



The annual report has been presented  
and approved at the annual general  
meeting of the Company  
on 29 / 05 2018

**Henrik Rossing Lønberg**  
(chairman)

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

**Annual Report 2017**

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## Company Information

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

## Management's Review

### Business Objective

Amminex Emissions Technology A/S is a Danish based company with 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 heart of the technology is based on the patented material AdAmine™, which is able to safely store large amounts of ammonia and release it again 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 2016 and 2017 to optimize the production processes. Amminex has established partnerships with leading automotive suppliers of exhaust systems to first-fit markets (OEM) and retrofit markets in order to enable market penetration of the technology.

### Activities in the financial year 2017

In 2017, Amminex completed the installation of ASDS systems on 55 double-decker buses in London. This led to Amminex being included as one of five suppliers under the NOx abatement framework agreement issued by Transport for London. Up to 5,000 buses are to be retrofitted as part of the program. In June, Amminex and parent company Faurecia landed the first high-volume contract for ASDS retrofit systems in Seoul, South Korea. The homologation phase will be completed during 2018 and the first commercial sales are expected in 2019. In November, Amminex won the National UK Air Quality Award in the innovation category. Amminex sees the award as a clear market sign that UK and the rest of the world are seeking innovative solutions to solve the NOx problem.

The income statement of the Company for 2017 shows a loss of DKK 77 million and at 31 December 2017, the balance sheet of the Company shows a negative equity of DKK 38 million.

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

Despite several positive events in 2017, Management has decided to write down the total value of capitalized acquired patent expenditures classified under intangible assets. Management is confident that the positive path will continue, but is at the same time expecting significant investments in the coming years to achieve Amminex' long-term objective. At this point it is difficult to substantiate the current capitalized value of patents and as a result Management has written down the value of the patents to zero because of the uncertainty. The total amount written down in 2017 is DKK 16.4 million.

As of 31 December 2017 the Company has lost more than half of the share capital. As such, the Company is covered by the Danish Companies Act section 119. It is Management's expectation that the share capital will be restored either by the Company's future profitable operations or via capital increases from the owners.

### Outlook for 2018

The main focus for 2018 is to continue the development of ASDS with focus on Asian and European markets and to scale up the retrofit sales in Europe and Asia. Activities in 2018 will focus on product design improvements and cost reductions together with improvement of production processes to increase compet-

itiveness and enable full volume scale-up. Amminex will continue to develop its core components specifically to meet the upcoming sharpened Euro 6d/7 real world driving emissions legislations and the global on/off-road emissions legislations targeting ultra-low NOx technology.

Due to continued investments in 2018, the management is expecting a loss before income tax in 2018.

### **Subsequent events**

No events materially affecting the assessment of the Annual Report of 2017 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 2017.

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 2017 and of the results of the operations and cash flows for the financial year 1 January - 31 December 2017.

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, 29 May 2018

### Executive Board

Fabien Philippe Milanesi

### Supervisory Board

Christophe Joseph Schmitt  
(Chairman)

Yves Maria Dumoulin

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 2017, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2017 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 2017, 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, 29 May 2018

**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	2017 (DKK '000)	2016 (DKK '000)
Revenue . . . . .	15	22,188	34,658
Production cost . . . . .	6, 16	<u>-27,577</u>	<u>-24,138</u>
<b>Gross profit / loss . . . . .</b>		<b>-5,389</b>	<b>10,520</b>
Research and development expenses . . . . .	6, 16	-27,609	-26,404
Administration expenses . . . . .	6, 16	<u>-47,237</u>	<u>-29,115</u>
<b>Operating profit / loss . . . . .</b>		<b>-80,235</b>	<b>-44,999</b>
Financial income . . . . .	17	11	28
Financial expenses . . . . .	18	<u>-2,668</u>	<u>-4,062</u>
<b>Profit / loss for the year before tax . . . . .</b>		<b>-82,892</b>	<b>-49,033</b>
Tax on profit / loss for the year . . . . .	19	<u>5,500</u>	<u>5,500</u>
<b>Profit / loss for the year . . . . .</b>		<b><u>-77,392</u></b>	<b><u>-43,533</u></b>
<i>Profit/loss attributable to:</i>			
Shareholders of Amminex Emissions Technology A/S . . . . .		<u>-77,392</u>	<u>-43,533</u>
<b>Profit / loss for the year . . . . .</b>		<b><u>-77,392</u></b>	<b><u>-43,533</u></b>

**Statement of comprehensive income**

	Note	2017 (DKK '000)	2016 (DKK '000)
Profit / loss for the year . . . . .		<u>-77,392</u>	<u>-43,533</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>
<b>Other comprehensive income, total . . . . .</b>		<b><u>0</u></b>	<b><u>0</u></b>
<b>Total comprehensive income for the year . . . . .</b>		<b><u><u>-77,392</u></u></b>	<b><u><u>-43,533</u></u></b>
<i>Attributable to:</i>			
Shareholders of Amminex Emissions Technology A/S . . . . .		<u>-77,392</u>	<u>-43,533</u>
<b>Total comprehensive income for the year . . . . .</b>		<b><u><u>-77,392</u></u></b>	<b><u><u>-43,533</u></u></b>

**Balance sheet at 31 December**

	Note	2017 (DKK '000)	2016 (DKK '000)
<b>Assets</b>			
Proprietary software . . . . .		2,012	159
Patents . . . . .		<u>0</u>	<u>17,416</u>
<b>Intangible fixed assets</b> . . . . .	4	<b><u>2,012</u></b>	<b><u>17,575</u></b>
Land and buildings . . . . .		6,392	6,798
Plant and machinery . . . . .		28,798	1,158
Assets under construction . . . . .		<u>0</u>	<u>27,621</u>
<b>Tangible fixed assets</b> . . . . .	5	<b><u>35,190</u></b>	<b><u>35,577</u></b>
<b>Total non-current assets</b> . . . . .		<b><u>37,202</u></b>	<b><u>53,152</u></b>
Inventories . . . . .	7	7,417	4,394
Trade receivables . . . . .	8	7,140	3,354
Other receivables . . . . .	9	10,316	8,857
Prepayments . . . . .	10	438	393
Cash . . . . .	11	<u>14,936</u>	<u>46,131</u>
<b>Total current assets</b> . . . . .		<b><u>40,247</u></b>	<b><u>63,129</u></b>
<b>Total assets</b> . . . . .		<b><u>77,449</u></b>	<b><u>116,281</u></b>

## Balance sheet at 31 December

	Note	2017 (DKK '000)	2016 (DKK '000)
<b>Equity and liabilities</b>			
Share capital . . . . .		20,326	20,326
Retained earnings . . . . .		<u>-58,710</u>	<u>18,682</u>
<b>Total equity</b> . . . . .	12	<b><u>-38,384</u></b>	<b><u>39,008</u></b>
<b>Borrowings</b>			
Borrowings . . . . .	13	1,317	1,241
Payables to related parties . . . . .	13	97,377	936
<b>Non-current liabilities</b> . . . . .		<b><u>98,694</u></b>	<b><u>2,177</u></b>
<b>Current liabilities</b>			
Borrowings . . . . .	13	0	60,579
Payables to related parties . . . . .		0	0
Trade payables . . . . .		7,082	4,210
Provisions . . . . .	14	4,316	4,373
Other liabilities . . . . .		<u>5,741</u>	<u>5,934</u>
<b>Current liabilities</b> . . . . .		<b><u>17,139</u></b>	<b><u>75,096</u></b>
<b>Total liabilities</b> . . . . .		<b><u>115,833</u></b>	<b><u>77,273</u></b>
<b>Total equity and liabilities</b> . . . . .		<b><u>77,449</u></b>	<b><u>116,281</u></b>
Accounting policies . . . . .	1		
Accounting estimates and assumptions . . . . .	2		
Going Concern . . . . .	3		
Assets charged or otherwise provided as security . . . . .	20		
Contingent assets and liabilities . . . . .	21		
Related parties . . . . .	22		
Financial and operational risk . . . . .	25		
Events after the balance sheet date . . . . .	26		
New accounting regulations . . . . .	27		

## 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 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 . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>8,024</u>	<u>-</u>	<u>-6,932</u>	<u>1,092</u>
<b>Equity at 31 December 2016 . . . . .</b>	<b><u>20,326</u></b>	<b><u>-</u></b>	<b><u>18,682</u></b>	<b><u>39,008</u></b>
Equity at 1 January 2017. . . . .	<u>20,326</u>	<u>-</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>-</u>	<u>-</u>	<u>-77,392</u>	<u>-77,392</u>
<b>Equity at 31 December 2017 . . . . .</b>	<b><u>20,326</u></b>	<b><u>-</u></b>	<b><u>-58,710</u></b>	<b><u>-38,384</u></b>

## Statement of cash flow

	Note	2017 (DKK '000)	2016 (DKK '000)
Operating profit / loss . . . . .		-80,235	-44,999
Financial income payments . . . . .		11	28
Financial expenses paid . . . . .		-2,668	-4,062
Tax on profit / loss for the year. . . . .		<u>5,500</u>	<u>5,500</u>
<b>Profit / loss for the year . . . . .</b>		<b>-77,392</b>	<b>-43,533</b>
Adjustments . . . . .	24	16,111	-2,596
Changes in working capital . . . . .	23	<u>2,330</u>	<u>13,617</u>
<b>Cash flow generated from operating activities . . . . .</b>		<b><u>-58,951</u></b>	<b><u>-32,512</u></b>
Purchase of intangible fixed assets . . . . .		-2,461	-352
Purchase of tangible fixed assets. . . . .		<u>-3,257</u>	<u>-3,704</u>
<b>Cash flow generated from investing activities . . . . .</b>		<b><u>-5,718</u></b>	<b><u>-4,056</u></b>
Capital increase . . . . .		0	44,625
Borrowings . . . . .		<u>33,474</u>	<u>2,945</u>
<b>Cash flow generated from financing activities total. . . . .</b>		<b><u>33,474</u></b>	<b><u>47,570</u></b>
Cash flow generated from operating, investing, and financing activities in the year . . . . .		-31,195	11,002
Cash at 1 January . . . . .		<u>46,131</u>	<u>35,129</u>
<b>Cash at 31 December . . . . .</b>		<b><u>14,936</u></b>	<b><u>46,131</u></b>

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 2017 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 2016.

#### *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.

#### *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 . . . . .	7-10 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 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.

#### *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.

#### *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;

**Note 1 - Accounting policies (continued)**

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 2017 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 2018 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 2019/20. 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. 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 2018.

As a result of the above, Management has prepared the Annual Report for the financial year 2017 on a going concern basis.

## Notes

### Note 4 – Intangible assets

	Software (DKK'000)	Proprietary Patents (DKK'000)	Total (DKK'000)
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 . . . . .	-	-	-
<b>Amortization and impairment at 31 December 2016 .</b>	<u>168</u>	<u>5,362</u>	<u>5,530</u>
<b>Carrying amount 31 December 2016 . . . . .</b>	<u><b>159</b></u>	<u><b>17,416</b></u>	<u><b>17,575</b></u>
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 . . . . .	-	-	-
<b>Amortization and impairment at 31 December 2017 .</b>	<u>307</u>	<u>23,247</u>	<u>23,554</u>
<b>Carrying amount 31 December 2017 . . . . .</b>	<u><b>2,012</b></u>	<u><b>0</b></u>	<u><b>2,012</b></u>

As of 31 December 2017, 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).

The Company has pledged its patent portfolio with a carrying amount as of 31<sup>st</sup> December 2017 of TDKK 0 (2016: TDKK 17,416).

## 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 2016	8,296	25,359	-	33,655
Correction at 1 January 2016	0	-23,955	23,955	-
Addition	38	-	3,666	3,704
<b>Cost at 31 December 2016</b>	<b>8,334</b>	<b>1,404</b>	<b>27,621</b>	<b>37,359</b>
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
<b>Depreciation and impairment at 31 December 2016</b>	<b>1,536</b>	<b>246</b>	<b>-</b>	<b>1,782</b>
<b>Carrying amount 31 December 2016</b>	<b>6,798</b>	<b>1,158</b>	<b>27,621</b>	<b>35,577</b>
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
Disposal	-	-	-	0
<b>Cost at 31 December 2017</b>	<b>8,345</b>	<b>32,270</b>	<b>-</b>	<b>40,615</b>
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
Impairment for the year	0	0	-	0
Disposal	0	0	-	0
<b>Depreciation and impairment at 31 December 2017</b>	<b>1,953</b>	<b>3,472</b>	<b>-</b>	<b>5,425</b>
<b>Carrying amount 31 December 2017</b>	<b>6,392</b>	<b>28,798</b>	<b>-</b>	<b>35,190</b>

Leased assets (finance leases) are included in the above-mentioned assets with a carrying amount of TDKK 0. (2016: TDKK 0)

Interest expenses relating to and accumulated under tangible assets amount to TDKK 0 (2016: TDKK 0).

Under the going concern assumption, Management has not identified impairment indicators in 2017 regarding tangible assets (further information on impairment in Note 2).

## Notes

	2017 (DKK'000)	2016 (DKK'000)
<b>Note 6 – Amortization / depreciation and impairment</b>		
Amortization and impairment, intangible assets . . . . .	18,024	1,539
Depreciation and impairment, tangible assets . . . . .	<u>3,644</u>	<u>617</u>
Amortization / depreciation and impairment, total . . . . .	<u><u>21,668</u></u>	<u><u>2,156</u></u>
<i>Amortization and depreciation are included under these functions:</i>		
Productions costs . . . . .	3,707	193
Research and development expenses . . . . .	-	-
Administration expenses . . . . .	<u>17,961</u>	<u>1,963</u>
Amortization / depreciation and impairment, total . . . . .	<u><u>21,668</u></u>	<u><u>2,156</u></u>
 <b>Note 7 – Inventories</b>		
Raw materials . . . . .	6,251	3,192
Work in progress. . . . .	-	-
Finished goods . . . . .	<u>1,166</u>	<u>1,202</u>
Carrying amount 31 December. . . . .	<u><u>7,417</u></u>	<u><u>4,394</u></u>
 <b>Note 8 - Trade receivables</b>		
Trade receivables . . . . .	7,140	3,354
Provisions for the year . . . . .	-	-
Provisions as of 31 December . . . . .	<u>-</u>	<u>-</u>
Carrying amount 31 December . . . . .	<u><u>7,140</u></u>	<u><u>3,354</u></u>
 <i>Trade receivables are allocated as follows:</i>		
Not yet due . . . . .	6,600	2,043
Up to 30 days overdue . . . . .	118	863
Between 30 and 90 days overdue . . . . .	332	448
More than 90 days overdue . . . . .	<u>90</u>	<u>-</u>
Carrying amount 31 December. . . . .	<u><u>7,140</u></u>	<u><u>3,354</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.

	2017 (DKK '000)	2016 (DKK '000)
<b>Note 11 – Cash</b>		
Bank deposits . . . . .	14,936	46,131
Fixed term deposit, 1 month or more . . . . .	-	-
Fixed term deposit, shorter than 1 month . . . . .	-	-
Carrying amount 31 December . . . . .	<u>14,936</u>	<u>46,131</u>

### Note 12 - Equity

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

	2017 (DKK '000)	2016 (DKK '000)
<b>Note 13 – Payables to related parties and other borrowings</b>		
<i>The liabilities are due in this order:</i>		
Within a year . . . . .	-	60,579
Between one and five years . . . . .	98,694	-
More than five years . . . . .	-	-
Carrying amount 31 December . . . . .	<u>98,694</u>	<u>60,579</u>

Payables to related parties carry an interest based on CIBOR 1 month+3.50%. Other borrowings carry a fixed interest of 6.0% (2016: 6.0%).

## Notes

	2017 (DKK '000)	2016 (DKK '000)
<b>Note 14 – Provisions</b>		
Carrying amount at 1 January 2017 . . . . .	4,373	3,625
Additional provisions / fair value adjustments . . . . .	<u>-57</u>	<u>748</u>
Carrying amount at 31 December 2017 . . . . .	<u><u>4,316</u></u>	<u><u>4,373</u></u>

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

### Note 15 – Revenue

Sale of goods . . . . .	21,537	28,067
Grants received . . . . .	<u>651</u>	<u>6,591</u>
Total revenue . . . . .	<u><u>22,188</u></u>	<u><u>34,658</u></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 cost consists of:*

Wages and salaries . . . . .	36,483	35,393
Expenses related to social security . . . . .	240	294
Other staff cost . . . . .	<u>1,457</u>	<u>1,126</u>
	<u><u>38,180</u></u>	<u><u>36,813</u></u>
Average number of employees . . . . .	<u><u>51</u></u>	<u><u>49</u></u>

*Staff cost is included in the income statement in the following functions:*

Production cost . . . . .	4,714	3,203
Research and development expenses . . . . .	15,358	16,055
Administration expenses . . . . .	<u>18,108</u>	<u>17,555</u>
	<u><u>38,180</u></u>	<u><u>36,813</u></u>

## Notes

	2017 (DKK '000)	2016 (DKK '000)
<b>Note 16 – Staff cost (continued)</b>		
<i>Remuneration for the Supervisory Board and the Executive Board constitute:</i>		
<i>Supervisory Board</i>		
Fee . . . . .	-	597
	<u>-</u>	<u>597</u>
 <i>Executive Board</i>		
Salaries and other short-term benefits . . . . .	2,045	1,899
	<u>2,045</u>	<u>1,899</u>
 <b>Note 17 – Financial income</b>		
Gain on exchange rate . . . . .	8	20
Gain on receivables . . . . .	3	8
	<u>11</u>	<u>28</u>
 <b>Note 18 – Financial expenses</b>		
Interest, bank . . . . .	200	3,799
Exchange rate adjustment . . . . .	9	-
Interest, other . . . . .	2,459	263
	<u>2,668</u>	<u>4,062</u>
 <b>Note 19 – Tax on profit / loss for the year</b>		
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% (2016: 22%)

The Company's effective tax rate is -6.6% (2016: -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 31<sup>st</sup> December 2017 with TDKK 5,500 (2016: 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 31,350 (2016: TDKK 15,009). 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 31<sup>st</sup> December 2017, the Company has made a bank guarantee towards a third party of TDKK 621 (2016: 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:

	2017 (DKK '000)	2016 (DKK '000)
Due within a year . . . . .	1,209	1,418
Due within one – five years . . . . .	97	660
Due after five years . . . . .	<u>0</u>	<u>0</u>
<b>Total operational leases . . . . .</b>	<b><u>1,306</u></b>	<b><u>2,078</u></b>

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 2017 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

	2016 (DKK '000)	2017 (DKK '000)
<i>Significant transactions with related parties</i>		
Sale of products and services to Faurecia Exhaust International SAS . . . .	<u>539</u>	<u>1,911</u>
Receivables from Faurecia Exhaust International SAS as of 31 December .	<u>502</u>	<u>206</u>
Borrowings from Faurecia Exhaust International SAS as of 31 December .	<u>97,377</u>	<u>936</u>

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

A capital increase of DKK 0 million was made in 2017 (2016: DKK 44.6 million) by the existing owners according to Note 12 and Statement of changes in equity.

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 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 2017. The consolidated annual report of Faurecia for 2017 is available at:

[http://www.faurecia.com/files/media/site\\_com\\_corporate/AMF/AG-2018/ddr\\_2017\\_faurecia\\_veng.pdf](http://www.faurecia.com/files/media/site_com_corporate/AMF/AG-2018/ddr_2017_faurecia_veng.pdf)

	2017 (DKK '000)	2016 (DKK '000)
<b>Note 23 – Changes in working capital</b>		
Decrease (+) / Increase (-) in inventories . . . . .	-3,023	2,938
Decrease (+) / Increase (-) in receivables . . . . .	255	11,647
Decrease (-) / Increase (+) in payables . . . . .	5,143	-922
Decrease (-) / Increase (+) in prepayments . . . . .	<u>-45</u>	<u>46</u>
<b>Changes in working capital.</b> . . . . .	<u>2,330</u>	<u>13,617</u>
<b>Note 24 – Adjustments</b>		
Amortization / depreciation and impairment . . . . .	21,668	2,156
Tax on profit / loss for the year . . . . .	-5,500	-5,500
Share based payments, warrants . . . . .	-	-
Provisions . . . . .	<u>-57</u>	<u>748</u>
<b>Adjustments</b> . . . . .	<u>16,111</u>	<u>-2,596</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 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:

	2017 (DKK'000)	2016 (DKK'000)
Trade receivables . . . . .	7,417	3,354
Other receivables . . . . .	10,316	8,857
Cash and cash equivalents . . . . .	<u>14,936</u>	<u>46,131</u>
<b>Total</b> . . . . .	<u>32,669</u>	<u>58,342</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 2017 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 2017, 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 2018.

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 2018 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 – 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 2017. 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 2017.

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

- **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.