

**Global Tunnelling Experts
(Danmark) ApS**
Gulagervej 3
4173 Fjenneslev
Central Business Registration No
33356005

Annual report 2017

The Annual General Meeting adopted the annual report on 05.03.2018

Chairman of the General Meeting

Name: Nils Kjellegaard Jensen

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Entity details

Entity

Global Tunnelling Experts (Danmark) ApS
Gulagervej 3
4173 Fjenneslev

Central Business Registration No: 33356005
Registered in: Sorø
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Markus Bartscherer, chairman
Nils Kjellegaard Jensen

Executive Board

Claus Nielsen
Kevin Browning

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Global Tunnelling Experts (Danmark) ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Sorø, 28.02.2018

Executive Board

Claus Nielsen

Kevin Browning

Board of Directors

Markus Bartscherer
chairman

Nils Kjellegaard Jensen

Independent auditor's report

To the shareholders of Global Tunnelling Experts (Danmark) ApS

Opinion

We have audited the financial statements of Global Tunnelling Experts (Danmark) ApS for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

København, 28.02.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Flemming Larsen

State Authorised Public Accountant

Identification number (MNE) mne27790

Management commentary

Primary activities

Global Tunnelling Experts provides construction companies with qualified personnel for all jobs throughout all the construction phases on tunnel construction sites. We can provide the entire construction site crew. Or we can find the right specialist to perfectly complement your team. For successful teamwork tunnelling.

Global Tunnelling Experts specializes in individual personnel services for tunnel construction. GTE offers integrated recruitment services – quick, reliable and competent. Having a skilled workforce available is always a key factor. Our experts can be placed flexibly, and so can cover your personnel shortages or complement your core team whenever required. Our specialists are experienced and trained to work with state-of-the-art tunnelling technology. And, thanks to our expertise, they can be available quickly and easily. At the right time and in the right place.

Development in activities and finances

Profit for the year corresponds to management's expectations. Similar positive results are expected for the coming financial year.

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.

Income statement for 2017

	<u>Notes</u>	<u>2017 EUR</u>	<u>2016 EUR'000</u>
Revenue		9.658.194	12.077
Other external expenses		<u>(400.915)</u>	<u>(328)</u>
Gross profit/loss		9.257.279	11.749
Staff costs	1	(8.698.776)	(10.489)
Depreciation, amortisation and impairment losses		<u>(795)</u>	<u>0</u>
Operating profit/loss		557.708	1.260
Other financial income		0	9
Other financial expenses		<u>(14.973)</u>	<u>(9)</u>
Profit/loss before tax		542.735	1.260
Tax on profit/loss for the year	2	<u>(122.084)</u>	<u>(285)</u>
Profit/loss for the year		420.651	975
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		1.000.000	0
Retained earnings		<u>(579.349)</u>	<u>975</u>
		420.651	975

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 EUR</u>	<u>2016 EUR'000</u>
Other fixtures and fittings, tools and equipment		6.018	0
Leasehold improvements		28.758	0
Property, plant and equipment	3	<u>34.776</u>	<u>0</u>
Fixed assets		<u>34.776</u>	<u>0</u>
Trade receivables		0	22
Receivables from group enterprises		1.583.522	789
Prepayments		9.407	11
Receivables		<u>1.592.929</u>	<u>822</u>
Cash		<u>279.180</u>	<u>916</u>
Current assets		<u>1.872.109</u>	<u>1.738</u>
Assets		<u>1.906.885</u>	<u>1.738</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 EUR</u>	<u>2016 EUR'000</u>
Contributed capital		10.791	11
Retained earnings		506.121	1.085
Proposed dividend		<u>1.000.000</u>	<u>0</u>
Equity		<u>1.516.912</u>	<u>1.096</u>
Deferred tax		<u>453</u>	<u>0</u>
Provisions		<u>453</u>	<u>0</u>
Trade payables		51.624	24
Payables to group enterprises		43.556	47
Income tax payable		75.574	249
Other payables	4	<u>218.766</u>	<u>322</u>
Current liabilities other than provisions		<u>389.520</u>	<u>642</u>
Liabilities other than provisions		<u>389.520</u>	<u>642</u>
Equity and liabilities		<u>1.906.885</u>	<u>1.738</u>
Contingent liabilities	5		
Related parties with controlling interest	6		
Group relations	7		

Statement of changes in equity for 2017

	Contributed capital EUR	Retained earnings EUR	Proposed dividend EUR	Total EUR
Equity beginning of year	10.791	1.085.470	0	1.096.261
Profit/loss for the year	0	(579.349)	1.000.000	420.651
Equity end of year	10.791	506.121	1.000.000	1.516.912

Notes

	2017	2016
	EUR	EUR'000
1. Staff costs		
Wages and salaries	8.592.474	10.387
Pension costs	85.783	37
Other social security costs	20.519	65
	8.698.776	10.489
Average number of employees	115	136
	2017	2016
	EUR	EUR'000
2. Tax on profit/loss for the year		
Tax on current year taxable income	122.110	285
Change in deferred tax for the year	453	0
Adjustment concerning previous years	(479)	0
	122.084	285
	Other fixtures and fittings, tools and equipment EUR	Leasehold improve- ments EUR
3. Property, plant and equipment		
Additions	6.813	28.758
Cost end of year	6.813	28.758
Depreciation for the year	(795)	0
Depreciation and impairment losses end of the year	(795)	0
Carrying amount end of year	6.018	28.758

Notes

	2017	2016
	EUR	EUR'000
4. Other payables		
VAT and duties	(10.933)	1
Wages and salaries, personal income taxes, social security costs, etc payable	210.672	308
Holiday pay obligation	16.705	13
Other costs payable	2.322	0
	218.766	322

5. Contingent liabilities

Operating leases have been entered on cars. Annual payments for operating leases (2018 amounts) are EUR'000 18.

The entity has entered a rental agreement for the rental of office and workshop premises. Annual lease is EUR'000 17.

6. Related parties with controlling interest

Global Tunnelling Experts B.V. (Holland) owns all the shares in the company and thus has a decisive influence on this.

7. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Herrenknecht AG, Schlehenweg 2, 77963 Schwanau, Germany

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Global Tunnelling Experts Holding B.V, Rivium 2e straat 41-49, 2909 LG Capelle aan den IJssel, Netherlands

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 to 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.

Income statement

Revenue

Revenue from the sale of services is recognised in the income 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.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation and impairment losses relating to equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of equipment.

Accounting policies

Other financial income

Other financial income comprises net capital gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including net capital losses on payables and transactions in foreign currencies.

Tax on profit/loss for the year

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.

Balance sheet

Property, plant and equipment

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.

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:

Equipment	5 years
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Estimated useful lives and residual values are reassessed annually.

Items of equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Prepayments

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

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Accounting policies

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.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax