

Swietelsky Rail Danmark ApS

**c/o Rödl & Partner Danmark Godkendt
Revisionsaktieselskab
Ørestads Boulevard 73
2300 København S**

CVR no. 39 08 75 02

Annual report for 2019/20

Adopted at the annual general
meeting on 12 June 2020



Christian Hild
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Swietelsky Rail Danmark ApS for the financial year 1 April 2019 - 31 March 2020.

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 March 2020 and of the results of the company's operations for the financial year 1 April 2019 - 31 March 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

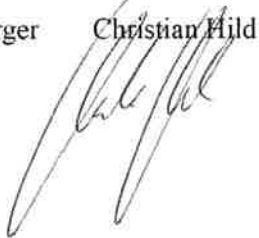
Copenhagen, 12 June 2020

Executive board

Karl Alexander Kirchberger



Christian Hild



Independent auditor's report

To the shareholder of Swietelsky Rail Danmark ApS

Opinion

We have audited the financial statements of Swietelsky Rail Danmark ApS for the financial year 1 April 2019 - 31 March 2020, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under 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 March 2020 and of the results of the company's operations for the financial year 1 April 2019 - 31 March 2020 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 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Independent auditor's report

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 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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.
- 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.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the financial statements, including the 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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

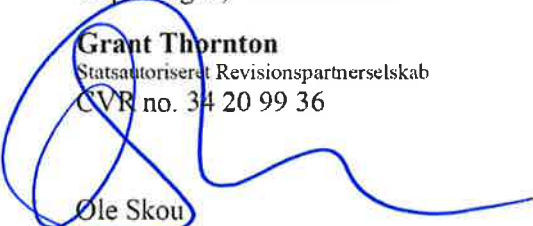
In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that 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 management's review.

Copenhagen, 12 June 2020

Grant Thornton
Statsautoriseret Revisionspartnerselskab
CVR no. 34 20 99 36


Ole Skou
statsautoriseret revisor
MNE no. mne15007

Company details

The company

Swietelsky Rail Danmark ApS
c/o Rödl & Partner Danmark Godkendt Revisionsaktieselskab
Ørestads Boulevard 73
2300 København S

CVR no.: 39 08 75 02

Reporting period: 1 April 2019 - 31 March 2020
Incorporated: 6. November 2017

Domicile: Copenhagen

Executive board

Karl Alexander Kirchberger
Christian Hild

Auditors

Grant Thornton
Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

General meeting

The annual general meeting is held on 12 June 2020.

Management's review

Business review

The purpose of the company is the construction, reconstruction and maintenance of railways, other construction work, recruitment and leasing of railway service personnel, services regarding securing of worksites and other related services.

Financial review

The company's income statement for the year ended 31 March 2020 shows a profit of DKK 9,379,053, and the balance sheet at 31 March 2020 shows equity of DKK 11,761,791.

Significant events occurring after the end of the financial year

The complete effect of the Company's activities due to the COVID-19 pandemic is unknown. Management expects that it could influence the following year, but the effect can currently not be quantified. Management expects that it is not critical as regards to the going concern of the Company.

No other events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Swietelsky Rail Danmark ApS for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

The annual report for 2019/20 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, production costs and other operating income.

Accounting policies

Revenue

Revenue from construction contracts is recognised as the production is carried out, implying that revenue corresponds to the selling price of contracts completed in the year (percentage-of-completion method). This method is applied where the total revenue and expenses relating to the contract and the stage of completion at the balance sheet date can be estimated reliably and it is probable that future economic benefits will flow to the Company.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised at the costs incurred insofar as they are likely to be recovered.

Cost of sales

Cost of productions comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct external labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management. Finally, provisions for losses on contract work are recognised.

Distribution costs

Distribution costs comprise costs related to sales and distribution, advertising and marketing expenses etc.

Administrative costs

Administrative costs comprise expenses for Management, office expenses, etc.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of fixtures and fittings.

Financial income and expenses

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

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of fixtures and fittings are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-4	years
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Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Accounting policies

Contract work in progress

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

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

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 invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

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.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

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 1 April 2019 - 31 March 2020

	<u>Note</u>	<u>2019/20</u> DKK	<u>2018/19</u> DKK
Gross profit		18,160,801	3,795,817
Distribution costs		-671,407	-68,950
Administrative costs		<u>-5,440,478</u>	<u>-2,796,804</u>
Operating profit/loss		12,048,916	930,063
Financial income	1	61,211	0
Financial costs	2	<u>-61,061</u>	<u>-52,579</u>
Profit/loss before tax		12,049,066	877,484
Tax on profit/loss for the year	3	<u>-2,670,013</u>	<u>-281,683</u>
Net profit/loss for the year		<u>9,379,053</u>	<u>595,801</u>
Retained earnings		<u>9,379,053</u>	<u>595,801</u>
		<u>9,379,053</u>	<u>595,801</u>

Balance sheet at 31 March 2020

	<u>Note</u>	<u>2019/20</u> DKK	<u>2018/19</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		<u>1,182,901</u>	<u>1,058,959</u>
Tangible assets	4	<u>1,182,901</u>	<u>1,058,959</u>
Total non-current assets		<u>1,182,901</u>	<u>1,058,959</u>
Raw materials and consumables		<u>2,771,556</u>	<u>875,323</u>
Stocks		<u>2,771,556</u>	<u>875,323</u>
Trade receivables		2,752,585	0
Contract work in progress	5	6,225,224	0
Receivables from affiliated companies		15,858,854	0
Other receivables		2,382,151	747,222
Prepayments		<u>619,468</u>	<u>291,782</u>
Receivables		<u>27,838,282</u>	<u>1,039,004</u>
Cash at bank and in hand		<u>4,297,850</u>	<u>3,175,185</u>
Total current assets		<u>34,907,688</u>	<u>5,089,512</u>
Total assets		<u>36,090,589</u>	<u>6,148,471</u>

Balance sheet at 31 March 2020

	<u>Note</u>	<u>2019/20</u> DKK	<u>2018/19</u> DKK
Equity and liabilities			
Share capital		700,000	700,000
Retained earnings		<u>11,061,791</u>	<u>1,682,738</u>
Equity	6	<u>11,761,791</u>	<u>2,382,738</u>
Provision for deferred tax	7	<u>3,307,130</u>	<u>637,117</u>
Total provisions		<u>3,307,130</u>	<u>637,117</u>
Trade payables		20,745,866	1,522,939
Payables to affiliated companies		87,346	1,605,677
Other payables		<u>188,456</u>	<u>0</u>
Total current liabilities		<u>21,021,668</u>	<u>3,128,616</u>
Total liabilities		<u>21,021,668</u>	<u>3,128,616</u>
Total equity and liabilities		<u>36,090,589</u>	<u>6,148,471</u>

Notes

	<u>2019/20</u> DKK	<u>2018/19</u> DKK
1 Financial income		
Interest received from subsidiaries	<u>61,211</u>	<u>0</u>
	<u>61,211</u>	<u>0</u>
2 Financial costs		
Other financial costs	55,085	32,113
Exchange loss	<u>5,976</u>	<u>20,466</u>
	<u>61,061</u>	<u>52,579</u>
3 Tax on profit/loss for the year		
Deferred tax for the year	<u>2,670,013</u>	<u>281,683</u>
	<u>2,670,013</u>	<u>281,683</u>
4 Tangible assets		<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 April 2019		1,602,283
Additions for the year		<u>632,261</u>
Cost at 31 March 2020		<u>2,234,544</u>

Notes

4 Tangible assets (Fortsat)

	<u>Other fixtures and fittings, tools and equipment</u>
Impairment losses and depreciation at 1 April 2019	543,324
Depreciation for the year	<u>508,319</u>
Impairment losses and depreciation at 31 March 2020	<u>1,051,643</u>
Carrying amount at 31 March 2020	<u><u>1,182,901</u></u>

	<u>2019/20</u>	<u>2018/19</u>
	DKK	DKK
5 Contract work in progress		
Selling price of production for the period	149,688,756	16,564,174
Invoiced on account	<u>143,463,532</u>	<u>-16,564,174</u>
	<u><u>6,225,224</u></u>	<u><u>0</u></u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	6,225,224	0
Prepayments received recognised in debt	<u>0</u>	<u>0</u>
	<u><u>6,225,224</u></u>	<u><u>0</u></u>

Notes

6 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 April 2019	700,000	1,682,738	2,382,738
Net profit/loss for the year	0	9,379,053	9,379,053
Equity at 31 March 2020	<u>700,000</u>	<u>11,061,791</u>	<u>11,761,791</u>

7 Provision for deferred tax

	<u>2019/20</u> DKK	<u>2018/19</u> DKK
Provision for deferred tax at 1 April 2019	637,117	355,434
Deferred tax recognised in income statement	<u>2,670,013</u>	<u>281,683</u>
Provision for deferred tax at 31 March 2020	<u>3,307,130</u>	<u>637,117</u>
Property, plant and equipment	7,203	34,689
Contract work in progress	3,869,968	790,145
Tax loss carry-forward	<u>-570,041</u>	<u>-187,717</u>
	<u>3,307,130</u>	<u>637,117</u>