
Weiss A/S

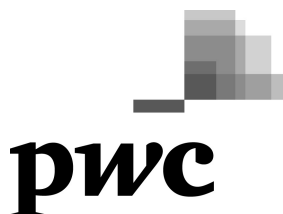
Norgesvej 1, DK-9560 Hadsund

Annual Report for 1 July 2014 - 30 June 2015

CVR No 19 30 23 42

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

Jacob Bergenholtz
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Weiss 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 and cash flows 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

Lars Liboriussen
Staff Representative

John Martin Myrup
Staff Representative

Independent Auditor's Report on the Financial Statements

To the Shareholder of Weiss A/S

Report on the Financial Statements

We have audited the Financial Statements of Weiss A/S for the financial year 1 July 2014 - 30 June 2015, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, 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 and cash flows 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

Weiss A/S
Norgesvej 1
DK-9560 Hadsund

CVR No: 19 30 23 42
Financial period: 1 July - 30 June
Municipality of reg. office: Mariagerfjord

Board of Directors

Jacob Østergaard Bergenholtz, Chairman
David James Williams
Lars Thorsgaard Jensen
Lars Liboriussen
John Martin Myrup

Executive Board

Michael Engsted
Ole Sodtmann Bundgaard

Auditors

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

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2014/15 TDKK	2013/14 TDKK	2012/13 TDKK	2011/12 TDKK	2010/11 TDKK
Key figures					
Profit/loss					
Gross profit/loss	-9.315	43.301	9.949	-1.125	30.905
Profit/loss before financial income and expenses	-47.155	169	-27.443	-31.475	12.988
Net financials	-4.537	-461	-824	-200	1.203
Net profit/loss for the year	-39.949	-779	-18.718	-23.739	11.265
Balance sheet					
Balance sheet total	257.826	261.505	162.517	146.267	117.365
Equity	68.654	78.893	-1.181	12.945	36.946
Cash flows					
Cash flows from:					
including investment in property, plant and equipment	-5.565	-716	12.261	14.221	2.227
Number of employees	122	129	140	132	27
Ratios					
Gross margin	-2,9%	11,6%	3,8%	-0,6%	12,3%
Profit margin	-14,5%	0,0%	-10,4%	-16,5%	5,2%
Return on assets	-18,3%	0,1%	-16,9%	-21,5%	11,1%
Solvency ratio	26,6%	30,2%	-0,7%	8,9%	31,5%
Return on equity	-54,2%	-2,0%	-318,2%	-95,2%	36,0%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Main activity

The Company's main activities are design, production, mounting and commissioning of renewable energy combustion plants, based on different types of biomass and household waste material, so called MSW.

Sales are mainly within Europe with Denmark and Scandinavia as the main markets. Weiss A/S is the primary operating company of the Weiss Partners Group, and Weiss A/S is also undertaking the production through a subsidiary situated in Ostrowiec, Poland.

Our customers comprise both public and private enterprises. Approximately 62% of the revenue for the year is generated in the EU and the Danish market makes up approximately two third of this EU-related revenue.

Development in the year

Revenue for the year amounts to DKK 324.3 million compared to DKK 371.9 million last year, which corresponds to a decrease of 13%. Operating loss before tax amounts to DKK -51.7 million compared to an operating loss of DKK 0.3 million last year.

The year has been heavily influenced by cost overruns on the project portfolio taken over in November 2013 when Odin Equity Partners invested in Weiss. The legacy projects taken over contain substantial risks related to technology, geography, contractual position etc., and although it has been a high priority to close these projects in 14/15, it has not been possible to avoid substantial cost overruns related to the closure of these.

The losses on the legacy projects in 14/15 (specified in the notes) were 30.4 m. DKK.

The financial results for the year were also negatively influenced by non-recurring costs of 9.5 m. DKK related to the successful consolidation of all production in Ostrowiec, Poland, through closure of the production facilities in Odense, Denmark.

Adjusted for above effects from legacy projects and closing of Odense production facilities, the year would have resulted in an operating loss of 11.8 m. DKK for the year. This corresponds to an adjusted EBITDA of -5.2 m. DKK for the year 14/15.

During 14/15 Weiss successfully implemented a number of the prioritized strategic initiatives identified in Strategy 2018, which mainly focus on improved processes, more robust project execution (the stage-gate model), better risk evaluation and identification and improved consolidation of knowledge related to products and operations.

These initiatives have been spearheaded by management, and the results are already visible on newly sold projects, where the projects overall are executed broadly in line with the margins the projects are sold at.

Management's Review

During the year the Company also created an After Sales Service division as a separate business area, and the increased focus and newly created service concepts have already resulted in increased revenues with a higher margin.

The financial performance for 14/15 is very disappointing, but mainly the result of cost overruns on legacy projects acquired from the previous owners of the Weiss Group. As part of the steps taken to secure profitability going forward, the majority shareholder injected 30 m. DKK of new equity per 24.02.2015.

Corporate Social Responsibility

For the time being, the company has no policy on Corporate Social Responsibility (CSR), since other areas have had a higher priority.

Statutory Diversity Report for 2014/15, cf. section 99 b of the Danish Financial Statements Act

The company is covered by The Danish Financial Statements Act §99b regarding the under represented gender.

It is the policy of the company to employ the best qualified board members irrespective of the gender distribution. There has been only one change amongst the board members in 14/15, and during the search all candidates were treated equally and the choice was solely based on qualification – it has proven difficult to find females with the exact qualifications necessary to qualify as board member.

The company has no intention to discriminate in any way, but doesn't view it realistic to achieve a gender balance of 60/40% in the near term - the current target is instead to have 1 female out of the 6 board members in 2018, which means the distribution at that time will be 83% / 17%.

On the different management levels in the company, it is also the policy to employ the best qualified candidates irrespective of gender. It is also the policy to give these the same rights, opportunities and conditions related to their employment.

Employments in the financial year have been in compliance with the policy, although it is regrettable that it is so difficult to find qualified females in the industry. The company will intensify its efforts going forward to improve the proportion.

Expectations for the years ahead

There is a lot of focus on renewable energy, and this increasing demand forms a good basis for a gradual increase of the turnover of the Company in the coming years. Management is confident that during the next couple of years the Company will be able to improve profitability through a combination of growth, product development, efficiency improvements and structural changes.

Management's Review

Special risks - operating risks and financial risks

Initiatives have been implemented aimed at identifying and minimizing the Company's commercial and operating risks. It is the intention to intensify this work in the years ahead, so that future risks related to the Company's activities are identified, assessed and prioritized on a current basis to avoid any future events that may have a significantly negative impact on the overall financial targets of the Company.

Foreign exchange risks

All sales contracts are concluded at a fixed price, but hedging is made by obtaining, where possible, offers for all significant components prior to signing a sales contract. If possible, all sales agreements are concluded in DKK or EUR, which is done to minimize foreign exchange risks. The exposure towards other currencies is hedged via futures based on an individual assessment with the clear aim to avoid any foreign exchange speculation.

Exchange adjustments of investments in independent subsidiaries and associates are recognized directly in equity. The related foreign exchange risks are generally not hedged as in the Company's opinion, ongoing hedging of such long term investments is not optimal based on an overall risk and cost consideration.

Interest rate risks

The Company has variable interest rates on its debt, which subjects the company to some level of interest rate risk.

Research and development

In recent years, the Company has participated in various development activities. The related costs have not been capitalized in the prepared Financial Statements, which has contributed to the unsatisfactory results. The Company has chosen not to capitalize any part of the development costs incurred, This is not because we do not expect to utilize some of the knowledge achieved for commercial purposes, but primarily because it has not been possible to state the value of such knowledge with sufficient reliability.

New development projects have been granted within the last year to optimize the Weiss product portfolio, with special emphasis on emission control and energy output as well as operational efficiency.

External environment

The Company's activities have no material impact on the external environment. It appears from the current authorities' approvals, that the Company is considered to have taken the measures necessary to prevent and limit any pollution by using the best cleaning technique available to metal working enterprises. The Company expects to be able to carry out the activities planned, including planned growth, within the framework of the current environmental approvals.

Management's Review

Intellectual capital resources

The Company is dependent on having satisfied and motivated employees. As the Company's critical business processes consist of individual solutions, two categories of employees are of special importance: Employees with competences in the design of combustion plants based on a high variety of fuels and competent project managers, who are able to manage projects from sale to final delivery. It is also important that employees in the production areas are highly qualified and focused on quality.

In the next couple of years, the Company will focus on retaining and developing our present employees and on recruiting new employees with the necessary competences.

Uncertainty relating to recognition and measurement

Weiss has provided resources for the execution of projects and service orders in the sister company Envikraft 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 is expected to be reduced to approximately 25 m. DKK.

The parent company Envikraft Invest A/S has issued a letter of support to Envikraft A/S valid until 30.06.16. Envikraft Invest A/S' primary activity is to own shares in Weiss A/S and Envikraft A/S. A "Net Present Value" (NPV) on the future cash flow of Weiss A/S has been calculated via a DCF-model. The results support the valuation of Weiss' intercompany receivable.

As of 30.06.16 Envikraft A/S is planned to merge with Envikraft Invest A/S and at a later time Envikraft Invest A/S and Weiss A/S will merge as well. This also supports that Weiss A/S will not realize a loss on the loan issued to Envikraft 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
Revenue	3	324.279.649	371.864.358
Cost of sales		-333.594.179	-328.563.246
Gross profit/loss		-9.314.530	43.301.112
Distribution expenses		-7.160.553	-14.053.869
Administrative expenses		-27.475.267	-30.141.918
Operating profit/loss		-43.950.350	-894.675
Other operating income		204.496	1.466.039
Other operating expenses		-3.409.609	-402.771
Profit/loss before financial income and expenses		-47.155.463	168.593
Income from investments in subsidiaries	4	134.424	4.003.126
Financial income	5	6.496.385	2.487.701
Financial expenses	6	-11.167.846	-6.951.594
Profit/loss before tax		-51.692.500	-292.174
Tax on profit/loss for the year	7	11.743.897	-487.218
Net profit/loss for the year		-39.948.603	-779.392

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	134.423	4.003.125
Retained earnings	-40.083.026	-4.782.517
	-39.948.603	-779.392

Balance Sheet 30 June

Assets

	Note	2014/15 DKK	2013/14 DKK
Completed development projects		0	0
Intangible assets	8	0	0
Land and buildings		0	21.124.984
Plant and machinery		2.169.674	2.270.803
Other fixtures and fittings, tools and equipment		75.976	114.095
Leasehold improvements		123.248	0
Property, plant and equipment	9	2.368.898	23.509.882
Investments in subsidiaries	10	21.823.061	21.854.664
Other receivables		0	32.632
Fixed asset investments		21.823.061	21.887.296
Fixed assets		24.191.959	45.397.178
Inventories		18.199.825	11.993.614
Trade receivables		12.899.794	8.183.526
Contract work in progress	11	94.706.892	88.344.625
Receivables from group enterprises		62.175.149	66.326.590
Other receivables		22.629.578	22.372.498
Deferred tax asset		19.125.837	11.230.164
Corporation tax		0	1.963.892
Prepayments		1.638.729	872.365
Receivables		213.175.979	199.293.660
Cash at bank and in hand		2.258.133	4.820.741
Currents assets		233.633.937	216.108.015
Assets		257.825.896	261.505.193

Balance Sheet 30 June

Liabilities and equity

	Note	2014/15 DKK	2013/14 DKK
Share capital		1.010.000	1.010.000
Reserve for net revaluation under the equity method		11.017.123	10.967.724
Retained earnings		56.627.373	66.915.770
Equity	12	68.654.496	78.893.494
Other provisions	13	17.770.176	19.835.322
Provisions		17.770.176	19.835.322
Mortgage loans		0	8.715.022
Credit institutions (long-term)		14.425.000	20.310.824
Long-term debt	14	14.425.000	29.025.846
Mortgage loans	14	0	1.198.071
Credit institutions (short-term)	14	37.815.382	35.500.208
Trade payables		80.633.308	53.313.680
Prepayments received recognised in debt	11	24.057.176	20.089.636
Payables to group enterprises		1.190.859	10.110.475
Other payables		13.279.499	13.538.461
Short-term debt		156.976.224	133.750.531
Debt		171.401.224	162.776.377
Liabilities and equity		257.825.896	261.505.193
Uncertainty relating to recognition and measurement	2		
Unusual events	1		
Contingent assets, liabilities and other financial obligations	15		
Staff	16		
Fee to auditors appointed at the general meeting	20		
Related parties and ownership	17		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 July	1.010.000	10.967.724	66.915.770	78.893.494
Exchange adjustments relating to foreign entities	0	-85.024	-81.002	-166.026
Fair value adjustment of hedging instruments	0	0	-159.448	-159.448
Tax on adjustment of hedging instruments for the year	0	0	35.079	35.079
Group contribution	0	0	30.000.000	30.000.000
Net profit/loss for the year	0	134.423	-40.083.026	-39.948.603
Equity at 30 June	1.010.000	11.017.123	56.627.373	68.654.496

Cash Flow Statement 1 July - 30 June

	Note	2014/15 DKK	2013/14 DKK
Net profit/loss for the year		-39.948.603	-779.392
Adjustments	18	-1.503.238	4.201.378
Change in working capital	19	16.375.249	-90.895.896
Cash flows from operating activities before financial income and expenses		-25.076.592	-87.473.910
Financial income		6.496.385	2.487.701
Financial expenses		-11.167.846	-6.951.591
Cash flows from operating activities		-29.748.053	-91.937.800
Purchase of property, plant and equipment		-5.564.710	-716.314
Sale of property, plant and equipment		21.002.072	0
Cash flows from investing activities		15.437.362	-716.314
Repayment of mortgage loans		-9.913.092	-1.191.635
Repayment of loans from credit institutions		-3.570.650	0
Repayment of payables to group enterprises		-8.919.616	4.344.416
Raising of loans from credit institutions		0	6.076.057
Raising of loans from group enterprises		4.151.441	0
Group contribution		30.000.000	80.271.000
Cash flows from financing activities		11.748.083	89.499.838
Change in cash and cash equivalents		-2.562.608	-3.154.276
Cash and cash equivalents at 1 July		4.820.741	7.975.017
Cash and cash equivalents at 30 June		2.258.133	4.820.741
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2.258.133	4.820.741
Cash and cash equivalents at 30 June		2.258.133	4.820.741

Notes to the Annual Report

1 Unusual events

The fiscal year 14/15 has been heavily influenced by cost overruns on the project portfolio taken over in November 2013 when Odin Equity Partners invested into Weiss A/S.

The losses on the legacy projects in 14/15 were 30.4 m. DKK, and this is specified here:

TDKK	2014/2015 - 12 legacy projects		
	Revenue	Cost	GM1
Legacy projects Weiss	52.975	74.996	-22.021
Operating expenses		8.400	-8.400
Net effect legacy			-30.421

2 Uncertainty relating to recognition and measurement

Weiss has recognized a receivable of MDKK 46.9 as per 30th June 2015 relating to its sister company Envikraft A/S. Envikraft A/S has a negative equity of MDKK 27.5 as per 30th June 2015 and has very limited activity.

The parent company Envikraft Invest A/S has issued a letter of support to Envikraft A/S valid until 30th June 2016. Envikraft Invest A/S' primary activity is to own shares in Weiss A/S and Envikraft A/S.

A "Net Present Value" (NPV) on the future cash flow of Weiss A/S has been calculated via a DCF-model. The results support the valuation of Weiss' intercompany receivable.

As of 30th June 2016 Envikraft A/S is planned to merge with Envikraft Invest A/S and at a later time Envikraft Invest A/S and Weiss A/S will merge as well. This also supports that Weiss A/S will not realize a loss on the loan issued to Envikraft A/S.

It is the management's overall conclusion that the valuation of the intercompany receivable is correct.

Notes to the Annual Report

	<u>2014/15</u>	<u>2013/14</u>
	DKK	DKK
3 Revenue		
Geographical segments		
Revenue, Denmark	123.412.424	224.475.442
Revenue, exports	<u>200.867.225</u>	<u>147.388.916</u>
	<u>324.279.649</u>	<u>371.864.358</u>
4 Income from investments in subsidiaries		
Share of profits of subsidiaries	<u>134.424</u>	<u>4.003.126</u>
	<u>134.424</u>	<u>4.003.126</u>
5 Financial income		
Interest received from group enterprises	874.487	660.366
Other financial income	12.187	58.692
Exchange gains	<u>5.609.711</u>	<u>1.768.643</u>
	<u>6.496.385</u>	<u>2.487.701</u>
6 Financial expenses		
Interest paid to group enterprises	221.039	174.141
Other financial expenses	2.215.289	4.337.285
Exchange loss	<u>8.731.518</u>	<u>2.440.168</u>
	<u>11.167.846</u>	<u>6.951.594</u>

Notes to the Annual Report

	<u>2014/15</u>	<u>2013/14</u>
	DKK	DKK
7 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	-7.895.673	492.388
Adjustment of deferred tax concerning previous years	-3.883.303	-78.556
	<u>-11.778.976</u>	<u>413.832</u>
which breaks down as follows:		
Tax on profit/loss for the year	-11.743.897	487.218
Tax on changes in equity	-35.079	-73.386
	<u>-11.778.976</u>	<u>413.832</u>

8 Intangible assets

	<u>Completed development projects</u>
	DKK
Cost at 1 July	3.929.526
Cost at 30 June	<u>3.929.526</u>
Impairment losses and amortisation at 1 July	3.929.526
Impairment losses and amortisation at 30 June	<u>3.929.526</u>
Carrying amount at 30 June	<u>0</u>

Notes to the Annual Report

9 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK	DKK	DKK
Cost at 1 July	22.451.322	10.365.660	467.397	0	33.284.379
Additions for the year	151.641	5.188.368	88.180	136.521	5.564.710
Disposals for the year	-22.602.963	-7.183.914	-206.245	0	-29.993.122
Cost at 30 June	<u>0</u>	<u>8.370.114</u>	<u>349.332</u>	<u>136.521</u>	<u>8.855.967</u>
Impairment losses and depreciation at 1 July	1.326.338	8.094.857	353.302	0	9.774.497
Depreciation for the year	679.382	1.345.880	54.028	13.273	2.092.563
Reversal of impairment and depreciation of sold assets	-2.005.720	-3.240.297	-133.974	0	-5.379.991
Impairment losses and depreciation at 30 June	<u>0</u>	<u>6.200.440</u>	<u>273.356</u>	<u>13.273</u>	<u>6.487.069</u>
Carrying amount at 30 June	<u>0</u>	<u>2.169.674</u>	<u>75.976</u>	<u>123.248</u>	<u>2.368.898</u>

Notes to the Annual Report

	2014/15 DKK	2013/14 DKK
10 Investments in subsidiaries		
Cost at 1 July	10.886.940	10.442.934
Exchange adjustment	-81.002	444.006
Cost at 30 June	<u>10.805.938</u>	<u>10.886.940</u>
Value adjustments at 1 July	10.967.724	6.565.746
Changes regarding prior years	0	47.657
Exchange adjustment	-85.024	351.196
Net profit/loss for the year	<u>134.423</u>	<u>4.003.125</u>
Value adjustments at 30 June	<u>11.017.123</u>	<u>10.967.724</u>
Carrying amount at 30 June	<u>21.823.061</u>	<u>21.854.664</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Ranheat Energy ApS	Hadsund	TDKK 125	100%	327.580	2.328
Weiss RO S.R.L	Romania	TRON 200	100%	439.659	104.292
Weiss Sp. Zo.o	Poland	TPLN 6.000	100%	21.055.822	27.803
				<u>21.823.061</u>	<u>134.423</u>

Notes to the Annual Report

	<u>2014/15</u>	<u>2013/14</u>
	DKK	DKK
11 Contract work in progress		
Selling price of production for the period	713.836.816	512.650.064
Payments received on account	-643.187.100	-444.395.075
	<u>70.649.716</u>	<u>68.254.989</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	94.706.892	88.344.625
Prepayments received recognised in debt	-24.057.176	-20.089.636
	<u>70.649.716</u>	<u>68.254.989</u>

12 Equity

The share capital consists of 1.010.000 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	<u>2014/15</u>	<u>2013/14</u>	<u>2012/13</u>	<u>2011/12</u>	<u>2010/11</u>
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 July	1.010.000	1.010.000	1.000.000	1.000.000	1.000.000
Capital increase	0	0	10.000	0	0
Capital decrease	0	0	0	0	0
Share capital at 30 June	<u>1.010.000</u>	<u>1.010.000</u>	<u>1.010.000</u>	<u>1.000.000</u>	<u>1.000.000</u>

	<u>2014/15</u>	<u>2013/14</u>
	DKK	DKK
13 Other provisions		
The Company provides warranties of 1 to 5 years on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Other provisions include work-in-progress projects with negative gross margin (provision for onerous contracts) and provision for restructuring costs.		
Warranty provisions	7.786.252	11.785.322
Other provisions	9.983.924	8.050.000
	<u>17.770.176</u>	<u>19.835.322</u>

Notes to the Annual Report

14 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2014/15 DKK	2013/14 DKK
Mortgage loans		
After 5 years	0	3.858.944
Between 1 and 5 years	0	4.856.078
Long-term part	0	8.715.022
Within 1 year	0	1.198.071
	0	9.913.093
Credit institutions (long-term)		
After 5 years	5.625.000	18.974.293
Between 1 and 5 years	8.800.000	1.336.531
Long-term part	14.425.000	20.310.824
Within 1 year	2.200.000	504.634
Other short-term debt to credit institutions	35.615.382	34.995.574
Short-term part	37.815.382	35.500.208
	52.240.382	55.811.032

Notes to the Annual Report

	2014/15 DKK	2013/14 DKK
15 Contingent assets, liabilities and other financial obligations		
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1.924.357	2.650.212
Between 1 and 5 years	2.542.276	6.044.110
	4.466.633	8.694.322
Rental agreement, non-cancellation period of 2 years, 11 months	1.722.292	2.312.792
Security		
The following assets have been placed as security with mortgage credit institutes:		
Land and buildings with a carrying value of	0	21.124.984
The following assets have been placed as security with bankers:		
Mortgage deeds totalling TDKK 4,500, giving a mortgage on land and buildings with a carrying amount of	0	21.124.984
The following assets have been placed as security with bankers (mortgage deeds totalling TDKK 16.625 as per 30th June 2015) and for performance and payment guarantees issued by the sister company, Envikraft A/S (totalling TDKK 5.750 as per 30th June 2015):		
Shareholding in Weiss Sp. Zo.o with a carrying value of	21.055.822	21.185.908
The following assets have been placed as security with bankers and insurance companies (credit facilities of TDKK 40,000 of which TDKK 33,357 used and performance guarantees up to TDKK 180,000 of which TDKK 110,700 used as per 30 June 2015):		
Floating charge totalling TDKK 40,000 with security in receivables, inventories, other fixtures, fittings and equipment with a carrying value of	103.994.985	90.817.027

Notes to the Annual Report

15 Contingent assets, liabilities and other financial obligations (continued)

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 110.700.

The company has issued a letter of subordination to its sister company, Envikraft A/S, which is valid until 30th June 2016.

Weiss is familiar with the existence of a potential lawsuit related to the Purmerend-project in Holland, since the handover of the project has been delayed. The customer expects to claim Weiss for penalties and liquidated damages related to this delay, but has not substantiated any amount. Although not substantiated, Weiss management estimates the claim to be of a magnitude of 2-4 m. EUR. Weiss does not accept this claim.

	2014/15 DKK	2013/14 DKK
16 Staff		
Wages and Salaries	69.313.721	74.975.108
Pensions	5.099.390	4.900.138
Other social security expenses	1.370.684	1.403.122
Other staff expenses	5.944.722	5.194.199
	81.728.517	86.472.567
Wages and Salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:		
Cost of sales	63.140.905	60.561.777
Distribution expenses	2.088.829	9.051.522
Administrative expenses	16.498.783	16.859.268
	81.728.517	86.472.567
Including remuneration to the Executive Board	3.488.329	4.024.354
Average number of employees	122	129

Notes to the Annual Report

17 Related parties and ownership

Basis

Controlling interest

Envikraft Invest A/S	Parent Company
Anpartsselskabet 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 Anpartsselskabet af 14. oktober 2013, Avderødvej 27C, 2780 Kokkedal, Cvr.: 35 51 55 77.

18 Cash flow statement - adjustments

	2014/15	2013/14
	DKK	DKK
Financial income	-6.496.385	-2.487.701
Financial expenses	11.167.846	6.951.594
Depreciation, amortisation and impairment losses, including losses and gains on sales	5.703.622	3.253.393
Income from investments in subsidiaries	-134.424	-4.003.126
Tax on profit/loss for the year	-11.743.897	487.218
	<u>-1.503.238</u>	<u>4.201.378</u>

Notes to the Annual Report

	<u>2014/15</u>	<u>2013/14</u>
	DKK	DKK
19 Cash flow statement - change in working capital		
Change in inventories	-6.206.211	-2.599.260
Change in receivables	-6.222.152	-91.840.186
Change in other provisions	-2.065.146	5.325.228
Change in trade payables, etc	31.028.206	-1.448.108
Fair value adjustments of hedging instruments	-159.448	-333.570
	<u>16.375.249</u>	<u>-90.895.896</u>
20 Fee to auditors appointed at the general meeting		
Audit fee to PricewaterhouseCoopers	210.500	192.500
Other assurance engagements	0	19.000
Tax advisory services	13.000	24.500
Other services	13.500	189.500
	<u>237.000</u>	<u>425.500</u>

Accounting Policies

Basis of Preparation

Financial Statements of Weiss A/S for 2014/15 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

Financial Statements for 2014/15 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

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.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Accounting Policies

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.

Segment reporting

Segment information is presented in respect of business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments. In compliance with the Danish Executive Order on exemptions from the Danish Financial Statements Act, reporting on geographical segments comprises revenue only.

The items included in profit before financial income and expenses are allocated to the extent that they are directly or indirectly attributable to the segments. Items allocated, as either directly or indirectly attributable, comprise "cost of sales", "distribution expenses" and "administrative expenses" "expenses for raw materials and consumables", "other external expenses", "staff expenses" and "depreciation, amortisation and impairment". Some of these items are not attributable, directly or indirectly, to a segment and are therefore not allocated. The items allocated as indirectly attributable to the segments are allocated by means of sharing keys determined on the basis of segment drain on key resources.

Segment fixed assets comprise all fixed assets used directly for segment operations, including intangible assets, property, plant and equipment and investments in associates.

Segment liabilities comprise segment operating liabilities, including trade payables and other payables.

Income Statement

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.

Accounting Policies

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.

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.

Income from investments in subsidiaries

The items “Income from investments in subsidiaries” in the income statement include the proportionate share of the profit for the year less goodwill amortisation.

Financial income and expenses

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

Accounting Policies

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:

Production buildings	25-50 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3 years

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

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.

Accounting Policies

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The items "Investments in subsidiaries in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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.

Accounting Policies

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 total 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.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work. Provisions with an expected maturity exceeding 1 year from the balance sheet date are discounted at the average bond yield.

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.

Accounting Policies

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

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Accounting Policies

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin

Profit margin

Return on assets

$$\frac{\text{Profit before financials} \times 100}{\text{Total assets}} \quad \frac{\text{Net profit for the year}}{\text{Number of employees}}$$

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}} \quad \frac{\text{Current assets}}{\text{Current liabilities}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$