

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 2019

The annual report was submitted and approved by the general meeting on the 28 August 2020.

Stefano Trevisani
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Auditor's report on compilation of the annual accounts	2
Management commentary	
Company information	3
Management commentary	4
Financial statements 1 January - 31 December 2019	
Income statement	5
Statement of financial position	6
Notes	8
Accounting policies	11

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 2019.

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 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

The board of directors and the managing director considers the requirements of omission of audit of the annual accounts for 2019 as met.

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

We recommend that the annual report be approved by the general meeting.

Copenhagen, 28 August 2020

Managing Director

Leonardo Biserna

Board of directors

Stefano Trevisani
Chairman

Daniele Forti

Leonardo Biserna

Auditor's report on compilation of the annual accounts

To the shareholder of Trevi Foundations Denmark A/S

We have compiled the financial statements of Trevi Foundations Denmark A/S for the financial year 1 January - 31 December 2019 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Copenhagen, 28 August 2020

Redmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 29 44 27 89

Søren Kristiansen Bünger

State Authorised Public Accountant
mne34334

Company information

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 9th 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.

Management commentary

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.

Development in activities and financial matters

The results from ordinary activities after tax are DKK -4,9m against DKK -108,8m last year. The management consider the results unsatisfactory.

The company have a receivable of t.DKK. 6.375 towards a group company. Danish accounting policy prescribes that no interim accounts may be shown in gross figures, why an equalization has been made agins af debt to the same company.

Going concern

The company has lost its equity. The ultimate parent company has signed a subordination letter confirming that Trevi Finanziaria Industriale SpA or one of its subsidiaries has no intensions of calling there recievables before the company has sufficient funds to settles its other creditors and make repayments without affecting the company's ability to continue as a going concern. Reference is made to note 1.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross loss	-3.155.614	-690.196
2 Staff costs	0	-428.779
Depreciation and writedown relating to tangible fixed assets	-80.398	-155.832
Other operating costs	9.905.737	-95.356.703
Operating profit	6.669.725	-96.631.510
3 Other financial costs	-11.577.937	-12.138.949
Pre-tax net profit or loss	-4.908.212	-108.770.459
Tax on ordinary results	0	0
Net profit or loss for the year	-4.908.212	-108.770.459
Proposed appropriation of net profit:		
Allocated from retained earnings	-4.908.212	-108.770.459
Total allocations and transfers	-4.908.212	-108.770.459

Statement of financial position at 31 December

All amounts in DKK.

Assets		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Non-current assets			
4	Production plant and machinery	212.458	2.595.412
5	Other plants, operating assets, and fixtures and furniture	736	990
	Total property, plant, and equipment	<u>213.194</u>	<u>2.596.402</u>
	Total non-current assets	<u>213.194</u>	<u>2.596.402</u>
Current assets			
	Raw materials and consumables	<u>245.671</u>	<u>245.671</u>
	Total inventories	<u>245.671</u>	<u>245.671</u>
	Trade debtors	29.131.830	31.467.564
6	Work in progress for the account of others	0	168.881.355
	Amounts owed by group enterprises	10.776.117	16.719.803
	Other debtors	<u>77.078</u>	<u>406.387</u>
	Total receivables	<u>39.985.025</u>	<u>217.475.109</u>
	Available funds	<u>210.027</u>	<u>192.212</u>
	Total current assets	<u>40.440.723</u>	<u>217.912.992</u>
	Total assets	<u>40.653.917</u>	<u>220.509.394</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Equity			
7	Contributed capital	2.000.000	2.000.000
8	Results brought forward	-241.181.308	-236.273.096
	Total equity	<u>-239.181.308</u>	<u>-234.273.096</u>
Provisions			
	Other provisions	<u>0</u>	<u>168.882.203</u>
	Total provisions	<u>0</u>	<u>168.882.203</u>
Liabilities other than provisions			
	Debt to group enterprises	<u>254.167.044</u>	<u>253.991.012</u>
	Total long term liabilities other than provisions	<u>254.167.044</u>	<u>253.991.012</u>
	Trade creditors	3.406.265	13.482.631
	Debt to group enterprises	<u>22.261.916</u>	<u>18.426.644</u>
	Total short term liabilities other than provisions	<u>25.668.181</u>	<u>31.909.275</u>
	Total liabilities other than provisions	<u>279.835.225</u>	<u>285.900.287</u>
	Total equity and liabilities	<u>40.653.917</u>	<u>220.509.394</u>
1	Going concern		
9	Charges and security		
10	Contingencies		

Notes

All amounts in DKK.

1. Going concern

The company has lost its equity. The ultimate parent company has signed a subordination letter confirming that Trevi Finanziaria Industriale SpA or one of its subsidiaries has no intentions of calling there receivables before the company has sufficient funds to settle its other creditors and make repayments without affecting the company's ability to continue as a going concern.

	<u>2019</u>	<u>2018</u>
2. Staff costs		
Salaries and wages	0	401.030
Other costs for social security	0	27.749
	<u>0</u>	<u>428.779</u>
 Average number of employees	 <u>0</u>	 <u>1</u>
 3. Other financial costs		
Financial costs, group enterprises	11.390.712	11.318.905
Other financial costs	187.225	820.044
	<u>11.577.937</u>	<u>12.138.949</u>
 4. Production plant and machinery		
Cost 1 January 2019	13.254.173	13.222.383
Additions during the year	0	31.791
Disposals during the year	-2.554.789	0
Cost 31 December 2019	<u>10.699.384</u>	<u>13.254.174</u>
 Depreciation and writedown 1 January 2019	 -10.658.762	 -10.503.441
Depreciation and writedown for the year	-80.143	-155.321
Depreciation and writedown, assets disposed of	251.979	0
Depreciation and writedown 31 December 2019	<u>-10.486.926</u>	<u>-10.658.762</u>
 Book value 31 December 2019	 <u>212.458</u>	 <u>2.595.412</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2019	144.244	144.244
Cost 31 December 2019	<u>144.244</u>	<u>144.244</u>
Depreciation and writedown 1 January 2019	-143.253	-142.743
Depreciation and writedown for the year	-255	-511
Depreciation and writedown 31 December 2019	<u>-143.508</u>	<u>-143.254</u>
Book value 31 December 2019	<u>736</u>	<u>990</u>
6. Work in progress for the account of others		
Sales value of the production	0	854.891.450
Payments on account received	0	-686.010.095
Work in progress for the account of others, net	<u>0</u>	<u>168.881.355</u>
The following is recognised:		
Work in progress for the account of others (current assets)	0	168.881.355
	<u>0</u>	<u>168.881.355</u>
7. Contributed capital		
Contributed capital 1 January 2019	2.000.000	2.000.000
	<u>2.000.000</u>	<u>2.000.000</u>
8. Results brought forward		
Results brought forward 1 January 2019	-236.273.096	-127.502.637
Profit or loss for the year brought forward	-4.908.212	-108.770.459
	<u>-241.181.308</u>	<u>-236.273.096</u>

Notes

All amounts in DKK.

9. Charges and security

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

10. Contingencies

Contingent liabilities

The company has not made contingent liabilities beyond those that are disclosed in the annual report.

Accounting policies

The annual report for Trevi Foundations Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in 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.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Accounting policies

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

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.

Accounting policies

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:

	<i>Useful life</i>
<i>Technical plants and machinery</i>	<i>20 years</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>5 years</i>

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 their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance leasing are treated in the same way as other similar property, plant, and equipment.

Accounting policies

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leasing are regarded as operating leasing. Payments in connection with operating leasing and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leasing and leasing 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.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accounting policies

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 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.

Accounting policies

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.