

REnescience A/S

Annual Report for 2015

Kraftværksvej 53, 7000 Fredericia

CVR no. 31 84 68 03

(7th financial year)

The annual report was presented and adopted at the annual general meeting of the company on 15/04 2016

Ulrik Jarlov

Chairman

Contents

	Page
Management statement and independent auditor's report	
Statement by the Executive Board and the Board of Directors	2
Independent Auditor's Report	3
Management's review	
Company information	5
Management's review	6
Financial statements	
Accounting policies	7
Income Statement 1 January - 31 December 2015	11
Balance Sheet at 31 December 2015	12
Statement of Changes in Equity	14
Notes to the financial statements	15

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of REnescience A/S for the financial year 1 January - 31 December 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 31 December 2015 of the company's and of the results of the company's operations for the year 1 January - 31 December 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Skærbæk, 18 March 2016

Executive Board

Anna-Lena Elisabet Jeppsson
Director

Board of Directors

Thomas Dalsgaard
Chairman

Niels Henriksen
Deputy Chairman

Jacob Moesgaard

Independent Auditor's Report

To the Shareholder of REnescience A/S

Report on the Financial Statements

We have audited the Financial Statements of REnescience A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 the 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 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 gives a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report

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, it is our opinion that the information provided in the Management's Review is consistent with the Financial Statements.

Copenhagen, 18 March 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no.33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant

Claus Damhave
State Authorised Public Accountant

Company information

The company

REnescience A/S
Kraftværksvej 53
Skærbæk
7000 Fredericia

Telephone: 99 55 11 11
Fax: 99 55 00 02
Website: www.dongenergy.com

CVR no.: 31 84 68 03
Financial Period: 1 January - 31 December
Incorporated: 31 October 2008
Reg. office: Fredericia

Board of Directors

Thomas Dalsgaard, Chairman
Niels Henriksen, Deputy Chairman
Jacob Moesgaard

Executive Board

Anna-Lena Elisabet Jeppsson, Director

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Consolidated Financial Statements

The company is included in the Consolidated Financial Statement of the ultimate parent company, DONG Energy A/S, Fredericia, CVR. nr. 36 21 37 28

The Annual Report of DONG Energy A/S, Fredericia, CVR. nr. 36 21 37 28 can be downloaded at the following address:

www.dongenergy.com

Management's review

Core activity

REnescience A/S is a member of the DONG Energy Group and a subsidiary of DONG Energy New Bio Solutions Holdings A/S, Fredericia. Reference is made to the annual report of DONG Energy A/S.

The company's objects are to conduct business within the environmental and energy sector and related activities.

Development in the year

The company's income statement for the year ended 31 December 2015 shows a loss of tDKK 43,214, and the company's balance sheet at 31 December 2015 shows equity of tDKK 24,066.

The past year and follow-up on development expectations from last year

Profit after tax for the year was tDKK -43 (2014: tDKK -19). The Company's balance sheet at 31 December 2015 showed an equity of tDKK 24.066. The past year and follow-up on the expectations from last year. The loss realised in 2015 is due to the fact that the Company's activities in 2015 has continued to be focused on the development of the business concept and the development of specific projects in the strategically important markets in Denmark, the Netherlands, the UK, and Malaysia.

It is the expectation that more projects will be developed during 2016 and 2017 and investment decision taken on these. It is the opinion of the Executive Board and the Board of Directors that the Company follows the business plans in a satisfactory way.

Capital resources

During the year the Company received a capital contribution of tDKK 34,000. The purpose of the capital contribution was to strengthen the financial position.

Uncertainty relating to recognition and measurement

Recognition and measurement in the annual report have not been subject to any uncertainty.

Unusual events

The company's assets, equity and liabilities and financial position at 31 December 2015 and the results of the company operations for the financial year 2015 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Accounting policies

The Annual Report of REnescience A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2015 is presented in tDKK.

Recognition and measurement

Income is 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 generate the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 and subsequently, as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost minus any repayments of principal and plus or minus the cumulative amortisation of any difference between cost and nominal amount. This way capital losses and gains are spread over the terms of the assets and liabilities.

On recognition and measurement, account is taken of gains, losses and risks arising before the date of presentation of the annual report that evidence or do not support conditions existing at the balance sheet date.

Government grants

Government grants comprise grants for eco-friendly generation and grants for and funding of research and development projects. Government grants are recognised when there is reasonable assurance that they will be received.

Accounting policies

Income statement

Gross profit

With reference to Section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the annual report.

Gross profit is an aggregation of revenue, changes in inventories of finished goods and work in progress as well as other operating income minus expenses for raw materials and consumables used and other external expenses.

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 taken place before year-end. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external costs

Other external costs comprise expenses for distribution, sales, advertising, administration, premises, bad debts, operating leases, etc.

Other external costs also include research and development costs that do not qualify for capitalisation.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Accounting policies

Tax on profit/loss for the year

Tax on profit/loss for the year, consisting of current tax for the year and deferred tax for the year, is recognised in the income statement to the extent that it relates to the net profit/loss for the year and directly in equity to the extent that it relates to entries directly in equity. The company is subject to the Danish rules on compulsory joint taxation of the DONG Energy Group's Danish companies, and the ultimate parent company, DONG Energy A/S, has also elected international joint taxation with the Group's foreign subsidiaries. Subsidiaries are included in the joint taxation from the date they are included in the consolidation in the consolidated financial statements and up to the date on which they are no longer included in the consolidation.

The ultimate parent company, DONG Energy A/S, is the administration company for the joint taxation and consequently settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, current Danish income tax is allocated among the jointly taxed Danish enterprises in proportion to their taxable income. Further to this, Danish subsidiaries with tax losses receive joint taxation contributions from the parent company equivalent to the tax base of the tax losses utilised (full allocation), while enterprises that utilise tax losses in other Danish enterprises pay joint taxation contributions to the parent company equivalent to the tax base of the utilised losses. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

Balance sheet

Intangible assets

Development projects

Development costs comprise wages and salaries and amortisation that are directly or indirectly attributable to the company's development activities and meet the criteria for recognition.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less the lower of accumulated amortisation and the recoverable amount.

Receivables

Receivables are recognised at amortised cost, which normally corresponds to nominal value. Provisions for estimated bad debts are made.

Accounting policies

Prepayments

Prepayments comprise expenses incurred in respect of subsequent financial years.

Deferred tax assets and liabilities

Current tax payable and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on previous years' taxable income and taxes paid on account.

Deferred 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 on the basis of the intended use of the asset and settlement of the liability, respectively.

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. Where the tax base can be determined applying alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement. For the current year, a tax rate of 22% has been applied.

Payables

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

Foreign currency translation

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.

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.

Income Statement 1 January - 31 December 2015

	<u>Note</u>	<u>2015</u> tDKK	<u>2014</u> tDKK
Gross profit		-55.972	-26.472
Profit before financial income and expenses		-55.972	-26.472
Financial income	1	65	15
Financial costs	2	-227	-15
Profit before tax		-56.134	-26.472
Tax on profit/loss for the year	3	12.920	7.072
Net profit for the year		-43.214	-19.400
Retained earnings		-43.214	-19.400
		-43.214	-19.400

Balance Sheet at 31 December 2015

	Note	2015 tDKK	2014 tDKK
Assets			
Trade receivables		3	205
Receivables from group enterprises		12.323	24.490
Other receivables		461	1.251
Deferred tax asset		235	314
Corporation tax		19.830	11.971
Prepayments		2.046	0
Receivables		34.898	38.231
Total current assets		34.898	38.231
Total current assets		34.898	38.231

Balance Sheet at 31 December 2015

	<u>Note</u>	<u>2015</u> tDKK	<u>2014</u> tDKK
Liabilities and equity			
Share capital		18.000	17.500
Retained earnings		6.066	15.780
Total equity	4	<u>24.066</u>	<u>33.280</u>
Trade payables		4.282	1.500
Payables to group enterprises		4.288	2.295
Other payables		2.262	1.156
Current debt		<u>10.832</u>	<u>4.951</u>
Total liabilities other than provisions		<u>10.832</u>	<u>4.951</u>
Total liabilities and equity		<u><u>34.898</u></u>	<u><u>38.231</u></u>
Contingent assets, liabilities and other financial obligations	5		
Related parties and ownership	6		

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	tDKK	tDKK	tDKK	tDKK
Equity at 1 January	17.500	0	15.780	33.280
Cash capital increase	500	33.500	0	34.000
Net profit for the year	0	0	-43.214	-43.214
Transfer from share premium account	0	-33.500	33.500	0
Equity at 31 December	18.000	0	6.066	24.066

Notes to the Annual Report

	<u>2015</u> tDKK	<u>2014</u> tDKK
1 Financial income		
Interest received from group enterprises	1	5
Other financial income	0	1
Exchange gains	<u>64</u>	<u>9</u>
	<u>65</u>	<u>15</u>
2 Financial costs		
Interest paid to group enterprises	126	3
Other financial costs	0	1
Exchange loss	<u>101</u>	<u>11</u>
	<u>227</u>	<u>15</u>
3 Tax on profit/loss for the year		
Current tax for the year	-19.829	-11.971
Deferred tax for the year	6.210	4.910
Adjustment of tax concerning previous years	6.830	1.322
Adjustment of deferred tax concerning previous years	<u>-6.131</u>	<u>-1.333</u>
	<u>-12.920</u>	<u>-7.072</u>

Notes to the Annual Report

4 Equity

The share capital consists of 18,000 shares of a nominal value of tDKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2015 tDKK	2014 tDKK	2013 tDKK	2012 tDKK	2011 tDKK
Share capital at 1 January	17.500	17.000	16.500	16.000	500
Additions for the year	500	500	500	500	15.500
Disposals for the year	0	0	0	0	0
Share capital at 31 December	18.000	17.500	17.000	16.500	16.000

5 Contingent assets, liabilities and other financial obligations

Group's Danish companies are jointly and severally liable for tax on group jointly taxed income, etc., reference is made to the annual report DONG Energy A/S, the administration company in relation to joint taxation.

6 Related parties and ownership

Basis

Controlling interest

DONG Energy A/S, Kraftværksvej 53, 7000 Fredericia

Ultimate parent company, 100% owned

Ownership

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

DONG Energy New Bio Solutions Holding A/S, Fredericia