

STRABAG

STRABAG A/S

Hæstvej 46D
8380 Trige
CVR no. 33 87 43 91

Annual report 2018

Adopted at the annual general meeting on 24 May 2019



Till Lorenz Kampmann
Chairman

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Statement by Management on the annual report

The Board of Directors and Executive Board have today discussed and approved the annual report of STRABAG A/S for the financial year 1 January - 31 December 2018.

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

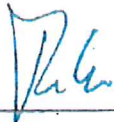
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

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

Management recommends that the annual report should be approved at the annual general meeting.

Aarhus, 22 May 2019

Executive Board

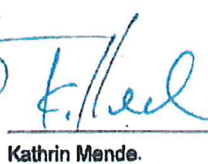


Till Lorenz Kampmann

Board of Directors



Danko Andreas Rupprecht
Chairman



Kathrin Mende



Till Lorenz Kampmann

Independent auditor's report

To the shareholder of STRABAG A/S

Opinion

We have audited the financial statements of STRABAG A/S for the financial year 1 January - 31 December 2018, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2018 and of the result of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements.

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 Company'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 Company 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 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 the financial statements.

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

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statement Act.

Based on our procedures, we conclude that the Management's review 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's review.

Aarhus, 22 May 2019

Deloitte Statsautoriseret Revisionspartnerselskab

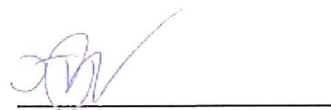
CVR no. 33 96 35 56



Jacob Nørmark

state authorised public accountant

MNE-no.: mne30176



Jacob Nørgaard

state authorised public accountant

MNE-no.: mne40049

Company details

Name	STRABAG A/S
Address	Hæstvej 46D, 8380 Trige
CVR-no.	33 87 43 91
Financial year	1 January - 31 December
Incorporated	15 August 2011
Domicile	Aarhus
Board of Directors	Danko Andreas Rupprecht, Chairman Kathrin Mende Till Lorenz Kampmann
Executive Board	Till Lorenz Kampmann
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C

Management's review

The Company is a wholly-owned subsidiary of the Austrian construction group, STRABAG SE.

STRABAG A/S forms part of STRABAG SE and ranks among Europe's leading construction groups. In cooperation with the parent company, the Company is of high capacity and acts as a professional contractor and service provider for certain building construction activities and as a competent partner on projects suitable for such purposes.

There is currently no on-going projects in the Company.

Financial review

The Company reported a loss of DKK 230 thousand for 2018 against a profit of DKK 836 thousand in 2017. The Company's balance sheet at 31 December 2018 showed equity of negative DKK 145 thousand, against DKK 85 thousand in 2017.

The Board of Directors have assessed the level of equity in the company end of 2018 and prepared a plan for how to re-establish equity to meet the requirements in the Danish Company Act. The Board of Directors expects that the shareholder, Strabag SE, during 2019 will either perform a capital injection to increase equity or perform a conversion of debt to payables to group companies also to increase equity to meet the requirements.

Post balance sheet

No events have occurred after the balance sheet date affecting materially the financial position of the Company.

Income statement 1 January - 31 December

Note	2018 TDKK	2017 TDKK
Gross profit/loss	-51	820
Profit/loss before financial income and expenses	-51	820
2 Financial income	9	2
3 Financial costs	-200	-204
Profit/loss before tax	-242	618
4 Tax on profit/loss for the year	12	218
Net profit/loss for the year	-230	836
Distribution of profit/loss		
Retained earnings	-230	836
	-230	836

Balance sheet 31 December

Note	2018 TDKK	2017 TDKK
Trade receivables	5	5.152
Contract work in progress	0	0
Receivables from group companies	507	91
Other receivables	20	88
Receivables	532	5.331
Cash	8.490	6.357
Current assets total	9.022	11.688
ASSETS TOTAL	9.022	11.688

Balance sheet 31 December

Note	2018 TDKK	2017 TDKK
EQUITY AND LIABILITIES		
Share capital	500	500
Retained earnings	-645	-415
5 Equity	-145	85
Trade payables	0	164
Contract work in progress	0	0
Payables to group companies	9.052	9.274
Corporation tax	95	0
Other payables	20	2.165
Current liabilities	9.167	11.603
EQUITY AND LIABILITIES TOTAL	9.022	11.688
6 Contingent assets, liabilities and other financial obligations		
7 Related parties		

Statement of changes in equity

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity beginning of year	500	-415	85
Transfer to cover loss	-	-	-
Net profit/loss for the year	-	-230	-230
Equity end of year	<u>500</u>	<u>-645</u>	<u>-145</u>

The Company's parent company, Strabag SE, has the 26 February 2019 issued a letter of support for STRABAG A/S. The parent company will provide the necessary liquidity up to DKK 250 thousand and otherwise help the company meeting its business commitments.

Notes

1 Accounting policies

The annual report of STRABAG A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and elective choice of certain provisions applying to reporting class C entities.

The accounting policies applied by the Company are consistent with those of last year.

The annual report for 2018 is presented in DKK thousands.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Income from the sale of services is recognised in the revenue on a straight-line basis as services are provided.

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

Other external expenses

Other external expenses comprise expenses relating to distribution, sale, advertising, administration, premises, bad debts, operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amount relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Notes

Balance sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Contract work in progress

Contract work in progress is measured at the market value of the work performed. The market value is measured based on the percentage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The percentage of completion is determined as the share of the costs incurred relative to the expected total costs for the individual work in progress.

Where the market value of work in progress cannot be reliably determined, the market value is measured at the lower of costs incurred and net realisable value.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds payments on account. Net liabilities comprise the sum of work in progress where payments on account exceeds the selling price.

Cash

Cash comprises bank deposits.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Financial liabilities

Financial liabilities are measured at net realisable value.

Notes

	2018 TDKK	2017 TDKK
2 Financial income		
Exchange rate difference	9	2
	<u>9</u>	<u>2</u>
3 Financial costs		
Financial costs, group	143	150
Other financial costs	51	27
Exchange rate difference	6	11
	<u>200</u>	<u>188</u>
4 Tax on profit/loss for the year		
Current tax for the year	4	0
Deferred tax for the year	0	0
Refund in joint taxation	0	91
Adjustment of tax concerning previous years	8	127
	<u>12</u>	<u>218</u>

5. Equity

The Company's share capital has remained DKK 500 thousand over the past 5 years.

6 Contingent assets, liabilities and other financial obligations

The Company is jointly taxed with the other Danish enterprises in the STRABAG Group. The company has joint and several unlimited liability together with the other enterprises for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation unit. Any subsequent corrections to the joint taxation income or withholding taxes, etc. may entail the Company's liability will increase.

7 Related parties

STRABAG A/S' related parties comprise the following:

Controlling interest

STRABAG SE, Triglavstr. 9, 9500 Villach/Austria.

Consolidated financial statements

The company is included in the group annual report of STRABAG SE, Austria.

The group annual report of STRABAG SE, Austria, may be obtained at the following address: www.strabag.com.