Trevi Foundations Denmark A/S

c/o Thyregod Advokater, adv. C. Rossi, Hammerensgade 6, 1267 København K

Company reg. no. 33 75 91 42

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 2 July 2019.

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Stefano Trevisani
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Trevi Foundations Denmark A/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

The board of directors and the managing director considers the requirements of omission of audit of the annual accounts for 2018 as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 2 July 2019

Managing Director

Leonardo Biserna

Board of directors

Stefano Trevisani Chairman	Daniele Forti	Leonardo Biserna

The independent auditor's report on review of the annual accounts

To the shareholder of Trevi Foundations Denmark A/S

We have reviewed the annual accounts of Trevi Foundations Denmark A/S for the financial year 1 January to 31 December 2018. Our review comprised accounting policies used, profit and loss account, balance sheet and notes.

The management's responsibility for the annual accounts

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

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts. However, due to the matters described in the paragraph "Basis for disclaimer of opinion", we have not been able to achieve sufficient and appropriate evidence that could form the basis for expressing an opinion on the accounts.

Basis for disclaimer of opinion

In the balance sheet at 31 December 2018, the company has recognised work in progress for third parties at t.DKK 168,881. The item includes, to a significant extent, recognised extra work relating to one single project. The company has not been able to produce sufficient and appropriate documentation supporting the recognition of work in progress for third parties. We have not otherwise been able to confirm or verify the recognized work in progress for third parties.

In the balance sheet at 31 December 2018, the company has recognized other provisions at t.DKK 168,882 deriving from the project in question. The company has not been able to produce sufficient and appropriate documentation supporting the recognized other provisions. The provision does not include estimates on future losses and could therefore be higher with a significant effect on the result and equity.

In the balance sheet at 31 December 2018, the company has recognized trade debtors at t.DKK 31,468. Due to the unsettled disputes with the project provider, it has not been possible to obtain sufficient and appropriate documentation supporting the presence and valuation of the trade debtors.

The independent auditor's report on review of the annual accounts

In the balance sheet at 31 December 2018, the company has recognized intercomapny receivables at t.DKK 16,720. It has not been possible to obtain sufficient and appropriate documentation supporting the valuation of this receivable.

In the balance sheet at 31 December 2018, the company has not recognized trade creditors at t.DKK 13,483 deriving from the project in question. Due to the unsettled disputes with the project provider, it has not been possible to obtain sufficient and appropriate documentation supporting the completeness of the trade creditors.

During our review, we did not receive documentation for the company's other operating expenses at t.DKK 95,357. Because of that, we have not been able to complete a review of presence and accrual of these.

Against this background, we have not been able to determine if any adjustments might have been considered required in relation to work in progress for third parties, other provisions, trade debtors and trade creditors, other operating costs, as well as the income statement or changes in equity.

Disclaimer of opinion

Due to the significance of the matters described in paragraph "Basis for disclaimer of opinion", we have not been able to achieve sufficient and appropriate evidence that could form the basis for expressing an opinion on the annual accounts. Accordingly, we do not express an opinion on the annual accounts.

Copenhagen, 2 July 2019

Redmark
Statsautoriseret Revisionspartnerselskab
Company reg. no. 29 44 27 89

Søren Kristiansen Bünger
State Authorised Public Accountant
mne34334

Company data

The company	Trevi Foundations Denmark A/S c/o Thyregod Advokater, adv. C. Rossi Hammerensgade 6 1267 København K Company reg. no. 33 75 91 42 Financial year: 1 January - 31 December 8th financial year
Board of directors	Stefano Trevisani, Chairman Daniele Forti Leonardo Biserna
Managing Director	Leonardo Biserna
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Parent company	Trevi Contractors B.V.

The principal activities of the company

The company's objective is to implement foundation works related to “The Copenhagen Cityring Project” and hereby associated activity.

The company's activity are reduced to a minimum and all employees have been terminated. As a consequence the company is not seen as a going concern and the values recorded in the annual report are therefore presented in accordance with the realization principle. It is the company's expectation that the ultimate parent company Trevi Finanziaria Industriale SpA or one of its subsidiaries will support the company financially if there is a need for this. There has not been a formal agreement on this.

Uncertainties as to recognition or measurement

In previous year, the company has completed the foundation work specified ind the contract entered into.

Work in progress is in nature related with risk. It is Management's assessment that the value of work in progress minimum have a value corresponding to booked value.

Development in activities and financial matters

The results from ordinary activities after tax are DKK -108,8m against DKK -61,3m last year. The management consider the results unsatisfactory.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2018	2017
	Gross loss	**-690.196**	**-7.993.685**
2	Staff costs	-428.779	-842.511
	Depreciation and writedown relating to tangible fixed assets	-155.832	-456.193
	Other operating costs	-95.356.703	-40.946.950
	Operating profit	**-96.631.510**	**-50.239.339**
	Other financial income	0	812.122
3	Other financial costs	-12.138.949	-11.881.055
	Results before tax	**-108.770.459**	**-61.308.272**
	Tax on ordinary results	0	0
	Results for the year	**-108.770.459**	**-61.308.272**
	Proposed distribution of the results:		
	Allocated from results brought forward	-108.770.459	-61.308.272
	Distribution in total	**-108.770.459**	**-61.308.272**

Balance sheet 31 December

All amounts in DKK.

Assets

Note		2018	2017
	Fixed assets		
4	Production plant and machinery	2.595.412	2.718.942
5	Other plants, operating assets, and fixtures and furniture	990	1.501
	Tangible fixed assets in total	2.596.402	2.720.443
	Fixed assets in total	**2.596.402**	**2.720.443**
	Current assets		
	Raw materials and consumables	245.671	245.671
	Prepayments for goods	0	20.752
	Inventories in total	245.671	266.423
	Trade debtors	31.467.564	31.384.946
6	Work in progress for the account of others	168.881.355	169.309.608
	Amounts owed by group enterprises	16.719.803	17.010.998
	Other debtors	406.387	1.863.878
	Debtors in total	217.475.109	219.569.430
	Available funds	192.212	409.154
	Current assets in total	**217.912.992**	**220.245.007**
	Assets in total	**220.509.394**	**222.965.450**

Balance sheet 31 December

All amounts in DKK.

Note	Equity and liabilities	2018	2017
	Equity		
7	Contributed capital	2.000.000	2.000.000
8	Results brought forward	-236.273.096	-127.502.637
	Equity in total	**-234.273.096**	**-125.502.637**
	Provisions		
	Other provisions	168.882.203	74.475.500
	Provisions in total	**168.882.203**	**74.475.500**
	Liabilities		
	Debt to group enterprises	253.991.012	250.623.289
	Long-term liabilities in total	253.991.012	250.623.289
	Trade creditors	13.482.631	13.807.578
	Debt to group enterprises	18.426.644	8.119.239
	Other debts	0	1.442.481
	Short-term liabilities in total	31.909.275	23.369.298
	Liabilities in total	**285.900.287**	**273.992.587**
	Equity and liabilities in total	**220.509.394**	**222.965.450**

1 Going concern

9 Mortgage and securities

10 Contingencies

Notes

All amounts in DKK.

1. Going concern

The company's activity are reduced to a minimum and all employees have been terminated. As a consequence the company is not seen as a going concern and the values recorded in the annual report are therefore presented in accordance with the realization principle. It is the company's expectation that the ultimate parent company Trevi Finanziaria Industriale SpA or one of its subsidiaries will support the company financially if there is a need for this. There has not been a formal agreement on this.

		2018	2017
2.	**Staff costs**		
	Salaries and wages	401.030	786.831
	Other costs for social security	27.749	55.680
		428.779	**842.511**
	Average number of employees	1	2
3.	**Other financial costs**		
	Financial costs, group enterprises	11.318.905	11.111.392
	Other financial costs	820.044	769.663
		12.138.949	**11.881.055**
4.	**Production plant and machinery**		
	Cost 1 January 2018	13.222.383	11.712.841
	Additions during the year	31.791	2.576.210
	Disposals during the year	0	-1.066.668
	Cost 31 December 2018	**13.254.174**	**13.222.383**
	Depreciation and writedown 1 January 2018	-10.503.441	-11.054.699
	Depreciation and writedown for the year	-155.321	-448.163
	Depreciation and writedown, assets disposed of	0	999.421
	Depreciation and writedown 31 December 2018	**-10.658.762**	**-10.503.441**
	Book value 31 December 2018	**2.595.412**	**2.718.942**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
5.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	144.244	144.244
	Cost 31 December 2018	**144.244**	**144.244**
	Depreciation and writedown 1 January 2018	-142.743	-134.713
	Depreciation and writedown for the year	-511	-8.030
	Depreciation and writedown 31 December 2018	**-143.254**	**-142.743**
	Book value 31 December 2018	**990**	**1.501**
6.	**Work in progress for the account of others**		
	Sales value of the production	854.891.450	855.319.703
	Payments on account received	-686.010.095	-686.010.095
	Work in progress for the account of others, net	**168.881.355**	**169.309.608**
	The following is recognised:		
	Work in progress for the account of others (Current assets)	168.881.355	169.309.608
		168.881.355	**169.309.608**
7.	**Contributed capital**		
	Contributed capital 1 January 2018	2.000.000	2.000.000
		2.000.000	**2.000.000**
8.	**Results brought forward**		
	Results brought forward 1 January 2018	-127.502.637	-66.194.365
	Profit or loss for the year brought forward	-108.770.459	-61.308.272
		-236.273.096	**-127.502.637**

Notes

All amounts in DKK.

9. Mortgage and securities

The company has not made mortgages or securities beyond those that are disclosed in the annual report.

10. Contingencies

Contingent liabilities

Ongoing legal proceedings

The company is involved in arbitration proceedings with its primary customer. The arbitration covers a number of matters concerning the company's right to perform additional invoicing as a result of the customer's failure to comply with the contract on the company's project. The management believes that the company will win the cases. If the company does not win the cases, it will have to credit the extra work already invoiced.

Accounting policies used

The annual report for Trevi Foundations Denmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The annual report has not been prepared in accordance with the principles of going concern. Instead all values in the annual report has been recorded in accordance with the realization principle.

Except from the changes mentioned above, the accounting policies used are unchanged compared to last year as the measured values of assets and liabilities meet the realization principle. The annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Contract work in progress concerning construction contracts is recognised concurrently in the net turnover with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Other operating costs

Other operating costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Technical plants and machinery	20 years
Other plants, operating assets, fixtures and furniture	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be been entered into, implying penalty or damages in case of subsequent cancellation.

If the results of a contract can not be estimated reliably, the selling price is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Contracts for which the selling price of the work performed exceeds invoicing on account and expected losses are recognised as trade debtors. Contracts for which invoicing on account and expected losses exceed the selling price are recognised as liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

When it is likely that the total costs will exceed the total income of work in progress for the account of others, provisions are made for the total loss expected on the contract. Provisions are recognised as costs under production costs.

Liabilities

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

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