
Storstroem Bridge Joint Venture I/S

Færgegaardsvej 15 L, 2. Sal
4760 Vordingborg,
Denmark

Annual Report 2018

26 February - 31 December

CVR No 3938 7166

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
9th May 2019

Chairman of the General
Meeting

Mr. Silvio Fascio

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Management's Statement

The Board of Directors have today considered and adopted the Annual Report of Storstroem Bridge Joint Venture I/S for the financial year 26 February - 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 financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Vordingborg, 9th May 2019

Board of Directors

Mr. Silvio Fascio
Chairman

Mr. Giorgio Giulio Ambrosini

Mr. Emanuele Lancellotti



Independent Auditor's Report

To the Partners of Storstroem Bridge Joint Venture I/S

Opinion

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 and cash flows for the financial year 26 February - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Storstroem Bridge Joint Venture I/S for the financial year 26 February - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies ("financial statements").

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.

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, in our view, 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 in Management's Review.

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 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.
- 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.

Odense, 9 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikael Johansen
State Authorised Public Accountant
mne23318

Claus Damhave
State Authorised Public Accountant
mne34166

Company Information

The Company

Storstroem Bridge Joint Venture I/S

Færgegaardsvej 15 L, 2. sal
4760 Vordingborg,
Denmark

Telephone: +45 3163 6006

CVR No 3938 7166

Financial period: 26 February - 31 December

Municipality of registered office: Vordingborg

Board of Directors

Mr. Silvio Fascio

Mr. Giorgio Giulio Ambrosini

Mr. Emanuele Lancellotti

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Rytterkasernen 21,

5000 Odense C,

Denmark

Financial Highlights

Seen over the period, the development of the Company is described by the following financial highlights:

	<u>2018</u> DKK
Key figures	
Profit/loss	
Revenue	163.719.951
Gross profit/loss	25.528.431
Profit/loss before financial income and expenses	4.771.793
Net financials	41.970
Net profit/loss for the year	4.813.763
Balance sheet	
Balance sheet total	286.300.995
Equity	4.813.763
Number of employees	16
Ratios	
Gross margin	15,6%
Profit margin	2,9%
Return on assets	1,7%
Solvency ratio	1,7%
Return on equity	200,0%

For definitions, see under accounting policies.

Management's Review

Key activities

The entity has entered into a Turn key contract with client Vejdirektoratet for the design and construction of Storstrøm Bridge Project between Masnedø and Falster. The project has commenced on 26 February 2018 and expected to complete on 19 September 2022.

Development in the year

The income statement of the Company for 2018 shows a profit of DKK 4.813.763, and at 31 December 2018 the balance sheet of the Company shows positive equity of DKK 4.813.763.

Strategy, Targets and expectations for the year ahead

The company will proceed in 2019 to execute our strategy and adjust to the progressions driven by innovation and always showing signs of change client desires and expectations. We will do as such by proceeding to put resources into client driven items and arrangements in our mission to convey the best client experience. Fulfilled clients are the best way to accomplishing long haul gainful development and an essential for turning our vision of turning into the most confided in specialist co-op into the real world.

The partnership agreements have enabled us to grow while maintaining high customer satisfaction and The association understandings have empowered us to develop while keeping up high consumer loyalty and sound credit quality. We screen advancements in the business sectors intently and keep up a mindful methodology in our exercises.

The Company expects the project activity will move forward as planned with a budgeted profit similar as 2018 also in year 2019.

Uncertainty relating to recognition and measurement

While the project starts there might be some uncertain and unforeseen situation which could lead to an utmost consideration, however based upon the years of experience in this industry we believe the risk for such aspect would be minimized till the lower possible level.

Furthermore, we refer to note 1 to the Financial Statements.

Unusual events

The financial position at 31 December 2018 of the Company and the results of the activities and cash flows of the Company for the financial year for 2018 have not been affected by any unusual events.

Income Statement 26 February - 31 December 2018

	<u>Note</u>	<u>2018</u> DKK
Revenue		163.719.951
Expenses for raw materials and consumables		-4.528.463
Other external expenses		<u>-133.663.057</u>
Gross Profit		25.528.431
Staff expenses	2	-20.720.425
Depreciation and impairment of property, plant and equipment		<u>-36.213</u>
Profit/loss before financial income and expenses		4.771.793
Financial income		204.104
Financial expenses		<u>-162.134</u>
Profit before tax		4.813.763
Tax on profit for the year	3	<u>0</u>
Net profit for the year		<u>4.813.763</u>

Balance Sheet 31 December 2018

Assets

	<u>Note</u>	<u>2018</u> DKK
Other fixtures and fittings, tools and equipment	4	<u>557.938</u>
Property, plant and equipment		<u>557.938</u>
Inventories		<u>910.320</u>
Contract work in progress, assets	5	74.452.312
Trade receivables		35.067.548
Receivables from related parties		4.814.356
Other receivables		3.268.079
Prepayments	6	<u>39.196.162</u>
Receivables		<u>156.798.457</u>
Cash at bank and in hands		<u>128.034.280</u>
Assets		<u>286.300.995</u>

Balance Sheet 31 December 2018

Liabilities and equity

	<u>Note</u>	<u>2018</u> DKK
Contributed capital		0
Retained earnings		<u>4.813.763</u>
Equity		<u>4.813.763</u>
Prepayments received from customers	8	<u>150.000.000</u>
Long-term debt		<u>150.000.000</u>
Trade payables		84.776.627
Payables to related parties		45.962.834
Other payables		<u>747.771</u>
Short-term debt		<u>131.487.232</u>
Debt		<u>281.487.232</u>
Liabilities and equity		<u>286.300.995</u>
Uncertainty relating to recognition and measurement	1	
Distribution of profit	7	
Contingent assets, liabilities and other financial obligations	9	
Related parties	10	
Subsequent events	13	

Statement of Changes in Equity

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity at 26 February	0	0	0
Net profit/loss for the year	<u>0</u>	<u>4.813.763</u>	<u>4.813.763</u>
Equity at 31 December	<u>0</u>	<u>4.813.763</u>	<u>4.813.763</u>

Cash Flow Statement 26 February - 31 December 2018

	<u>Note</u>	<u>2018</u> DKK
Net profit/loss for the year		4.813.763
Adjustments	11	-5.757
Change in working capital	12	<u>123.778.455</u>
Cash flows from operating activities before financial income and expenses		128.586.461
Financial income		204.104
Financial expenses		<u>-162.134</u>
Cash flows from ordinary activities		128.628.431
Corporation tax paid		<u>0</u>
Cash flows from operating activities		<u>128.628.431</u>
Purchase of property, plant and equipment		<u>-594.151</u>
Cash flows from investing activities		<u>-594.151</u>
Change in cash and cash equivalents		128.034.280
Cash and cash equivalents at 1 January		<u>0</u>
Cash and cash equivalents at 31 December		<u>128.034.280</u>

Notes to the Financial Statements

1 Uncertainty relating to recognition and measurement

When preparing financial statements, Management makes a number of accounting choices, judgements and estimates forming the basis of recognition and measurement of the Company's assets and liabilities as well as income and expenses. The estimates are based on historical experience and other factors which Management considers appropriate in the circumstances, but which are inherently uncertain or unpredictable. The assumptions may be incomplete or inaccurate, and contingencies or unexpected circumstances may arise. The Company is moreover exposed to risks and uncertainties that may result in the actual outcome deviating from these estimates. Consequently, estimates may be subject to considerable uncertainty.

Contract work in progress

Work in progress includes contract work in progress of a selling price of DKK 40.808.338. Contract work in progress has been measured and recognised based on an estimate, and the measurement is therefore subject to uncertainty.

	<u>2018</u> DKK
2 Staff expenses	
Wages and salaries	9.025.947
Pensions	272.749
Other social security expenses	55.950
Other staff expenses, including seconded staff	<u>11.365.779</u>
	<u>20.720.425</u>
Average number of employees	<u>16</u>

No remuneration has been paid to the Board of Directors during the financial year.

3 Tax on profit/loss for the year

The Company is not liable to tax.

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment <u>DKK</u>
Cost at 1 January	0
Additions for the year	<u>594.151</u>
Cost at 31 December	<u>594.151</u>
Impairment losses and depreciation at 1 January	0
Depreciation for the year	<u>-36.213</u>
Impairment losses and depreciation at 31 December	<u>-36.213</u>
Carrying amount at 31 December	<u>557.938</u>

2018
DKK

5 Contract work in progress

Selling price of work in progress	158.905.595
Payments received on account	<u>-84.453.283</u>
	<u>74.452.312</u>
Recognized in the balance sheet as follows:	
Contract work in progress recognized in assets	74.452.312
Prepayments received recognized in debt	<u>0</u>
	<u>74.452.312</u>

6 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subcontractors as well.

Notes to the Financial Statements

	<u>2018</u> DKK
7 Distribution of profit	
Retained earnings	<u>4.813.763</u>
	<u>4.813.763</u>

8 Long-term debt

Payments due within 1 year are recognized in short-term debt. Other debt is recognized in long-term debt.

The debt falls due for payment as specified below:

Prepayments received from customers

After 5 years	0
Between 1 and 5 years	<u>150.000.000</u>
Long-term part	150.000.000
Within 1 year	<u>0</u>
	<u>150.000.000</u>

9 Contingent assets, liabilities and other financial obligations

The Company has not placed any assets as security with bankers etc., and the Company has no contingent liabilities as at 31 December 2018.

Notes to the Financial Statements

10 Related parties

Basis

Controlling interest

Aurelia SpA

Ultimate Parent Company

Itinera SpA

Partner with majority share

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There are no related party transactions that have not been carried through on market terms.

Consolidated Financial Statements

The Company is included in the Group Report of the Ultimate Parent Company and in the Group Report of the partner with majority share:

Name

Aurelia SpA

Itinera SpA

Place of registered office

Turin, Piedmont, Italy

Tortona, Alessandria, Italy

Notes to the Financial Statements

	<u>2018</u> DKK
11 Cash Flow Statement - adjustments	
Financial income	-204.104
Financial expenses	162.134
Depreciation	<u>36.213</u>
	<u>-5.757</u>

12 Cash Flow Statement - change in working capital

Change in inventories	-910.320
Change in contract work in progress	-74.452.312
Change in receivables	-43.149.983
Change in prepayments	-39.196.162
Change in prepayments received from customers	150.000.000
Change in trade and other payables	<u>131.487.232</u>
	<u>123.778.455</u>

13 Subsequent events

On 2nd April 2019, the Board of Directors withheld a meeting which had appointed new Board Members for the S.B. JV I/S which composed by Itinera SpA with a stake of 99.99% and GLF with a stake of 0.01%, plus nomination of two new Board of Directors member by Mr.

Emanuele Lancellotti and Mr. Giorgio Giulio Ambrosini.

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

14 Accounting Policies

The Annual Report of Storstroem Bridge Joint Venture I/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2018 are presented in DKK.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

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

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

14 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognized in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognized when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognized at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for subcontractors, technical assistance and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

14 Accounting Policies (continued)

Staff expenses

Staff expenses comprise wages and salaries as well as other payroll related expenses including seconded staff.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

The Company is not an independent tax subject, consequently no tax has been included in the annual report.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost added revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
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Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

14 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognized as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realizable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Prepayments

Prepayments comprise prepaid expenses concerning subcontractors, technical assistance, rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

14 Accounting Policies (continued)

Equity

Dividends

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial debts

Debts are measured at amortized cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

14 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$