

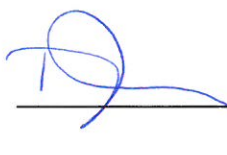
Sitech Denmark A/S

**Mossvej 9
8700 Horsens**

CVR no. 32 76 34 64

Annual report 2015

The annual report was presented and
adopted at the annual general meeting of
the Company on 24 May 2016



Chairman

DANIEL BERNARD GREEN

Contents

	Page
Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Company details	5
Financial statements	
Accounting policies	6
Income statement	10
Balance sheet	11
Notes to the annual report	13

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Sitech Denmark A/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the year 1 January - 31 December 2015.

We recommend that the annual report be adopted at the annual general meeting.


Horsens, 24 May 2016

Executive Board



Christian Nielsen

Board of Directors




Gerbrand Van der Horst
Chairman



Maarten Jos Janssen



Christian Nielsen



Daniel Bernard Green



KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus
Denmark

Telephone 70707761
www.kpmg.com/dk
CVR no. 25578198

Independent auditor's report

To the shareholder of Sitech Denmark A/S

We have audited the financial statements of Sitech Denmark A/S for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet 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 that 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 as to 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 judgement, 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 Qualified Opinion.



Independent auditor's report

Qualification

Basis for Qualified Opinion

Due to changes in the Company's IT system, the Company has not been able to document that the company's inventory is measured in accordance with the FIFO principle. We have therefore not been able to obtain sufficient and appropriate audit evidence regarding the valuation of the inventory as of 31 December 2015. Consequently, we were unable to determine whether any adjustments to valuation of the inventory were necessary.

Qualified Opinion

In our opinion, except for the possible impact of the matter described in basis for qualified opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 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.

Aarhus, 24 May 2016

KPMG

Statsautoriseret Revisionspartnerselskab

Per Ejning Olsen

State Authorised Public Accountant

Michael Mortensen

State Authorised Public Accountant

Company details

Company

Sitech Denmark A/S
Mossvej 9
8700 Horsens
Denmark

Telephone: +4570254414
Fax: +4570254415

CVR no.: 32 76 34 64
Financial year: 1 January - 31 December
Incorporated: 29 January 2010
Registered office: Horsens

Board of Directors

Gerbrand Van der Horst, Chairman
Maarten Jos Janssen
Christian Nielsen
Daniel Bernard Green

Executive Board

Christian Nielsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus
Denmark

General meeting

The annual general meeting is held on 24 May 2016 at the Company's address.

Financial statements 1 January - 31 December

Accounting policies

The annual report of Sitech Denmark A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements, the Company presents revenue, cost of sales, other external cost and other income in one line item named gross profit.

Revenue

Income from the sale of goods for resale and services, comprising the sale of systems and software as well as consultancy services within these systems, is recognised in the income statement when delivery and transfer of risks to the buyer have taken place and provided that the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of sales

Cost of sales comprises direct and indirect costs of goods sold incurred to generate revenue for the year.

Other external costs

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

Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc., to the Company's employees.

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 income and interest expense, costs of finance leases as well as realised and unrealised gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January - 31 December

Accounting policies

Tax on profit/loss from ordinary activities

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised directly in the income statement.

The Company is jointly taxed with its parent company and its subsidiaries. Current income tax is allocated between jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses). The administrative company is Pon Holding Denmark A/S (CVR no. 21 86 47 06).

Balance sheet

Intangible assets

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the expected useful life, which is assessed to 3 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as amortisation.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided in a straight-line basis over the expected useful lives of the assets.

The expected useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
--	-----------

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as depreciation.

Leased assets

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

Financial statements 1 January - 31 December

Accounting policies

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are treated as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

Inventories

- Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials and consumables.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Equity

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 January - 31 December

Accounting policies

Provisions

Provisions comprise anticipated costs related to repair and maintenance of goods hired out.

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities others than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Income statement

	Note	2015 DKK	2014 DKK
Gross profit		10,759,415	9,833,204
Staff costs	2	-9,663,543	-9,033,926
Depreciation on property, plant and equipment and amortisation of intangible assets		-719,265	-677,944
Profit before financial income and expenses		376,607	121,334
Financial expenses	3	-132,483	-233,519
Profit/loss before tax		244,124	-112,185
Tax on profit/loss from ordinary activities	4	3,480	349,207
Profit for the year		247,604	237,022
Retained earnings		247,604	237,022
		247,604	237,022

Financial statements 1 January - 31 December

Balance sheet

	Note	2015 DKK	2014 DKK
Assets			
Software		249	3,231
Intangible assets	5	<u>249</u>	<u>3,231</u>
Fixtures and fittings, tools and equipment		293,135	169,514
Leased assets		1,161,759	179,837
Property, plant and equipment	6	<u>1,454,894</u>	<u>349,351</u>
Total non-current assets		<u>1,455,143</u>	<u>352,582</u>
Finished goods and goods for resale		9,433,297	13,075,308
Prepaid goods		0	535,458
Inventories		<u>9,433,297</u>	<u>13,610,766</u>
Trade receivables		6,514,743	2,671,944
Receivables from group entities		172,389	0
Other receivables		4,257	0
Receivables		<u>6,691,389</u>	<u>2,671,944</u>
Cash at bank and in hand		<u>5,063</u>	<u>1,262</u>
Total current assets		<u>16,129,749</u>	<u>16,283,972</u>
Total assets		<u><u>17,584,892</u></u>	<u><u>16,636,554</u></u>

Financial statements 1 January - 31 December

Balance sheet

	Note	2015 DKK	2014 DKK
Equity and liabilities			
Share capital		500,000	500,000
Retained earnings		<u>2,422,486</u>	<u>2,174,882</u>
Total equity	7	<u>2,922,486</u>	<u>2,674,882</u>
Other provisions		<u>0</u>	<u>93,551</u>
Total provisions		<u>0</u>	<u>93,551</u>
Trade payables		3,519,219	6,814,759
Payables to group entities		7,708,561	4,278,356
Other payables		<u>3,434,626</u>	<u>2,775,006</u>
Current liabilities other than provisions		<u>14,662,406</u>	<u>13,868,121</u>
Total liabilities other than provisions		<u>14,662,406</u>	<u>13,868,121</u>
Total equity and liabilities		<u>17,584,892</u>	<u>16,636,554</u>
Main activity	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties and ownership	9		

Financial statements 1 January - 31 December

Notes

1 Main activity

The Company's activities comprise marketing and sales in Denmark, Greenland and the Faroe Islands of Trimble construction technology systems to the heavy and highway construction industries. Furthermore, the Company provides spare parts, customer service and personalised training and technical support within these areas.

2 Staff costs

	2015 DKK	2014 DKK
Wages and salaries	8,735,827	8,138,196
Pensions	839,063	785,819
Other social security costs	88,653	109,911
	<u><u>9,663,543</u></u>	<u><u>9,033,926</u></u>
 Average number of employees	 <u>17</u>	 <u>16</u>

3 Financial expenses

	2015 DKK	2014 DKK
Interest expense, group companies	126,614	215,942
Other financial expenses	5,869	17,577
	<u><u>132,483</u></u>	<u><u>233,519</u></u>

4 Tax on profit/loss from ordinary activities

Deferred tax for the year	0	-349,207
Adjustment of tax concerning previous years	-3,480	0
	<u><u>-3,480</u></u>	<u><u>-349,207</u></u>

Financial statements 1 January - 31 December

Notes

5 Intangible assets

	Software
	DKK
Cost at 1 January 2015	438,442
Cost at 31 December 2015	438,442
Impairment losses and amortisation at 1 January 2015	435,211
Amortisation for the year	2,982
Impairment losses and amortisation at 31 December 2015	438,193
Carrying amount at 31 December 2015	249
Amortised over	3 years

6 Property, plant and equipment

	Fixtures and fittings, tools and equipment	Leased assets	Total
	DKK	DKK	DKK
Cost at 1 January 2015	511,058	1,061,862	1,572,920
Additions for the year	330,247	1,478,359	1,808,606
Disposals for the year	-85,491	0	-85,491
Cost at 31 December 2015	755,814	2,540,221	3,296,035
Impairment losses and depreciation at 1 January 2015	341,543	882,025	1,223,568
Depreciation for the year	180,505	496,437	676,942
Impairment losses and depreciation of sold assets for the year	-59,369	0	-59,369
Impairment losses and depreciation at 31 December 2015	462,679	1,378,462	1,841,141
Carrying amount at 31 December 2015	293,135	1,161,759	1,454,894
Depreciated over	3-5 years	3-5 years	

Financial statements 1 January - 31 December

Notes

7 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2015	500,000	2,174,882	2,674,882
Profit for the year	0	247,604	247,604
Equity at 31 December 2015	500,000	2,422,486	2,922,486

8 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company is jointly taxed with the parent company, Pon Holding Denmark A/S, and its subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. At 31 December 2015, net taxes payable to the Danish Central Tax Administration by the companies included in the joint taxation amounted to DKK 0 thousand. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase.

Contractual obligations

The Company has entered into lease liabilities regarding the lease of premises with a non-cancellable period of 2-3 years. The lease liability in the period of interminability represents DKK 1,069 thousand (2014: DKK 1,416 thousand).

Operating lease obligations

The Company has entered into operating leases, comprising eight cars, with a total annual lease payment of DKK 720 thousand. The leases have a remaining term of 2-54 months and a total residual payment of DKK 1,292 thousand (2014: DKK 1,605 thousand).

Guarantees

A guarantee of DKK 125 thousand (2014: DKK 125 thousand) has been provided to a third party. The guarantee for which no expiry has been determined is provided via Nordea Bank.

Financial statements 1 January - 31 December

Notes

9 Related parties and ownership

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:

Pon Holding Denmark A/S
Park Allé 363
2605 Brøndby