

Strukton International Denmark A/S

Torveporten 2, 2500 Valby

Company reg. no. 36 98 25 86

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 12 June 2017.

Peter Albertus Vrijhof
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Strukton International Denmark A/S for the financial year 1 January to 31 December 2016.

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 as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

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.

Valby, 12 June 2017

Managing Director

Albertus Simon Hoekstra

Board of directors

Peter Albertus Vrijhof

Oscar Michiel Koster

Albertus Simon Hoekstra

Independent auditor's report

To the shareholder of Strukton International Denmark A/S

Opinion

We have audited the annual accounts of Strukton International Denmark A/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities 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. The management is also 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.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 12 June 2017

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Anders Schelde-Mollerup Funder

State Authorised Public Accountant

Company data

The company	Strukton International Denmark A/S Torveporten 2 2500 Valby
	Company reg. no. 36 98 25 86
	Financial year: 1 January - 31 December 2nd financial year
Board of directors	Peter Albertus Vrijhof Oscar Michiel Koster Albertus Simon Hoekstra
Managing Director	Albertus Simon Hoekstra
Auditors	Redmark, Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Parent company	Strukton International B.V.

Management's review

The principal activities of the company

The purpose of the company is infrastructural construction activities.

Uncertainties as to recognition or measurement

Investment in infrastructural construction activities is in nature related with risk, and the assessment of the investments made in 2016 is therefore related with some uncertainty. 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 gross loss for the year is DKK -1.254.673 against DKK -57.856 last year. The results from ordinary activities after tax are DKK -982.336 against DKK -49.096 last year. The management consider the results unsatisfactory.

The company has finished a project in 2015, which was handed over in December 2015. The financial settlement still needs to be done. Therefore recognition is related with some uncertainty. A loss of MDKK 1,4 has been recognized in the profit and loss statement regarding the said project.

In addition hereto the company has one project running as at 31 December 2016.

Capital readiness

The company is subject to the capital loss rules in section 119 of the Danish Companies Act, as the company per 31 December 2016 has lost the entire equity. The company has received a letter of support from the parent company and on this basis the company is considered a going concern.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Strukton International Denmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and 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.

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.

Accounting policies used

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.

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

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

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. 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 company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

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

Work in progress for the account of others is measured at costs incurred or at the net realisable value, if this is lower, according to the completed contract method.

Accounting policies used

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.

According to the rules of joint taxation, Strukton International Denmark A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

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.

Liabilities

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

Profit and loss account

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12</u> 2016	<u>3/8 - 31/12</u> 2015
Gross loss	-1.254.673	-57.856
2 Other financial costs	-4.753	-5.088
Results before tax	-1.259.426	-62.944
Tax on ordinary results	277.090	13.848
Results for the year	-982.336	-49.096
Proposed distribution of the results:		
Allocated from results brought forward	-982.336	-49.096
Distribution in total	-982.336	-49.096

Balance sheet 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2016</u>	<u>2015</u>
Current assets		
Trade debtors	1.692.531	4.354.603
3 Work in progress for the account of others	6.285.626	969.389
Amounts owed by group enterprises	348.459	0
Deferred tax assets	0	13.848
Receivable corporate tax	290.938	0
Debtors in total	<u>8.617.554</u>	<u>5.337.840</u>
Available funds	<u>1.070.386</u>	<u>121.833</u>
Current assets in total	<u>9.687.940</u>	<u>5.459.673</u>
Assets in total	<u>9.687.940</u>	<u>5.459.673</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		<u>2016</u>	<u>2015</u>
<u>Note</u>			
Equity			
4	Contributed capital	500.000	500.000
5	Results brought forward	-1.031.432	-49.096
	Equity in total	<u>-531.432</u>	<u>450.904</u>
Liabilities			
	Bank debts	446	0
	Trade creditors	1.609.483	2.250.965
	Debt to group enterprises	8.108.770	2.904.348
	Other debts	500.673	-146.544
	Short-term liabilities in total	<u>10.219.372</u>	<u>5.008.769</u>
	Liabilities in total	<u>10.219.372</u>	<u>5.008.769</u>
	Equity and liabilities in total	<u>9.687.940</u>	<u>5.459.673</u>

1 Capital readiness

6 Contingencies

Notes

All amounts in DKK.

1. Capital readiness

The company is subject to the capital loss rules in section 119 of the Danish Companies Act, as the company per 31 December 2016 has lost the entire equity. The company has received a letter of support from the parent company and on this basis the company is considered a going concern.

	1/1 - 31/12 2016	3/8 - 31/12 2015
2. Other financial costs		
Other financial costs	4.753	5.088
	4.753	5.088
3. Work in progress for the account of others		
Costs of production and write-downs	29.042.319	969.389
Payments on account received	-22.756.693	0
Work in progress for the account of others, net	6.285.626	969.389
The following is recognised:		
Work in progress for the account of others (Current assets)	6.285.626	969.389
	6.285.626	969.389
Work in progress are measured after the completion method.		
4. Contributed capital		
Contributed capital 1 January 2016	500.000	500.000
	500.000	500.000
5. Results brought forward		
Results brought forward 1 January 2016	-49.096	0
Profit or loss for the year brought forward	-982.336	-49.096
	-1.031.432	-49.096

Notes

All amounts in DKK.

6. Contingencies

Contingent liabilities

The company is involved in various negotiations regarding settlement of the company's projects. These negotiations is not expected to have significant impacts on the future results of the company.

Joint taxation

Strukton Rail A/S, company reg. no 20286547 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.