
Datoselskabet af 1. december 2015 A/S

Lejrvej 25, DK-3500 Værløse

Annual Report for 1 January - 31 December 2015

CVR No 71 32 61 28

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
24/5 2016

Stig B. Karlsen
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Datoselskabet af 1. december 2015 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 and of the results of the Company operations for 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.

Værløse, 24 May 2016

Executive Board

Kåre Wessel Wetlesen
CEO

Board of Directors

Stig Bøgh Karlsen
Chairman

Ulrik Bülow

Per Høholt

Independent Auditor's Report on the Financial Statements

To the Shareholders of Datoselskabet af 1. december 2015 A/S

Report on the Financial Statements

We have audited the Financial Statements of Datoselskabet af 1. december 2015 A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, 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 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Report on Other Legal and Regulatory Requirements

Other Matter

Independent Auditor's Report on the Financial Statements

Without modifying our conclusion we draw your attention to Note 1 wherein we alert the reader that the company has lost its equity and is expected to be liquidated in 2016. The company's shareholders will support the company's creditors at year end.

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.

Hellerup, 24 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jens Michael Colstrup
statsautoriseret revisor

Anders Storm Hansen
statsautoriseret revisor

Company Information

The Company

Datoselskabet af 1. december 2015 A/S
Lejrvej 25
DK-3500 Værløse

CVR No: 71 32 61 28
Financial period: 1 January - 31 December
Incorporated: 30 December 1982
Municipality of reg. office: Furesø

Board of Directors

Stig Bøgh Karlsen, Chairman
Ulrik Bülow
Per Høholt

Executive Board

Kåre Wessel Wetlesen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Datoselskabet af 1. december 2015 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.

Main activity

The business scope of the company have for a number of years been research and development, production and sale of equipment and process systems directed at the cleaning of large land based atmospheric oilstorage tanks plus production and sale of equipment directed at recycling and purification of oil water waste streams. Furthermore, the company owns a material share in the company Bawat A/S which is focused on development and sale of a new process for purification of ship ballast water.

During the financial year 2015 material changes in activities have transpired as the recycling and purification of oil water waste streams activity mainly in Canada has been sold as per October 1, 2015 furthermore the oil tank cleaning activities including the Company name Oreco and brand names BLABO® and MoClean® have been sold as per December 1, 2015 to a newly established Company now operating under the name of Oreco A/S. In addition it has furthermore been decided to sell the shares in the company BAWAT A/S. The shares are sold in February 2016 however the consequences are included in the 2015 accounts.

The remaining activities are expected to cease during the second half of 2016 where after a liquidation of the Company is expected to be conducted.

Market overview

The Market for cleaning of large and medium-sized land-based oil tanks has continued in line with previous years and a steady development is expected to continue within this market, where the market for recycling and purification of oil-water waste streams especially within the market for oil extraction by the fracking method is expected to develop significantly in the coming years, especially in North America. The driver for the market for new process for cleaning of ballast water is expected to be legal requirements to clean ballast water, with a market worldwide of 70.000 ships to install methods to clean ballast water. BAWAT's ballast water treatment system was certified in Autumn 2014 and is now ready to go to market.

Development in the year

The income statement of the Company for 2015 shows a loss of DKK 18,892,513, and at 31 December 2015 the balance sheet of the Company shows negative equity of DKK 8,791,023.

Net profit for the year is affected negatively by the sale of the shares in the Canadian subsidiary and a write down of assets concerning Bawat A/S by in total DKK 29.0 million, in addition hereto a loss in the amount of DKK 6.4 million originating from a material contract not being fulfilled by the customer is recorded. These negative impacts are partly offset from a net positive income originating from sales of the BLABO and MoClean activities of DKK 16.7 million. The ordinary BLABO and MoClean activities from 1/1-30/11 2015 show higher activity and income than in 2014.

Management's Review

The subsidiary, Oreco US Inc. was founded in February 2014. The subsidiary solely acts as a sales office on mainly the market for cleaning of large scale and medium sized oil tanks. The Company is sold to Oreco A/S as per 1/12-2015 together with the BLABO and MoClean activities. The result of the year until time of sale is a loss of DKK 0.3 million against a loss of DKK 1.9 million in 2014. The subsidiary Oreco Holding ApS has no activities in 2015 and the loss for the year after tax is DKK 0 million. Oreco Holding ApS has no obligations and a liquidation of the company is expected in 2016.

The subsidiary Oreco Venture ApS only activity is holding the shares in BAWAT A/S. The result for the year of Oreco Venture ApS is a loss of DKK 13.7 million against a loss of 0.5 million in 2014.

After the sale of shares in Bawat A/S in February 2016 it is planned to conduct a liquidation of the company which is expected finalized in 2016.

Equity

The company has lost more capital than the share capital and the equity is negative. It is the intention to liquidate the company in 2016 and the company will not participate in any business in the coming year unless the shareholders contribute new capital to the company.

Subsequent events

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

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Gross profit/loss		13.662.358	7.179.763
Distribution expenses		-1.682.001	-2.497.391
Administrative expenses		-8.059.875	-9.467.490
Operating profit/loss		3.920.482	-4.785.118
Financial income	2	703.757	1.387.634
Financial expenses	3	-24.684.720	-10.197.359
Resultat før skat		-20.060.481	-13.594.843
Tax on profit/loss for the year		1.167.968	-851.130
Net profit/loss for the year		-18.892.513	-14.445.973

Distribution of profit

Proposed distribution of profit

Retained earnings		-18.892.513	-14.445.973
		-18.892.513	-14.445.973

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Acquired patents		0	679.348
Acquired licenses		0	1.037
R&D projects		0	2.999.451
Intangible assets		0	3.679.836
Other fixtures and fittings, tools and equipment		184.372	495.744
Property, plant and equipment		184.372	495.744
Investments in subsidiaries	4	5.001.537	190.689
Receivables from group enterprises		0	21.800.252
Deposits		24.600	92.294
Fixed asset investments		5.026.137	22.083.235
Fixed assets		5.210.509	26.258.815
Raw materials and consumables		0	533.709
Work in progress		0	719.917
Finished goods and goods for resale		0	125.307
Inventories		0	1.378.933
Trade receivables		11.308	21.487.801
Receivables from group enterprises		0	294.213
Other receivables		30.422	914.944
Prepayments		1.755	180.408
Receivables		43.485	22.877.366
Cash at bank and in hand		7.750.429	1.505.181
Currents assets		7.793.914	25.761.480
Assets		13.004.423	52.020.295

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		1.151.508	1.069.294
Other reserves		-300.000	-300.000
Retained earnings		-9.642.531	6.332.207
Equity	5	-8.791.023	7.101.501
Provision for deferred tax		0	724.653
Other provisions		0	651.856
Provisions		0	1.376.509
Credit institutions	1	0	12.569.582
Trade payables		787.193	6.683.040
Payables to group enterprises	1	2.945.980	9.971.439
Payables to owners and Management	1	15.528.885	5.569.988
Other payables		2.533.388	2.206.805
Deferred income		0	6.541.431
Short-term debt		21.795.446	43.542.285
Debt		21.795.446	43.542.285
Liabilities and equity		13.004.423	52.020.295
Capital position	1		
Contingent assets, liabilities and other financial obligations	6		
Related parties and ownership	7		

Notes to the Financial Statements

1 Capital position

To secure the financing of activities and to settle its financial obligations for Datoselskabet af 1. december 2015 A/S and its subsidiaries in 2016, the shareholders will support the company with sufficient equity or loans to secure the liquidation of the company

The parent company and group enterprises will subordinate their receivables from Datoselskabet af 1. december 2015 A/S and group enterprises in favour of the Bank and other creditors of Datoselskabet af 1. december 2015 A/S.

The support is effective until the annual general meeting in 2017 or the liquidation of the company.

	<u>2015</u> DKK	<u>2014</u> DKK
2 Financial income		
Interest received from group enterprises	703.455	501.191
Other financial income	302	1.202
Exchange adjustments	<u>0</u>	<u>885.241</u>
	<u>703.757</u>	<u>1.387.634</u>

3 Financial expenses

Impairment losses on financial assets	21.241.803	9.192.837
Interest paid to group enterprises	28.109	108.438
Other financial expenses	2.257.820	869.640
Exchange adjustments, expenses	1.060.270	0
Exchange loss	<u>96.718</u>	<u>26.444</u>
	<u>24.684.720</u>	<u>10.197.359</u>

Notes to the Financial Statements

4 Investments in subsidiaries

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Oreco Holding ApS	Værløse	125.000 DKK	100%	191.881	1.192
Oreco Venture ApS	Værløse	170.000 DKK	100%	4.809.656	-13.714.730
				<u>5.001.537</u>	<u>-13.713.538</u>

5 Equity

	Share capital DKK	Other reserves DKK	Retained earnings DKK	Total DKK
Equity at 1 January	1.069.294	-300.000	6.332.207	7.101.501
Cash capital increase	82.214	0	2.917.775	2.999.989
Net profit/loss for the year	0	0	-18.892.513	-18.892.513
Equity at 31 December	1.151.508	-300.000	-9.642.531	-8.791.023

The share capital has developed as follows:

	2015 DKK	2014 DKK	2013 DKK	2012 DKK	2011 DKK
Share capital at 1 January	1.069.294	850.055	750.000	750.000	750.000
Capital increase	82.214	219.239	100.055	0	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	1.151.508	1.069.294	850.055	750.000	750.000

Notes to the Financial Statements

	<u>2015</u> DKK	<u>2014</u> DKK
6 Contingent assets, liabilities and other financial obligations		
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	0	30.360
After 5 years	0	543.867
	<u>0</u>	<u>574.227</u>

Contingent liabilities

Danish group companies are jointly liable for tax on consolidated taxable income, etc. The total amount is shown in the annual report for A/S Dansk Erhvervsinvestering, which is the management company in relation to joint taxation.

Notes to the Financial Statements

7 Related parties and ownership

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:

Otto Mønsted A/S
Tingskiftevej 5
2900 Hellerup

Maj Invest Holding A/S
Gammeltorv 18
1457 København K

A/S Dansk Erhvervsinvestering
c/o Fondsmæglerselskabet Maj Invest A/S
Gammeltorv 18
1457 København K

Consolidated Financial Statements

With reference to § 112 in the Danish Financial Statement Act no consolidated financial statements have been prepared. The company is a part of the consolidated financial statements for the ultimate parent: .

A/S Dansk Erhvervsinvestering, CVR. No. 73 31 47 12
København K

Accounting Policies

Basis of Preparation

The Annual Report of Datoselskabet af 1. december 2015 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.

Financial Statements for 2015 are presented in DKK.

Changes in accounting policies

Because of the management plan to liquidate the company in 2016 all assets and obligations are measured at realization value. Comparative figures have not been adjusted.

The change in accounting policy has not had an effect on the income statement or balance sheet.

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, herunder afskrivninger, nedskrivninger og hensatte forpligtelser samt tilbageførsler som følge af ændrede regnskabsmæssige skøn af beløb, der tidligere har været indregnet i resultatopgørelsen.

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.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

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.

Accounting Policies

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.

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 is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) 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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service 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. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

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.

Accounting Policies

Distribution expenses

Distribution expenses comprise costs incurred during the year to marketing, sales commissions, wages and salaries and depreciation related to realised production.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, received dividends from associates and subsidiaries as well as extra payments and repayment under the onaccount taxation scheme.

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 subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Intangible assets are measured at realization value.

Property, plant and equipment

Property, plant and equipment are measured at realization value.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at realization value.

Inventories

Inventories are measured at realization value.

Receivables

Receivables are measured in the balance sheet at realization value.

Accounting Policies

Contract work in progress

Contract work in progress regarding service is measured at realization value.

Prepayments

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

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

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

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