

Fehmarn Belt Contractors I/S

c/o Bird & Bird
Sundkrogsgade 21, 1., 2100 København Ø

CVR no. 37 67 20 76

Annual report 2018

Approved at the Company's annual general meeting on 1 July 2019

Chairman:

Frank C. Stikkel.....





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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Fehmarn Belt Contractors I/S for the financial year 1 January - 31 December 2018.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Executive Board has considered the criteria for omission of audit to be met.

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 results of the Company's operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

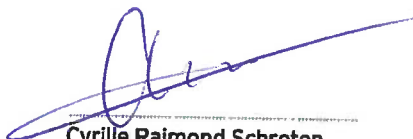
We consider the criteria for omission of audit for 2019 to be met.

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

Copenhagen, 1 July 2019
Executive Board:



Frank Christiaan Stikkel



Cyrille Raimond Schroten

The general meeting has decided that the financial statements for the coming financial year will not be audited.

Independent auditor's report on the compilation of financial statements

To the general management of Fehmarn Belt Contractors I/S

We have compiled the financial statements of Fehmarn Belt Contractors I/S for the financial year 1 January - 31 December 2018 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting 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 ethical requirements in the Danish act on approved auditors and audit firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

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

Since 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 to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 1 July 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lissen Fagerlin Hammer
State Authorised Public Accountant
mne27747

Management's review

Company details

Name	Fehmarn Belt Contractors I/S
Address, Postal code, City	c/o Bird & Bird Sundkrogsgade 21, 1., 2100 København Ø
CVR no.	37 67 20 76
Established	10 May 2016
Registered office	København
Financial year	1 January - 31 December
Executive Board	Frank Christiaan Stikkel Cyrille Raimond Schroten

Management commentary

Business review

The purpose of the partnership is to carry out work in relation to the future Fehmarn Belt fixed link, which is to be constructed as an immersed tunnel, across the Baltic Sea between the island of Fehmarn in Germany and the island of Lolland in Denmark.

Financial review

The income statement for 2018 shows a loss of DKK 17,500 against a profit of DKK 296,626 last year, and the balance sheet at 31 December 2018 shows equity of DKK 249,126.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Gross loss	-17,500	-33,000
2	Staff costs	0	0
	Profit/loss before net financials	-17,500	-33,000
3	Financial income	0	329,626
	Profit/loss for the year	-17,500	296,626
	Recommended appropriation of profit/loss		
	Boskalis Denmark ApS	-8,750	148,313
	Van Oord DMC ApS	-8,750	148,313
		-17,500	296,626

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Non-fixed assets		
	Receivables		
	Other receivables	7,198	236,282
	Receivables from owners	22,296,002	329,626
		<u>22,303,200</u>	<u>565,908</u>
	Cash	4,141,924	9,346,545
	Total non-fixed assets	<u>26,445,124</u>	<u>9,912,453</u>
	TOTAL ASSETS	<u>26,445,124</u>	<u>9,912,453</u>
	EQUITY AND LIABILITIES		
	Equity		
	Boskalis Denmark ApS	124,563	133,313
	Van Oord DMC ApS	124,563	133,313
	Total equity	<u>249,126</u>	<u>266,626</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
4	Construction contracts	26,178,498	7,570,156
	Trade payables	17,500	2,075,671
		<u>26,195,998</u>	<u>9,645,827</u>
	Total liabilities other than provisions	<u>26,195,998</u>	<u>9,645,827</u>
	TOTAL EQUITY AND LIABILITIES	<u>26,445,124</u>	<u>9,912,453</u>

- 1 Accounting policies
- 5 Collateral
- 6 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Boskalis Denmark ApS	Van Oord DMC ApS	Total
Equity at 1 January 2018	133,313	133,313	266,626
Transfer through appropriation of loss	-8,750	-8,750	-17,500
Withdrawals/deposits	0	0	0
Equity at 31 December 2018	124,563	124,563	249,126

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

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

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

Income from contract work is recognised as revenue at the time of delivery and the transfer of the risk to the buyer.

Gross loss

The items revenue and external expenses have been aggregated into one item in the income statement called gross loss in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Tax

Taxes are not expensed in the Company's accounts as tax is borne by the owners.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is measured at the expenses incurred in so far as they expected to be paid by the purchaser.

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 value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The establishment has no employees.

DKK	2018	2017
3 Financial income		
Interest receivable, owners	0	329,626
	<u>0</u>	<u>329,626</u>
4 Construction contracts		
Selling price of work performed	57,309,814	57,629,532
Progress billings	-83,488,312	-65,199,688
	<u>-26,178,498</u>	<u>-7,570,156</u>
recognised as follows:		
Construction contracts(liabilities)	-26,178,498	-7,570,156
	<u>-26,178,498</u>	<u>-7,570,156</u>

5 Collateral

The establishment owners is jointly and severally obligated of any obligations and contingencies belonging to the partnership Fehmarn Belt Contractors I/S.

6 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Van Oord Dredging and Marine Contractors BV	Schaardijk 211 3063NHRotterdamThe Netherlands	Schaardijk 211 3063NHRotterdamThe Netherlands
Royal Boskalis Westminster N.V.	Rosmolenweg 20, 3356 LK Papendrecht, Holland/the Netherlands	www.boskalis.com

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Van Oord DMC ApS, 50%	c/o Bird & Bird, Sundkrogsgade 21, 1., 2100 København Ø
Boskalis Denmark ApS, 50%	c/o Bird & Bird, Sundkrogsgade 21, 1., 2100 København Ø