



ANNUAL REPORT 2017

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**MANUFACTURING**

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ANDUS GROUP

## THE GROUP OF COMPANIES

AS PER MAY 1, 2018



### Manufacturing

FIB Industries  
Gouda Refractories  
Van Voorden Foundry

### Services & Maintenance

Gouda Vuurvast Belgium  
Gouda Vuurvast Services  
Gouda Feuerfest Deutschland  
ISS Projects Slovakia  
Lengkeek Staalbouw  
RijnDijk Engineering

### Contracting

Armada Janse  
Armada Mobility  
HSM Offshore  
HSM Steel Structures  
RijnDijk Staalconstructies

*Serving the industry*

ANDUS GROUP

## COMPANY PROFILE

Andus Group is the holding company of independent subsidiaries. Over 100 years of experience underlies the leading position that Andus Group has built up worldwide within the industry.

The operating companies of Andus Group are grouped into three divisions: Manufacturing, Services & Maintenance and Contracting. Within each of these three divisions, the focus is on the end user in one of the following market segments: industry and petrochemicals, energy, civil engineering, oil & gas, rail infrastructure, food and pharmaceuticals, dredging and maritime. Because the market cuts right across the divisional structure, any of the three divisions may operate in virtually any of the market segments that Andus Group focuses on.

Andus Group has evolved into a powerful, multidisciplinary organisation that is capable of creating added value for its customers with a wide range of services. Not only are we manufacturing and installing refractory linings and castables, we also build bridges and locks, platforms for the offshore industry, we deliver high alloy castings, we are active in the field of corporate identity signage and traveller related facilities in and around public areas such as railway stations. Moreover we manufacture stainless steel process equipment and undertake complex steel construction projects. The whole of Andus Group offers a wide range of technical solutions and services to their customers worldwide.

In 2017 the organisation has a combined turnover of €195 million and has approximately 730 employees in the Netherlands, Belgium and Slovakia. It is a company in perfect health, operating at the top of the market. Alongside autonomous growth, Andus Group strives for growth through acquisitions.

Andus Group is a strong, reliable partner for its customers, giving top-priority to the highest safety and quality standards.

### SERVING THE INDUSTRY

The Group sees its mission as: 'Serving the industry'. This motto means that customers can always call on the specialised know-how and attention in the field of refractory solutions, process equipment and constructions, offshore and maritime projects. A healthy mix of reliability and a constant drive for innovation ensure that Andus Group is able to successfully maintain its top position in the market.

Andus Group is a solid company that combines human added value with modern entrepreneurship, high quality technology, safe working and inspirational leadership.

ANDUS GROUP

# THE GROUP OF COMPANIES

AS PER MAY 1, 2018

## EUROPE

The Netherlands | Belgium | Germany | Slovakia  
Greece | Norway | Sweden

## NORTH AMERICA

Canada | USA

## SOUTH AMERICA

Argentina | Brazil | Venezuela

## AFRICA

Egypt | Mozambique | South Africa

## ASIA

Bahrain | China | India | Indonesia | Israel  
Qatar | Saudi Arabia | South Korea | UAE

## OCEANIA

Australia



● Andus Group Companies

● Local partners







**CONTRACTING**

ANDUS GROUP

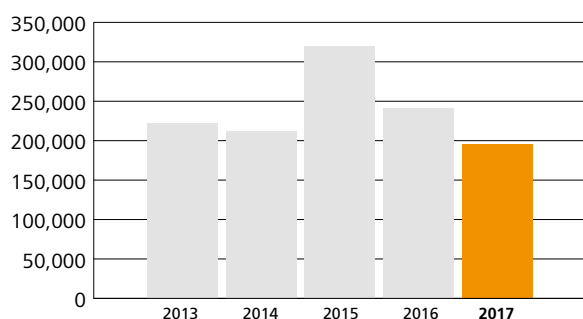
## KEY FIGURES

amounts in € x 1,000

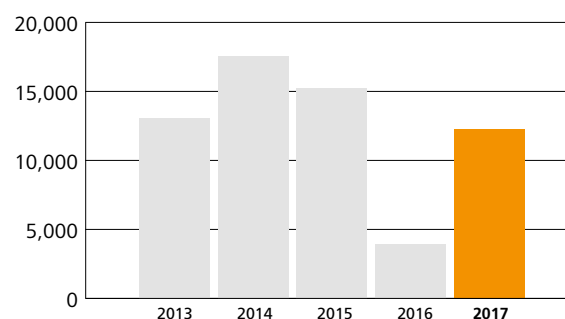
	2017	2016	2015	2014	2013
<b>Operating income</b>	<b>195,273</b>	241,572	319,828	211,911	222,786
<b>EBITDA*</b>	<b>12,241</b>	3,928	15,241	17,555	13,085
<b>Operating results</b>	<b>7,242</b>	-5,812	9,532	12,001	6,010
<b>Net result</b>	<b>5,159</b>	-4,493	7,052	8,769	4,224
<b>Operating results/Operating income</b>	<b>3.7%</b>	-2.4%	3.0%	5.7%	2.7%
<b>Net result/Operating income</b>	<b>2.6%</b>	-1.9%	2.2%	4.1%	1.9%
<b>Shareholders' equity</b>	<b>34,330</b>	29,170	33,663	33,493	35,357
<b>Balance sheet total</b>	<b>75,682</b>	82,962	104,601	90,295	88,095
<b>Shareholders' equity/Balance sheet total</b>	<b>45.4%</b>	35.2%	32.2%	37.1%	40.1%
<b>Net result/Shareholders' equity</b>	<b>15.0%</b>	-15.4%	20.9%	26.2%	11.9%
<b>Current assets - current liabilities</b>	<b>10,352</b>	3,376	3,204	2,862	-947
<b>Average number of employees</b>	<b>730</b>	1,030	994	786	872

\* EBITDA = earnings before interest, taxes, depreciation and amortization.

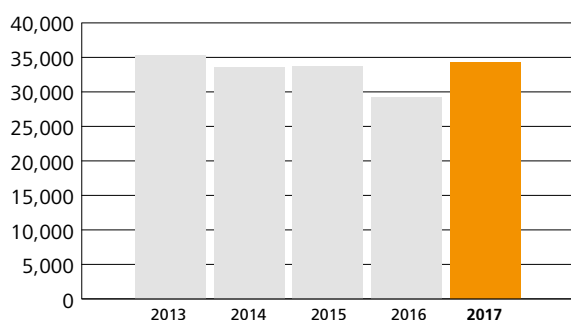
Operating income (in € x 1,000)



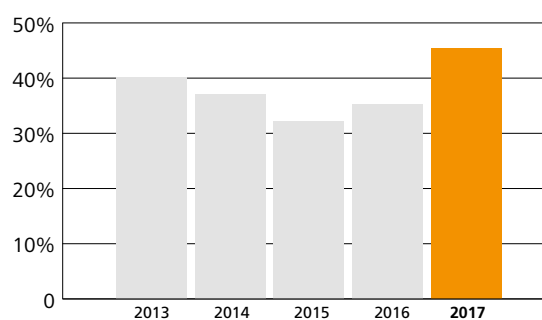
EBITDA (in € x 1,000)



Shareholders' equity (in € x 1,000)



Shareholders' equity/Balance sheet total (in %)







**CONTRACTING**





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## VERSLAG VAN DE DIRECTIE 2017

**Na een minder goed jaar in 2016 als gevolg van een aantal incidentele ontwikkelingen, is 2017 weer als vanouds afgesloten met positieve cijfers. Nagenoeg al onze bedrijven hebben naar verwachting gepresteerd en dit heeft bij de meeste van onze werkmaatschappijen geresulteerd in goede tot zeer goede resultaten met overall voor Andus Group een prima resultaat.**

### DE ONTWIKKELINGEN

De incidentele ontwikkelingen waarover we hierboven spraken, zijn grotendeels nog in 2016 en deels begin 2017 allemaal bevredigend afgerond en afgewikkeld.

Door de beëindiging van de activiteiten van Nedstaal eind 2016 en de herpositionering van Rijndijk Staalconstructies, ligt de in 2017 gerealiseerde omzet logischerwijze lager dan in 2016.

Binnen de divisie Contracting hebben de HSM-bedrijven wederom een goed jaar gehad. Naast een goed jaar, is bij de HSM-bedrijven de forse stijging van de orderportefeuille een positieve ontwikkeling. Dit ondanks het feit dat de olie- en gasmarkt nog steeds sterk achterblijft en een zeer beperkt investeringsniveau heeft. De focus van HSM op de offshore windmarkt en de civiele markt (bruggen en sluizen) heeft zich in 2017 vertaald in onder meer nieuwe opdrachten van TenneT voor de bouw van twee grote trafo-platformen voor het Net op Zee Borssele project. Met de werkzaamheden voor het eerste platform is eind 2017 gestart en in combinatie met de bouw van de Utark spoorbrug over het Amsterdam-Rijnkanaal bij Utrecht voor opdrachtgever Prorail, een trafoplatteform voor Ørsted (v/h Dong Energy) en de bouw voor een deep sea platform voor Shell is er het gehele jaar sprake geweest van een goede bezetting.

De Armada bedrijven hebben in 2017 iets minder goed gepresteerd dan het jaar ervoor. Bij Armada Mobility zijn een aantal grotere projecten door de opdrachtgever uitgesteld, terwijl de markt voor Armada Janse nog steeds moeilijk en zeer concurrerend te noemen is.

In het kader van de herpositionering van Rijndijk Staalconstructies werd begin van het jaar een van beide productielocaties gesloten en hebben wij helaas van een aantal medewerkers afscheid moeten nemen. Mede door de eenmalige reorganisatiekosten wordt er bij Rijndijk Staalconstructies in 2017 nog een verlies geleden. Het tweede halfjaar van 2017 zien we bij Rijndijk Staalconstructies duidelijk een stijgende lijn.

Bij alle bedrijven binnen de divisie Services & Maintenance zien wij al vele jaren een sterke performance. Zo ook weer in 2017, waarbij de omzetten en resultaten het 'record' jaar 2016 bijna evenaren. Deze divisie vormt al geruime tijd een solide basis binnen onze groep en dat zal ook in 2018 zo zijn. Bij deze bedrijven hebben veelal meerjarige (onderhouds)contracten en een grote spreiding aan klanten.

Binnen de divisie Manufacturing is de winstgevendheid van Van Voorden Foundry weer hersteld en hebben zij het jaar met een mooie winst afgesloten. FIB Industries is wat achter gebleven bij de verwachting, Gouda Refractories daarentegen heeft boven verwachting gepresteerd. De markten waarin Gouda Refractories opereert – voornamelijk de petrochemie (downstream) en de aluminiumindustrie – zijn stabiele en/of verder herstellende markten, waardoor ook voor 2018 de verwachtingen goed zijn. De orderportefeuille bij Gouda Refractories voor de eerste helft van 2018 is goed gevuld met opdrachten voor de levering van vuurvaste stenen en betonnen wereldwijd.

### FINANCIËLE GEGEVENS

In 2017 is een omzet gerealiseerd van ruim € 195 miljoen met een EBITDA van € 12,2 miljoen en een bijbehorende EBIT van € 7,6 miljoen.

De nettowinst wordt volledig toegevoegd aan het Eigen Vermogen, dat per ultimo 2017 € 34,3 miljoen bedraagt, wat een solvabiliteit van 45,4% betekent. Ook de liquiditeitspositie is in 2017 sterk verbeterd tot een positieve bankstand van € 4,2 miljoen. Bij een bankfaciliteit van € 40 miljoen kunnen we met recht spreken van een zeer ruime liquiditeitspositie.





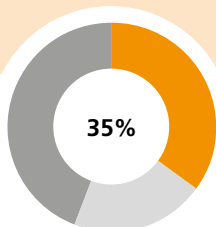
## OMZET PER DIVISIE

Bij Andus Group hanteren we een divisiestructuur, waarbij de indeling is gebaseerd op het type activiteit dat het bedrijf uitvoert. Binnen de divisies ligt de focus op de eindklant, waardoor het mogelijk is dat meerdere werkmaatschappijen dezelfde eindklant bedienen.

### MANUFACTURING

In deze divisie zijn onze productieactiviteiten samengebracht. Dit betreft de productie van:

- Vuurvaste stenen en betonnen.
- Roestvaststalen process equipment.
- Industrieel gietwerk zoals pomphuizen voor de baggerindustrie en grote gietstukken voor de machinebouw.

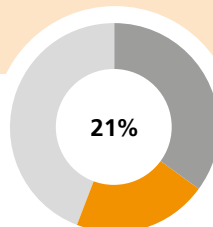


### SERVICES & MAINTENANCE

Binnen deze divisie vallen alle bedrijven die zich primair richten op service- en onderhoudswerkzaamheden op het gebied van:

- Vuurvaste stenen en betonnen.
- Staalconstructies.

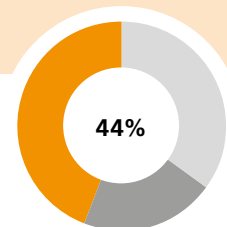
Het zwaartepunt ligt bij de afvalverwerkende en (petro)chemische industrie.



### CONTRACTING

Deze divisie bestaat uit de bedrijven die zich bezighouden met het aannemen van projecten, waaronder het bouwen van:

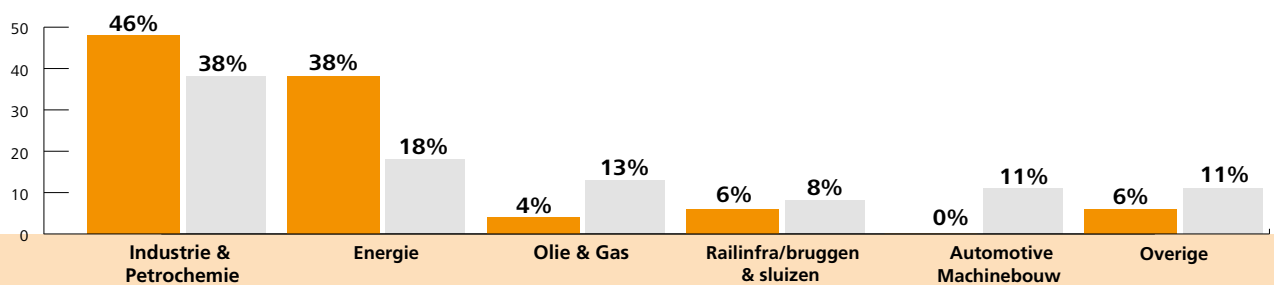
- Offshore installaties.
- Staalconstructieprojecten voor de (petro)chemische en zware industrie, de energiemarkt en de complexe utiliteitsbouw.
- Grote infrastructurele projecten zoals stalen bruggen en sluiscomplexen.
- Speciale projecten voor het spoor en de openbare ruimte.
- Totaaloplossingen op het gebied van lichtreclame.



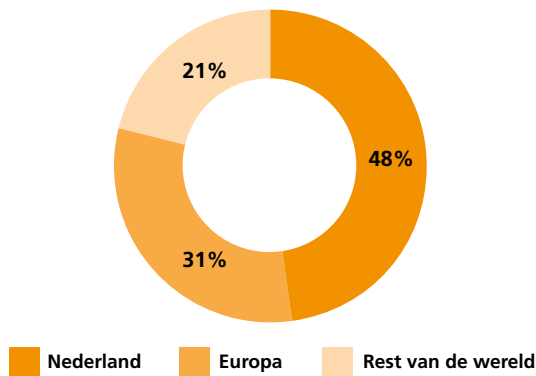
## MARKTSEGMENTEN

Binnen de omzetverdeling per sector zien wij dat door de beëindiging van de activiteiten van Nedstaal er geen werk meer wordt verricht binnen de automotive en de machinebouw. Daarnaast is de gerealiseerde omzet binnen de olie- en gas- en de maritime markt sterk gedaald en die binnen de energiesector zeer sterk gestegen. Dit laatste heeft met name betrekking op de windenergie.

■ 2017  
■ 2016



## GEOGRAFISCHE OMZETSPREIDING



Risicospreiding is binnen Andus Group een belangrijk onderdeel van de strategie. Dit is enerzijds spreiding door actief te zijn in verschillende markten met verschillende zelfstandig opererende bedrijven en anderzijds in geografische afzetgebieden. Dit maakt ons minder kwetsbaar voor negatieve ontwikkelingen in een bepaald land of regio, dan wel binnen bepaalde sectoren. Dit draagt bij aan de continuïteit en het lage risicoprofiel van Andus Group. De procentuele omzet in Nederland ligt in 2017 nagenoeg op hetzelfde niveau als het jaar ervoor. Dit betekent dat meer dan 50% van de omzet buiten Nederland wordt gegenereerd. Ruim 30% wordt binnen Europa behaald en meer dan 20% van de omzet wordt gerealiseerd in de rest van de wereld, met daarbij ook nog eens een sterke spreiding over de verschillende werelddelen.

### Industrie en Petrochemie

Ook in 2017 is in deze sector weer een forse omzet gerealiseerd, verdeeld over een groot aantal van onze bedrijven, wat zorgt voor een solide basis. Wij zijn goed ingevoerd in deze markten en hebben daar een uitstekende naam en laten keer op keer zien de wensen en behoeften van de klanten (ook op het gebied van veiligheid) goed te begrijpen. Enkele van deze wereldwijd gevestigde klanten zijn: Shell, ExxonMobil, GEA, Huntsman, LyondellBasell, Saudi Aramco, Total, Dubal, Emal, Rio Tinto Alcan, Petrogas, Technip, ConocoPhillips, Rockwell, Rusal, Sabic, Indorama, BP, CRI, Yara, Aperam, Abbott, Belco, Sulzer, Dow Chemical, Borealis, en BASF. Ook de komende jaren zullen veel van onze bedrijven zich sterk blijven focussen op klanten uit dit segment.

### Energie

Net als in 2016, is in 2017 de omzetbijdrage in dit marktsegment sterk toegenomen. De blijvende focus op en de investeringsbereidheid binnen de markten voor renewable energy dragen hier sterk aan bij. Wij gaan ervan uit dat deze markt de komende jaren verder zal groeien en voor ons zeer belangrijk zal blijven.

### Olie & Gas

Deze markt is net als voorgaande jaren nog steeds zonder meer slecht te noemen, met sterk teruglopende investeringen. Wij verwachten hier ook in 2018 geen verbetering. Op de wat langere termijn gaan wij ervan uit dat deze markt weer zal aantrekken en op

de lange termijn blijft dit voor ons dan ook een belangrijk segment. Ook binnen de energietransitie zal er de komende decennia zeker nog een belangrijke rol weggelegd zijn voor olie en gas.

HSM Offshore is en blijft een gerespecteerde en belangrijke speler als het gaat om het bouwen van complete platforms voor olie- en gaswinnende bedrijven als Shell, Repsol, ConocoPhillips, Gaz de France, Petrogas, Total, Chevron en vele anderen.

### Overige segmenten

De voedingsmiddelenindustrie is met name voor FIB Industries een belangrijke markt. Naast opslagtanks zijn zij een vooraanstaande partij in de markt voor het leveren van kelderbier- en evenementeninstallaties en voor bierbevoorradingsauto's. Waar dit vele jaren nagenoeg uitsluitend voor Heineken in Nederland werd gedaan, zijn nu ook Nederlandse klanten als Bavaria en Grolsch vaste afnemers, evenals Heineken-vestigingen in het buitenland. De export is in 2017 verder gegroeid en dan vooral in Zuid-Amerika, Spanje en Zuid-Afrika. Dankzij de continue productontwikkeling is het de verwachting dat deze export de komende jaren verder zal gaan toenemen.

In de railinfrastructuur opereren wij voornamelijk in Nederland met als afnemers ProRail, NS, Volker Rail en BAM Infra. Ondanks het feit dat dit al jaren een uitdagerende markt is, die sterk beïnvloed wordt door overheidsuitgaven, is dit voor met name Armada Mobility een interessante markt, die naar verwachting de komende jaren zal groeien.



De markt voor bruggen en sluizen zien wij voor de komende jaren binnen Nederland als een aantrekkelijke markt. Met de productie en installatie van een grote spoorbrug voor ProRail hebben wij in 2017 net als in voorgaande jaren een behoorlijke omzet gegenereerd in deze markt en gaan ervan uit dit de komende jaren te continueren.

Op de markt voor de baggerindustrie bedienen wij alle grote, wereldwijd opererende, bedrijven als IHC, Boskalis, Van Oord, Deme en Jan de Nul. Deze markt is sterk cyclisch en na decennia-lang te hebben gefloreerd, verkeert de markt de laatste jaren in mineur. Echter, de baggerindustrie zien wij op de lange termijn nog steeds als interessante markt. Onze omzet in dit marktsegment is door de huidige marktomstandigheden licht gedaald.

#### INVESTERINGEN

Na forse investeringen in de jaren 2010-2014 in uitbreiding en modernisering van het machinepark, lagen de investeringen in de jaren 2015 en 2016 op een lager niveau en ruim onder het afschrijvingsniveau. In 2017 zijn de investeringen weer wat toegenomen en kwamen deze uit op ruim € 4,4 miljoen bij een afschrijvingsniveau van ca. € 4,6 miljoen. De investeringen in 2017 zijn grotendeels vervangingsinvesteringen. Daarnaast is het binnen Andus Group beleid om geen activa te leasen of te huren, waardoor alle investeringen vanuit eigen middelen of bestaande financieringsruimte worden voldaan.

#### RISICOBEBEERSING

Andus Group hecht grote waarde aan stringente en adequate risicobeheersing. Het bestuur ziet hier nauwlettend op toe. Wij hanteren een strikt beleid, gericht op een zo groot mogelijke beperking en beheersing van huidige en toekomstige risico's, zonder daarbij afbreuk te doen aan het ondernemerschap en de flexibiliteit. Andus Group heeft onder andere alle debiteuren-risico's verzekerd en alle valutarisico's worden onmiddellijk afgedekt. Bij de meeste (grote) langlopende projecten worden prijzen voor bijvoorbeeld staal vastgelegd.

Bij het aannemen van projecten en grote orders worden alle risico's in kaart gebracht door een uitgebreid team van specialisten. Naast productierisico's, gaat het ook om klant-, landen-, capaciteits-, subcontracting- en financieringsrisico's. Voor de contractuele kant van de zaak werkt het team nauw samen met de juridische afdeling van Andus Group. Bij alle bedrijven worden deze projecten en grote orders periodiek besproken samen met de stakeholders. Hierover wordt uitgebreid gerapporteerd.

Zoals wij aan onze omzetkant streven naar een sterke spreiding om risico's te beheersen, doen wij dit ook aan onze leverancierskant. Voor alle essentiële zaken hebben wij meerdere (vaste) leveranciers/partijen. Dit geldt niet alleen voor de inkoop van materialen en grondstoffen, maar ook voor bijvoorbeeld het onderhoud van ict-systemen en financiële diensten van banken, borgmaatschappijen en kredietverzekeraars. Op deze wijze blijft de continuïteit van de levering van producten en diensten gewaarborgd. Andus Group geeft hoge prioriteit aan een sterke solvabiliteit en liquiditeit. Potentiële risico's van de onderneming zijn in kaart gebracht en worden regelmatig besproken. Eenmaal per jaar wordt hier in een uitgebreide sessie met de Raad van Commissarissen bij stilgestaan. De controlerend accountant omschrijft onze risicobeheersing al jarenlang als adequaat en van een goed niveau.

#### WET BESTUUR EN TOEZICHT

In 2017 is de heer Nico de Vries (voormalig directievoorzitter Koninklijke BAM Groep) tot de Raad van Commissarissen toegetreden. Naast een tweehoofdig bestuur van de onderneming, heeft Andus Group een driehoofdige Raad van Commissarissen, bestaande uit een vrouw en twee mannen en voldoet daarmee voor wat betreft haar Raad van Commissarissen aan de regelgeving omtrent vertegenwoordiging door vrouwen in het bestuur.

#### PERSONEEL EN ORGANISATIE

Eind 2017 waren 730 werknemers in dienst. Het aantal flexibele medewerkers en ingeleende krachten varieert tussen de 150 en 300. Dankzij deze flexibele medewerkers zijn wij in staat pieken en dalen in de markt vraag op te vangen. Er hebben zich geen ingrijpende wijzigingen in het personeelsbestand plaatsgevonden, anders dan het normale verloop. Het ziekteverzuimpercentage voor de gehele groep laat geen grote afwijkingen zien in vergelijking met voorgaande jaren en blijft stabiel op ongeveer 4%. Binnen Andus Group staan de medewerkers centraal. Hun vakmanschap, inzet en loyaliteit maken Andus Group tot wat zij nu is: een groep sterke bedrijven, die ieder voor zich streven naar de top op hun specifieke vakgebied, maar die gezamenlijk een meerwaarde hebben die uniek is in de industrie.

#### VEILIGHEID EN MILIEU

Veiligheid en gezondheid van onze medewerkers zijn belangrijke speerpunten binnen onze organisatie. Wij hanteren een strikt veiligheidsbeleid, dat zijn weerslag heeft op onze veiligheidscijfers. Dit wordt ook verlangd door onze klanten. Er wordt veel aandacht





besteed aan en energie gestoken in het verhogen van veiligheidsbewustzijn en het voorkomen van ongevallen, mede door het doorlopend blijven stimuleren van onder meer bijna-ongevalmeldingen. Ook het milieu-aspect van onze activiteiten heeft onze volle aandacht. Enkele van onze bedrijven hebben de hoogste certificering op dit vlak (CO<sub>2</sub>-prestatieladder).

### VOORUITZICHTEN 2018

Wij kijken met een positief gevoel terug op 2017 doordat enerzijds alle genomen maatregelen op een positieve wijze zijn afgerond en anderzijds omdat de meeste bedrijven wederom (erg) goed presteerden. Per saldo heeft dit geresulteerd in een overall prima financiële performance en is door de forse orderintake de orderportefeuille toegenomen tot het hoogste niveau ooit. De strategie van continuïteit door risicospreiding heeft ook in 2017 haar waarde weer bewezen.

De huidige orderportefeuille, de algemene vooruitzichten en de performance in de eerste maanden van 2018 geven ons voldoende vertrouwen om te kunnen stellen dat wij ervan uitgaan dat 2018 wederom een goed jaar zal worden.



#### Directie Andus Group:

*Tom van Rijn, Directievoorzitter (links)*

*Wiebe van den Elshout, Directeur (midden)*

*Kris Rooijackers, Directiesecretaris (rechts)*



**CONTRACTING**



# ANDUS GROUP MANAGEMENT REPORT FOR THE YEAR 2017

**After a not-so-good year in 2016 (which was the result of a number of incidental developments), we closed 2017 with positive figures again. Virtually all our companies performed as expected, which has resulted in good to very good results for most of our operating companies and an excellent result for Andus Group overall.**

## THE DEVELOPMENTS

The incidental developments described above were mostly completed satisfactorily and settled in 2016, and partly in early 2017.

Because of the termination of Nedstaal's activities at the end of 2016 and the repositioning of Rijndijk Staalconstructies, the turnover achieved in 2017 is logically lower than in 2016.

Within the Contracting division, the HSM companies had another good year. In addition to a good year, the strong increase in the order book is a positive development for the HSM companies. This is despite the fact that the oil and gas market is still lagging behind and investment is very limited. In 2017, HSM's focus on the offshore wind market and the civil engineering (bridges and locks) market translated into new contracts from TenneT for the construction of two large transformer platforms for the Net op Zee Borssele project. Work on the first platform began at the end of 2017 and, in combination with the construction of the Utark railway bridge over the Amsterdam-Rijnkanaal near Utrecht for Prorail, a high voltage station for Ørsted (former Dong) and the construction of a deep sea platform for Shell, the year has been busy.

The Armada companies did not perform quite so well in 2017 when compared to 2016. For Armada Mobility, a number of larger projects were postponed by the client, while the market for Armada Janse is still difficult and very competitive.

With respect to the repositioning of Rijndijk Staalconstructies one of the two production locations was closed at the beginning of the year and unfortunately had to let go a number of employees. Partly due to the one-off reorganisation costs, Rijndijk Staalconstructies still made a loss in 2017. For the second half of 2017, we see a rising trend.

All the companies within the Services & Maintenance division have shown strong performance for many years. The same is true for 2017, where turnover and results almost match the "record" year of 2016. This division has long formed a solid foundation within

our group, and is expected to continue to do so in 2018. These companies often have long-term (maintenance) contracts and a large spread of customers.

Within the Manufacturing division, the profitability of Van Voorden Foundry has recovered and they ended the year with a good profit. FIB Industries lagged behind expectations, while Gouda Refractories performed above expectations. The markets in which Gouda Refractories operates – mainly petrochemicals (downstream) and the aluminium industry – are stable and/or recovering markets, meaning expectations for 2018 are also good.

For the first half of 2018, the order book at Gouda Refractories is well-filled with orders for the supply of refractory bricks and castables worldwide.

## FINANCIAL INFORMATION

In 2017, a €195 million turnover was achieved with an EBITDA of €12.2 million and an associated EBIT of €7.6 million.

The net profit will be added to the equity, which amounted to €34.3 million at the end of 2017, meaning a solvency of 45.4%. The liquidity position also improved strongly to a positive bank balance of €4.2 million in 2017. With a bank facility of €40 million, it is fair to say our liquidity is high.



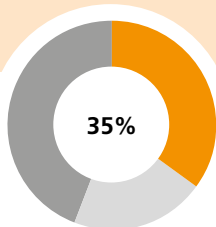
### TURNOVER BY DIVISION

We employ a divisional structure within Andus Group, based on the type of activity carried out by the company. The focus within the divisions lies on the end customer, which means that various operating companies can serve the same end customer.

#### MANUFACTURING

All our production activities are combined under this division. This includes the production of:

- Refractory bricks and castables
- Stainless steel process equipment
- Industrial castings, such as pump housings for the dredging industry and large castings for machine building

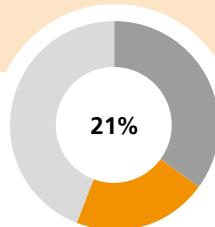


#### SERVICES & MAINTENANCE

This division includes all companies that primarily specialise in service and maintenance works related to:

- Refractory bricks and castables
- Steel structures

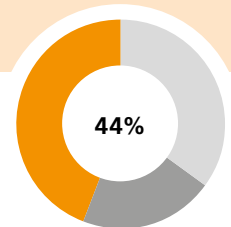
The main focus lies on the waste processing industry and the (petro)chemical industries.



#### CONTRACTING

This division consists of companies that undertake contracting projects, including the construction of:

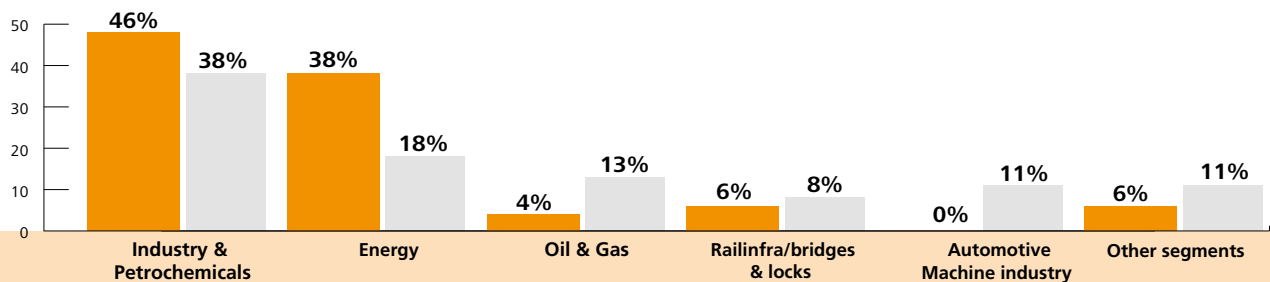
- Offshore installations.
- Steel construction projects for the (petro)chemical and heavy industries, for the energy market and for complex non-residential construction
- Large infrastructure projects such as steel bridges and lock complexes.
- Special projects for the railways and public spaces.
- Total solutions in the area of illuminated advertising



### MARKET SEGMENTS

In terms of the turnover per sector, we see that due to the discontinuation of Nedstaal's activities, no more work has been done within the automotive and machine building industry. In addition, the turnover achieved within the oil & gas and maritime markets has fallen sharply, while it has risen sharply in the energy sector. The latter relates to wind energy in particular

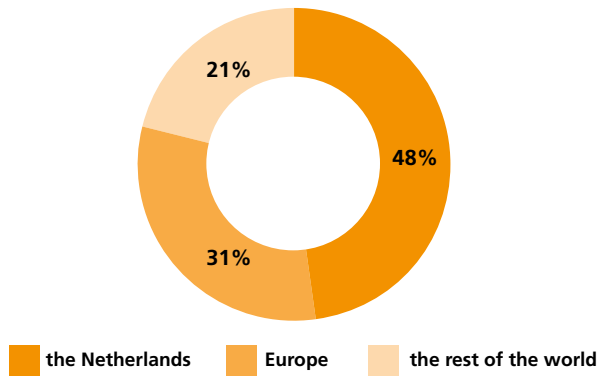
■ 2017  
■ 2016







## GEOGRAPHICAL DISTRIBUTION OF TURNOVER



Risk diversification is an important part of the strategy within Andus Group. On the one hand, risk is spread by being active in different markets with various independently operating companies, and on the other in geographical markets. This makes us less vulnerable to negative developments in a specific country or region, or within certain sectors. This benefits the continuity of Andus Group and helps maintain our low risk profile. The 2017 percentage turnover in the Netherlands is virtually the same as last year. This means more than 50% of turnover is generated outside the Netherlands. More than 30% is achieved within Europe, and more than 20% of turnover is achieved from the rest of the world with a strong spread across the different parts of the world.

### Industry and Petrochemicals

A substantial turnover, divided over a large number of our companies, was also achieved in this sector in 2017, which provides a solid basis. We are well-established and have an excellent reputation in these markets; we have shown time and time again that we understand the needs and requirements of our customers (including in the area of safety). Some of these globally established customers are: Shell, ExxonMobil, GEA, Huntsman, LyondellBasell, Saudi Aramco, Total, Dubal, Emal, Rio Tinto Alcan, Petrogas, Technip, ConocoPhillips, Rockwell, Rusal, Sabic, Indorama, BP, CRI, Yara, Aperam, Abbott, Belco, Sulzer, Dow Chemical, Borealis, and BASF. In the coming years, many of our companies will continue to focus strongly on customers from this segment.

### Energy

As in 2016, the turnover contribution in this market segment increased sharply in 2017. The continued focus on and the willingness to invest in renewable energy markets contributed significantly to this. We assume that this market will continue to grow in the coming years, and it will remain very important to us.

### Oil & Gas

Just like previous years, this market can still be called poor, with sharply declining investments. We do not expect any improvement in this respect in 2018 either. In the somewhat longer term, we think that this market will pick up again and therefore it remains an

important segment for us in the long term. Even within the energy transition, there will definitely be an important role for oil and gas in the coming decades.

HSM Offshore is and remains a respected and important player involved in the construction of complete platforms for oil and gas extracting companies such as Shell, Repsol, ConocoPhillips, Gaz de France, Petrogas, Total, Chevron and many others.

### Other segments

The food industry is an important market for FIB Industries in particular. In addition to storage tanks, they are a leading player in the market for the delivery of cellar beer and event installations and for beer supply vehicles. For many years, this has been almost exclusively for Heineken in the Netherlands; Dutch customers such as Bavaria and Grolsch now are also regular customers, as are Heineken branches abroad. Exports continued to grow in 2017, especially in South America, Spain and South Africa. Thanks to continuous product development, it is expected that these exports will continue to increase in the coming years.

In the rail infrastructure segment, we operate primarily in the Netherlands, with customers such as ProRail, Dutch Railways (NS), Volker Rail and BAM Infra. Despite the fact that this has been a challenging market for years due to the strong influence government spending has on it, this is an interesting market for Armada Mobility in particular, which is expected to grow in the coming years.



We see the market for bridges and locks in the Netherlands as an attractive market for the coming years. With the production and installation of a large railway bridge for ProRail, we generated a considerable turnover in this market in 2017, as in previous years, and we expect to this continue in the coming years

In the market for the dredging industry, we serve all large, globally-operating companies such as IHC, Boskalis, Van Oord, Deme and Jan de Nul. This market is highly cyclical and, after decades of flourishing, has been in minor decline in recent years. However, the dredging industry is still seen as an interesting market in the long term. Our turnover in this market segment decreased slightly due to the current market conditions.

### INVESTMENTS

After substantial investments for the expansion and modernisation of machinery in the years 2010-2014, investments in the years 2015 and 2016 were at a lower level and well below the depreciation level. In 2017, investments increased again and amounted to more than €4.4 million at a depreciation level of approximately €4.6 million. The investments made in 2017 were largely replacement investments. In addition, Andus Group follows the policy of not leasing or renting out any assets, which means that all investments are made from our own resources or within the existing financing framework.

### RISK MANAGEMENT

Andus Group attaches great importance to stringent and effective risk management measures. This is closely monitored by the Board. We adhere to a strict policy aimed at limiting and managing current and future risks as effectively as possible, without compromising on entrepreneurship or flexibility. Within Andus Group, all default risks are insured and all currency risks are hedged. In most long-term projects, large or small, the prices e.g. of steel are fixed.

When undertaking contracting projects and large orders, all potential risks are identified by an extensive team of specialists. In addition to production risks, this team also identifies customer, country, capacity, subcontracting and financing risks. The team works closely with the legal department of Andus Group on the contractual aspects of projects. In all the companies, these projects and large orders are discussed regularly with the stakeholders and extensive reports are prepared.

Just as we strive for a strong distribution of turnover to mitigate related risks, we follow the same principle with regard to our suppliers. We work with several occasional as well as regular suppliers/parties for all essential matters. This applies not only in relation to the purchase of materials and raw materials, but also in relation to the maintenance of ICT systems and financial services provided by banks, surety companies and credit insurers. This enables us to ensure continuity of delivery with respect to products and services.

Andus Group assigns high priority to a strong solvency and liquidity. Potential risks facing the company are identified and regularly discussed. Once a year, this is reviewed in detail in an extensive session with the Supervisory Board. Thanks to this rigorous process, our risk management has been described as being effective and of a very high level by the auditor for many years now.

### DUTCH MANAGEMENT AND SUPERVISION (PUBLIC AND PRIVATE COMPANIES) ACT

In 2017, Mr Nico de Vries (former CEO of Royal BAM Group) joined the Supervisory Board. In addition to a two-member company board, Andus Group has a three-member Supervisory Board consisting of one woman and two men and, with regard to its Supervisory Board, meets the regulations concerning representation by women on the board.

### PERSONNEL AND ORGANISATION

At the end of 2017, there were 730 employees. The number of flexible and temporary employees varied between 150 and 300. Thanks to these flexible employees, we are able to meet the highs and lows in market demand. There were no major changes to the workforce, other than in the normal course of business. The percentage of absenteeism due to illness for the entire group does not show any major deviations compared to previous years and has remained stable at approximately 4%.

At Andus Group, our employees are central to our success. Their expertise, dedication and loyalty have made Andus Group what it is today: a strong group of companies, where each company strives to reach the top of its specific area of specialisation while working together to create an added value that is unique in the industry.



## SAFETY AND THE ENVIRONMENT

The health and safety of our employees are important priorities within our organisation. We adhere to a strict safety policy, which is reflected in our safety figures. This is also demanded by our customers. A lot of attention and energy is devoted to improving safety awareness and preventing accidents, partly thanks to the fact that the reporting of near-accidents is consistently encouraged. The environmental aspect of our activities also has our full attention. Some of our companies have earned the highest level of certification in this area (CO<sub>2</sub> Performance Ladder) .

## PROSPECTS FOR 2018

We can look back on 2017 with a positive feeling because, on the one hand, all measures taken have been completed positively, and on the other because most companies have performed (very) well again. On balance, this has resulted in an overall excellent financial performance, while the order book has increased to the highest level ever thanks to the substantial order intake. The strategy of continuity through risk diversification has again proved its worth in 2017.

The current order book, the general outlook, and the performance in the first months of 2018 give us sufficient confidence to be able to say that we assume that 2018 will be another profitable year.



### Andus Group Board:

*Tom van Rijn, Chairman of the Board (left)*

*Wiebe van den Elshout, Member of the Board (middle)*

*Kris Rooijackers, Secretary to the Board (right)*





**MANUFACTURING**



ABBREVIATED FINANCIAL STATEMENTS DERIVED FROM THE AUDITED FINANCIAL STATEMENTS 2017

**CONSOLIDATED BALANCE SHEET OF THE YEAR 2017**per December 31, 2017,  
amounts in € x 1,000

	31 December <b>2017</b>		31 December <b>2016</b>	
<b>ASSETS</b> (in € x 1,000)				
<b>Fixed assets</b>				
<b>Intangible fixed assets</b>				
• Goodwill	0		98	
		0		98
<b>Tangible fixed assets</b>				
• Land and buildings	3,062		3,429	
• Machinery and equipment	16,735		17,685	
• Other operating assets	5,738		6,314	
		25,535		27,428
<b>Current assets</b>				
<b>Stock</b>				
• Raw materials and consumables	7,878		8,412	
• Construction contracts	0		0	
		7,878		8,412
<b>Short-term receivables</b>				
• Trade receivables	32,627		41,193	
• Taxes and social securities	2,531		2,510	
• Other receivables and prepaid expenses	2,836		3,310	
		37,994		47,012
<b>Cash</b>		4,275		14
<b>Total</b>		<b>75,682</b>		<b>82,963</b>

<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	<i>31 December 2017</i>	<i>31 December 2016</i>
<b>Shareholders' equity</b>	34,330	29,170
<b>Provisions</b>		
• Deferred tax liabilities	410	417
• Employee benefits	309	311
• Other	<u>840</u>	<u>1,004</u>
	1,559	1,732
<b>Short-term liabilities</b>		
• Banks	0	15,828
• Construction contracts	10,568	1,858
• Accounts payables	21,549	22,759
• Taxes and social securities	1,252	2,026
• Other payables and accrued expenses	<u>6,424</u>	<u>9,593</u>
	39,793	52,061
<b>Total</b>	<b>75,682</b>	<b>82,963</b>

ANDUS GROUP

## CONSOLIDATED INCOME STATEMENT

amounts in € x 1,000

	<b>2017</b>	<b>2016</b>
<b>Operating income</b>	195,273	241,572
• Raw materials and auxiliaries, cost of contracted work	98,684	140,671
• Wages, salaries	51,735	61,939
• Social security	9,253	12,083
• Depreciation intangible fixed assets	98	140
• Depreciation tangible fixed assets	4,504	9,202
• Other operating expenses	<u>23,360</u>	<u>22,951</u>
<b>Total operating expenses</b>	<u>187,634</u>	<u>246,986</u>
<b>Operating results</b>	7,639	-5,414
• Interest income and expenses	<u>-397</u>	<u>-398</u>
<b>Result on ordinary activities before taxation</b>	7,242	-5,812
• Taxation on ordinary activities	-2,082	1,319
• Participations	<u>0</u>	<u>0</u>
<b>Net result</b>	<b>5,160</b>	<b>-4,493</b>



**CONTRACTING**

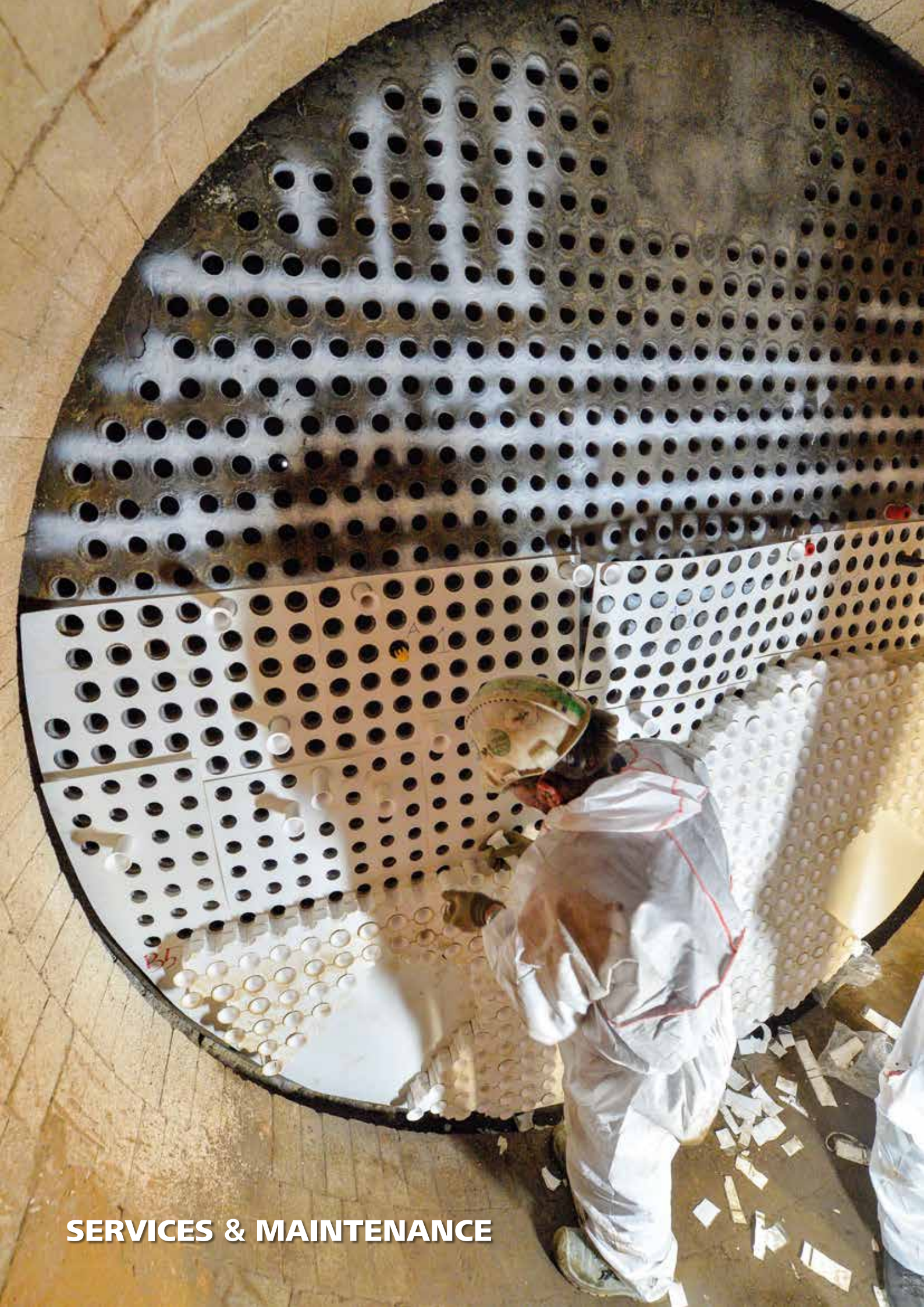
ANDUS GROUP

## CONSOLIDATED CASH FLOW STATEMENT

amounts in € x 1,000

	<b>2017</b>	<b>2016</b>
<b>Cash flow from operating activities</b>		
Operating results	7,638	-5,414
Adjustments to:		
• Depreciations	4,603	9,342
• Changes in provisions	-173	-104
• Changes in receivables	9,018	4,559
• Changes in inventory and work in progress	9,243	14,179
• Changes in current liabilities (excl. bankers)	<u>-5,150</u>	<u>-9,333</u>
Gross cash flow from operating activities	17,540	18,643
• Interest	-397	-398
• Taxation	<u>-2,082</u>	<u>1,319</u>
Net cash flow from operating activities	<u>-2,479</u>	<u>921</u>
	22,699	14,150
<b>Cash flow from investing activities</b>		
• (Dis)investments in (in)tangible fixed assets	<u>-2,611</u>	<u>-4,573</u>
Net cash flow from investing activities	-2,611	-4,573
<b>Cash flow from financing activities</b>		
• Dividend	<u>0</u>	<u>0</u>
Cash flow from financing activities	<u>0</u>	<u>0</u>
<b>Net cash flow</b>	<b>20,088</b>	<b>9,577</b>
Cash at January 1 (incl. acquisition and disposition of participations)	<u>-15,816</u>	<u>-25,393</u>
<b>Cash at December 31</b>	<b>4,272</b>	<b>-15,816</b>





**SERVICES & MAINTENANCE**





**CONTRACTING**







# NOTES TO THE 2017 ANNUAL ACCOUNTS

## PRINCIPLES FOR FINANCIAL REPORTING

### Activities

Andus Group BV is the holding company of independent subsidiaries, specialised in the worldwide realisation of industrial projects and supply and manufacturing of products for industrial end users. The activities mainly concentrate on the (petro)chemistry, oil and gas industry, energy market and civil engineering, dredging and shipping industry.

### General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). Accounting principles regarding valuation and profit recognition as below apply as well to the company's annual accounts as to the consolidated annual accounts. The financial statements are prepared under the historical cost convention.

### Principles of consolidation

Financial information relating to group companies and other legal entities which are controlled by Andus Group BV or where central management is conducted has been consolidated in the financial statements of Andus Group BV. The consolidated financial statements have been prepared in accordance with the accounting principles of Andus Group BV. The financial information relating to Andus Group BV is presented in the consolidated financial statements. Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated financial statements. The results of newly acquired group companies and the other legal entities and companies included in the consolidation are consolidated from the acquisition date. At that date the assets, provisions and liabilities are measured at fair values. Goodwill paid is capitalised, to which amortization is charged based on the estimated useful life. The results of participations sold during the year are recognised until the moment of disposal.

The consolidated annual accounts comprise the annual accounts for:

- Andus Group BV
- BNG Staalconstructie BV in Budel

- RijnDijk Engineering BV in Breda
- Van Voorden Gieterijen BV in Zaltbommel
- Nefa BV in Alblasserdam, 100% Nedstaal Holding BV
- RijnDijk Staalconstructies BV in Budel
- Lengkeek Staalbouw BV in Hoogvliet-Rt
- ADS 9 BV in Vianen, 100% Andus Group BV
- Armada Mobility BV in Nieuwegein, 100% Armada Group BV
- Armada Janse BV in Budel, 100% Armada Group BV
- RijnDijk International BV in Vianen
- ISS Projects s.r.o. in Košice (Slovakia), 100% RijnDijk International BV
- ISH Real Estate s.r.o. in Košice (Slovakia), 100% RijnDijk International BV
- HSM BV in Schiedam
- HSM Offshore BV in Schiedam, 100% HSM BV
- HSM Steel Structures BV in Schiedam, 100% HSM BV
- FIB Industries BV in Leeuwarden
- RijnDijk Construction BV in Budel
- Andus Refractories BV in Vianen
- Gouda Refractories BV in Gouda, 100% Andus Refractories BV
- Gouda Vuurvast Services BV in Gouda, 100% Andus Refractories BV
- Gouda Vuurvast Belgium NV in Wijnegem (Belgium), 99% GVB Holding NV and 1% RijnDijk International BV
- GVB Holding NV in Wijnegem (Belgium), 99% Andus Refractories BV en 1% RijnDijk International BV
- Gouda Feuerfest Holding GmbH in Bochum (Germany), 100% Andus Refractories BV
- Gouda Feuerfest (Deutschland) GmbH in Bochum (Germany), 100% Gouda Feuerfest Holding GmbH
- Gouda Feuerfest GmbH in Bochum (Germany), 100% Gouda Feuerfest Holding GmbH
- GFD Services GmbH in Bochum (Germany), 100% Gouda Feuerfest Holding GmbH
- Gouda Vuurvast Nederland BV in Gouda, 100% Andus Refractories BV
- Royal Van Voorden BV in Zaltbommel
- ADS 39 BV in Vianen, 100% Andus Group BV
- Nedstaal Holding BV in Alblasserdam
- Armada Group BV in Vianen

### Financial instruments

Financial instruments be both primary financial instruments, such as receivables and payables, and financial derivatives. For the principles of primary financial instruments, reference is made to the treatment

per balance sheet item. The company records the way in which the hedge relations suit the goals of the risk management, the hedge strategy and the expectation in respect of the hedge's effectiveness. The effective part of financial derivatives that have been allocated for cost price hedge accounting is valued at cost and the ineffective part is valued at fair value. The fair value changes of the ineffective part are directly recognised in the profit and loss account. The foreign currency components of both the hedged balance sheet items and the currency forward contracts that act as hedge instrument, are recognised at the rate as at balance sheet date. The foreign currency component of currency forward contracts that act as hedge instrument for hedging future transactions is valued at cost as long as the hedged position has not yet been recognized in the balance sheet.

### Translation of foreign currency method

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge-accounting is applied.

### Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. If necessary for the purposes of providing the view required under Section 362 (1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.



## PRINCIPLES OF VALUATION AND DETERMINATION OF ASSETS AND LIABILITIES

### Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization. Intangible fixed assets are amortized linearly over five years.

### Tangible fixed assets

Tangible fixed assets are stated at cost, less straight-line depreciation based on estimated useful life. Depreciation is provided from the date an asset comes into use.

### Financial fixed assets

Participations are valued at cost. Where significant influence is exercised on business and operating policy participations in consolidated group companies are valued under the equity method. The equity method is established by valuation of assets, provisions, liabilities and results on basis of the company's principles for valuation and profit recognition. Other financial fixed assets are carried at face value – after deduction of any provisions.

### Impairment of non-current assets

At each balance sheet date, the company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the determination of impairment, assets are grouped at the lowest level of cash flow generating.

### Inventories

Inventories (stocks) are valued at cost price or lower realizable value. This lower net realizable value is determined by individual assessment of the inventories. Finished goods are valued at cost of manufacture or lower net realizable value. Cost of manufacture includes direct materials used, direct wages and machine costs and other direct costs of manufacture, together with applicable production overhead. Net realizable value is based on estimated selling price, less any future costs to be incurred for completion and disposal. A provision is made for obsolete stock and deducted from the total value of stock.

### Construction contracts

Construction contracts are valued at cost together with applicable production overhead, increased by profits allocated to work carried out and deducted by losses foreseeable at balance sheet date. Construction contracts are reduced by amounts invoiced on account. Construction contracts are recognised as current liabilities if the balance of all construction contracts is negative.

### Accounts receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

### Cash at hand and in bank

Cash at bank and in hand is carried at nominal value and are, unless stated otherwise, freely disposable to the company.

### Revaluation

A revaluation reserve is recognised net of deferred income tax liabilities for assets recognised at current value.

### Provisions

Provisions are valued at face value. The deferred taxation is due to differences between the valuation principle in the annual report and the valuation for tax purposes of tangible fixed assets and is valued at the discounted value at an interest rate of 25%. Revaluation of real estate abroad is provisioned for with 19%. The deferred tax assets resulting from the tax loss carried forward is valued at the discounted value.

### Provisions for employee benefits

The company has several pension plans. The Dutch plans are financed by payments to pension fund administrators, i.e. insurance companies and industry-wide pension funds. The foreign pension funds are comparable to the Dutch pension system in terms of structure and functioning. The pension liabilities under both the Dutch and the foreign plans are valued according to the 'valuation to pension fund approach'. In this approach, the contribution payable

to the pension fund administrator is charged to the profit and loss account. A provision is recognised for additional pension/early retirement payments for Andus Refractories employees that retire at the age of 63 with a pension of 75% of their average salary. Actuarial interest rate used is 4% (2015: 4%). The provision for other employee benefits is based on actuarial calculations. The provision for jubilee benefits is measured at the present value of expected benefits payable during employment. The calculation of the provision takes the expected future salary increases and the likely stay into account. The present value factor is the market rate of interest of high-quality corporate bonds of 3% (2014: 3%).

### Long-term liabilities

Long-term liabilities comprise liabilities with a remaining loan term of over a year. Redemptions due within one year are included in the current liabilities.

### Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

## PRINCIPLES APPLIED TO DETERMINE THE RESULT

### General

The result is established by the difference between the operating income and all allocated costs in the reporting year. Foregoing principles of valuation and profit recognition apply to the establishment of all costs. Profit is recognised based upon percentage of completion of construction contracts. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements. All other profits and losses are accounted for on accrual basis.

### Operating income

The operating income represents amounts invoiced for goods and services supplied during the financial year under report and changes in costs and overhead charges in construction contracts, after deduction of discounts and such like.

### Depreciations

Depreciations relate to the price of acquisition or as the case may be actual value of the referring (in) tangible fixed assets. Gains and losses from the occasional sale of property, plant or equipment are included in the operating expenses.

### Financial receipts and expenditures

Financial receipts and expenditures relate to interest, to be received from and to be paid to third parties.

### Income tax

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

### Cash flow statement

Cash flow statement is compiled according to the indirect method. According to this method, the net result is adjusted for profit and loss account items which do not affect income and expenditure during the year and movement in balance sheet and profit and loss account items associated with income and expenditure not considered to relate to normal operating activities. Cash flow of group companies taken over in the reporting year is taken into account for the whole year. Changes in bank credit are balanced with the changes in cash at hand and in bank.





ANDUS GROUP

## INDEPENDENT AUDITOR'S REPORT

To: the shareholders and Supervisory Board of ANDUS Group BV

### Our opinion

We have audited the accompanying summary financial statements 2017 of ANDUS Group BV, based in Vianen.

In our opinion the summary financial statements are consistent, in all material respects, with the audited financial statements of ANDUS Group BV in accordance with the principles described in "notes to the 2017 annual accounts" in the summary financial statements (page 32-35).

### The summary financial statements comprise:

1. the summary balance sheet as at 31 December 2017;
2. the summary profit and loss account for 2017; and
3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

The summary financial statements do not contain all the disclosures required by Part 9 of Book 2 of the Netherlands Civil Code. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of ANDUS Group BV.

### Basis for our opinion

The summary financial statements are derived from the audited financial statements of ANDUS Group BV for the year ended 31 December 2017. We expressed an unqualified audit opinion on those financial statements in our report dated the 11th of April. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the summary financial statements' section of our report.

We are independent of ANDUS Group BV in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Report on other information included in the annual report

Next to the financial statements and our opinion thereon, the annual report consists of other information, including:

- the management report on the year 2017;
- the report of the supervisory board.

Based on the procedures as mentioned below, we are of the opinion that the other information is consistent with the financial statements and contains no material deficiencies.

We have read the other information and based on our knowledge and understanding obtained from the audit of the financial statements or otherwise, we have considered if the other information contains material deficiencies.

With these procedures, we have complied with the requirements of the Dutch Auditing Standard 720. These procedures do not have the same scope as our audit procedures on the financial statements.

Management is responsible for the preparation of the other information.

## Responsibilities of management and the Supervisory Board for the summary financial statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the principles described in "notes to the 2017 annual accounts" in the summary financial statements (page 32-35). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the summary financial statements that are free from material misstatement, whether due to material errors or fraud.

As part of the preparation of the summary financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the summary financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the summary financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

## Our responsibilities for the audit of the summary financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

Misstatements can arise from errors or fraud 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 these summary financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standard on Auditing 810, ethical requirements and independence requirements.

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

Vianen, 11 April 2018  
On behalf of PKF Wallast

Original has been signed by  
Drs. R. van Ast RA





**MANUFACTURING**

ANDUS GROUP

## REPORT FROM THE SUPERVISORY BOARD

The Supervisory Board looks back on 2017 with a positive feeling.

At the end of 2016, a number of important organisational decisions were taken by the management, in close consultation with the Board. These were adequately and expediently completed in the first half of 2017.

As a logical consequence of the termination of Nedstaal's activities, the Nedstaal steel mill and rolling mill were completely dismantled in the first half of the year.

Van Voorden Foundry had a successful restart in January 2017, and the repositioning of RijnDijk Staalconstructies was largely completed in 2017. RijnDijk Staalconstructies operated from two production locations until the beginning of 2017. It was decided to reduce this to one location and reposition the company in the market from there. This decision seems to be paying off.

The financial consequences of these decisions were already largely included in the 2016 results, which means that this only has a limited impact on the 2017 results.

In 2017, the strategic choice at HSM Offshore to establish the focus on renewable energy (in the continuing weak oil and gas market) has resulted in very large orders for the Borssele Net op Zee project. HSM Offshore will build two platforms and associated jackets for this prestigious project off the South Holland coast in the coming years. The Andus companies active in refractory technology are performing well without exception and continue to contribute to a stable basis for a good result.

2017 therefore closed with good figures and the order book offers positive prospects for 2018.

In the spring of 2017, Nico de Vries (former CEO of Royal BAM Group) joined the Supervisory Board. His specific expertise in large complex projects and the management of a project-based organisation are a positive addition to the Board.

The Supervisory Board met with the management of Andus Group five times last year. Of course, the business is discussed in the company each time. There is also a focus on special developments and the decisions that need to be made.

In addition to the topics described above, the following were discussed extensively:

- The annual accounts for 2016. This was discussed and approved in the presence of the auditor and presented to the General Meeting of Shareholders for approval.

- Risk management
- Portfolio analysis

In addition, the Board met by telephone several times in its old and new formation, it met once in the new form without management, and once with the CEO only. In addition, as usual, one of the members of the Supervisory Board discussed the annual figures and state of affairs of the company in depth in the presence of the finance director, the head of financial administration and the accountant.

The Supervisory Board attaches great importance to company visits, and paid a working visit to Gouda Refractories in Gouda and FIB Industries in Leeuwarden in 2017. The chairman paid a separate visit to HSM. These company visits deepen the Supervisory Board's knowledge and provide deeper insight into the individual companies within Andus Group. The full board and staff enjoyed the 20th anniversary of Andus Group in the Railway Museum in Utrecht.

None of the supervisory directors report circumstances that may constitute an obstacle to their independent and critical operation in any way.

Finally, the Board thanks the management and employees of the entire Andus Group for their exceptional dedication and performance.



**Supervisory board:**

*Paul Medendorp (left)*

*Gerdi Verbeet (middle)*

*Nico de Vries (right)*





**SERVICES & MAINTENANCE**

ANDUS GROUP

**LIST OF GROUP COMPANIES**

AS PER MAY 1, 2018

**ANDUS Group BV**

Voorstraat 56, 4132 AS Vianen, NL

**T** +31 (0)30 - 211 58 00**F** +31 (0)30 - 820 05 80**I** www.andusgroup.com**Subsidiaries****MANUFACTURING****FIB Industries BV**

Managing director: Rien Pepping

Technical director: Niels Bakker

*Stainless steel process equipment and beer systems*

Einsteinweg 18, 8912 AP Leeuwarden, NL

**T** +31 (0)58 - 294 59 45 **I** www.fib.nl**Sales Office**

Alte Bahnhofstraße 56a, D-44892 Bochum

**T** +49 (0)2154 - 9313 003 **I** www.fib.nl**Gouda Refractories BV**

Managing director: Marcus Schuchmann

Commercial director: Michel Grootenboer

*Design, manufacturing and supply of refractory linings***Production locations**

Goudkade 11-16, 2802 AA Gouda, NL

**T** +31 (0)182 - 59 14 00 **I** www.goudarefractories.com

De Rondoven 2, 4191 GX Geldermalsen, NL

**T** +31 (0)345 - 57 49 43 **I** www.goudarefractories.com**Sales Office**

Alte Bahnhofstraße 56a, D-44892 Bochum

**T** +49 (0)2154 - 888 700 **I** www.goudarefractories.com**Van Voorden Gieterijen BV**

Managing director a.i.: Wiebe van den Elshout

*Design and manufacturing of high alloyed industrial castings*

Bossekamp 6, 5301 LZ Zaltbommel, NL

**T** +31 (0)418 - 57 12 00 **I** www.vanvoorden.nl

Vianen



Leeuwarden



Gouda



Geldermalsen



Zaltbommel



## SERVICES & MAINTENANCE

### Gouda Vuurvast Belgium NV

Managing director: Philip Knipscheer

*Supply, installation and maintenance of refractory linings*

Vosveld 13, B-2110 Wijnegem (Antwerp), Belgium

T +32 (0)3 - 326 57 00 | [www.goudavuurvast.be](http://www.goudavuurvast.be)



Wijnegem (Antwerp,B)

### Gouda Vuurvast Services BV

Managing director: Arie van Vliet

*Supply, installation and maintenance of refractory linings*

Goudkade 11, 2802 AA Gouda, NL

T +31 (0)182 - 59 14 00 | [www.goudaservices.com](http://www.goudaservices.com)



Gouda

### Sales Office

Alte Bahnhofstraße 56a, D-44892 Bochum

T +49 (0)2154 - 93 13 002 | [www.goudaservices.com](http://www.goudaservices.com)

### ISS Projects s.r.o.

Managing director: Erik Palinsky

*Staffing for refractory and construction projects*

Hranická 2, 040 17 Košice, Slovakia

T +421 (0)55 - 729 92 27 | [www.issprojects.sk](http://www.issprojects.sk)



Košice (SK)

### Lengkeek Staalbouw BV

Managing director: Dick Bikker

*Maintenance oriented steel contractor*

Oppermanstraat 80, 3194 AC Hoogvliet, NL

T +31 (0)10 - 416 16 44 | [www.lengkeek-staalbouw.nl](http://www.lengkeek-staalbouw.nl)



Hoogvliet

### RijnDijk Engineering BV

Branch manager: Jeffrey van de Kerkhof

Takkebijsters 15D, 4817 BL Breda, NL

T +31 (0)88 - 066 41 11 | [www.rijndijk-engineering.com](http://www.rijndijk-engineering.com)



Breda

**CONTRACTING****Armada Janse BV**

Managing director: Leon Akkermans

*Total solutions for illuminated advertising and signposting*

Fabrieksstraat 102, 6021 RE Budel, NL

T +31 (0)40 - 256 19 11 | [www.armadajanse.nl](http://www.armadajanse.nl)



Budel

**Armada Mobility BV**

Managing director: Peter Baars

*Overall supplier of public design projects*

Groningenhaven 2, 3433 PE Nieuwegein, NL

T +31 (0)30 - 246 95 00 | [www.armadamobility.nl](http://www.armadamobility.nl)



Nieuwegein

**HSM Offshore BV**

Managing director: Jaco Lemmerzaal

Technical director: Gijs Kaashoek

*Compression and process modules, wellhead and production platforms, jackets, offshore high voltage stations (OHVS), living quarters*

Westfrankelandsedijk 9, Haven 528, 3115 HG Schiedam, NL

T +31 (0)10 - 427 92 00 | [www.hsm.nl](http://www.hsm.nl)



Schiedam

**HSM Steel Structures BV**

Managing director: Jaco Lemmerzaal

Technical director: Gijs Kaashoek

*Bridges, barriers and ship locks*

Westfrankelandsedijk 9, Haven 528, 3115 HG Schiedam, NL

T +31 (0)10 - 427 92 00 | [www.hsm.nl](http://www.hsm.nl)



Schiedam

**RijnDijk Staalconstructies BV**

Managing director: Eric Steijns

Technical director: Wout van Brandenburg

*Project management, engineering, production and on-site installation of steel construction projects*

Fabrieksstraat 104, 6021 RE Budel, NL

T +31 (0)495 - 49 18 02 | [www.rijndijk.com](http://www.rijndijk.com)



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