
B-shares	3.705
All shares rank equally	

	2015 t.DKK	2014 t.DKK
<b>9. Long-term liabilities</b>		
Part of long term liabilities, that are due:		
2-5 years	50.932	25.372
<b>Total</b>	<b>50.932</b>	<b>25.372</b>
<b>10. Contractual obligations</b>		
Non-financial lease payments:		
Next year	635	332
2-5 years	484	360
Rental liabilities:		
Next year	598	598
<b>Total</b>	<b>1.717</b>	<b>1.290</b>

**11. Contingent liabilities**

Under the Danish Companies Act (Selskabsloven), Dantherm Power A/S is liable for the obligations of Dantherm Air Handling A/S which also existed at the time of the announcement of the demerger plan, though not for more than the remaining net value at this time.

For some of the Company's development projects, funding has been obtained which is subject to ordinary repayment obligations.

A guarantee has been given in cash with a financial value of t.DKK 864.

**12. Group relations**

Dantherm Power A/S is part of the group report for Ballard Power Systems Inc. Burnaby, Canada