

The annual report has been presented
and approved at the annual general
meeting of the Company
on 27/3/2019


Henrik Rosing Lønberg
(chairman)

Amminex Emissions Technology A/S
Gladsaxevej 363
2860 Søborg
Denmark
CVR no. 34 72 69 73

Annual Report 2018

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Company Information

The Company	<p>Aminex Emissions Technology A/S Gladsaxevej 363 2860 Søborg Denmark</p> <p>Registration no: 34 72 69 73 Established: 31 October 2012 Registered office: Gladsaxe Financial year: 1 January - 31 December</p>
Supervisory Board	<p>Nicolas Franc de Ferrière (chairman) Fabien Philippe Milanesi Philippe Alain Jean-Pierre Vienney</p>
Executive Board	<p>Fabien Philippe Milanesi</p>
Auditor	<p>PricewaterhouseCoopers State Authorised Public Accountants Strandvejen 44 DK-2900 Hellerup</p>

Management's Review

Business Objective

Amminex Emissions Technology A/S (Amminex) is a subsidiary of the global automotive supplier Faurecia. Based in Denmark, Amminex has developed a unique technological solution for automotive emissions control. The company's Ammonia Storage and Delivery System (ASDS™) technology significantly reduces the toxic NOx emissions from diesel engines fitted with an SCR catalyst. The technology is based on the patented material AdAmmine™, which can safely store large amounts of ammonia and subsequently release it in gaseous form.

As a part of commercialization of the technology, Amminex has built a factory in Nyborg with state-of-the-art manufacturing equipment. The production plant was completed in 2015 and further initiatives have been taken in recent years to optimize and expand the production processes. The strategy is to deploy the technology both on the OEM and retrofit markets, with refill and distribution of cartridges to be covered by partnerships globally.

Activities in the financial year 2018

During 2018, Amminex has installed close to 300 retrofit systems on Metroline buses in London as part of the NOx abatement program framework issued by Transport for London. In April, Amminex received the European Commission Horizon Prize (DKK 7 million in prize money received) for best DeNOx retrofit prototype developed for passenger cars. In October, City of Westminster (London) announced that 92 Refuse Collection Vehicles would be equipped with ASDS, breaking the barrier into the promising RCV retrofit market. Throughout the year, substantial resources have been allocated to developing a first-fit solution for the light commercial vehicle/pick-up truck segment, and ASDS was also featured at several trade shows and conferences, in Europe and Asia.

The income statement of the Company for 2018 shows a loss of DKK 63 million and at 31 December 2018, the balance sheet of the Company shows a negative equity of DKK 102 million.

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

Outlook for 2019

The main focus for 2019 is continued development of ASDS for the light commercial vehicle/pick-up truck segment of the first-fit market, while scaling up the retrofit sales in Europe with a specific focus on Germany and RCV segment. Amminex will continue to develop its core components specifically to meet the upcoming sharpened real-world driving emissions legislations globally targeting ultra-low NOx emissions.

Due to continued investments, the management is expecting a loss before income tax in 2019.

Subsequent events

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

Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Aminex Emissions Systems A/S for the financial year 1 January – 31 December 2018.

The Annual Report is prepared in accordance with International Financial Reporting Standards (IFRS). Moreover, the Annual Report is prepared in accordance with additional Danish disclosure requirements for listed companies.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2018 and of the results of the operations and cash flows for the financial year 1 January - 31 December 2018.

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, 22 March 2019

Executive Board

Fabien Philippe Milanesi

Supervisory Board

Nicolas Franc de Ferrière
(Chairman)

Fabien Philippe Milanesi

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 2018, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018 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 2018, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flow 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, 22 March 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31



Claus Christensen
State Authorised Public Accountant
mne33687



Allan Wøhlk Høgh
State Authorised Public Accountant
mne34528

Income Statement for the period 1 January - 31 December

	Note	2018 (DKK'000)	2017 (DKK'000)
Revenue	15	42,970	22,188
Production costs	6, 16	<u>-41,563</u>	<u>-27,577</u>
Gross profit / loss		1,407	-5,389
Research and development expenses	6, 16	-30,678	-27,609
Administration expenses	6, 16	-41,892	-47,237
Other Income		<u>7,046</u>	<u>-</u>
Operating profit / loss		-64,117	-80,235
Financial income	17	27	11
Financial expenses	18	<u>-4,528</u>	<u>-2,668</u>
Profit / loss for the year before tax		-68,618	-82,892
Tax on profit / loss for the year	19	<u>5,500</u>	<u>5,500</u>
Profit / loss for the year		<u>-63,118</u>	<u>-77,392</u>
<i>Profit/loss attributable to:</i>			
Shareholders of Amminex Emissions Technology A/S		<u>-63,118</u>	<u>-77,392</u>
Profit / loss for the year		<u>-63,118</u>	<u>-77,392</u>

Statement of comprehensive income

	Note	2018 (DKK'000)	2017 (DKK'000)
Profit / loss for the year		<u>-63,118</u>	<u>-77,392</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>-63,118</u>	<u>-77,392</u>
<i>Attributable to:</i>			
Shareholders of Amminex Emissions Technology A/S		<u>-63,118</u>	<u>-77,392</u>
Total comprehensive income for the year		<u>-63,118</u>	<u>-77,392</u>

Balance sheet at 31 December

	Note	2018 (DKK'000)	2017 (DKK'000)
Assets			
Software		2,285	2,012
Proprietary patents		<u>0</u>	<u>0</u>
Intangible fixed assets	4	<u>2,285</u>	<u>2,012</u>
Land and buildings		6,687	6,392
Plant and machinery		27,966	28,798
Assets under construction		<u>0</u>	<u>0</u>
Tangible fixed assets	5	<u>34,653</u>	<u>35,190</u>
Total non-current assets		<u>36,938</u>	<u>37,202</u>
Inventories	7	8,866	7,417
Trade receivables	8	5,215	7,140
Other receivables	9	13,177	10,316
Prepayments	10	595	438
Cash	11	<u>21,431</u>	<u>14,936</u>
Total current assets		<u>49,284</u>	<u>40,247</u>
Total assets		<u><u>86,222</u></u>	<u><u>77,449</u></u>

Balance sheet at 31 December

	Note	2018 (DKK '000)	2017 (DKK '000)
Equity and liabilities			
Share capital		20,326	20,326
Retained earnings		<u>-121,828</u>	<u>-58,710</u>
Total equity	12	<u>-101,502</u>	<u>-38,384</u>
Borrowings	13	1,398	1,317
Payables to related parties	13	<u>167,197</u>	<u>97,377</u>
Non-current liabilities		<u>168,595</u>	<u>98,694</u>
Trade payables		5,261	7,082
Provisions	14	5,948	4,316
Other liabilities		<u>7,920</u>	<u>5,741</u>
Current liabilities		<u>19,129</u>	<u>17,139</u>
Total liabilities		<u>187,724</u>	<u>115,833</u>
Total equity and liabilities		<u><u>86,222</u></u>	<u><u>77,449</u></u>

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Statement of changes in equity

	Share capital (DKK'000)	Retained earnings (DKK'000)	Total equity (DKK'000)
Equity at 1 January 2017.	<u>20,326</u>	<u>18,682</u>	<u>39,008</u>
Profit / loss for the year	-	-77,392	-77,392
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-77,392</u>	<u>77,392</u>
Equity at 31 December 2017	<u>20,326</u>	<u>-58,710</u>	<u>-38,384</u>
Equity at 1 January 2018.	<u>20,326</u>	<u>-58,710</u>	<u>-38,384</u>
Profit / loss for the year	-	-63,118	-63,118
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-63,118</u>	<u>-63,118</u>
Equity at 31 December 2018	<u>20,326</u>	<u>-121,828</u>	<u>-101,502</u>

Statement of cash flow

	Note	2018 (DKK '000)	2017 (DKK '000)
Operating profit / loss		-64,117	-80,235
Financial income payments		27	11
Financial expenses paid		-4,528	-2,668
Tax on profit / loss for the year		<u>5,500</u>	<u>5,500</u>
Profit / loss for the year		-63,118	-77,392
Adjustments	24	6,926	21,611
Changes in working capital	23	<u>2,098</u>	<u>-3,170</u>
Cash flow generated from operating activities		<u>-54,094</u>	<u>-58,951</u>
Purchase of intangible fixed assets		-982	-2,461
Purchase of tangible fixed assets		<u>-4,048</u>	<u>-3,257</u>
Cash flow generated from investing activities		<u>-5,030</u>	<u>-5,718</u>
Borrowings		<u>65,619</u>	<u>33,474</u>
Cash flow generated from financing activities total		<u>65,619</u>	<u>33,474</u>
Cash flow generated from operating, investing, and financing activities in the year		6,495	-31,195
Cash at 1 January		<u>14,936</u>	<u>46,131</u>
Cash at 31 December		<u>21,431</u>	<u>14,936</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 2018 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.

IFRS 9 and IFRS 15 have been adopted as of 1 January 2018, which did not have any significant effect on the financial statements. Apart from that, the accounting policies are consistent with those applied in the financial statements for 2018.

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.

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.

Other Income

Other Income comprises income that is not directly related to revenues derived from ordinary activities such as product sales and grants. Other income contains e.g. awarded prize money.

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 proprietary 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.

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:

Software	3 years
Proprietary 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.

Notes

Note 1 - Accounting policies (continued)

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.

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	7-10 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 production costs, distribution 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.

Notes

Note 1 - Accounting policies (continued)

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.

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. 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 according to the expected credit loss model. 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.

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.

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.

Notes

Note 1 - Accounting policies (continued)

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.

It is Management's opinion that material adjustments apply in respect of the acquired patents. As a result, the total value of the patents has been written down to DKK 0.

Other tangible assets were acquired between 2012 and 2018 and in Management's opinion they represent a true and fair valuation of the assets. The Company has continued to develop the ASDS technology and in 2019 the Company is preparing to further upscale production. 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 2020. Hence, Management considers the recoverable amount of tangible assets 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 where Faurecia Exhaust International SAS became the parent company of Amminex Emissions Technology A/S. Faurecia Exhaust International SAS has issued a letter of financial support effective until at least 31 December 2019.

As a result of the above, Management has prepared the Annual Report for the financial year 2018 on a going concern basis.

Notes

Note 4 – Intangible assets

	Software (DKK'000)	Proprietary Patents (DKK'000)	Total (DKK'000)
Cost at 1 January 2017	327	22,778	23,105
Addition	1,992	469	2,461
Disposal	-	-	-
Cost at 31 December 2017	<u>2,319</u>	<u>23,247</u>	<u>25,566</u>
Depreciation and impairment at 1 January 2017	168	5,362	5,530
Amortization for the year	139	1,457	1,596
Impairment for the year	-	16,428	16,428
Impairment related to disposals	-	-	-
Disposal	-	-	-
Amortization and impairment at 31 December 2017	<u>307</u>	<u>23,247</u>	<u>23,554</u>
Carrying amount 31 December 2017	<u>2,012</u>	<u>0</u>	<u>2,012</u>
Cost at 1 January 2018	2,319	23,247	25,566
Addition	692	290	1,002
Disposal	-	-	-
Cost at 31 December 2018	<u>3,011</u>	<u>23,537</u>	<u>26,548</u>
Depreciation and impairment at 1 January 2018	307	23,247	23,554
Amortization for the year	419	-	419
Impairment for the year	-	290	290
Impairment related to disposals	-	-	-
Disposal	-	-	-
Amortization and impairment at 31 December 2018	<u>726</u>	<u>23,537</u>	<u>24,263</u>
Carrying amount 31 December 2018	<u>2,285</u>	<u>0</u>	<u>2,285</u>

As of 31 December 2018, all intangible assets have been examined for impairment, and Management has decided to write down the value of the recognized patents to DKK 0 because there is a risk that material adjustments apply in respect of the carrying amount of the acquired patents based on the performed impairment test. All other intangible assets are considered having a value, which as a minimum equals the carrying amount, and as such no further impairment has been registered by Management (further information on impairment in Note 2).

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 2017	8,334	1,404	27,621	37,359
Correction at 1 January 2017	-	-	-	-
Addition	11	3,245	-	3,256
Transfer	-	27,621	-27,621	0
Cost at 31 December 2017	8,345	32,270	-	40,615
Depreciation and impairment at 1 January 2017	1,536	246	-	1,782
Correction at 1 January 2017	76	-76	-	-
Depreciation for the year	341	3,302	-	3,643
Disposal	0	0	-	0
Depreciation and impairment at 31 December 2017	1,953	3,472	-	5,425
Carrying amount 31 December 2017	6,392	28,798	-	35,190
Cost at 1 January 2018	8,345	32,270	-	40,615
Correction at 1 January 2018	-	-	-	-
Addition	688	3,360	-	4,048
Transfer	-	-	-	0
Cost at 31 December 2018	9,033	35,630	-	44,663
Depreciation and impairment at 1 January 2018	1,953	3,472	-	5,425
Correction at 1 January 2018	-	-	-	-
Depreciation for the year	393	4,192	-	4,585
Impairment for the year	0	0	-	0
Disposal	0	0	-	0
Depreciation and impairment at 31 December 2018	2,346	7,664	-	10,010
Carrying amount 31 December 2018	6,687	27,966	-	34,653

Under the going concern assumption, Management has not identified impairment indicators in 2018 regarding tangible assets (further information on impairment in Note 2).

Notes

	2018 (DKK'000)	2017 (DKK'000)
Note 6 – Amortization / depreciation and impairment		
Amortization and impairment, intangible assets	709	18,024
Depreciation and impairment, tangible assets	4,585	3,644
Amortization / depreciation and impairment, total	<u>5,294</u>	<u>21,668</u>
<i>Amortization and depreciation are included under these functions:</i>		
Productions costs	4,923	3,707
Research and development expenses	-	-
Administration expenses	371	17,961
Amortization / depreciation and impairment, total	<u>5,294</u>	<u>21,668</u>
Note 7 – Inventories		
Raw materials	6,493	6,251
Work in progress.	-	-
Finished goods	2,898	1,166
Write-down as of 31 December	-525	-
Carrying amount 31 December.	<u>8,866</u>	<u>7,417</u>
Note 8 - Trade receivables		
Trade receivables	5,215	7,140
Provisions for the year	-	-
Provisions as of 31 December	-	-
Carrying amount 31 December	<u>5,215</u>	<u>7,140</u>
<i>Trade receivables are allocated as follows:</i>		
Not yet due	4,632	6,600
Up to 30 days overdue	520	118
Between 30 and 90 days overdue	6	332
More than 90 days overdue	57	90
Carrying amount 31 December.	<u>5,215</u>	<u>7,140</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 future financial years.

	2018 (DKK'000)	2017 (DKK'000)
Note 11 – Cash		
Bank deposits	21,431	14,936
Fixed term deposit, 1 month or more	-	-
Fixed term deposit, shorter than 1 month	-	-
Carrying amount 31 December	<u>21,431</u>	<u>14,936</u>

Note 12 - Equity

	(DKK '000)
<i>Share capital movements during the last four years:</i>	
Capital as of 1 st January 2013	3,647
Capital increase 2 nd September 2013	3,570
Capital increase 29 th October 2014	2,235
Capital increase 1 st December 2015	2,850
Capital increase 28 th November 2016	<u>8,024</u>
	<u>20,326</u>

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

	2018 (DKK'000)	2017 (DKK'000)
Note 13 – Payables to related parties and other borrowings		

The liabilities are due in this order:

Within a year	-	-
Between one and five years	168,595	98,694
More than five years	-	-
Carrying amount 31 December	<u>168,595</u>	<u>98,694</u>

Payables to related parties carry an interest based on CIBOR 1 month+3.50%. Other borrowings carry a fixed interest of 6.0% (2017: 6.0%).

Notes

	2018 (DKK'000)	2017 (DKK'000)
Note 14 – Provisions		
Carrying amount at 1 January 2018	4,316	4,373
Additional provisions / fair value adjustments	<u>1,632</u>	<u>-57</u>
Carrying amount at 31 December 2018	<u>5,948</u>	<u>4,316</u>

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

Note 15 – Revenue

Product sales	39,197	21,641
Engineering sales	<u>3,773</u>	<u>547</u>
Total revenue	<u>42,970</u>	<u>22,188</u>

During the year, the Company received grants from the Danish Environmental Protection Agency 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 costs consist of:

Wages and salaries	48,611	36,483
Expenses related to social security	358	240
Other staff cost	<u>2,111</u>	<u>1,457</u>
	<u>51,080</u>	<u>38,180</u>

Average number of employees	<u>67</u>	<u>51</u>
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Staff costs is included in the income statement in the following functions:

Production costs	6,922	4,714
Research and development expenses	20,887	15,358
Administration expenses	<u>23,271</u>	<u>18,108</u>
	<u>51,080</u>	<u>38,180</u>

Notes

	2018 (DKK'000)	2017 (DKK'000)
Note 16 – Staff cost (continued)		
<i>Remuneration for the Supervisory Board and the Executive Board constitute:</i>		
<i>Supervisory Board</i>		
Fee	-	-
	-	-
<i>Executive Board</i>		
Salaries and other short-term benefits	3,192	2,045
	<u>3,192</u>	<u>2,045</u>
Note 17 – Financial income		
Gain on exchange rate	27	8
Gain on receivables	-	3
	<u>27</u>	<u>11</u>
Note 18 – Financial expenses		
Interest, bank	74	200
Exchange rate adjustment	63	9
Interest, other	4,391	2,459
	<u>4,528</u>	<u>2,668</u>
Note 19 – Tax on profit / loss for the year		
Tax on profit / loss	0	0
Adjustment on deferred tax	-5,500	-5,500
Adjustment on tax, previous years	0	0
Tax on equity movements	0	0
Tax on profit / loss for the year, total	<u>-5,500</u>	<u>-5,500</u>

The corporate tax rate constitutes 22% (2017: 22%)

The Company's effective tax rate is -8% (2017: -6,6%) 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 2018 with TDKK 5,500 (2017: TDKK 5,500). 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 40,947 (2017: TDKK 31,350). 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 2018, the Company has made a bank guarantee towards a third party of TDKK 621 (2017: TDKK 621).

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:

	2018 (DKK'000)	2017 (DKK'000)
Due within a year	833	1,209
Due within one – five years	18	97
Due after five years	0	0
Total operational leases	851	1,306

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. IFRS 16 will be adopted in 2019. Management expects an effect of approximately TDKK 2,000 - 3,000 on the balance sheet at 1 January 2019.

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 2018 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.

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

Financial Statement for 1 January – 31 December 2018

	2018 (DKK'000)	2017 (DKK'000)
Significant transactions with related parties		
Sale of products and services to Faurecia Exhaust International SAS	1,274	539
Receivables from Faurecia Exhaust International SAS as of 31 December .	190	502
Borrowings from Faurecia Exhaust International SAS as of 31 December .	167,197	97,377

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

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 as of the end of 2018. The consolidated annual report of Faurecia for 2018 is available at:

<http://faureciacorp.prod.acquia-sites.com/en/newsroom/2018-annual-results-0>

	2018 (DKK'000)	2017 (DKK'000)
Note 23 – Changes in working capital		
Decrease (+) / Increase (-) in inventories	-1,449	-3,023
Decrease (+) / Increase (-) in receivables	-936	-5,245
Decrease (-) / Increase (+) in payables	4,640	5,143
Decrease (-) / Increase (+) in prepayments	-157	- 45
Changes in working capital.	2,098	-3,170
Note 24 – Adjustments		
Amortization / depreciation and impairment	5,294	21,668
Tax on profit / loss for the year	-	-
Share based payments, warrants	-	-
Provisions	1,632	-57
Adjustments	6,926	21,611

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

The Company is exposed towards British Pound Sterling. The Company is currently engaging in sales activities on the UK market where invoicing is booked in Pound Sterling. A part of the supplies related to this sale, however, (approximately 60%) is also booked in Pound Sterling, which limits the net exposure. Furthermore, the Company is in close dialogue with its British partners over the current Brexit situation in order to mitigate and minimize the exposure from an unfavorable outcome of the ongoing Brexit negotiations.

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

Interest risk

The Company has loan financing based on both variable and fixed interest rate. It is the Management's opinion that this does not constitute any significant risk.

Credit risk

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

	2018	2017
	(DKK'000)	(DKK'000)
Trade receivables	5,215	7,417
Other receivables	13,177	10,316
Cash and cash equivalents	<u>21,431</u>	<u>14,936</u>
Total	<u>39,823</u>	<u>32,669</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 2018 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 the commercial sales during 2018, but as long as profitable large-scale commercial production with positive cash flow has not yet commenced the Company will be dependent on further funding from the shareholders during 2019.

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 significant shareholder loan financing. Furthermore, 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 2019 the operational risk is still regarded as low at present.

Note 26 - Events after the balance sheet date

No significant events have occurred after the balance sheet date.

Notes

Note 27 – Implementation of new standards, amendments and interpretations

The Company has implemented the following amendments or new standards (IFRS) for financial year 2018:

- *IFRS 9, Financial instruments*: The standard introduces an expected loss model for impairment losses on loans and receivables. As an overriding main rule, this new model will imply larger impairment losses than those incurred under IAS 39. The number of classification categories for financial assets is reduced to three: amortised cost, fair value through profit or loss and fair value through other comprehensive income. Fair value changes to financial liabilities which are attributable to the fair value and which arise from changes in own credit risks must be recognised in other comprehensive income. Simplified rules on hedge accounting are introduced.
- *IFRS 15, Revenue from contracts with customers*: A new standard on revenue recognition that replaces IAS 11 and IAS 18 among others. The standard may potentially affect revenue recognition in a number of areas, including:
 - The timing of revenue recognition
 - Recognition of variable consideration
 - Allocation of revenue from multi-element arrangements
 - Recognition of revenue from licence rights
 - Incremental costs of obtaining the contract

The standard also includes a large number of new disclosure requirements.

IFRS 15, Revenue from contracts with customers: Clarifications of IFRS 15 concerning the identification of performance obligations, principal versus agent considerations and licence considerations as well as changes to the transition rules.

Amminex Emissions Technology A/S has assessed the effect of the new standards, amendments and interpretations. Amminex Emissions Technology A/S has concluded that all standards, amendments and interpretations effective for financial years beginning on or after 1 January 2018 are either not relevant to Amminex Emissions Technology A/S or have no significant effect on the Financial Statements of Amminex Emissions Technology A/S.

Note 28 – New standards, amendments and interpretations adopted but not yet effective

The following new standards, amendments and interpretations of relevance to Amminex Emissions Technology A/S have been adopted by the IASB and by the EU. The standards are not yet effective and will therefore not be implemented in the Annual Report until they take effect.

- *IFRS 9, Financial instruments*: A minor amendment concerning the classification of receivables in situations where a borrower has a prepayment option and where such a prepayment has negative consequences for the borrower. They are to be measured at amortised cost or fair value with adjustments through other comprehensive income if certain criteria are met.

The amendment will be effective for financial years beginning on or after 1 January 2019.

- *IFRS 16, Leases:* Going forward, the lessee is required to recognise all leases as a lease liability and a lease asset in the balance sheet with two exceptions: short-term leases (less than 12 months) and leases relating to low-value assets. It must furthermore be considered whether the agreement is a lease or a service arrangement.

The current rules remain largely unchanged for the lessor. Consequently, leases are still to be classified as finance leases and operating leases.

The standard will be effective for financial years beginning on or after 1 January 2019.

Aminex Emissions Technology A/S has assessed the effect of the new standards, amendments and interpretations. The Company expects no effect regarding the IFRS 9 update. However, with regards to IFRS 16, leases, management expects an effect of approximately TDKK 2,000 - 3,000 on the balance sheet at 1 January 2019. A detailed calculation and decision on this will take place during 2019.