Uniscrap A/S

Stålvej 6

6000 Kolding

CVR No. 53385613

Annual Report 2016

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31 May 2017

Frans Rossen

Frans Blach Rossen
Chairman

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Uniscrap A/S

Management's Statement

Today, the Supervisory Board and the Executive Board have considered and adopted the Annual Report of Uniscrap A/S for the financial year1 January 2016 - 31 December 2016.

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

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Group's and the Company's operations and the Group's cash flows for the financial year 1 January 2016 - 31 December 2016.

In our opinion, the 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.

Kolding, 30 May 2017

Executive Board

Thomas Taagaard Christensen
Man. Director

Supervisory Board

Kai Lohmann
Chairman

Frans Blach Rossen

John Ingolf Pedersen

Kim Buhl Larsen
Employee Representative

Sten Lønsgren Andersen
Employee Representative

Independent Auditor’s Report

To the shareholders of Uniscrap A/S

Opinion

We have audited the financial statements of Uniscrap A/S for the financial year 1 January 2016 - 31 December 2016 , which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are 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 of the Company a and of the 31 December 2016 results of the Company's operations and cash flows for the financial 1 January 2016 - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

> Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent Auditor's Report

Obtain an understanding of internal control relevant to the audit 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.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2017

Ernst & Young
Godkendt revisionspartnerselskab
CVR-no. 30700228

Eskild Jakobsen
State Authorised Public Accountant

Peter Jensen
State Authorised Public Accountant

Company details

Company	Uniscrap A/S Stålvej 6 6000 Kolding
Telephone	45 76339900
email	info@uniscrap.dk
Website	www.uniscrap.dk
CVR No.	53385613
Registered office	Kolding
Financial year	1 January 2016 - 31 December 2016
Supervisory Board	Kai Lohmann, Chairman Frans Blach Rossen John Ingolf Pedersen Kim Buhl Larsen, Employee Representative Sten Lønsgren Andersen, Employee Representative
Executive Board	Thomas Taagaard Christensen, Man. Director
Auditors	Ernst & Young Godkendt revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg CVR-no.: 30700228

Management's Review

The Group's principal activities
With its 4 environmentally certified receiving stations and processing centres, Uniscrap A/S constitutes a national and leading environmental enterprise within waste management and recycling. Uniscrap A/S is also represented on the Swedish market with a scrap site in Skillingaryd south of Jönköping. The Swedish activities are aggregated in an independent company, Uniscrap Sverige AB, which is a fully-owned subsidiary of Uniscrap A/S. The Company's main fractions are iron and metal scrap that are collected and processed for resale as secondary raw materials.

Development in activities and financial matters
Uniscrap A/S' loss for the year after tax amounted to a loss of DKK 8,0m, which is a substantial improvement compared to 2015 and according to Management this is satisfactory on a historical basis but on a long-term basis this is still not at a satisfactory level even the difficult market conditions.

Equity at 31/12 2016 amounted to DKK 19,9m.

In order to adapt to the current market conditions and to make Uniscrap a profitable company again a thorough restructuring of the organisation and a redefinition and focusing on Uniscraps core competencies has in 2016 caused a close-down of 9 out of 13 recycling yards and a reduction of more than half of the employees. These initiatives have had the anticipated effects and Uniscrap has provided positive EBITDA every month since these initiatives were implemented.

Accounting estimates and uncertainty
When stating the accounting value of liabilities, estimates are required of how future events will affect the value of such liabilities at the balance sheet date. The estimates and assumptions are based on historical experience, contractual obligations and other factors which Management deems prudent in view of the circumstances, but which are uncertain and inaccurate and from which unexpected events may occur.
Estimates made of measurement of provisions, inclusive of contractual obligations on loss-making contracts as well as provisions for restructuring costs are material to the financial statements.

Post financial year events
After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Expectations for the future
According to Management's expectations, the market conditions in general for 2017 will not change significantly and the initiatives in order to make Uniscrap profitable on a long-term basis will continue with positive impact and thus, the expectations for 2017 is that Uniscrap will make a positive result 500 t.kr.

The total volume of iron and metal scrap offered on the Danish market is not expected to rise and thus focus on market shares and profitability is prioritised. Furthermore, the global demand and pricing on iron scrap is influenced negatively by the inflow of a substantial volume of low priced iron ore products which to some extent are marketed in competition with iron scrap.

For 2017, Management expects a positive result from the Company's operations whereas 2018 should generate higher profits due to a continuous improvement of both business model and execution.
Uniscrap A/S is a part of the Scholz Group's structured bank agreement, and also a part of the Scholz Group's restructuring measures initiated to achieve improvements of net assets, the financial position and results of operations of the Scholz Group and Uniscrap A/S.

In 2016 the Scholz Group was acquired by the Chinese CTG Group and the Groups structured bank agreement has been renegotiated in 2016 which has secured Uniscrap A/S' credit facility with Scholz Group until 2023.
Local management of Uniscrap A/S has prepared a forecast for 2017, which shows that the company has sufficient capital resources to support Uniscrap A/S' operations for the coming year.

Management's Review

Statement on Corporate Social Responsibility
Statutory account of corporate social responsibility 2016, in accordance with sections §99A and §99B of the Danish Financial Statements Act

At Uniscrap A/S we seek to ensure a responsible and sustainable business. In the following section of our annual report we account for the material sustainability aspects of our business that impact society and our stakeholders. Through our business focus on turning waste into valuable resources without causing negative harm to society or the environment in the process Uniscrap A/S contributes to the Danish society's resource economy. One of our key focus areas in 2016 was the restructuring of our core business processes. The operational transformation was done in order to ensure a more sustainable economic platform and reduce Uniscrap A/S' environmental impact. Environment and Climate Change Impact.

Policy
In 1999, we introduced our environmental policy which structures the Company's efforts to reduce our environmental and climate change impact. Our policy is reviewed on a regular basis by both Management and the board.

In our view, waste is not just waste. When handled responsibly, waste does not need to burden society and the environment but can be transformed into a valuable resource. This is particularly true for recoverable materials, such as iron and metal waste, which can be reused in up to 75%-100%, depending on the material. Not only does recycling reduce harmful greenhouse gas emissions, it also conserves resources at a minimal cost compared to waste disposal and not least makes the economy less dependent on primary raw materials. Contributing to a better resource economy by ensuring sustainable resource management through the sorting and development of residual scrap for new raw materials is central to Uniscrap A/S' business. This implies that we handle materials responsibly and apply intelligent recycling systems. None of our recycling processes requires chemical treatment or the use of water.

Activities and results
Each year, Uniscrap A/S collects and processes considerable volumes of iron, metal and electronic scrap for reuse. In 2016, the total resources transferred through Uniscrap A/S amounted to a 6 digits' tons of residual scrap, recycled for reuse. Uniscrap A/S continuously aims to increase the reusable portion of scrap received. This requires close collaboration with local authorities. An outcome of our efforts is that we can now collect larger volumes of scrap at the collection sites. In 2015 Uniscrap A/S decided to outsource all transportation activities which means that Uniscrap no longer has fuel consumption or emissions from its own transportation activities.

Uniscrap A/S is subject to local supervisory authorities' environmental inspections. In addition to this, we conduct internal audits on an annual basis to ensure that we are always aligned with international standards and compliant with national environmental regulation. In 2016, external inspections were conducted at some yards while all yards were subject to an internal inspection. No significant outstanding environmental issues were found. Furthermore, in 2016 Uniscrap A/S completed tests and evaluation of a new upcoming environmental improvement project for release in 2017.

In 1999, Uniscrap A/S became DS/EN ISO 14001 certified, and this standard has since then directed the Company's approach to environmental management. In 2016, each of our departments was subject to an internal audit ensuring that all systems and processes are in accordance with ISO 14001, paying particularly attention to operating oil skimmers at the yards. No significant non-compliances were reported. Furthermore, we also had 4 assessments of our operations conducted by certified third party auditors in 2016. These external reviews did not find any incidents of non-compliance. In 2017, Uniscrap will be recertified according to the latest standard and all yards will undergo external reviews and all yards will have internal audits.

Key Figures and Financial Ratios for the Group

The development in the group's key figures and financial ratios can be described as follows:
Numbers appear in thousands

	2016	2015	2014	2013	2012
Key figures					
Revenue	250.147	277.444	345.681	493.504	526.587
Gross profit/loss	26.715	24.452	43.527	14.457	40.933
Operating profit/loss	-6.026	-18.923	1.326	-41.575	-15.109
Net financials	-2.835	-5.102	-2.385	-4.341	-3.731
Profit/loss for the year	-8.861	-23.237	-1.059	-47.114	-15.111
Total assets	103.963	115.902	149.394	165.041	203.093
Investments in property, plant and equipment	257	1.386	137	2.249	14.376
Equity	18.084	26.973	50.176	51.286	98.427
Cash flows from (used in) operating activities	-6.907	36.866	-1.661	6.933	-584
Cash flows from (used in) investing activities	5.016	-844	9.852	-2.250	-697
Cash flows from (used in) financing activities	-1.386	-3.044	-8.153	-4.660	1.258
Employees in average	67	78	90	112	112
Ratios					
Gross margin (%)	10,68	8,81	12,59	2,93	7,77
Net margin (%)	-3,54	-8,66	-0,31	-9,55	-2,87
Return on equity (%)	-39,33	-62,28	-2,09	-62,94	-14,26
Equity ratio (%)	17,39	23,27	33,59	31,07	48,46

For definitions of key ratios, see Accounting and Valuation Principles

Accounting Policies

Reporting Class
The Annual Report of Uniscrap A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The company has with effect from 1. January 2016 implemented law No. 738 of 1 July 2015. This results in the following changes to the recognition and measurement for:

Annual reassessment of residual values on tangible assets

There should in future be carried out yearly reassessment of residual value of tangible assets. Companies have no significant residual values on tangible assets, above and beyond what is attributed to the company's reasons, the change is made, therefore, in accordance with section 4 of the Executive order on transition alone with prospective effect to a change in accounting estimates and has no effect on shareholders ' equity. Apart from the above new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Reclassification of comparative figures:
The Company has restated the comparative figures for 2015 as regards "Revaluation reserve" and "retained earnings" in the balance sheet as the related "Land and buildings" has been disposed.
The restatements have not affected equity or result for the year.

Reporting currency
The Annual Report is presented in Danish kroner.

Translation policies
On initial recognition, transactions in foreign currencies are translated at the exchange rates prevailing at the date of transaction. Gains and losses occurring due to differences between the transaction date rates and the rates at the date of payment are recognised as and item under Financial Income and Expenses in the Income Statement.

Receivables, debt and other monetary items denominated in a foreign currency are translated at the rate at the balance sheet date. The difference between the rate at the balance sheet date and the rate at the time when the receivable or payable occurred or was recognised in the latest Financial Statements is recognised in the Income Statement under Financial Income and Expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated into a monthly average rate of exchange and the balance sheet items are translated into the rates of exchange at the balance sheet date. Currency translation differences that occur when translating foreign subsidiaries' equity at the beginning of the year at the rates of exchange at the balance sheet date and when translating Income Statements from average rates at the rates of exchange at the balance sheet date are recognised directly in equity.

Translation adjustment of balances with separate foreign subsidiaries that is considered a part of the total investment in the subsidiary is recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments entered to assure net investments in foreign subsidiaries are recognised directly in equity.

Consolidated Financial Statements
The Consolidated Financial Statements comprise the parent company Uniscrap A/S and subsidiaries in which Uniscrap A/S directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates, cf. Group chart.

Accounting Policies

For the consolidation, intercompany income and costs, shareholdings, intercompany balances and dividends as well as realised and unrealised profit and loss are eliminated in connection with transactions between the consolidated enterprises.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Enterprises sold or liquidated are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not corrected for enterprises newly acquired, sold or liquidated.

Grants provided to group enterprises are considered a capital contribution and are recognised under the item equity investments in group enterprises. Grants received from group enterprises are recognised as dividends.

General Information

Basis of recognition and measurement
Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured 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 less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue
Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

Accounting Policies

Raw materials and consumables
Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other external expenses
Other external expenses comprise expenses regarding sale and administration.

Staff expenses
Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible assets
Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Properties	8-50 years	0%
Plant and machinery	3-13 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	3-10 years	0%

Land is not amortised.

Profit or loss resulting from the sale of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Income from equity investments in group enterprises and associates
Income from equity investments comprises dividends received from group enterprises and associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

Financial income and expenses
Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year
Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance Sheet

Tangible assets
Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Equity investments in group enterprises and associates
Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Inventories
Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Merchandise are measured at cost comprising purchase price plus delivery costs.

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets
Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity
Proposed dividend for the year is recognised as a separate item in equity.

Provisions
Deferred tax
Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Other provisions
Other provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

Provisions that are expected to be settled later than a year from the balance sheet date are measured at the present value and the expected payments. Other provisions are measured at net realisable value.

Accounting Policies

Financial liabilities
Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Lease commitments
Lease commitments are measured at the present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the individual leases.

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities
Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Accounting policies 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.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Methods of determining financial ratios that are included in the Management's Review
Key figures and financial ratios are determined based on the "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts.

Accounting Policies

Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts.

$$\text{Gross margin (\%)} = \frac{\text{Gross profit X 100}}{\text{Revenue}}$$

$$\text{Net margin (\%)} = \frac{\text{Profit/loss for the year X 100}}{\text{Revenue}}$$

$$\text{Return on equity (\%)} = \frac{\text{Profit/loss for the year X 100}}{\text{Avg. equity}}$$

$$\text{Solvency ratio (\%)} = \frac{\text{Equity X 100}}{\text{Total equity and liabilities at year end}}$$

Income Statement

	Note	Group 2016 DKK' 000kr.	2015 DKK' 000kr.	Parent 2016 DKK' 000kr.	2015 DKK' 000kr.
Revenue	1	250.147	277.444	238.441	268.878
Change in inventories of finished goods, work in progress and goods for resale		-4.184	-7.297	-2.915	-7.325
Other operating income		5.048	1.215	5.098	1.169
Raw materials and consumables used		-182.403	-203.734	-176.200	-198.722
Other external expenses		-41.893	-43.176	-39.022	-39.813
Gross profit		**26.715**	**24.452**	**25.402**	**24.187**
Employee benefits expense	2	-24.933	-31.166	-23.217	-29.191
Depreciation, amortisation expense and impairment losses of property, plant and equipment assets recognised in profit or loss		-7.808	-12.209	-7.726	-12.079
Profit from ordinary operating activities		**-6.026**	**-18.923**	**-5.541**	**-17.083**
Finance income	3	256	1.524	512	1.414
Impairment of financial assets		0	0	0	-2.876
Finance expences	4	-3.091	-3.750	-3.009	-3.487
Profit from ordinary activities before tax		**-8.861**	**-21.149**	**-8.038**	**-22.032**
Tax expense on ordinary activities	5	0	-2.088	0	-2.088
Profit		**-8.861**	**-23.237**	**-8.038**	**-24.120**
Proposed distribution of results					
Retained earnings		-8.861	-23.237	-8.038	-24.120
Distribuation of profit		**-8.861**	**-23.237**	**-8.038**	**-24.120**

Balance Sheet as of 31. December

	Note	Group 2016 DKK' 000kr.	2015 DKK' 000kr.	Parent 2016 DKK' 000kr.	2015 DKK' 000kr.
Assets					
Land and buildings	6	34.095	40.873	30.918	37.498
Plant and machinery	7	1.840	3.452	1.787	3.371
Fixtures, fittings, tools and equipment	8	2.071	3.787	2.067	3.779
Leasehold improvements	9	1.644	2.697	1.644	2.697
Property, plant and equipment		**39.650**	**50.809**	**36.416**	**47.345**
Long-term investments in group enterprises	10, 11	0	0	1.043	1.043
Investments		**0**	**0**	**1.043**	**1.043**
Fixed assets		**39.650**	**50.809**	**37.459**	**48.388**
Manufactured goods and goods for resale		11.131	14.145	10.259	12.876
Inventories		**11.131**	**14.145**	**10.259**	**12.876**
Trade receivables		15.408	15.422	14.880	14.924
Receivables from group enterprises		5.132	20	10.261	4.260
Deferred tax asset	12	0	0	0	0
Other short-term receivables		2.337	1.092	2.204	969
Tax receivables		0	59	0	0
Prepayments	13	295	1.068	269	1.009
Receivables		**23.172**	**17.661**	**27.614**	**21.162**
Cash and cash equivalents		**30.010**	**33.287**	**29.037**	**32.320**
Current assets		**64.313**	**65.093**	**66.910**	**66.358**
Assets		**103.963**	**115.902**	**104.369**	**114.746**

Balance Sheet as of 31. December

	Note	Group 2016 DKK' 000kr.	Group 2015 DKK' 000kr.	Parent 2016 DKK' 000kr.	Parent 2015 DKK' 000kr.
Liabilities and equity					
Contributed capital	14	20.003	20.003	20.003	20.003
Retained earnings		-1.919	6.970	-581	7.457
Equity	15	**18.084**	**26.973**	**19.422**	**27.460**
Other provisions	16	10.484	11.731	10.484	11.731
Provisions		**10.484**	**11.731**	**10.484**	**11.731**
Payables to group enterprises		50.851	53.730	50.851	53.730
Financial lease commitments		68	643	68	643
Long-term liabilities other than provisions	17	**50.919**	**54.373**	**50.919**	**54.373**
Short-term part of long-term liabilities other than provisions		2.735	896	2.735	896
Debt to banks		0	2	0	2
Trade payables		13.958	10.882	13.252	9.643
Payables to group enterprises		24	0	41	0
Other payables		6.894	10.065	6.562	9.713
Deferred income, liabilities		195	336	0	0
Lease commitments		670	644	670	644
Deposits, liabilities other than provisions		0	0	284	284
Short-term liabilities other than provisions		**24.476**	**22.825**	**23.544**	**21.182**
Liabilities other than provisions within the business		**75.395**	**77.198**	**74.463**	**75.555**
Liabilities and equity		**103.963**	**115.902**	**104.369**	**114.746**

Contingent liabilities	18
Collaterals and assets pledges as security	19
Ownership	20
Related parties	21

Statement of changes in Equity

Parent

	Contributed capital	Retained earnings	Total
Equity 1 January 2016	20.003	7.457	27.460
Profit (loss)		-8.038	-8.038
Equity 31 December 2016	**20.003**	**-581**	**19.422**

Parent And Group

The share capital has remained unchanged for the last 5 years.

Group

	Contributed capital	Retained earnings	Total
Equity 1 January 2016	20.003	6.970	26.973
Change of investments through net exchange differences		-28	-28
Profit (loss)		-8.861	-8.861
	20.003	**-1.919**	**18.084**

Cash Flow Statement

	2016 DKK' 000kr.	2015 DKK' 000kr.
Operating Profit/Loss	-6.026	-18.923
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	7.576	11.993
Adjustments of profit on realisations of fixed assets	-1.582	0
Other provisions	-1.247	-2.048
Other adjustments	121	-83
Other adjustments for decrease (increase) in working capital	-2.973	4.441
Cash flow from operating activities before financial items	**-4.131**	**-4.620**
Interest received	256	1.524
Interest paid	-3.091	-3.750
Cash flow from ordinary operating activities	**-6.966**	**-6.846**
Income taxes paid	59	6
Cash flows from operating activities	**-6.907**	**-6.840**
Purchase of property, plant and equipment	-257	-1.386
Sales of property, plant and equipment	5.273	542
Cash flows from investing activities	**5.016**	**-844**
Repayment of debt to credit institutions	0	-55.941
Repayment of lease commitments	-1.386	-833
Raising of debt to group enterprises	0	53.730
Repayment of receivable from group entreprises	0	43.706
Cash flows from financing activities	**-1.386**	**40.662**
Net increase (decrease) in cash and cash equivalents	**-3.277**	**32.978**
Cash and cash equivalents, beginning balance	33.287	309
Cash and cash equivalents, ending balance	**30.010**	**33.287**

Notes

1. Revenue

	Group		Parent	
	2016	2015	2016	2015
Denmark	48.623	70.180	48.623	70.180
Other EU countries	201.524	207.264	189.818	198.698
	250.147	**277.444**	**238.441**	**268.878**

2. Employee benefits expense

	Group		Parent	
	2016	2015	2016	2015
Wages and salaries	22.594	28.214	21.428	26.900
Post-employement benefit expense	2.065	2.601	1.660	2.132
Social security contributions	274	351	129	159
	24.933	**31.166**	**23.217**	**29.191**
Average number of employees	67	78	64	74

Pursuant to the Danish Financial Statements Act section 98 B (3 no 2) remuneration of the Company's Management is not disclosed.

3. Finance income

	Group		Parent	
	2016	2015	2016	2015
Other finance income from group enterprises	0	796	256	618
Other finance income	256	728	256	796
	256	**1.524**	**512**	**1.414**

4. Finance expenses

	Group		Parent	
	2016	2015	2016	2015
Finance expenses arising from group enterprises	2.335	806	2.335	806
Other finance expenses	756	2.944	674	2.681
	3.091	**3.750**	**3.009**	**3.487**

5. Tax expense

	Group		Parent	
	2016	2015	2016	2015
Change in deferred tax for the year	0	2.088	0	2.088
	0	**2.088**		**2.088**

Notes

6. Land and buildings

	Group		Parent	
	2016	**2015**	**2016**	**2015**
Cost at the beginning of the year	111.274	117.506	107.509	113.864
Change due to a foreign currency translation adjustment	-162	123		
Disposal during the year	-8.903	-6.355	-8.903	-6.355
Cost at the end of the year	**102.209**	**111.274**	**98.606**	**107.509**
Revaluations at the beginning of the year	0	3.988	0	3.988
Reversal of revaluations of disposed assets	0	-3.988	0	-3.988
Revaluations at the end of the year	**0**	**0**	**0**	**0**
Depreciation and amortisation at the beginning of the year	-70.401	-73.770	-70.011	-73.447
Change due to foreign currency translation adjustment	18	-11		
Amortisation for the year	-2.943	-50	-2.889	-3.982
Reversal of impairment losses and amortisation of disposed assets	5.212	3.430	5.212	7.418
Impairment losses and amortisation at the end of the year	**-68.114**	**-70.401**	**-67.688**	**-70.011**
Carrying amount at the end of the year	**34.095**	**40.873**	**30.918**	**37.498**

Notes

7. Plant and machinery

	Group		Parent	
	2016	**2015**	**2016**	**2015**
Cost at the beginning of the year	48.002	47.298	47.470	46.783
Change due to a foreign currency translation adjustment	-23	17		
Addition during the year, incl. improvements	0	805	0	805
Disposal during the year	0	-118	0	-118
Cost at the end of the year	**47.979**	**48.002**	**47.470**	**47.470**
Depreciation and amortisation at the beginning of the year	-44.550	-42.993	-44.099	-42.618
Change due to foreign currency translation adjustment	19	-13		
Amortisation for the year	-1.608	-1.601	-1.584	-1.538
Reversal of impairment losses and amortisation of disposed assets	0	57	0	57
Impairment losses and amortisation at the end of the year	**-46.139**	**-44.550**	**-45.683**	**-44.099**
Carrying amount at the end of the year	**1.840**	**3.452**	**1.787**	**3.371**
Asset held under finacial leasing	10	1.017	10	1.017

Notes

8. Fixtures, fittings, tools and equipment

	Group		Parent	
	2016	2015	2016	2015
Cost at the beginning of the year	86.892	88.005	86.439	87.567
Change due to a foreign currency translation adjustment	-19	15		
Addition during the year, incl. improvements	257	581	257	581
Disposal during the year	-275	-1.709	-275	-1.709
Cost at the end of the year	**86.855**	**86.892**	**86.421**	**86.439**
Depreciation and amortisation at the beginning of the year	-83.105	-81.945	-82.660	-81.525
Change due to foreign currency translation adjustment	18	-14		
Amortisation for the year	-1.972	-2.570	-1.969	-2.559
Reversal of impairment losses and amortisation of disposed assets	275	1.424	275	1.424
Impairment losses and amortisation at the end of the year	**-84.784**	**-83.105**	**-84.354**	**-82.660**
Carrying amount at the end of the year	**2.071**	**3.787**	**2.067**	**3.779**

9. Leasehold improvements

	Group		Parent	
	2016	2015	2016	2015
Cost at the beginning of the year	10.432	10.432	10.432	10.432
Cost at the end of the year	**10.432**	**10.432**	**10.432**	**10.432**
Depreciation and amortisation at the beginning of the year	-7.735	-6.680	-7.735	-6.680
Amortisation for the year	-1.053	-1.055	-1.053	-1.055
Impairment losses and amortisation at the end of the year	**-8.788**	**-7.735**	**-8.788**	**-7.735**
Carrying amount at the end of the year	**1.644**	**2.697**	**1.644**	**2.697**

Notes

10. Long-term investments in group enterprises

	Parent 2016	Parent 2015
Cost at the beginning of the year	1.043	2.295
Addition during the year, incl. improvements	0	1.624
Cost at the end of the year	**1.043**	**3.919**
Impairment losses for the year	0	-2.876
Impairment losses and amortisation at the end of the year	**0**	**-2.876**
Carrying amount at the end of the year	**1.043**	**1.043**

11. Disclosure in long-term investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in %	Equity	Profit
Uniscrap Sverige AB	Sweden	100,00	1.132	-53
			1.132	**-53**

12. Deferred tax

	Group 2016	Group 2015	Parent 2016	Parent 2015
Deferred tax beginning of year	0	2.088	0	2.088
Changes in income statement items for the year	0	-2.088	0	-2.088
Balance at the end of the year	**0**	**0**	**0**	**0**

13. Prepayments

	Group 2016	Group 2015	Parent 2016	Parent 2015
Prepayments	295	1.068	269	1.009
Balance at the end of the year	**295**	**1.068**	**269**	**1.009**

Notes

14. Contributed capital

	Number	Par value	Nominal vallue DKK'000
Class A shares	20.000	500	10.000
Class B shares	20.006	500	10.003
	40.006		20.003

15. Share capital

Group

The share capital has developed as follows:

	2016	2015	2014	2013	2012
Contributed capital	20.003	20.003	20.003	20.003	20.003
	20.003	**20.003**	**20.003**	**20.003**	**20.003**

Parent

The share capital has developed as follows:

	2016	2015	2014	2013	2012
Contributed capital	20.003	20.003	20.003	20.003	20.003
	20.003	**20.003**	**20.003**	**20.003**	**20.003**

Notes

16. Other provisions

	Group		Parent	
	2016	2015	2016	2015
Provision for loss-making contract	10.484	11.731	10.484	11.731
Balance at the end of the year	**10.484**	**11.731**	**10.484**	**11.731**

When stating the accounting value of liabilities estimates are required of how future events may affect the value of such liabilities at the balance sheet date. The estimates and assumptions are based on historical experiences, contractual obligations and other factors which Management deems prudent in view of the circumstances, but which are uncertain and inaccurate and from which unexpected events may occur.

Estimates made of measurement of the provision, inclusive of contractual obligations on loss-making contracts as well as provisions for costs of restoration, are material to the financial statements.

The provision is calculated at a total of DKK 10.484k at 31 December 2016 of which the long-term and short-term shares are estimated at DKK 1.685k and 8.799k respectively.

17. Long-term liabilities

Group

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	50.851	2.676	34.793
Finance lease commitments	68	59	0
	50.919	**2.735**	**34.793**

Parent

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	50.851	2.676	34.793
Finance lease commitments	68	59	0
	50.919	**2.735**	**34.793**

18. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

19. Collaterals and securities

Certain plant and machinery as well as other fixtures, etc. have been financed from finance leases, see note 8

Carrying amount of assets held under finance leases DKK'000 651.

20. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Scholz AG, Am Bahnhof, 73457 Essingen, Germany

Notes

21. Related parties

Related parties with a controlling interest in the Uniscrap A/S Group:

- Scholz AG, Germany

Related party transactions in the financial year:

- Loan provided from Scholz AG DKK 53.696t
- Intra-group trading

Trade made with the parent company on market conditions in 2016 with the following transactions:

- Sales of goods to parent companies DKK 15.985t
- interest costs paid to parent company DKK 2.335t
- Trade recevivable from parent company DKK 4.628t

Trade made with Board member at market conditions in 2016 with the following transactions:

- Purchase of Attorney fees from Board Member Frans Blach Rossen DKK 577t

The company is included in the consolidated financial statements for:

- Scholz Holding GmbH Betchworth House, 57-65 Station Road, Redhill Surrey RH1 1DL, UK
- Chiho-Tiande Group Ltd, 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong