



The annual report has been presented
and approved at the annual general
meeting of the Company
on 24/4 2017

Henrik Rossing Lønberg
(chairman)

Amminex Emissions Technology A/S

Gladsaxevej 363
2860 Søborg
Denmark
CVR no. 34 72 69 73

Annual Report 2016

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Company Information

The Company	Amminex Emissions Technology A/S Gladsaxevej 363 2860 Søborg Danmark
	Registration no: 34 72 69 73 Established: 31 October 2012 Registered office: Gladsaxe Financial year: 1 January - 31 December
Supervisory Board	Christophe Joseph Schmitt (chairman) Yves Maria Domoulin Philippe Alain Jean-Pierre Vienney
Executive Board	Annika Irene Isaksson
Auditor	PricewaterhouseCoopers State Authorised Public Accountants Strandvejen 44 DK-2900 Hellerup

Management's Review

Business Objective

Amminex Emissions Technology A/S ("Amminex") is a Danish based company with a new and unique technology and solution for automotive emissions control. The technology, the Ammonia Storage and Delivery System (ASDS™) significantly reduces the amount of NOx released by diesel cars and trucks with SCR catalysts, which is a focus area for the automotive industry today.

The heart of the technology is based on the patented material AdAmmine™, which is able to store Ammonia safely at very high density and release it again in gaseous form. This enables robust emissions performance by optimizing the use of the vehicles SCR catalysts to be more efficient than traditional diesel technology, with strong benefits in city driving and in cold climates.

Activities in the financial year 2016

In 2016 Amminex successfully completed the first large retrofit project with Copenhagen Traffic authority Movia to upgrade 300 city buses with Amminex' ASDS™ solution. Amminex also won another big order with the London bus operator Metroline to replace existing AdBlue® emissions technology with the Amminex ASDS™ solution.

Amminex also launched the new product NOxTracker™ in order to monitor emissions online 24/7 from each bus, and a public app where total emissions from a vehicle fleet can be followed. This tool supports Amminex' mission to deliver state-of-the-art NOx emissions transparently to the market, and the evidence that emissions from diesel vehicles can be kept to a minimum also in city traffic.

In 2016 activities were continued to demonstrate the ASDS™ technology benefits also for passenger cars, in addition to the commercial vehicles systems already launched on the market.

The production plant in Nyborg was completed in 2016 and further initiatives have been taken in 2016 to optimize the production processes and increase the refill of AdAmmine™ cartridges to support the market demands.

A change of control took place in November 2016 and Faurecia Exhaust International SAS became the parent company of Amminex. A capital increase followed the acquisition of shares and was conducted in December 2016 securing sufficient financing for business activities in 2017.

The income statement of the Company for 2016 shows a loss of DKK 43.5 million and at 31 December 2016, the balance sheet of the Company shows equity of DKK 39.0 million.

The result is in all material aspects in accordance with Management's expectations.

Outlook for 2017

The main focus in 2017 is to continue the development of ASDS™ for both first-fit and retrofit with focus on the Asian and European markets, and to scale up the sales on these markets with a specific focus on curing NOx emissions in cities. Amminex will continue to develop its technology specifically to meet the upcoming sharpened real world driving emissions legislations.

Activities in 2017 will further focus on increase in partnerships for refill and infrastructure, implementation of ISO/TS 16949 standards, continuous improvements and cost reductions of products and production processes to increase competitiveness and enable full volume scale-up. In connection with this, Am-

minex is also in the process of developing a mobile refill facility in order to ensure supply of refilled cartridges locally on a growing market.

Due to continued investments in 2017 Management is expecting a loss before income tax in 2017.

Subsequent events

The Company's loan financing with Jyske Bank was repaid by Faurecia Exhaust International SAS beginning of 2017 and converted to a shareholder loan.

No further events affecting the assessment of the Annual Report 2016 materially have occurred after the balance sheet date.

Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Amminex Emissions Systems A/S for the financial year 1 January – 31 December 2016.

The Annual Report is prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and additional disclosure requirements for financial statements in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2016 and of the results of the operations and cash flows for the financial year 1 January - 31 December 2016.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

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

Copenhagen, 24th April 2017

Executive Board

Annika Irene Isaksson

Supervisory Board

Christophe Joseph Schmitt
(Chairman)

Yves Maria Domoulin

Philippe Alain Jean-Pierre Vienney

Independent Auditor's Report

To the Shareholders of Amminex Emissions Technology 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 and cash flows for the financial year 1 January - 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Amminex Emissions Technology A/S for the financial year 1 January - 31 December 2016, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows 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 International Financial Reporting Standards as adopted by the EU and further requirements in 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, 24th April 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Christensen
State Authorised Public Accountant

Allan Wøhlk Høgh
State Authorised Public Accountant

Income Statement for the period 1 January - 31 December

	Note	2016 (DKK '000)	2015 (DKK '000)
Revenue	15	34,658	32,115
Production cost	6, 16	<u>-24,138</u>	<u>-17,744</u>
Gross profit / loss		10,520	14,371
Research and development expenses	6, 16	-26,404	-24,799
Administration expenses	6, 16	<u>-29,115</u>	<u>-19,564</u>
Operating profit / loss		-44,999	-29,992
Financial income	17	28	120
Financial expenses	18	<u>-4,062</u>	<u>-3,524</u>
Profit / loss for the year before tax		-49,033	-33,396
Tax on profit / loss for the year	19	<u>5,500</u>	<u>5,828</u>
Profit / loss for the year		<u>-43,533</u>	<u>-27,568</u>
<i>Profit/loss attributable to:</i>			
Shareholders of Amminex Emissions Technology A/S		<u>-43,533</u>	<u>-27,568</u>
Profit / loss for the year		<u>-43,533</u>	<u>-27,568</u>

Statement of comprehensive income

	Note	2016 (DKK '000)	2015 (DKK '000)
Profit / loss for the year		<u>-43,533</u>	<u>-27,568</u>
Items that will not be reclassified to profit or loss		0	0
Items that may be subsequently reclassified to profit or loss . .		<u>0</u>	<u>0</u>
Other comprehensive income, total		<u>0</u>	<u>0</u>
Total comprehensive income for the year		<u><u>-43,533</u></u>	<u><u>-27,568</u></u>
<i>Attributable to:</i>			
Shareholders of Amminex Emissions Technology A/S		<u>-43,533</u>	<u>-27,568</u>
Total comprehensive income for the year		<u><u>-43,533</u></u>	<u><u>-27,568</u></u>

Balance sheet at 31 December

	Note	2016 (DKK '000)	2015 (DKK '000)
Assets			
Proprietary software		159	269
Patents		<u>17,416</u>	<u>18,493</u>
Intangible fixed assets	4	<u>17,575</u>	<u>18,762</u>
Land and buildings		6,798	7,185
Plant and machinery		1,158	25,306
Assets under construction		<u>27,621</u>	<u>0</u>
Tangible fixed assets	5	<u>35,577</u>	<u>32,491</u>
Total non-current assets		<u>53,152</u>	<u>51,253</u>
Inventories	7	4,394	7,332
Trade receivables	8	3,354	9,813
Other receivables	9	8,857	8,545
Prepayments	10	393	347
Cash	11	<u>46,131</u>	<u>35,129</u>
Total current assets		<u>63,129</u>	<u>61,166</u>
Total assets		<u>116,281</u>	<u>112,419</u>

Balance sheet at 31 December

	Note	2016 (DKK '000)	2015 (DKK '000)
Equity and liabilities			
Share capital		20,326	12,302
Retained earnings		<u>18,682</u>	<u>25,614</u>
Total equity	12	<u>39,008</u>	<u>37,916</u>
 Borrowings	13	<u>0</u>	<u>57,635</u>
Non-current liabilities		<u>0</u>	<u>57,635</u>
 Borrowings	13	<u>60,579</u>	<u>0</u>
Payables to related parties		2,177	2,051
Trade payables		4,210	8,765
Provisions	14	4,373	3,625
Other liabilities		<u>5,934</u>	<u>2,427</u>
Current liabilities		<u>77,273</u>	<u>16,868</u>
 Total liabilities		<u>77,273</u>	<u>74,503</u>
 Total equity and liabilities		<u>116,281</u>	<u>112,419</u>
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Statement of changes in equity

	Share capital (DKK'000)	Share premium (DKK'000)	Retained earnings (DKK'000)	Total equity (DKK'000)
Equity at 1 January 2015.	<u>9,452</u>	<u>0</u>	<u>26,752</u>	<u>36,204</u>
Capital increase	2,850	25,650	-	28,500
Resolution of share premium		-25,650	25,650	-
Profit / loss for the year	-	-	-27,568	-27,568
Other comprehensive Income for the year	-	-	-	-
Share-based payment, warrants	-	-	780	780
	<u>2,850</u>	<u>0</u>	<u>-1,136</u>	<u>-1,712</u>
Equity at 31 December 2015	<u>12,302</u>	<u>0</u>	<u>25,614</u>	<u>37,916</u>
Equity at 1 January 2016.	<u>12,302</u>	<u>0</u>	<u>25,614</u>	<u>37,916</u>
Capital increase	8,024	36,601	-	44,625
Resolution of share premium		-36,601	36,601	-
Profit / loss for the year	-	-	-43,533	-43,533
Other comprehensive income for the year	-	-	-	-
Share-based payment, warrants	-	-	-	-
	<u>8,024</u>	<u>-</u>	<u>-6,932</u>	<u>1,092</u>
Equity at 31 December 2016	<u>20,326</u>	<u>-</u>	<u>18,682</u>	<u>39,008</u>

Statement of cash flow

	Note	2016 (DKK '000)	2015 (DKK '000)
Operating profit / loss		-44,999	-29,992
Financial income payments		28	120
Financial expenses paid		-4,062	-3,524
Tax on profit / loss for the year.		<u>5,500</u>	<u>5,828</u>
Profit / loss for the year		-43,533	-27,568
Adjustments	24	-2,596	-2,174
Changes in working capital	23	<u>13,617</u>	<u>3,827</u>
Cash flow generated from operating activities		<u>-32,512</u>	<u>-25,915</u>
Purchase of intangible fixed assets		-352	-635
Purchase of tangible fixed assets.		<u>-3,704</u>	<u>-2,326</u>
Cash flow generated from investing activities		<u>-4,056</u>	<u>-2,961</u>
Capital increase		44,625	28,500
Borrowings		<u>2,945</u>	<u>2,522</u>
Cash flow generated from financing activities total.		<u>47,570</u>	<u>31,022</u>
Cash flow generated from operating, investing, and financing activities in the year		11,002	2,146
Cash at 1 January		<u>35,129</u>	<u>32,983</u>
Cash at 31 December		<u>46,131</u>	<u>35,129</u>

The Statement of Cash Flow cannot be derived directly from the Balance Sheet and Income Statement.

Notes-

Note 1 - Accounting policies

The financial statements for the financial year 1 January – 31 December 2016 are presented in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU and additional disclosure requirements for financial statements in accordance with the Danish Financial Statements Act regarding “class B”-companies.

The accounting policies are consistent with those applied in the financial statements for 2015.

Translation of foreign currency

The functional currency for Amminex Emissions Technology A/S is DKK. The amounts in the financial statements are denominated in DKK.

Transactions denominated in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising between the rate on the date of transaction and the rate on the payment day are recognized in the income statement as a financial item.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated by applying the exchange rates at the balance sheet date. Differences arising between the rate at the balance sheet date and the rate at the date of the arising of the receivable or payable are recognized in the income statement under financial income and expenses.

Fixed assets purchased in foreign currencies are measured at the rate of the date of transaction.

The income statement

Revenue

Revenue is recognized in the income statement if delivery and transfer of risk have taken place before the end of the year and if the income can be measured reliably and is expected to be paid in fully. Revenue is measured less VAT and taxes related to the sale and comprise sale of products and services including prototypes and expert advice in connection with test of prototypes.

Grants received for research and development are recognized when the grant has been received and the costs related to the project related to the grant have been incurred.

Production cost

Production cost comprises expenses related to creating revenue for the year. Among these are cost of sales and indirect production cost, amortization / depreciation, wages and salaries and share based remuneration.

Distribution expenses

Distribution expenses comprise expenses for sales personnel, advertising and exhibition cost etc. including amortization / depreciation and wages.

Research and development expenses

Research and development expenses comprise expenses for research and development which do not meet the criteria for capitalization, including amortization / depreciation, wages, salaries and share-based remuneration.

Notes

Note 1 - Accounting policies (continued)

Administration expenses

Administration expenses comprise expenses for administrative personnel, management, office premises, office expenses etc. including amortization / depreciation, wages and salaries and share-based remuneration.

Net financials

Financial income and financial expenses are recognized in the income statement with the amounts related to the financial year. Financial income and financial expenses include interest receivable and payable, exchange gains and losses on debt and transactions denominated in foreign currencies and extra charges related to the Danish Scheme for Payment of Tax on Account etc.

Tax on profit / loss for the year

Tax on profit / loss for the year which comprises current tax and changes in deferred tax is recognized in the income statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognized directly in equity. Furthermore, any changes relating to previous years are recognized.

The statement of financial position

Intangible assets with a limited useful life

Intangible assets with a limited useful life are measured at cost with deduction of accumulated amortization or recoverable value, if lower.

Acquired intangible assets consisting of patents are measured at cost with deduction of accumulated amortization and impairment. Patents are amortized over the remaining life of the patent which generally is 20 years from the registration of the patent.

Proprietary software is depreciated over the expected financial useful life from the completion of the product.

Intangible assets with a limited useful life are amortized under the straight-line method over the expected useful lives of the assets. The amortization periods are as follows:

Proprietary software	3 years
Patents, up to	20 years

Intangible assets with a limited useful life are tested for impairment on a yearly basis.

Tangible assets

Land and buildings, plant and machinery and assets under construction are measured at cost less accumulated depreciation. Land is not depreciated.

Cost comprises acquisition price and costs directly related to acquisition as well as expenses for preparation of the asset until the time when the Company starts using the asset less any received grants.

Notes

Note 1 - Accounting policies (continued)

The basis of depreciation is cost less expected residual value after completed useful life. The residual value is determined at the time of acquisition and is assessed annually. If residual value exceeds the asset's carrying amount the depreciation stops.

Assets under construction are transferred to the relevant asset groups when the construction of the asset is completed.

Assets are depreciated under the straight-line method over the expected useful lives of the assets. The depreciation periods are as follows:

Buildings.	20 years
Plant and machinery	7 years

In case of changes in the depreciation period or the residual value the effect of the depreciation is recognized as a change in accounting estimates.

Leases related to tangible assets of which the Company assumes all material risks and rewards of ownership (finance leases) are measured in the statement of financial position as assets. On initial recognition, the assets are valued at computed cost equal to fair value or (if lower) at the (net) present value of future lease payments. In the computation of the (net) present value either the interest rate implicit in the lease is applied as the discount rate or an approximated value. Assets held under finance leases are depreciated as other similar tangible assets, though the asset is depreciated over the lease term. All other leases are considered operational leasing. Services in connection with operational leasing are recognized on a linear basis in the income statement during the leasing period.

The capitalized residual lease obligation is recognized in the statement of financial position as a liability other than provisions and the interest element in the lease payment is recognized in the income statement over the lease term.

Operational leases are not recognized in the statement of financial position. Costs related to operational leases are recognized in the income statement under productions costs, distributions expenses, research and development expenses and administration expenses depending on the nature and use of the leased machinery.

Gains or losses arising from the disposal of tangible assets is determined as the difference between the selling price less selling cost and the carrying amount at the time of sale. Profit or loss is recognized in the income statement as production cost, research and development expenses, distribution expenses and administrative expenses, respectively.

Impairment of long-term assets

The carrying amount of tangible assets is examined annually to determine if there is indication of impairment apart from that which is expressed through normal depreciation. If this is the case impairment is made at the lower recoverable amount.

Notes

Note 1 - Accounting policies (continued)

The recoverable amount is determined as the highest value of the net selling price and the value in use. If it is not possible to determine a recoverable amount for each asset, the assets are assessed collectively in the smallest group of assets in which a reliable recoverable amount can be determined (CGU – Cash Generating Unit).

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the Standard cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related overheads. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Receivables

Receivables are measured at amortized cost which usually equals nominal value. Provisions are made for losses when it is assessed to be an objective indication that a receivable or a portfolio of receivables has been impaired. Any impairment is recognized in the income statement as administrative expenses.

Prepayments

Prepayments recognized under assets comprise incurred expenses related to the following financial year.

Equity

Proposed dividend is recognized as a liability on approval by the annual general meeting.

Dividends expected to be distributed for the year are shown as a separate item under equity.

Share-based payment

The Supervisory Board, the Executive Board and employees are included in an incentive programme. The significant terms of the programme are disclosed in note 16.

Equity based remuneration plans are measured at fair value at the time of the granting and are recognized in the income statement as staff cost during the period in which the rights to the equity instruments are earned. The counter-entry is recognized directly in equity.

In connection with initial recognition of the plan, the number of equity instruments the employees is expected to acquire the right to is estimated. Subsequently, adjustments are only made in the estimated number of employees who will acquire the right to the equity instruments.

Fair value is measured using the Black & Scholes model with the parameters stated in note 16.

Tax payable and deferred tax

Current tax liabilities and current tax receivable are recognized in the statement of financial position as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account / prepaid.

Notes

Note 1 - Accounting policies (continued)

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets including the tax value of tax loss carry-forwards are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured on the basis of the tax rules and tax rates in force at the balance sheet date when the deferred tax is expected to materialise as current tax. Any changes in deferred tax as a consequence of amendments to tax rates are recognized in the income statement.

Liabilities other than provisions

Financial liabilities other than provisions are initially recognized at cost equalling proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities other than provisions are measured at amortized cost corresponding to the capitalized value using the effective interest method; consequently the difference between the proceeds and the nominal value is recognized in the income statement over the maturity period of the loan.

Other payables are measured at amortized cost corresponding to nominal value.

Provisions

Provisions are measured at the present value of the anticipated expenditure for settlement of the legal or constructive obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

Cash flow statement

The cash flow statement shows the Company's cash flow for the year from operating, investment and financing activities for the year, total change of cash for the year and cash at the beginning and end of the year.

Cash flow from operating activities is computed as operating profit adjusted for non-cash operating items, change in working capital and income taxes paid.

Cash flow from investment activities comprises payments in connection with acquisition and divestment of intangible and tangible assets.

Cash flow from financing activities comprises changes in the size or composition of the Company's share capital and costs involved, rising of loans, repayment on interest-bearing debt and payment of dividend to shareholders.

Cash comprises cash and deposits in credit institutions.

Notes

Note 2 – Accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Valuation of the Company's assets and liabilities has been made under Management's assumption that the Company is a going concern. If the Company is not a going concern valuation of assets and liabilities may be significantly different.

Impairment of assets

Management has examined the necessity of potential impairment of the acquired intangible and tangible assets and according to Management, there is no indication on impairment based on the assumptions below.

All assets (including patents) were acquired at the end of 2012. This was a transaction between two independent parties and therefore, they represent a true and fair valuation of the assets in Management's opinion. Over the past four years, the Company has continued to develop the ASDS technology and in 2017 the Company is preparing to further upscale production. Commercial sales grew in 2016 and growth is expected to continue in 2017. It is still the long term objective to establish partnership with global leading automotive Tier1 suppliers of exhaust systems to the OEM's. Currently the ASDS technology is being tested for potential big scale launch in 2017/18. Hence, Management considers the recoverable amount to be well above the recognized value.

Note 3 – Going Concern

There is no material uncertainty concerning the Company's ability to continue its operations as a going concern.

A change of control took place in November 2016 and Faurecia Exhaust International SAS has now become the parent company of Amminex Emissions Technology A/S. A capital increase followed the acquisition of shares and was conducted in December 2016 securing sufficient financing for business activities in 2017.

Furthermore, the parent company Faurecia Exhaust International SAS has issued a letter of financial support effective until at least 31 December 2017.

As a result of the above, Management has prepared the Annual Report for the financial year 2016 on a going concern basis.

Notes

Note 4 – Intangible assets

	Proprietary Software (DKK'000)	Patents (DKK'000)	Total (DKK'000)
Cost at 1 January 2015	75	22,043	22,118
Addition	252	383	635
Disposal	-	-	-
Cost at 31 December 2015	<u>327</u>	<u>22,426</u>	<u>22,753</u>
Depreciation and impairment at 1 January 2015	3	2,529	2,532
Amortization for the year	55	1,404	1,459
Impairment for the year	-	-	-
Impairment related to disposals	-	-	-
Disposal	-	-	-
Amortization and impairment at 31 December 2015	<u>58</u>	<u>3,933</u>	<u>3,991</u>
Carrying amount 31 December 2015	<u>269</u>	<u>18,493</u>	<u>18,762</u>
Cost at 1 January 2016	327	22,426	22,753
Addition	-	352	352
Disposal	-	-	-
Cost at 31 December 2016	<u>327</u>	<u>22,778</u>	<u>23,105</u>
Depreciation and impairment at 1 January 2016	58	3,933	3,991
Amortization for the year	110	1,429	1,539
Impairment for the year	-	-	-
Impairment related to disposals	-	-	-
Disposal	-	-	-
Amortization and impairment at 31 December 2016	<u>168</u>	<u>5,362</u>	<u>5,530</u>
Carrying amount 31 December 2016	<u>159</u>	<u>17,416</u>	<u>17,575</u>

As of 31st December 2016, a possible impairment has been examined for all intangible assets. All assets are considered having a value which as a minimum equals the carrying amount, and as such no impairment has been registered by Management (further information on impairment in Note 2).

The Company has pledged its patent portfolio with a carrying amount as of 31st December 2016 of TDKK 17,416 (2015: TDKK 18,493).

Notes

Note 5 – Tangible assets

	Land and Buildings (DKK '000)	Plant and Machinery (DKK '000)	Assets under Construction (DKK '000)	Total (DKK '000)
Cost at 1 January 2015	8,265	-	23,064	31,329
Addition	31	-	2,295	2,326
Transfer	-	25,359	-25,359	-
Cost at 31 December 2015	8,296	25,359	-	33,655
Depreciation and impairment at 1 January 2015	710	-	-	710
Depreciation for the year	401	53	-	454
Impairment for the year	-	-	-	-
Disposal	-	-	-	-
Depreciation and impairment at 31 December 2015	1,111	53	-	1,164
Carrying amount 31 December 2015	7,185	25,306	-	32,491
Cost at 1 January 2016	8,296	25,359	-	33,655
Correction at 1 January 2016	0	-23,955	23,955	3,704
Addition	38	-	3,666	3,704
Transfer	-	-	-	0
Disposal	-	-	-	0
Cost at 31 December 2016	8,334	1,404	27,621	37,359
Depreciation and impairment at 1 January 2016	1,111	53	-	1,164
Depreciation for the year	425	193	-	618
Impairment for the year	0	0	-	0
Disposal	0	0	-	0
Depreciation and impairment at 31 December 2016	1,536	246	-	1,782
Carrying amount 31 December 2016	6,798	1,158	27,621	35,577

Leased assets (finance leases) are included in the above-mentioned assets with a carrying amount of TDKK 0. (2015: TDKK 0)

Assets under construction were mistakenly transferred to Plant and Machinery in 2015 since the majority of the equipment was not ready for use in production.

Interest expenses relating to and accumulated under tangible assets amount to TDKK 0 (2015: TDKK 0).

As security for the Company's borrowings a mortgage has been issued relating to land and buildings, plant and machinery and assets under construction amounting to TDKK 114,475 (2015: TDKK 114,475). The carrying value of the mortgaged assets constitutes TDKK 35,577 (2015: TDKK 32,491).

Under the going concern assumption, Management has not identified impairment indicators in 2016 regarding tangible assets (further information on impairment in Note 2).

Notes

	2016 (DKK'000)	2015 (DKK'000)
Note 6 – Amortization / depreciation and impairment		
Amortization and impairment, intangible assets	1,539	1,460
Depreciation and impairment, tangible assets	<u>617</u>	<u>454</u>
Amortization / depreciation and impairment, total	<u><u>2,156</u></u>	<u><u>1,914</u></u>
<i>Amortization and depreciation are included under these functions:</i>		
Productions costs	193	53
Research and development expenses	-	-
Administration expenses	<u>1,963</u>	<u>1,861</u>
Amortization / depreciation and impairment, total	<u><u>2,156</u></u>	<u><u>1,914</u></u>
Note 7 – Inventories		
Raw materials	3,192	3,324
Work in progress.	-	-
Finished goods	<u>1,202</u>	<u>4,108</u>
Carrying amount 31 December.	<u><u>4,394</u></u>	<u><u>7,332</u></u>
Note 8 - Trade receivables		
Trade receivables	3,354	9,813
Provisions for the year	-	-
Provisions as of 31 December	<u>-</u>	<u>-</u>
Carrying amount 31 December	<u><u>3,354</u></u>	<u><u>9,813</u></u>
<i>Trade receivables are allocated as follows:</i>		
Not yet due	2,043	6,794
Up to 30 days overdue	863	2,680
Between 30 and 90 days overdue	448	151
More than 90 days overdue	<u>-</u>	<u>188</u>
Carrying amount 31 December.	<u><u>3,354</u></u>	<u><u>9,813</u></u>

Securities for trade receivables have not been received.

Management has examined the Company's trade receivables for indication of impairment. After individual assessment of the receivables, provisions for losses have not been made.

Note 9 – Other receivables

Other receivables consist primarily of Company Tax, VAT receivable and deposits regarding leased premises. After individual assessments of the receivables or portfolios of receivables, provisions for losses have not been made.

Notes

Note 10 – Prepayments

Prepayments recognized under assets comprise paid incurred expenses related to the following financial year.

	2016 (DKK '000)	2015 (DKK '000)
Note 11 – Cash		
Bank deposits	46,131	35,129
Fixed term deposit, 1 month or more	-	-
Fixed term deposit, shorter than 1 month	<u>-</u>	<u>-</u>
Carrying amount 31 December	<u>46,131</u>	<u>35,129</u>

Note 12 - Equity

	(DKK)
<i>Share capital movements during the last four years:</i>	
Capital as of 1 st January	3,647,000
Capital increase 2 nd September 2013	3,569,792
Capital increase 29 th October 2014	2,234,940
Capital increase 1 st December 2015	2,849,970
Capital increase 28 th November 2016	<u>8,024,500</u>
	<u>20,326,202</u>

The Company's share capital has been issued in shares of DKK 1 or multiplication hereof. Only one class of shares exist.

	2016 (DKK '000)	2015 (DKK '000)
Note 13 – Borrowings		
<i>The liabilities are due in this order:</i>		
Within a year	60,579	-
Between one and five years	-	57,635
More than five years	<u>-</u>	<u>-</u>
Carrying amount 31 December	<u>60,579-</u>	<u>57,635</u>

The borrowings carry a fixed interest of 1.65% (2015: 1.65%). In addition, the loan carries a fixed rolled up interest of 4.5% until 31 December 2015 and 5.0% from 1 January 2016. The interest rate is fixed until 31 December 2017.

Notes

Note 13 – Borrowings (continued)

As security for the borrowings a mortgage has been issued relating to land and buildings, plant and machinery and assets under construction amounting to TDKK 114,475 (2015: TDKK 114,475) with a carrying amount of TDKK 35,578 (2015: TDKK 32,491).

Furthermore, a floating charge (virksomhedspant) has been registered as security for the borrowings.

The Company's bank loan is subject to certain loan covenants.

	2016 (DKK'000)	2015 (DKK'000)
Note 14 – Provisions		
Carrying amount at 1 January 2016	3,625	2,664
Additional provisions / fair value adjustments	<u>748</u>	<u>961</u>
Carrying amount at 31 December	<u><u>4,373</u></u>	<u><u>3,625</u></u>

Provisions consist of holiday pay as at 31 December relating to employees with paid holiday.

Note 15 – Revenue

Sale of goods	28,067	25,995
Grants received	<u>6,591</u>	<u>6,120</u>
Total revenue	<u><u>34,658</u></u>	<u><u>32,115</u></u>

During the year, the Company received grants from the European Commission and Innovation Fund Denmark to cover costs incurred during the year.

There are no liabilities or unfulfilled conditions related to the recognized grants.

Note 16 – Staff cost

The total staff cost consist of:

Wages and salaries	35,393	24,544
Expenses related to social security	294	158
Other staff cost	1,126	1,011
Share based remuneration, warrants	<u>-</u>	<u>780</u>
	<u><u>36,813</u></u>	<u><u>26,493</u></u>

Average number of employees	<u><u>49</u></u>	<u><u>37</u></u>
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Staff cost is included in the income statement in the following functions:

Production cost	3,203	566
Research and development expenses	16,055	14,491
Administration expenses	<u>17,555</u>	<u>11,436</u>
	<u><u>36,813</u></u>	<u><u>26,493</u></u>

Notes

	2016 (DKK '000)	2015 (DKK '000)
Note 16 – Staff cost (continued)		
<i>Remuneration for the Supervisory Board and the Executive Board constitute:</i>		
<i>Supervisory Board</i>		
Fee	597	596
Share based remuneration, warrants	<u>-</u>	<u>88</u>
	<u>597</u>	<u>684</u>
<i>Executive Board</i>		
Salaries and other short-term benefits	1,899	1,521
Share based remuneration, warrants	<u>-</u>	<u>263</u>
	<u>1,899</u>	<u>1,784</u>

Share based remuneration

The Supervisory Board in Amminex Emissions Technology A/S has adopted a policy for remuneration and incentive programmes, which has been approved by the general assembly. The overall purpose of the policy is to encourage focus on profitable growth and the Company's long-term goals. The Supervisory Board wants the Company to offer warrants to board members, executives and employees. Furthermore, it is the opinion of the Supervisory Board that it would be natural for a Company such as Amminex Emissions Technology A/S to offer warrants as a part of the remuneration for the Supervisory Board. The granting of shares to the Supervisory Board takes place after approval at the Company's general assembly.

During the financial years 2012/13 and during 2015, the Company implemented incentive programmes for the Supervisory Board, the Executive Board and to employees. The incentive programmes includes warrants.

Warrants granted

During 2013, authorization was given to grant 557,397 warrants to the Supervisory Board, the Executive Board and other employees. Out of these 557,397 warrants have been distributed. The rate was determined at DKK 10.00 with the right to sign 577,397 shares until 31st December 2017.

0 warrants of the distributed 577,397 warrants have been exercised during 2016 (2015: 0 warrants).

During 2016 no warrants were granted to the Supervisory Board, the Executive Board and other employees.

0 warrants of the distributed 97,112 warrants have been exercised during 2016 (2015: 0 warrants).

During 2016 the warrant program was terminated and no warrants were exercised.

Notes

Note 16 – Staff cost (continued)

Accounting treatment

The warrant program is recognized in the financial statements in accordance with the regulations in IFRS 2. The total recognized present value of the warrant program constitutes TDKK 0 (2015: TDKK 1,912).

The calculated present values of the warrant program are based on the Black & Scholes model for measurement of options. The assumption for the determination of the present value of outstanding share program at the time of granting is as follows:

Share price	The warrant rate is used at the time of granting
Exercise price	DKK 10.00, cf. the table below.
Expected volatility	Approximately 50 %
Expected life	2-3.3 years
Expected dividend per share	0 %
Risk-free interest	- 0.35 – 1,18 %

Outstanding warrants in Amminex Emissions Technology A/S:

	Supervisory Board (number)	Executive Board (number)	Other employees (number)	Total (number)	Average exercise price (DKK / warrant)	Market value (DKK / warrant)	Total market value (DKK)
Granted 1 st May 2013	-	-	70,208	70,208	10.00	2.53	177,583
Granted 28 st November 2013	79,385	238,154	169,650	487,189	10.00	3.02	1,471,162
Granted 27 th March 2015.	8,195	24,584	64,333	97,112	10.00	2.71	263,623
Exercised	-	-	-	-	-	-	-
Expired/terminated	- 87,580	-262,738	-304,191	-654,509	N/A	N/A	-1,912,368
Reclassified	-	-	-	-	-	-	-
Outstanding at the end of 2016	-	-	-	-	-	-	-
Number of warrants, that can be exercised at the end of 2016	-	-	-	-	-	-	-

	2016 (DKK'000)	2015 (DKK'000)
Note 17 – Financial income		
Gain on exchange rate	20	118
Gain on receivables	8	2
	<u>28</u>	<u>120</u>

Notes

	2016 (DKK '000)	2015 (DKK '000)
Note 18 – Financial expenses		
Interest, bank	3,799	3,366
Exchange rate adjustment	-	8
Interest, other	<u>263</u>	<u>150</u>
	<u>4,062</u>	<u>3,524</u>

Note 19 – Tax on profit / loss for the year

Tax on profit / loss	0	0
Adjustment on deferred tax	-5,500	-5,828
Adjustment on tax, previous years.	0	0
Tax on equity movements	<u>0</u>	<u>0</u>
Tax on profit / loss for the year, total	<u>-5,500</u>	<u>-5,828</u>

The corporate tax rate constitutes 22% (2015: 23.5 %)

The Company's effective tax rate is -11,2% as a consequence of the deferred tax asset not being capitalized fully, as it is uncertain whether the tax asset will be utilized within a period of 3-5 years. The deferred tax asset is recognized in the statement of financial position with the portion that is expected to be used within a period of 3-5 years. The deferred tax asset is recognized in the statement of financial position as of 31st December 2016 with TDKK 5,500 (2015: TDKK 5,828). Deferred tax asset primarily relates to taxable losses. The tax losses can be carried forward indefinitely.

The Company has not recognized a contingent asset consisting of a deferred tax asset with a potential value of TDKK 15,009 (2015: TDKK 9,731). The deferred tax asset has not been recognized, as it is uncertain whether the tax asset can be used within a period of 3-5 years.

Note 20 - Assets charged or otherwise provided as security

As of 31st December 2016, the Company has made a bank guarantee towards a third party of TDKK 621 (2015: TDKK 621).

The Company has pledged its patent portfolio with a carrying amount as at 31 December 2016 of TDKK 17,416 (2015: TDKK 18,493).

As security for the Company's borrowings a mortgage amounting to TDKK 114,475 (2015: TDKK 114,475) has been issued relating to land and buildings, plant and machinery and assets under construction with a carrying amount of TDKK 35,578 (2014: TDKK 32,491).

Furthermore, a floating charge (virksomhedspant) has been registered as security for the borrowings.

Notes

Note 21 - Contingent assets and liabilities

Contingent liabilities

Operational leases

As a part of the operation, the Company has entered into a number of operational leases which are due as stated below:

	2016 (DKK'000)	2015 (DKK'000)
Due within a year	1,418	1,568
Due within one – five years	660	2,078
Due after five years	<u>0</u>	<u>0</u>
Total operational leases	<u>2,078</u>	<u>3,646</u>

The Company's lease obligations regarding housing are related to office buildings with an administrative purpose in Gladsaxe.

The Company's other lease obligations comprise operational leases related to cars and office furniture etc.

Note 22 - Related parties

Amminex Emissions Technology A/S' related parties with considerable influence comprise members of the Supervisory Board and the Executive Board as well as persons related to these. Furthermore, related parties also comprise companies in which the above-mentioned group of people has significant interests.

During the financial year 2016 Amminex Emissions Technology A/S has not entered into agreements or in other ways completed transactions in which the Company's Supervisory Board or Executive Board have financial interest apart from transactions related to the terms of employment and the share-based remuneration program.

Controlling influence

Faurecia Exhaust International SAS, Nanterre, France

Ownership

At the date of this annual report the following shareholders are registered in the Company's register of shareholders as being owners of minimum 5% of the voting rights or minimum 5% of the share capital:

Faurecia Exhaust International SAS, Nanterre, France
 Nordea-fonden, Copenhagen, Denmark

Notes

Note 22 - Related parties (continued)

	2016 (DKK '000)	2015 (DKK '000)
<i>Significant transactions with related parties</i>		
Sale of products and services to Faurecia Exhaust International SAS	<u>1.911</u>	<u>8,644</u>
Receivables from Faurecia Exhaust International SAS 31 December	<u>206</u>	<u>2,912</u>

The above-mentioned transactions have been entered into on market terms.

A capital increase of DKK 44.6 million was made in 2016 (2015: DKK 28.5 million) by the existing owners according to Note 12 and Statement of changes in equity.

In 2016 no additional loans were provided to the Company from related parties (2015: DKK 2 million).

No other transactions with related parties have been made in the financial year, which are either significant or not entered into on market terms.

"Amminex is ultimately owned by The Faurecia Group from the end of 2016. The consolidated annual report for 2016 for Faurecia is available at:

http://www.faurecia.com/files/corporate/news/file/annual_results_2016_bat_en.pdf "

	2016 (DKK '000)	2015 (DKK '000)
Note 23 – Changes in working capital		
Decrease (+) / Increase (-) in inventories	2,938	-5,939
Decrease (+) / Increase (-) in receivables	11,647	-1.157
Decrease (-) / Increase (+) in payables	-922	10,883
Decrease (-) / Increase (+) in prepayments	<u>46</u>	<u>40</u>
Changes in working capital.	<u>13,617</u>	<u>3,827</u>

Note 24 – Adjustments

Amortization / depreciation and impairment	2,156	1,913
Tax on profit / loss for the year	-5,500	-5,828
Share based payments, warrants	-	780
Provisions	<u>748</u>	<u>961</u>
Adjustments	<u>-2,596</u>	<u>-2,174</u>

Notes

Note 25 – Financial and operational risk

Financial risk

As a consequence of the Company's operation, investments and financing, the Company is exposed to changes in exchange rates and interest rate levels. The Company's financial risks are controlled by the daily management.

The extent and nature of the company's financial instruments appear from the income statement and the balance sheet position in accordance with the applied accounting policies. Below is information regarding circumstances which may affect amounts, payment dates or the reliability of future payments, when these do not appear directly in the financial statements or is a result of common practice.

Present note addresses the Company's financial risks, which are related directly to the Company's financial instruments.

At present, the Company does not use embedded derivatives.

Currency risk

There is no significant currency risk at the balance sheet date as the majority of the Company's receivables and payables are booked in either DKK or EUR.

Interest risk

The Company has loan financing with a fixed interest rate and therefore the Company is not exposed to interest risks compared to the return on the Company's cash and cash equivalents.

The Company's current loan financing terminates at 31 December 2017, but has been repaid in full in January 2017.

Credit risk

The company's credit risk is related to the financial assets mentioned below, which is presented in the statement of financial position:

	2016 (DKK'000)	2015 (DKK'000)
Trade receivables	3,354	9,813
Other receivables	8,857	8,545
Cash and cash equivalents	<u>46,131</u>	<u>35,129</u>
Total	<u><u>58,342</u></u>	<u><u>53,487</u></u>

The above-mentioned financial assets have been assessed for impairment. Provisions for loss or impairment have not been made in this connection as impairment indicators have not been identified by Management. All receivables are due within one year.

It is the Management's opinion that the Company as of 31 December 2016 is not exposed to any significant credit risks as the majority of the Company's trade receivables are related to receivables from

Notes

Note 25 – Financial and operational risk (continued)

Counter parties who are either public companies or shareholders in Amminex Emissions Technology A/S with an assessed high credit rating.

Liquidity risk

The Company is monitoring liquidity risk and liquidity needs by monitoring planned payments and by means of monthly cash flow budgets and monitoring of both ingoing and outgoing day-to-day payments. Long-term liquidity needs on a yearly basis are identified on a monthly basis.

Net capital requirement is assessed regularly in correlation with the Company's credit limit to identify any additional capital requirement.

The Company's management is monitoring the liquidity needs on a regular basis and is of the opinion that the Company has sufficient financing to ensure a positive development of the Company and sustain an adequate level of quality in commercial activities and in research and development activities. However reference is made to note 3 regarding future financing issues.

The Company has continued and increased commercial sales during 2016. From a management viewpoint there is sufficient liquidity to carry out the planned activities during 2017 without any capital increase. However as long as profitable large scale commercial production with positive cash flow has not commenced the Company will be dependent on further funding from the shareholders during 2017.

The Company's capital structure is aimed towards:

- Ensuring the Company's ability to continue as going concern
- Ensuring a sufficient return to the shareholders on a longer term

Amminex Emissions Technology A/S' capital structure is characterized by a significant equity ratio. The equity ratio constitutes 33.6 % at 31 December 2016 (31 December 2015: 33.7 %), calculated as equity compared to total assets. A significant portion of the Company's assets except for cash and cash equivalents constitute intangible and tangible assets, whose valuation is conditional on the Company's future activities proceeding as planned and with the expected positive commercial results.

Operational risk

Since commercial sales activities will be at a moderate level during 2017 the operational risk is still regarded as low at present.

Note 26 - Events after the balance sheet date

The Company's loan financing with Jyske Bank was repaid by Faurecia Exhaust International SAS on 10th of January 2017 and converted to a shareholder loan. No other significant events have occurred after the balance sheet date.

Notes

Note 27 – New accounting regulations

The International Accounting Standards Board (IASB) has issued a number of changes in the international accounting standards, just as the International Financial Reporting Interpretations Committee (IFRIC) has issued a number of interpretations, which have not yet come into effect and therefore are not applicable for the preparation of the financial statements for 2016. None of these are expected to have significant influence on the Company's future presentation of the financial statements.

No new standards or interpretations were implemented during 2016.

IASB has issued the following amendments or interpretations that are relevant to Amminex Emissions Technology, but not yet endorsed by the EU:

- **IFRS 9: Financial Instruments.** The standard replaces IAS 39, Financial instrument, recognition and measurement.
- **IFRS 15: Revenue from Contracts with Customers.** This will replace IAS 18, which covers contracts for goods and services and IAS 11, which covers construction contracts.
- **IFRS 16: "Leases".** The standard amends the rules for the lessee's accounting treatment of operating leases. In future, operating leases must therefore be recognized in the balance sheet as lease assets and similar lease liabilities.

These standards and interpretations will be applied when they become effective. Amminex Emissions Technology A/S does not expect any significant effect from these standards.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on Amminex Emissions Technology A/S.