

# Fehmarn Belt Contractors I/S

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

CVR no. 37 67 20 76

## Annual report 2019

Approved at the Company's annual general meeting on 28 August 2020

Chairman:

.....*B. Prøpper*.....





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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 2019.

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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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

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

Copenhagen, 28 August 2020  
Executive Board:

Bartholomeus Johannes  
Hubertus Pröpper

  
Herm Christiaan Pol

## Independent auditor's report

To the shareholders of Fehmarn Belt Contractors I/S

### Opinion

We have audited the financial statements of Fehmarn Belt Contractors I/S for the financial year 1 January - 31 December 2019, which comprise 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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, disclosing, as applicable, matters related to going concern and 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 as to 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 the 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 the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.



## Independent auditor's report

- 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.
- 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 note disclosures, 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 Statements Act.

Based on the work we have performed, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 August 2020  
EY 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	Bartholomeus Johannes Hubertus Pröpper Herm Christiaan Pol

### 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.

#### Development of the project

By the end of 2019 a part of the contract has been commenced for starting. Execution will start in the mid of 2020.

#### Financial review

The income statement for 2019 shows a loss of DKK 17,500 against a loss of DKK 17,500 last year, and the balance sheet at 31 December 2019 shows equity of DKK 231,626.

#### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end. COVID-19 has no impact on the project in relation to start of the work or duration.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2019	2018
	Revenue	59,631,086	6,786,487
	Cost of sales	-59,631,086	-6,786,487
	Other external expenses	-17,500	-17,500
	Gross profit	-17,500	-17,500
2	Staff costs	0	0
	Profit/loss for the year	-17,500	-17,500
Recommended appropriation of profit/loss			
	Boskalis Denmark ApS	-8,750	-8,750
	Van Oord DMC ApS	-8,750	-8,750
		-17,500	-17,500



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>ASSETS</b>		
	Non-fixed assets		
	Receivables		
	Trade receivables	3,278,825	0
	Other receivables	0	7,198
	Receivables from owners	237,767,220	22,296,002
		<u>241,046,045</u>	<u>22,303,200</u>
	Cash	56,162,135	4,141,924
	Total non-fixed assets	<u>297,208,180</u>	<u>26,445,124</u>
	<b>TOTAL ASSETS</b>	<u>297,208,180</u>	<u>26,445,124</u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Boskalis Denmark ApS	115,813	124,563
	Van Oord DMC ApS	115,813	124,563
	Total equity	<u>231,626</u>	<u>249,126</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
3	Prepayments on work in progress	137,041,096	24,276,525
3	Construction contracts	121,070,042	1,901,973
	Trade payables	17,501	17,500
	Other payables	38,847,915	0
		<u>296,976,554</u>	<u>26,195,998</u>
	Total liabilities other than provisions	<u>296,976,554</u>	<u>26,195,998</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>297,208,180</u>	<u>26,445,124</u>

- 1 Accounting policies
- 4 Collateral
- 5 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 2019	124,563	124,563	249,126
Transfer through appropriation of loss	-8,750	-8,750	-17,500
Equity at 31 December 2019	115,813	115,813	231,626

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Fehmarn Belt Contractors I/S for 2019 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.

A reclassification in the comparatives regarding project has been made thus the project are classified as prepayments on work in progress and construction contracts under the liabilities. In previous years, the project has been classified exclusively as construction contracts under the liabilities. As the project began to develop in November 2019, the accounting policies has been changes from amortised cost to market value regarding the construction contracts. The changes has not affected the equity, balance sheet total or the net profit/loss for 2018. Apart from this, the accounting policies applied remain unchanged from 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.

##### 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.

#### 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.

##### 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 (POC).

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### 2 Staff costs

The establishment has no employees.

#### 3 Construction contracts

Selling price of work performed	116,934,110	57,309,814
Progress billings	<u>-375,045,248</u>	<u>-83,488,312</u>
	<u>-258,111,138</u>	<u>-26,178,498</u>

recognised as follows:

Construction contracts(liabilities)	<u>-258,111,138</u>	<u>-26,178,498</u>
	<u>-258,111,138</u>	<u>-26,178,498</u>

#### 4 Collateral

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



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 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 3063NH RotterdamThe Netherlands	Schaardijk 211 3063NH RotterdamThe 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