
Envikraft A/S

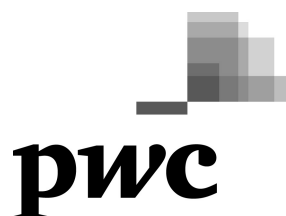
Norgesvej 1, DK-9560 Hadsund

Annual Report for 1 July 2014 - 30 June 2015

CVR No 15 68 28 92

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
14/12 2015

Jacob Bergenholtz
Chairman



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report on the Financial Statements	2
Management's Review	
Company Information	4
Management's Review	5
Financial Statements	
Income Statement 1 July - 30 June	6
Balance Sheet 30 June	7
Statement of Changes in Equity	9
Notes to the Annual Report	10
Accounting Policies	15

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Envikraft A/S for the financial year 1 July 2014 - 30 June 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 June 2015 of the Company and of the results of the Company operations for 2014/15.

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

Hadsund, 14 December 2015

Executive Board

Michael Engsted

Ole Sodtmann Bundgaard

Board of Directors

Jacob Østergaard Bergenholtz
Chairman

David James Williams

Lars Thorsgaard Jensen

Independent Auditor's Report on the Financial Statements

To the Shareholder of Envikraft A/S

Report on the Financial Statements

We have audited the Financial Statements of Envikraft A/S for the financial year 1 July 2014 - 30 June 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2015 and of the results of the Company operations for the financial year 1 July 2014 - 30 June 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Odense, 14 December 2015

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Hedam

State Authorised Public Accountant

Brian Petersen

State Authorised Public Accountant

Company Information

The Company

Envikraft A/S
Norgesvej 1
DK-9560 Hadsund

CVR No: 15 68 28 92
Financial period: 1 July - 30 June
Municipality of reg. office: Mariagerfjord

Board of Directors

Jacob Østergaard Bergenholtz, Chairman
David James Williams
Lars Thorsgaard Jensen

Executive Board

Michael Engsted
Ole Sodtmann Bundgaard

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Rytterkasernen 21
Postboks 370
DK-5100 Odense C

Management's Review

Main activity

The Company's main activities are conceptual development, design, marketing and supply of incineration systems in which fuel comprises various types of waste. Envikraft supplies incineration systems for domestic waste, hospital waste, radioactive waste and various industrial by-products.

Development in the year

The income statement of the Company for 2014/15 shows a loss of DKK 3,759,252, and at 30 June 2015 the balance sheet of the Company shows negative equity of DKK 27,545,367.

In the financial year 2014/15, substantial unexpected cost was incurred primarily caused by extra costs identified in the closing phase of delayed projects.

Unusual events

Envikraft A/S has received resources for the execution of projects and service orders from the sister company Weiss A/S, and the cost of these has been booked on a settlement account. The arrangement was viewed as reasonable by the then present management when it started in 2011, since it was believed, that Envikraft A/S would have been able to repay Weiss A/S in a short time.

Due to the cost overruns and delayed handover on the legacy projects, this intercompany loan has grown over the years reaching a level of 46.3 m. DKK as of 30.06.15.

Every time Envikraft A/S receives payments from either service or projects, these payments are used to repay Weiss A/S and reduce the settlement account.

No new projects will be sold by Envikraft A/S, and when the current project portfolio has been closed and the remaining payments paid, this settlement account will be reduced to app. 25 m. DKK.

Since Envikraft A/S has a negative equity of 25 m. DKK, the parent company Envikraft Invest A/S has issued a letter of support towards present and future creditors in Envikraft A/S, which means Weiss A/S, since Weiss A/S is the sole creditor in Envikraft A/S.

As of 30.06.16 Envikraft A/S is planned to merge with Envikraft Invest A/S.

Subsequent events

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

Income Statement 1 July - 30 June

	Note	2014/15 DKK	2013/14 DKK
Gross profit/loss		-5.303.214	651.538
Distribution expenses		0	-1.297
Administrative expenses		-164.006	-2.419.098
Operating profit/loss		-5.467.220	-1.768.857
Other operating income		10.000	22.602
Other operating expenses		0	-29.404
Profit/loss before financial income and expenses		-5.457.220	-1.775.659
Financial income	2	1.805.045	1.237.747
Financial expenses	3	-1.167.372	-1.905.495
Profit/loss before tax		-4.819.547	-2.443.407
Tax on profit/loss for the year	4	1.060.295	413.497
Net profit/loss for the year		-3.759.252	-2.029.910

Distribution of profit

Proposed distribution of profit

Retained earnings		-3.759.252	-2.029.910
		-3.759.252	-2.029.910

Balance Sheet 30 June

Assets

	Note	2014/15 DKK	2013/14 DKK
Completed development projects		0	0
Intangible assets	5	0	0
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	6	0	0
Other receivables		180.034	180.034
Fixed asset investments	7	180.034	180.034
Fixed assets		180.034	180.034
Trade receivables		59.020	17.100
Contract work in progress	8	6.990.440	19.614.372
Receivables from group enterprises		0	9.246.839
Other receivables		6.836.986	6.375.536
Deferred tax asset		3.633.882	2.573.587
Corporation tax		938.617	1.530.833
Prepayments		0	104.744
Receivables		18.458.945	39.463.011
Cash at bank and in hand		664.658	236.230
Currents assets		19.123.603	39.699.241
Assets		19.303.637	39.879.275

Balance Sheet 30 June

Liabilities and equity

	Note	2014/15 DKK	2013/14 DKK
Share capital		1.000.000	1.000.000
Retained earnings		-28.545.367	-24.786.115
Equity	9	-27.545.367	-23.786.115
Other provisions	10	450.000	8.936.061
Provisions		450.000	8.936.061
Subordinate loan capital		0	1.080.000
Trade payables		13.154	492.714
Prepayments received recognised in debt	8	0	1.558.555
Payables to group enterprises		46.339.850	51.253.609
Other payables		46.000	344.451
Short-term debt		46.399.004	54.729.329
Debt		46.399.004	54.729.329
Liabilities and equity		19.303.637	39.879.275
Going concern	1		
Contingent assets, liabilities and other financial obligations	11		
Staff	12		
Related parties and ownership	13		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 July	1.000.000	-24.786.115	-23.786.115
Net profit/loss for the year	0	-3.759.252	-3.759.252
Equity at 30 June	1.000.000	-28.545.367	-27.545.367

Notes to the Annual Report

1 Going concern

With reference to the company's financial situation the sister company Weiss A/S has issued a letter of subordination and the parent company Envikraft Invest A/S a letter of support, both of which are valid until 30th June 2016.

2 Financial income

	2014/15 DKK	2013/14 DKK
Interest received from group enterprises	458.198	439.089
Other financial income	8	14
Exchange gains	1.346.839	798.644
	1.805.045	1.237.747

3 Financial expenses

Interest paid to group enterprises	499.282	529.337
Other financial expenses	77.209	437.993
Exchange loss	590.881	938.165
	1.167.372	1.905.495

4 Tax on profit/loss for the year

Current tax for the year	0	0
Deferred tax for the year	-1.060.295	-352.264
Adjustment of deferred tax concerning previous years	0	-61.233
	-1.060.295	-413.497

Notes to the Annual Report

5 Intangible assets

	Completed development projects DKK
Cost at 1 July	4.000.000
Disposals for the year	-4.000.000
Cost at 30 June	0
Impairment losses and amortisation at 1 July	4.000.000
Reversal of amortisation of disposals for the year	-4.000.000
Impairment losses and amortisation at 30 June	0
Carrying amount at 30 June	0

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 July	238.929
Disposals for the year	-238.929
Cost at 30 June	0
Impairment losses and depreciation at 1 July	238.929
Reversal of impairment and depreciation of sold assets	-238.929
Impairment losses and depreciation at 30 June	0
Carrying amount at 30 June	0

7 Fixed asset investments

	Other receivables DKK
Cost at 1 July	180.034
Cost at 30 June	180.034
Carrying amount at 30 June	180.034

Notes to the Annual Report

	2014/15 DKK	2013/14 DKK
8 Contract work in progress		
Selling price of production for the period	82.088.524	130.122.339
Payments received on account	-75.098.084	-112.066.522
	6.990.440	18.055.817
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	6.990.440	19.614.372
Prepayments received recognised in debt	0	-1.558.555
	6.990.440	18.055.817

9 Equity

The share capital consists of 1.000 shares of a nominal value of DKK 1.000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

	2014/15 DKK	2013/14 DKK
10 Other provisions		
The Company provides warranties of 1 year on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Other provisions also include work-in-progress projects with negative gross margin (provision for onerous contracts).		
Other provisions	450.000	8.936.061
	450.000	8.936.061

Notes to the Annual Report

	2014/15 DKK	2013/14 DKK
11 Contingent assets, liabilities and other financial obligations		
Rental agreements and leases		
Rental agreement, non-cancellation period of 3.5 years	892.625	1.249.675

Contingent liabilities

The Danish companies of the group are jointly and severally liable for tax on consolidated taxable income.

The company has performance and payment guarantees totalling TDKK 5,750.

The company has given absolute guarantees for sister company's bank debt, as per June 30, 2015 totalling TDKK 16,625.

	2014/15 DKK	2013/14 DKK
12 Staff		
Wages and Salaries	-94.608	264.133
Pensions	0	9.496
Other social security expenses	0	-73
Other staff expenses	0	1.706
	-94.608	275.262
Wages and Salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:		
Administrative expenses	-94.608	275.262
	-94.608	275.262

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Notes to the Annual Report

13 Related parties and ownership

	Basis
Controlling interest	
Envikraft Invest A/S	Parent Company
Anpartselskabet af 14. oktober 2013	Ultimate parent

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Envikraft Invest A/S, Norgesvej 1, 9560 Hadsund, Cvr.: 15 68 28 92.

Consolidated Financial Statements

The Company is included in the Group Annual Report of Weiss Partners A/S, Avderødvej 27 C, 2980 Kokkedal, Cvr.: 35 51 81 85.

Furthermore, the Company is included in the Group Annual Report of the ultimate parent Anpartselskabet af 14. oktober 2013, Avderødvej 27 C, 2980 Kokkedal, Cvr.: 35 51 55 77.

Accounting Policies

Basis of Preparation

Financial Statements of Envikraft A/S for 2014/15 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2014/15 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Accounting Policies

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Contract work in progress is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Cost of sales also includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs. Furthermore, amortisation of goodwill is included to the extent that goodwill relates to production activities. Finally, provisions for losses on contract work are recognised.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Accounting Policies

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
--	-----	-------

Accounting Policies

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the resources incurred to date bear to the estimated total resources. Where it is probable that contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Prepayments and payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.