

Sten & Grus Prøvestenen A/S

Registered Office: B-Vej 8, Prøvestenen, 2300 København S

CVR number 89 64 64 13

Annual Report 2015

Adopted at the Annual General Meeting of the Company on 19 May 2016

Emmanuel Pierre Maes
Chairman

Contents

Company Information	1
Details on key figures and financial ratios	2
Management's Review	3
Management's Statement on the Annual Report	4
Independent Auditors' Report	5
Accounting Policies	6
Income Statement	11
Balance Sheet	12
Notes to the Annual Report	14

Company Information

The Company	Sten & Grus Prøvestenen A/S B-Vej 8, Prøvestenen 2300 København S Municipality of reg. office: Copenhagen
Executive Board	Jette Rohde Roland Gagel
Supervisory Board	Emmanuel Pierre Maes (chairman) Jette Rohde Mike Steen Hansen Gery De Cloedt Roland Gagel
Auditors	Aaen & Co. statsautoriserede revisorer p/s Kongevejen 3 3000 Helsingør
Date of foundation	6 May 1980
Financial year	1 January - 31 December

Details on key figures and financial ratios

Financial Key Figures i tDKK	2015	2014	2013	2012	2011
Gross margin	8.315	8.158	6.980	4.783	6.327
Operating margin	-811	-28	977	-743	259
Net financials	-685	-798	-527	-406	-663
Profit before tax	-1.495	-827	450	-1.149	-404
Profit (loss)	-1.188	-770	306	-880	-338
Investment in property, plant and equipment	18.087	17.518	13.250	4.845	6.048
Current assets	12.206	10.949	10.180	10.051	9.923
Assets	30.293	28.467	23.430	14.896	15.971
Share capital	600	600	600	600	600
Equity	3.454	4.642	5.412	5.106	5.986
Long-term debt	13.817	12.984	6.711	4.025	4.725
Short-term debt	13.022	10.841	11.307	5.765	5.260
Liabilities	30.293	28.467	23.430	14.896	15.971
Ratios :					
Return on invested capital	-2,7	-0,1	4,2	-5,0	1,6
Financial gearing	93,7	101,0	90,0	174,3	188,7
Solvency ratio	11,4	16,3	23,1	34,3	37,5
Return on equity	-29,3	-15,3	5,8	-15,9	-5,5

Description of other key figures and financial ratios

Return on invested capital:	Profit from operations x 100 / Total assets
Financial gearing:	Current assets x 100 / Short-term debt
Solvency ratio:	Equity capital x 100 / Total assets
Return on equity:	Profit for the year x 100 / Average equity capital

Management's Review

Main activity

The Company receives and handles clean and polluted soil and recyclable building materials. The Company offers a broad product range of aggregates. In addition the Company performs handling activities (loading and unloading of ships and trucks).

Development in 2015

The company's results is not satisfying and have not been in line with expectations for the year.

The expected development

The Company expects revenue to increase further in 2016 with the effect that the Company in 2016 will be profitable.

Post balance sheet events

No events significantly affecting the overall assessment of the Financial Statements have taken place after closing of the financial year.

Management's Statement on the Annual Report

Today the Board of Directors and the Executive Board have discussed and approved the Annual Report of Sten & Grus Prøvestenen A/S for the financial year ended 31 December 2015.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of Company's operations and cash flows for the financial year then ended.

In our opinion Management's Review includes a fair review of the matters addressed by the review.

We recommend that the Annual Report be approved at the annual general meeting.

Copenhagen, 19 May 2016.

Executive Board

Jette Rohde

Roland Gagel

Supervisory Board

Emmanuel Pierre Maes (chairman)

Jette Rohde

Mike Steen Hansen

Gery De Cloedt

Roland Gagel

Independent Auditor's Report

To the shareholder of Sten & Grus Prøvestenen A/S

Report on the Financial Statements

We have audited the Financial Statements of Sten & Grus Prøvestenen A/S for the financial year 1 January – 31 December 2015, which comprise significant 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 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 the Management, as well as 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.

The audit has not resulted in any qualification.

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial Statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

Pursuant to the Danish Financial Statements Act, we have read Management's Review. We have not performed any further procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Elsinore, 19 May 2016

Aaen & Co. statsautoriserede revisorer p/s

Kongevejen 3, 3000 Helsingør - CVR nummer 33 24 17 63

Jesper Fenger Smidt

State Authorised Public Accountant

Accounting Policies

Basis of accounting

The Annual Report of Sten & Grus Prøvestenen 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 are unchanged compared to the previous year.

The Annual Report is presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities. Furthermore, all expenses incurred, including depreciation, amortisation and impairment losses, are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income statement

Gross profit (loss)

Gross profit comprises revenue for the year less production costs and less distribution expenses and other external expenses.

Revenue is recognised in the income statement under the percentage-of-completion method. As regards contract work in progress, work in progress is recognised as income according to the stage of completion.

Cost of sales comprises cost incurred to achieve revenue for the year.

Other external expenses comprise expenses for distribution, sale, advertising, administration, premises, bad debts, lease expenses, etc.

Accounting Policies

Salaries

Staff costs include salaries and wages, including vacation pay and pensions and other social security costs, etc. to the company's employees. Staff costs are deducted from payments received from public authorities.

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 expenses, realised and unrealised exchange gains and losses concerning debt and transactions in foreign currencies as well as extra payments and repayment under the on-account taxation scheme.

Corporation tax

Tax for the year consists of the current tax for the year and change in deferred tax. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity.

Balance sheet

Non-current assets

Land and buildings, technical plant, machinery and other plant, fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and amortization.

Depreciation is based on cost reduced by any expected residual value after the period of use.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Pavilion	20	Years
Leasehold improvements	5 – 10	Years
Technical plant and machinery	2 – 15	Years
Other plant, fixtures, fittings, tools and equipment	7 – 8	Years

Gains or losses on sale of property, plant and equipment are calculated as the difference between the sales price less sales expenses and the carrying amount at the time of the sale. Gains or losses are recognised in depreciation in the income statement.

Accounting Policies

Leases

Leases of fixed assets where the company has substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet as assets. The assets are measured initially calculated cost equal to the fair value or (if lower) the present value of future lease payments. In calculating the present value of the leases, interest rate as the discount rate or an approximated value. Finance leases are depreciated like other similar tangible assets.

The capitalized remaining lease obligation is recognized in the balance sheet as a liability, and the financial charge is recognized over the term of the lease period.

All other leases are classified as operating leases. Payments made under operating leases and other leases are recognized in the income statement over the lease term. The company's total liability relating to operating leases appears from contingencies etc..

Financial assets

Other investments are measured at fair value (market value) at the balance sheet date.

Deposits are measured at amortised cost.

Inventories

The Company's product portfolio consists of concrete, stone, gravel and soil. Inventories are recognised on the basis of counted / calculated quantities. Inventories are measured at cost according to the FIFO method. In case the net realisable value is lower than cost, a write-down is made to this lower value.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and direct production costs.

The net realisable value of inventories is stated as sales price less expenses for finalisation and expenses paid to effect sales and is determined considering saleability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by provision for bad debts.

Prepayments and deferred income

Prepayments include expenses incurred in respect of subsequent financial years.

Cash

Cash and cash equivalents comprise cash and bank balances.

Accounting Policies

Dividend

Dividend which is expected paid for the year is shown as a separate item under equity. Proposed dividend is recognised as a liability at the time of adoption at the Annual General Meeting.

Corporation tax and deferred tax

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

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, eg concerning shares, where the computation of the tax may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or 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 and jurisdiction. Any deferred net tax assets are measured at net realisable value.

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. For this year a tax rate of 22% has been applied.

Debt

Other debt is measured at amortised cost corresponding to nominal value.

Accruals

Accruals recognised under liabilities include advance billing and obligations relating to subsequent financial years.

Income statement 1 January - 31 December

Note	2015	2014
Gross profit	8.315.283	8.157.841
1 Employee expense	6.192.471	5.907.755
4 Depreciations	2.933.477	2.404.338
Other operating income	0	125.973
Profit from ordinary operating activities	-810.665	-28.279
Other finance income	42.098	3.271
2 Other finance expenses	726.658	801.583
Profit (loss) from ordinary activities before tax	-1.495.225	-826.591
3 Tax expense on ordinary activities	-307.362	-56.901
Profit (loss)	-1.187.863	-769.691
Proposed distribution of results:		
Proposed dividend recognised in equity	0	0
Retained earnings	-1.187.863	-769.691
Profit for the year distributed	-1.187.863	-769.691

Balance sheet 31 December

Assets

<u>Note</u>	<u>2015</u>	<u>2014</u>
Land and buildings	672.949	818.965
Leasehold improvements	2.809.796	437.336
Plant and machinery	14.204.572	15.804.114
Fixtures, fittings, tools and equipment	337.233	387.609
4 Property, plant and equipment	<u>18.024.550</u>	<u>17.448.024</u>
Other long-term investments	51.585	66.295
Other long-term receivables	11.138	3.700
Investments	<u>62.723</u>	<u>69.995</u>
Non-current assets	<u>18.087.273</u>	<u>17.518.019</u>
Inventories	3.154.859	2.043.431
Inventories	<u>3.154.859</u>	<u>2.043.431</u>
Short-term trade receivables	5.157.429	6.231.099
Other short-term receivables	233.688	69.918
Deferred income assets	1.800.796	1.066.774
Current deferred tax assets	1.436.358	1.128.996
Receivables	<u>8.628.271</u>	<u>8.496.787</u>
Cash and cash equivalents	<u>422.425</u>	<u>409.097</u>
Current assets	<u>12.205.555</u>	<u>10.949.315</u>
Total assets	<u>30.292.828</u>	<u>28.467.334</u>

Balance sheet 31 December

Equity and liabilities

Note	2015	2014
Contributed capital	600.000	600.000
Retained earnings	2.853.947	4.041.810
Proposed dividend recognised in equity	0	0
5 Equity	3.453.947	4.641.810
6 Long-term debt to other credit institutions	10.336.464	12.984.135
Long-term payables to group enterprises	3.480.863	0
Long-term debt	13.817.327	12.984.135
6 Short-term debt to other credit institutions	5.934.225	4.508.460
Short-term trade payables	4.320.313	3.928.447
Short-term payables to group enterprises	1.460.209	911.236
Other short-term payables	1.159.465	1.170.986
Short-term prepayments received from customers	147.342	322.260
Short-term debt	13.021.554	10.841.389
Total debt	26.838.881	23.825.524
Total liabilities	30.292.828	28.467.334
7 Disclosure of mortgages and collaterals		
8 Disclosure of liabilities under off-balance sheet leases		
9 Disclosure of ownership		

Notes to the Annual Report

	<u>2015</u>	<u>2014</u>
1 Employee expense		
Wages and salaries	5.713.356	5.374.179
Pensions	441.874	435.469
Other social security costs	37.241	98.107
	<u>6.192.471</u>	<u>5.907.755</u>
2 Other finance expenses		
Interest expenses to group related companies	46.235	13.236
Other interest expenses	680.423	788.347
	<u>726.658</u>	<u>801.583</u>
3 Tax expense on ordinary activities		
Tax on the taxable income for the year	0	0
Increase of provision for deferred tax	-307.362	-56.901
	<u>-307.362</u>	<u>-56.901</u>

Notes to the Annual Report

4 Property, plant and equipment

	Land and buildings	Technical equipment and machines
	<u> </u>	<u> </u>
Purchase price, beginning of year	2.806.705	25.130.774
Additions for the year	0	944.294
Disposals for the year	0	0
Purchase price, end of year	<u>2.806.705</u>	<u>26.075.068</u>
Depreciation, beginning of year	1.987.740	9.326.660
Depreciation for the year	146.016	2.543.836
Reversal of depreciation of disposals	0	0
Depreciation, end of year	<u>2.133.756</u>	<u>11.870.496</u>
Net book value 31 December	<u>672.949</u>	<u>14.204.572</u>
Finance leases included		<u>9.375.919</u>
	Fixtures, fittings and equipment	Leasehold improvements
	<u> </u>	<u> </u>
Purchase price, beginning of year	391.808	5.332.453
Additions for the year	0	2.565.709
Disposals for the year	0	0
Purchase price, end of year	<u>391.808</u>	<u>7.898.162</u>
Depreciation, beginning of year	4.199	4.895.117
Depreciation for the year	50.376	193.249
Reversal of depreciation of disposals	0	0
Depreciation, end of year	<u>54.575</u>	<u>5.088.366</u>
Net book value 31 December	<u>337.233</u>	<u>2.809.796</u>

Notes to the Annual Report

5 Equity

	Share capital	Retained earnings	Dividend
	<u> </u>	<u> </u>	<u> </u>
Equity 1 January	600.000	4.041.810	0
Retained earnings	0	-1.187.863	0
Equity 31 December	<u>600.000</u>	<u>2.853.947</u>	<u>0</u>

The share capital consists of 600 shares of DKK 1,000. The share capital has remained unchanged for the previous four years.

	<u>2015</u>	<u>2014</u>
6 Disclosure of long-term liabilities other than provisions		
Due after 5 years	540.500	2.470.498
Due within 2-5 years	9.795.964	10.513.637
Due within 1 year	5.934.225	4.508.460
	<u>16.270.689</u>	<u>17.492.595</u>

7 Disclosure of mortgages and collaterals

An all monies mortgage/company charge of DKK 8,400,000 has been created as security for all balances with the Company's bankers. The mortgage/charge comprises land and buildings (pavilions), unsecured claims, inventories, unregistered vehicles, operating equipment, fixtures and fittings, etc as well as intangible rights.

Fixed asset investments include DKK 52,000 placed as security for rental obligations concerning leased square metres.

Rent deposits have been placed as security for obligations under the lease agreements.

At the balance sheet date the total annual payments under the leases entered into concerning machinery and equipment amount to DKK 2,120,000.

Notes to the Annual Report

8 Disclosure of liabilities under off-balance sheet leases

The Company has entered into operating rental and lease arrangements with the following amounts:

Lease obligation for up to 30 months amounts to DKK 336,840.

Rental obligation (leased square metres) for the period until 31 December 2016 amounts to DKK 5,842,000.

9 Ownership

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

DC Industrial NV-SA, Rue Gachard 88/12, 1050 Brussels, Belgium

SSG Holding ApS, Kongevejen 3, 3000 Helsingør