

**Dynatest Denmark A/S
Central Business Registration No
20015632**

Annual report 2014

The Annual General Meeting adopted the annual report on 09.06.2015

Chairman of the General Meeting

Name: Torben Anker Sørensen

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Entity details

Entity

Dynatest Denmark A/S
Gladsaxevej 342
2860 Søborg

Central Business Registration No: 20015632

Registered in: Glostrup

Financial year: 01.01.2014 - 31.12.2014

Board of Directors

Trine Guldmann
Anders Sørensen
Torben Anker Sørensen

Executive Board

Torben Anker Sørensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Dynatest Denmark A/S for the financial year 01.01.2014 - 31.12.2014.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2014 and of the results of its operations for the financial year 01.01.2014 - 31.12.2014.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 13.05.2015

Executive Board

Torben Anker Sørensen

Board of Directors

Trine Guldmann

Anders Sørensen

Torben Anker Sørensen

Independent auditor's reports

To the owners of Dynatest Denmark A/S

Report on the financial statements

We have audited the financial statements of Dynatest Denmark A/S for the financial year 01.01.2014 - 31.12.2014, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2014 and of the results of its operations for the financial year 01.01.2014 - 31.12.2014 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 13.05.2015

Deloitte

Statsautoriseret Revisionspartnerselskab

Jens Sejer Pedersen
State Authorised Public Accountant

Eigil Hansen
State Authorised Public Accountant

Management commentary

Primary activities

Dynatest Denmark A/S is a provider of pavement consultancy and design services, incl. unique software tools, for use in planning and maintenance of pavements for airports, roads and pathways. It also manufactures and sells high technology data collection equipment for condition monitoring of pavements.

Dynatest Denmark A/S has delivered data collection equipment and consultancy for almost 40 years and has a strong reputation for quality.

Development in activities and finances

Gross profit was very close to budget for 2014, however, the fixed cost increased significantly.

The increase in fixed cost was in accordance with expectations due to building a new and strong organization as well as improving the physical environment of the company.

Outlook

Expectations for 2015 are positive, as a consequence of the new and stronger organization and due to a strong order book by start of the year.

The development of the new organization will continue in 2015 and therefore we expect a small deficit again in 2015.

As a result of a significant improvement in the liquidity situation of the parent company Dynatest International A/S we do not have, or expect, any liquidity challenges.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the in-

Accounting policies

come statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Also, provisions for loss on contract work in progress are recognised under production costs.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

Balance sheet

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct costs of materials, components, subsuppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
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Plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Contract work in progress

Contract work in progress regarding individualized products is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Accounting policies

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructurings, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructurings in the acquired enterprise that were decided and published at the takeover date at the latest.

Accounting policies

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income statement for 2014

	<u>Notes</u>	<u>2014 DKK</u>	<u>2013 DKK'000</u>
Gross profit	1	7.101.635	7.434
Distribution costs	1	(4.377.161)	(3.618)
Administrative costs	1	<u>(7.913.883)</u>	<u>(4.988)</u>
Operating profit/loss		(5.189.409)	(1.172)
Other financial income	2	62.575	281
Other financial expenses	3	<u>(447.866)</u>	<u>(506)</u>
Profit/loss from ordinary activities before tax		(5.574.700)	(1.397)
Tax on profit/loss from ordinary activities	4	<u>1.121.267</u>	<u>246</u>
Profit/loss for the year		<u>(4.453.433)</u>	<u>(1.151)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(4.453.433)</u>	<u>(1.151)</u>
		<u>(4.453.433)</u>	<u>(1.151)</u>

Balance sheet at 31.12.2014

	<u>Notes</u>	<u>2014 DKK</u>	<u>2013 DKK'000</u>
Other fixtures and fittings, tools and equipment		6.162.973	4.378
Property, plant and equipment in progress		<u>0</u>	<u>2.444</u>
Property, plant and equipment	5	<u>6.162.973</u>	<u>6.822</u>
Deposits		<u>985.127</u>	<u>224</u>
Fixed asset investments	6	<u>985.127</u>	<u>224</u>
Fixed assets		<u>7.148.100</u>	<u>7.046</u>
Raw materials and consumables		4.827.703	4.064
Manufactured goods and goods for resale		941.439	1.402
Prepayments for goods		<u>269.782</u>	<u>2.899</u>
Inventories		<u>6.038.924</u>	<u>8.365</u>
Trade receivables		7.848.004	1.837
Contract work in progress		592.523	1.027
Receivables from group enterprises		1.106.633	4.264
Receivables from associates		462.931	0
Deferred tax assets		1.479.000	306
Other short-term receivables		1.285.600	(2)
Prepayments		<u>57.554</u>	<u>88</u>
Receivables		<u>12.832.245</u>	<u>7.520</u>
Cash		<u>864.728</u>	<u>4.061</u>
Current assets		<u>19.735.897</u>	<u>19.946</u>
Assets		<u>26.883.997</u>	<u>26.992</u>

Balance sheet at 31.12.2014

	<u>Notes</u>	<u>2014 DKK</u>	<u>2013 DKK'000</u>
Contributed capital		500.000	500
Retained earnings		2.149.756	6.603
Equity		<u>2.649.756</u>	<u>7.103</u>
Other provisions		435.416	202
Provisions		<u>435.416</u>	<u>202</u>
Payables to group enterprises		8.355.976	0
Non-current liabilities other than provisions		<u>8.355.976</u>	<u>0</u>
Bank loans		7.162.044	9.580
Prepayments received from customers		13.675	1.553
Trade payables		2.687.349	5.204
Debt to group enterprises		808.386	644
Other payables		4.771.395	2.706
Current liabilities other than provisions		<u>15.442.849</u>	<u>19.687</u>
Liabilities other than provisions		<u>23.798.825</u>	<u>19.687</u>
Equity and liabilities		<u><u>26.883.997</u></u>	<u><u>26.992</u></u>
Contingent liabilities	7		
Ownership	8		

Statement of changes in equity for 2014

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	500.000	6.603.189	7.103.189
Profit/loss for the year	0	(4.453.433)	(4.453.433)
Equity end of year	500.000	2.149.756	2.649.756

Notes

	2014	2013
	DKK	DKK'000
1. Staff costs		
Wages and salaries	10.712.975	8.629
Pension costs	627.226	608
Other social security costs	334.724	190
	11.674.925	9.427
2. Other financial income		
Financial income arising from group enterprises	62.575	281
	62.575	281
3. Other financial expenses		
Financial expenses from group enterprises	21.253	20
Interest expenses	426.613	486
	447.866	506
4. Tax on ordinary profit/loss for the year		
Change in deferred tax for the year	(1.173.000)	(246)
Adjustment relating to previous years	51.733	0
	(1.121.267)	(246)

Notes

	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
5. Property, plant and equipment		
Cost beginning of year	7.015.779	2.443.809
Transfer to and from other items	2.443.809	(2.443.809)
Additions	338.279	0
Cost end of year	9.797.867	0
Depreciation and impairment losses beginning of the year	(2.637.257)	0
Depreciation for the year	(997.637)	0
Depreciation and impairment losses end of the year	(3.634.894)	0
Carrying amount end of year	6.162.973	0
6. Fixed asset investments		
Cost beginning of year		223.860
Additions		761.267
Cost end of year		985.127
Carrying amount end of year		985.127

7. Contingent liabilities

As a security for debt to banks of DKK ('000) 6,326 Dynatest Denmark A/S has issued a floating charge of a nominal amount of DKK ('000) 7,000. The floating charge includes the following assets, with a carrying amount as at 31 December 2014 of:

Fixtures and equipment, DKK ('000) 6,163

Trade receivables, DKK ('000) 7,848

Inventories, DKK ('000) 6,039

Dynatest Denmark A/S has issued guarantees to customers in the amount of DKK ('000) 1,264 with expiry in the period until 2016.

Dynatest Denmark A/S has signed a tenancy rental agreement for their leasehold with 89 months interminability at 31 May 2022 corresponding to a rent of DKK ('000) 10,855.

Notes

Dynatest Denmark A/S has lease payments (operating lease) of DKK ('000) 70 until 2019.

Dynatest Denmark A/S participates in a Danish joint taxation arrangement in which Dynatest International A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

8. Ownership

The following shareholder is recorded in the company's register of shareholders as owning minimum 5% of the votes or minimum 5% of the share capital:

Dynatest International A/S
Gladsaxevej 342
2860 Søborg