



ANNUAL REPORT 2018





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ANDUS GROUP

THE GROUP OF COMPANIES

AS PER JANUARY 1, 2019



Refractories

Gouda Refractories
Gouda Vuurvast Belgium
Gouda Vuurvast Services
Gouda Feuerfest Deutschland

Steel Structures

HSM Offshore
HSM Steel Structures
Lengkeek Staalbouw
RijnDijk Staalconstructies

Specialties

Armada Janse
Armada Mobility
FIB Beer Systems
FIB Industries
ISS Projects Slovakia
Van Voorden Foundry

Serving the industry

ANDUS GROUP

COMPANY PROFILE

Andus Group is the internationally operating 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: Refractories, Steel Structures en Specialties. 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 civil engineering.

Andus Group has evolved into a powerful, multidisciplinary organisation that is capable of creating added value for its customers with a wide range of products and services. Not only are we engineering, 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 2018 the organisation has a combined turnover of € 240 million and has approximately 700 employees in the Netherlands, Belgium, Germany 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 JANUARY 1, 2019

EUROPE

Belgium | Germany | Greece | The Netherlands | Norway
 Poland | Slovakia | Czech Republic | Sweden

NORTH AMERICA

Canada | USA

SOUTH AMERICA

Argentina | Brazil

AFRICA

Egypt | Mozambique | South Africa

ASIA

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

OCEANIA

Australia | New Zealand

● Andus Group Companies

● Local partners







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122 nx 36.6m

ANDUS GROUP

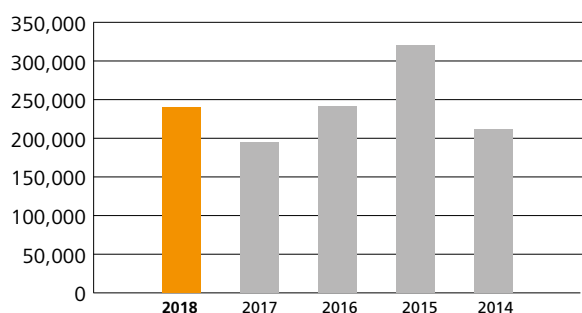
KEY FIGURES

amounts in € x 1,000

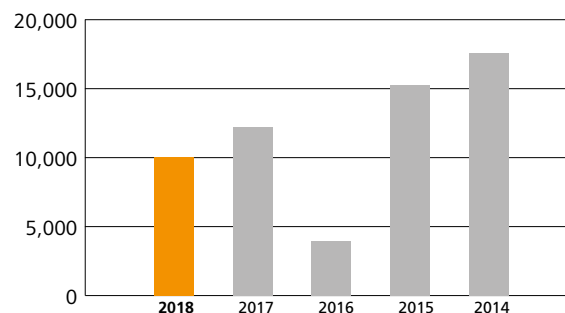
	2018	2017	2016	2015	2014
Operating income	239,833	195,273	241,572	319,828	211,911
EBITDA*	10,037	12,241	3,928	15,241	17,555
Operating results	5,130	7,242	-5,812	9,532	12,001
Net result	3,778	5,159	-4,493	7,052	8,769
Operating results/Operating income	2.1%	3.7%	-2.4%	3.0%	5.7%
Net result/Operating income	1.6%	2.6%	-1.9%	2.2%	4.1%
Shareholders' equity	36,271	34,330	29,170	33,663	33,493
Balance sheet total	83,259	75,682	82,962	104,602	90,295
Shareholders' equity/Balance sheet total	43.4%	45.4%	35.2%	32.2%	37.1%
Net result/Shareholders' equity	10.4%	15.0%	-15.4%	20.9%	26.2%
Current assets - current liabilities	10,953	10,352	3,376	3,203	2,862
Average number of employees	693	730	1,030	994	876

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

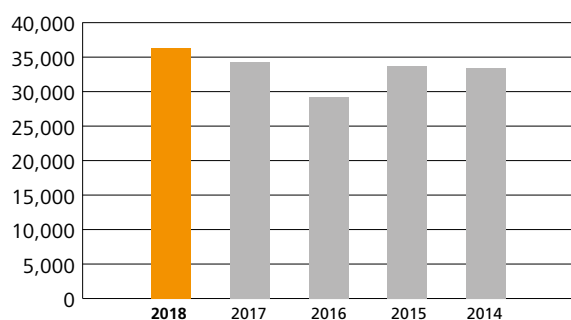
Operating income (in € x 1,000)



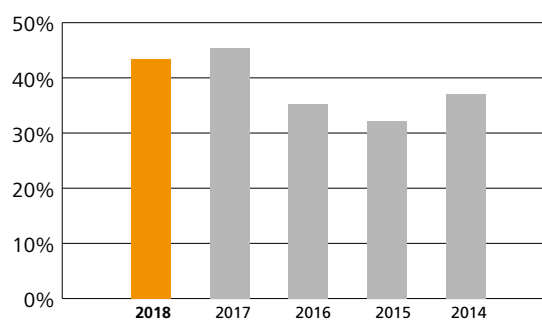
EBITDA (in € x 1,000)



Shareholders' equity (in € x 1,000)



Shareholders' equity/Balance sheet total (in %)



ANDUS GROUP

MANAGEMENT REPORT FOR THE YEAR 2018

Despite the fact that the result was slightly lower than in 2017, we are satisfied with the developments and the final turnover with the corresponding result. In the past year, our companies have once again completed a number of impressive projects and excellent service to their clients.

THE DEVELOPMENTS

An important, and also special, development that took place in 2018 was the resignation of CEO Tom van Rijn as Chairman of the Board of Directors and his accession to the Supervisory Board. The Andus Group's Board of Directors consists of Wiebe van den Elshout (Chairman of the Board of Directors), Jaco Lemmerzaal and Marcus Schuchmann. The three Board of Directors' members are also divisional directors and all three have been part of the Andus Group for many years.

At the same time, the company's strategy was modified in a number of ways and a new divisional structure was introduced, namely Refractories, Steel Structures and Specialties. The companies are no longer classified according to the nature of the activities as before, but the market in which they operate is decisive. Within the Specialties division, the companies of which no more than one operates in the same market, are placed. This change will give greater emphasis to synergy between the divisional companies and any acquisitions will be in line with the existing companies. Growth remains as always, a strong driver, but within the newly defined divisions.

Within the **Refractories** division, all companies performed well in 2018. The results of Gouda Refractories were just as positive as the year before. The most important markets in which Gouda Refractories operates are stable (aluminium industry) and recovering (petrochemicals), which also justifies positive expectations for 2019.

Gouda Refractories has a full order book for the first half of 2019 with a strong global expansion of orders.

The service and maintenance companies, Gouda Vuurvast Services and Gouda Vuurvast Belgium, showed above-average results. In addition to the regular work for existing clients and several major maintenance stops, both companies have also succeeded in acquiring orders from new clients. Partly due to this, these companies have created a good starting position for 2019.

Within the **Steel Structures** division, we can talk about a special year for HSM. Two very large transformer platforms for TenneT, which have been in production throughout 2018 and will continue to occupy a large part of the capacity in the first half of 2019, gene-

rated a record turnover.

The offshore wind market offers sufficient opportunities and investments in the offshore oil and gas market are also recovering to some extent. We are therefore positive about the short- and medium-term expectations for HSM Offshore.

In the second half of the year, HSM Steel Structures was awarded a great contract for a bicycle bridge in Cuijk, to be completed in 2019-2020.

After the repositioning of Rijndijk Staalconstructies, 2018 was the year in which the company had to (re)introduce itself to all its potential clients in order to obtain orders within the framework of the new strategy. Since the second half of the year this successfully resulted in a series of good new orders, which generate work particularly for 2019. The financial turnaround was not yet fully achieved in 2018, but we are confident that this will happen in 2019.

Lengkeek Staalbouw can look back on a good year, thanks to a larger work supply from their existing clients. This will continue in the first months of 2019.

Within the **Specialties** division, the beer systems department at FIB Industries was demerged to FIB Beer Systems on 1 January 2019. FIB Industries continues to focus on sophisticated process equipment. In this way, both companies, operating in completely different markets, can profile themselves better, which should lead to further growth. For FIB Industries, 2018 has been a disappointing year. An underperforming order intake and a strongly loss-making project led to a negative result. The last few months show a much stronger order book, which means that 2019 is expected to be a (considerably) better year.

After a positive 2017, Van Voorden Foundry was confronted with weak demand from the dredging and marine industry. In 2018, Van Voorden Foundry focused on acquiring new clients outside its traditional markets. We are convinced that Van Voorden has plenty to offer to companies in the pump industry, mechanical engineering and offshore. In the second half of 2018 this resulted in the first orders of new clients from the Netherlands and Germany and it is expected that this will continue in 2019. Although 2018 ended with losses, the outlook for this year is considerably better.

Armada Janse recovered from a less successful 2017 and the year ended positively, which is also expected for 2019.

In the first half of 2018 Armada Mobility had to deal with a strong

drop in demand, particularly at ProRail, which recovered after the summer holidays. Since then, the order intake has picked up again and Armada Mobility is operating well.

FINANCIAL DATA

A turnover of € 240 million was achieved in 2018 with an EBITDA of over € 10 million and an associated EBIT of € 5.1 million. The increase in turnover compared to 2017 was mainly achieved thanks to the two projects for TenneT that are being carried out at HSM and which have

an extensive scope with a lot of subcontracting and purchasing.

The majority of the net profit was added to shareholders' equity. This increased to € 36.2 million with a solvency of 43.4%. The liquidity position at the end of 2018 was good, with a drawn bank balance of € 11.3 million at a bank facility of € 40 million. On balance, therefore, a very comfortable liquidity position.



TURNOVER PER DIVISION

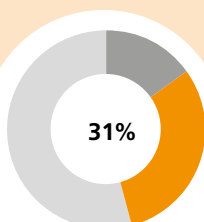
Within Andus Group we apply a divisional structure, which is based on the market in which the various companies operate. Within the Specialties division the companies are brought together of which not more than one operates in the same market. Within the divisions, the focus is on the end client, which makes it possible for several operating companies to work for the same end client.

REFRACTORIES

This division brings together our worldwide refractory activities.

This concerns:

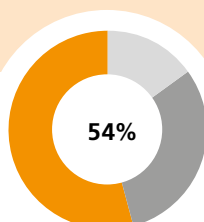
- Design, engineering, production and supply of refractory bricks, prefab elements and castables.
- Service and maintenance activities in the field of refractories with a strong focus on waste-to-energy and petrochemicals.
- R&D of refractory materials in own laboratory.



STEEL STRUCTURES

The companies within this division focus on steel-related projects and service and maintenance activities, mainly:

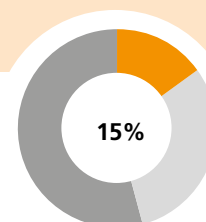
- Large infrastructural projects such as steel bridges and lock complexes.
- Offshore installations, such as oil & gas platforms and transformer platforms for wind energy.
- Multidisciplinary steel construction projects for (petro) chemical and heavy industry, the energy market and the complex non-residential construction industry.
- Maintenance activities at mainly (petro) chemical plants.



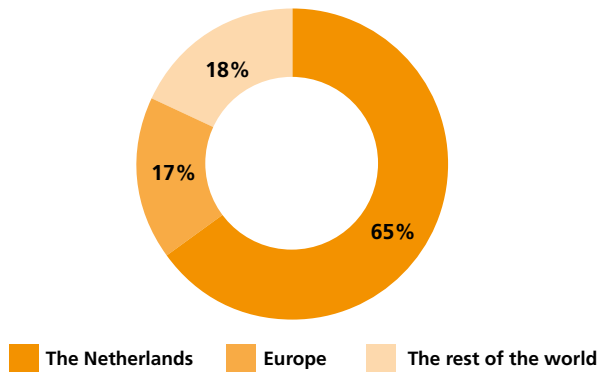
SPECIALTIES

This division consists of the companies that are engaged in contracting projects in the field of:

- Industrial castings such as pump housings for the dredging industry and large castings for e.g. mechanical engineering.
- Special projects for the railways and public spaces.
- Total solutions in the field of illuminated advertising.
- Stainless steel process equipment.
- Design, production, installation and maintenance of tank beer systems.



GEOGRAPHICAL SPREAD OF REVENUES

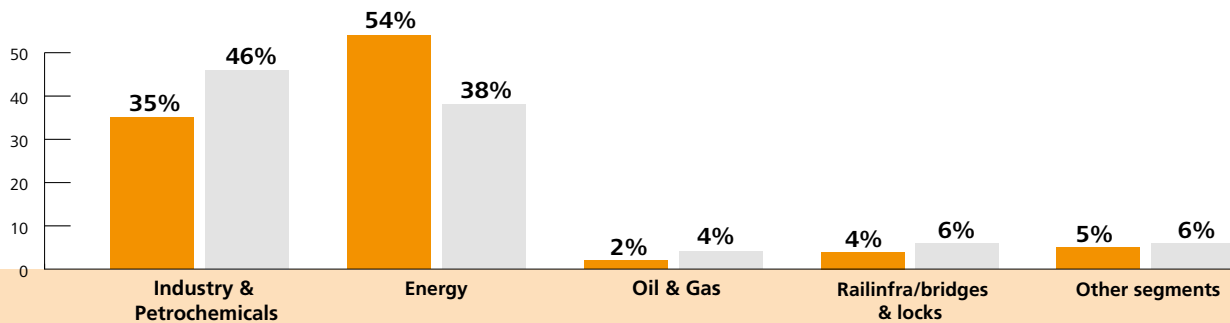


Risk diversification is an important part of Andus Group's strategy. This is on the one hand diversification by being active in different markets with different independently operating companies and on the other hand in geographical sales areas. This makes the group less vulnerable to negative developments in a particular country or region, or within particular sectors. This contributes to the continuity and low risk profile of Andus Group. The percentage of turnover in The Netherlands increased further in 2018 compared to that in Europe and the rest of the world. This has to do with the two large orders we are carrying out for TenneT for the 'Net-op-Zee-Borssele' project. Nevertheless, in 2018 we achieved more than 35% of our revenue outside the Netherlands. For 2019, we expect to achieve more than half of our turnover outside the Netherlands.

MARKET SEGMENTS

The strong increase in turnover in the energy sector in 2017 continued in 2018. This increase in turnover was achieved mainly in wind energy. The turnover, achieved in the Oil and Gas market and petrochemicals in 2018 was lower than in previous years.

■ 2018
■ 2017



Industry and Petrochemicals

Although the turnover in this sector shows a decrease compared to 2017, there is again a solid turnover in this sector, divided over a considerable number of our companies, which, as in previous years, ensures a solid and widely spread basis. We are well established in these markets and have an excellent reputation there and we

demonstrate time and time again that we understand the wishes and needs of our clients (including in the field of safety). Some of these worldwide established clients are: Shell, BASF, ExxonMobil, Kemira, Saudi Aramco, Total, Rio Tinto Alcan, Sabic, Indorama, BP, Sulzer, Borealis and Dow Chemical.

In the coming years, many of our companies will continue to focus strongly on clients in this segment.

Energy

As in 2016 and 2017, the contribution to turnover in this market segment increased sharply in 2018. The continued focus on and willingness to invest in the renewable energy markets make a major contribution to this. Our vision is that this market will continue to generate sufficient volume in the coming years and will remain interesting for us. Important clients here include TenneT, Ørsted and Energinet.

Oil & Gas

This market has been very unfavourable for a number of years. At the end of 2018 and the beginning of 2019 we are cautiously seeing new investments coming in. With some restraint, we believe that this market is showing a slight recovery. Given the still growing global demand for oil and gas, we expect this market to pick up again. In the longer term, this remains an important segment for us with good opportunities.

Other industries

The food industry is an important market for FIB Industries and FIB Beer systems. In addition to being a supplier of beer storage tanks, FIB Beer Systems is a leading player in the market for supplying cellar beer and event installations and for beer supply trucks. Besides Dutch breweries such as Bavaria, Heineken, Grolsch, also AB InBev and a number of smaller breweries in South America and Spain are important clients. In view of the continuous product development and changing consumer behaviour, export will continue to increase in the coming years.

FIB Industries is a renowned player worldwide when it comes to high-quality stainless-steel process equipment for both the petrochemical and heavy industry. Since FIB Industries serves clients worldwide, we consider this to be a good market for the coming years.

In infrastructure, our main clients are NS, ProRail, Strukton, Volker Rail and BAM Infra, but also many municipalities and provinces. This market has been a challenging one for years, strongly influenced by government spending, but nevertheless remains an interesting market for Armada Mobility in particular, which is expected to grow in the coming years.

In the market for the dredging industry we serve all large, globally operating companies such as IHC, Damen, Boskalis, Van Oord, Deme, Idreco and Jan de Nul. This market is highly cyclical and after decades of flourishing, the market has been in decline in recent

years. However, we still see the dredging industry as an interesting market in the long term. Our turnover in this market segment has decreased slightly due to the current market conditions.

We see the market for bridges and locks, on which HSM Steel Structures focuses, as an attractive market in The Netherlands for the coming years. Over the coming decades, Rijkswaterstaat and the provinces will renovate and/or replace many bridges and locks. We therefore assume that turnover within this segment will increase.

INVESTMENTS

Investments in 2018 amounted to approximately € 5.5 million against a depreciation level of € 4.6 million.

A significant part of the investments is related to a state-of-the-art mixing line at Gouda Refractories, which will significantly increase the production capacity of high-grade bricks. Given the potential in this market segment, we will continue to invest in the latest high tech developments.

The remaining investments in 2018 are, apart from replacement investments, investments in the expansion of our machinery.

In addition, it is Andus Group's policy not to lease or rent any assets, as a result of which all investments are made from our own resources or within the existing financing framework.

RISK MANAGEMENT

Andus Group attaches great value to stringent and adequate risk management. The Board monitors this closely. We have a strict policy, aimed at limiting and managing current and future risks as much as possible, without compromising entrepreneurship and flexibility. All debtor risks are insured and all currency risks are immediately covered. In most (large) long-term projects, prices are set, for example, for raw materials and steel.

All risks are identified when accepting large projects and orders by an extensive team of specialists, involving not only production risks, but also client, country, transport, capacity, subcontracting and financing risks. Andus Group has its own legal department, which is closely involved in the contractual recording of large projects and large orders.

At all companies, projects and large orders are periodically discussed. This is reported extensively.

Not only do we aim for a strong spread of risk on the turnover side, but potential risks on the supplier side are also carefully assessed. For all essential matters we work with several (regular) suppliers/parties. This is done both for the procurement of materials and raw materials, as well as for the maintenance of our IT systems and the financial services of banks, surety companies and credit

insurers, for example. In this way, the continuity of products and services is guaranteed as far as possible.

A strong solvency and liquidity are important priorities for Andus Group.

Potential risks of the company have been identified and are discussed regularly. Once a year, this is discussed in detail with the Supervisory Board. For many years, the auditor has described our risk management as adequate and of a good level.

ACT ON MANAGEMENT AND SUPERVISION

In 2018, Paul Medendorp resigned from the Supervisory Board in connection with the achievement of the maximum term of office. Tom van Rijn (founder and former CEO of Andus Group) succeeded Paul Medendorp as a member of the Supervisory Board.

In addition to a three-member Board of Directors of the company, Andus Group has a three-member Supervisory Board, consisting of one woman and two men, and therefore complies with the regulations regarding representation by women on the board as far as its Supervisory Board is concerned.

PERSONNEL AND ORGANISATION

At the end of 2018, 693 (FTE) employees were employed. The number of flexible employees was relatively high in 2018, averaging approximately 250. Thanks to these flexible employees, we are able to cope with peaks and troughs in market demand.

There were no major changes in the workforce in the past year, other than normal turnover of staff.

The absenteeism rate for the whole group shows no major deviations compared to previous years and remains stable at around 3.5%. The craftsmanship, dedication and loyalty of our employees make Andus Group a group of strong companies, each of which strives for the top in its own specific field, but which together have an added value that is unique in the industry. We want to thank all our employees for their efforts.

SAFETY AND ENVIRONMENT

We have a strict safety policy, which has an impact on our safety figures. This is not only required by our clients, but the safety and health of our employees are important priorities within our organisation. Much attention is paid to and energy is put into strengthening safety awareness and preventing accidents, in part by continuously stimulating near-accident reports, among other things.

We also pay full attention to the environmental aspect of our activities. Some of our companies have the highest certification in this area (CO₂ performance ladder). Also our companies make efforts to minimize their ecological footprint, among others by reusing materials (circular economy).

OUTLOOK 2019

We look back on 2018 with a positive feeling. On the one hand, because of the turnover and results achieved and, on the other hand, because the changes initiated at those companies, which showed a lower performance, start to bear fruit.

The order book as well as the order intake in the first quarter of the new year, the general outlook and the performance in the first months of 2019 justify a positive outlook for 2019 and the years thereafter.



Andus Group Board

F.l.t.r.:

Wiebe van den Elshout, Chairman of the Board

Kris Rooijackers, Secretary to the Board

Marcus Schuchmann, Member of the Board

Jaco Lemmerzaal, Member of the Board



ABBREVIATED FINANCIAL STATEMENTS DERIVED FROM THE AUDITED FINANCIAL STATEMENTS 2018
CONSOLIDATED BALANCE SHEET OF THE YEAR 2018

per December 31, 2018,
 amounts in € x 1,000

ASSETS (in € x 1,000)	<i>31 December 2018</i>		<i>31 December 2017</i>	
Fixed assets				
Tangible fixed assets				
• Land and buildings	2,816		3,062	
• Machinery and equipment	17,654		16,735	
• Other operating assets	<u>5,973</u>		<u>5,738</u>	
		26,443		25,535
Current assets				
Stock				
• Raw materials and consumables	10,841		7,878	
		10,841		7,878
Short-term receivables				
• Trade receivables	27,417		32,627	
• Construction contracts	13,881	0		
• Taxes and social securities	1,875		2,531	
• Other receivables and prepaid expenses	<u>3,081</u>		<u>2,836</u>	
		46,254		37,994
Cash		<u>11</u>		<u>4,275</u>
Total		83,549		75,682

SHAREHOLDERS' EQUITY & LIABILITIES	<i>31 December 2018</i>	<i>31 December 2017</i>
Shareholders' equity	36,271	34,330
Provisions		
• Deferred tax liabilities	29	410
• Employee benefits	300	309
• Other	<u>797</u>	<u>840</u>
	1,126	1,559
Short-term liabilities		
• Banks	11,329	0
• Construction contracts	0	10,568
• Accounts payables	26,627	21,549
• Taxes and social securities	1,433	1,252
• Other payables and accrued expenses	<u>6,763</u>	<u>6,424</u>
	<u>46,152</u>	<u>39,793</u>
Total	83,549	75,682

ANDUS GROUP

CONSOLIDATED INCOME STATEMENT

amounts in € x 1,000

	2018	2017
Operating income	239,833	195,273
• Raw materials and auxiliaries, cost of contracted work	133,345	98,684
• Wages, salaries	60,713	51,735
• Social security	9,259	9,253
• Depreciation intangible fixed assets	0	98
• Depreciation tangible fixed assets	4,652	4,504
• Other operating expenses	<u>26,479</u>	<u>23,360</u>
Total operating expenses	<u>234,448</u>	<u>187,634</u>
Operating results	5,385	7,639
• Interest income and expenses	<u>-254</u>	<u>-397</u>
Result before taxation	5,131	7,242
• Taxation	<u>-1,352</u>	<u>-2,082</u>
Net result	3,779	5,160

ANDUS GROUP

CONSOLIDATED CASH FLOW STATEMENT

amounts in € x 1,000

	2018	2017
Cash flow from operating activities		
Operating results	5,385	7,638
Adjustments to:		
• Depreciations	4,652	4,603
• Changes in provisions	-433	-173
• Changes in receivables	5,622	9,018
• Changes in inventory and work in progress	-27,412	9,243
• Changes in current liabilities (excl. bankers)	<u>5,596</u>	<u>-5,150</u>
Gross cash flow from operating activities	-11,975	17,540
• Interest	-254	-397
• Taxation	<u>-1,352</u>	<u>-2,082</u>
Net cash flow from operating activities	<u>-1,606</u>	<u>-2,479</u>
	-8,196	22,699
Cash flow from investing activities		
• (Dis)investments in (in)tangible fixed assets	<u>-5,561</u>	<u>-2,611</u>
Net cash flow from investing activities	-5,561	-2,611
Cash flow from financing activities		
• Dividend	-1,815	0
• Buyback of shares	<u>-20</u>	<u>0</u>
Cash flow from financing activities	<u>-1,835</u>	<u>0</u>
Net cash flow	-15,592	20,088
Cash at January 1 (incl. acquisition and disposition of participations)	<u>4,272</u>	<u>-15,816</u>
Cash at December 31	-11,320	4,272



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NOTES TO THE 2018 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 in Vianen
- FIB beer Systems in Leeuwarden, 100%
- RijnDijk Engineering BV in Vianen, 100%
- Van Voorden Gieterijen BV in Vianen, 100% Royal Van Voorden BV
- Nefa BV in Alblasterdam, 100% Nedstaal Holding BV
- RijnDijk Staalconstructies BV in Budel, 100%
- ISS Projects s.r.o. in Kosice (Slowakije), 100% RijnDijk International BV
- ISH Real Estate s.r.o. in Kosice (Slowakije), 100% RijnDijk International BV
- HSM BV in Schiedam, 100%
- HSM Offshore BV in Schiedam, 100% HSM BV
- HSM Steel Structures BV in Schiedam, 100% HSM BV
- FIB Industries BV in Leeuwarden, 100%
- RijnDijk Construction BV in Budel, 100%
- Andus Refractories BV in Vianen, 100%
- 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 (België), 99% GVB Holding NV and 1% RijnDijk International BV
- GVB Holding NV in Wijnegem (Belgie), 99% Andus Refractories BV and 1% RijnDijk International BV
- Gouda Feuerfest Holding GmbH in Bochum (Duitsland), 100% Andus Refractories BV
- Gouda Feuerfest (Deutschland) GmbH in Bochum (Duitsland), 100% Gouda Feuerfest Holding GmbH
- Gouda Feuerfest GmbH in Bochum (Duitsland), 100% Gouda Feuerfest Holding GmbH
- GFD Services GmbH in Bochum (Duitsland), 100% Gouda Feuerfest Holding GmbH
- Gouda Vuurvast Nederland BV in Gouda, 100% Andus Refractories BV
- Royal van Voorden BV in Zaltbommel, 100%
- ADS 39 BV in Vianen, 100%
- Nedstaal Holding BV in Vianen, 100%
- Armada Group BV in Vianen, 100%
- Favor BV in Vianen, 100% belang Royal Van Voorden BV
- ADS 44 BV in Vianen, 100%
- ADS 45 BV in Vianen, 100%

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% (2017: 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% (2017: 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

The summary financial statements 2018 of Andus Group BV, based in Vianen is derived from the audited financial statements 2018 of Andus Group BV.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements 2018 of Andus Group BV, on the basis described on page 24-27 of the related explanatory notes..

The summary financial statements comprise:

1. the summary statement of financial position at 31 December 2018;
2. the summarized profit and loss account for 2018;
3. the related explanatory information.

Summary financial statements

The summary financial statements do not contain all the disclosures required by Title 9 of Book 2 of the Dutch Civil Code. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements of Andus Group BV and our auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those financial statements of April, 17 2019.

The audited financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited financial statements 2018 of Andus Group BV in our auditor's report of April, 17 2019.

Responsibilities of management and the supervisory board for the summary financial statements

Management is responsible for the preparation of the summary financial statements on the basis as described in the related explanatory notes.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810 'Opdrachten om te rapporteren betreffende samengevatte financiële overzichten' (Engagements to report on summary financial statements).

Vianen, 17 April 2019
On behalf of PKF Wallast

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





ANDUS GROUP

REPORT FROM THE SUPERVISORY BOARD

The Supervisory Board looks back on 2018 with a positive feeling.

A year that can be characterised as one of important changes in the daily management of the company. Tom van Rijn, founder and CEO of Andus Group resigned as chairman of the Board of Directors on September 1st 2018 and joined the Supervisory Board.

The Supervisory Board has spoken extensively with the candidates for the new Board of Directors. On the recommendation of the Board, the new Board of Directors, consisting of Wiebe van den Elshout (Chairman), Jaco Lemmerzaal and Marcus Schuchmann was appointed by the General Assembly of Shareholders as of September 1st 2018.

The Board of Directors decided to shift Andus Group's strategy from diversification into specialisation. Andus Group will primarily focus on deepening and specialisation, where previously the focus was more on diversification and broadening. As a result of this change in strategy, a new divisional structure was created which comprises Refractories, Steel Structures and Specialties. Each of the Andus Group executives are primarily responsible for one of the divisions.

Different operating companies within the Andus Group performed differently in the previous year.

In 2018, Van Voorden Foundry still had to deal with an underperforming market and invested a lot of energy into entering new markets, which is now beginning to bear fruit. In 2018 FIB Industries also faced a slow order intake, which negatively affected the result. RijnDijk Staalconstructies has successfully continued the repositioning that began in 2017.

Thanks to the strategic decision to focus on renewable energy in the persistently weak oil and gas market, HSM achieved its highest turnover ever in 2018 with the construction of two very large platforms and associated jackets for the prestigious 'Net op Zee Borssele'-project off the coast of the province of Zuid-Holland.

Without exception, the Andus companies active in the Refractories division are doing well and continue to contribute to a stable basis for a good result.

The year 2018 will be closed with positive results and the order book offers good prospects for 2019.

In September 2018, Paul Medendorp resigned as a member of the Supervisory Board in connection with the fulfilment of the

maximum term of office. The Board would like to thank Paul for his collegiality, the way in which he fulfilled his position with great skill and enthusiasm and his valuable contribution to the further professionalisation of the group.

The vacancy has been filled by Tom van Rijn. His knowledge of and experience in managing Andus Group are a valuable contribution to the Board.

The Supervisory Board has met five times with the Board of Directors of Andus Group in the past year. Certainly, the state of affairs of the company is discussed at each meeting. This also includes a closer look at special developments and the choices to be made. Two of the members of the Supervisory Board discussed the company's annual figures and state of affairs in detail with the accountant in the presence of the Board of Directors and the head of the financial administration.

The 2018 financial statements were approved and submitted to the General Assembly of Shareholders for adoption.

The Board attaches great importance to company visits and paid a working visit to HSM in 2018.

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

Finally, the Board would like to thank the management and employees of the entire Andus Group for their dedication, efforts and achievements in 2018.



The Supervisory Board

f.l.t.r. Tom van Rijn, Gerdi Verbeet, Nico de Vries



ANDUS GROUP

LIST OF GROUP COMPANIES

AS PER JANUARY 1, 2019

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****REFRACTORIES****Gouda Refractories BV**

Managing director: Marcus Schuchmann

Commercial director: Michel Grootenboer

*Development, 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)234 - 90 499 619 **I** www.goudarefractories.com**Gouda Vuurvast Belgium NV**

Managing director: Philip Knipscheer

Supply, installation and maintenance of refractory linings

Vosveld 13, B-2110 Wijnegem (Antwerpen), België

T +32 (0)3 - 326 57 00 **I** www.goudavuurvast.be**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 **I** www.goudaservices.com**Sales Office**

Alte Bahnhofstraße 56a, D-44892 Bochum

T +49 (0)234 - 90 499 619 **I** www.goudaservices.com

Vianen



Gouda



Geldermalsen



Antwerpen, België



Gouda

STEEL STRUCTURES

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



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



Schiedam

Lengkeek Staalbouw BV

Managing director: Dick Bikker

Maintenance oriented steel contractor

de petrochemische industrie

Oppermanstraat 80, 3194 AC Hoogvliet, NL

T +31 (0)10 - 416 16 44 | www.lengkeek-staalbouw.nl



Hoogvliet

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



Budel

SPECIALTIES

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



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



Nieuwegein

FIB Beer Systems BV

Managing director: Cor Ax

Specialist in tank beer installations

Einsteinweg 18, 8912 AP Leeuwarden, NL

T +31 (0)58 - 294 59 45 | www.fibbeersystems.com



Leeuwarden

FIB Industries BV

Managing director: Rien Pepping

Stainless steel process equipment and beer systems

Einsteinweg 18, 8912 AP Leeuwarden, NL

T +31 (0)58 - 294 59 45 | www.fib.nl



Leeuwarden

Sales Office

Alte Bahnhofstraße 56a, D-44892 Bochum

T +49 (0)2154 - 9313 003 | www.fib.nl

ISS Projects s.r.o.

Managing director: Erik Palinsky

Staffing for refractory and construction projects

Hranicná 2, 040 17 Košice, Slovakia

T +421 (0)55 - 729 92 27 | www.issprojects.sk



Košice (SK)

Van Voorden Foundry 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 | www.vanvoorden.nl



Zaltbommel



Serving the industry



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