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Surname	Area	information	V. date	relevance
BUG Verkehrsbau AG Berlin	Accounting / financial reports	Consolidated financial statements for the financial year from 01/01/2016 to 12/31/2016	11/30/2017	95%

BUG VERKEHRSBAU AG

BUG Verkehrsbau AG

Berlin

Consolidated financial statements for the financial year from 01/01/2016 to 12/31/2016

Consolidated balance sheet as of December 31, 2016

of BUG Verkehrsbau AG, Berlin

assets

	As of December 31, 2016	As of December 31, 2015
	EUR	EUR
A. Fixed assets		
I. Intangible Assets		
Purchased concessions, industrial property rights and similar rights and values	52,714.52	47,689.52
	52,714.52	47,689.52
II. Tangible assets		
1. Land, land rights and buildings, including buildings on third-party land	669,157.15	687,926.00
2. Technical systems and machines	2,856,088.92	2,321,166.17
3. Other equipment, factory and office equipment	934,465.02	935,610.74
	4,459,711.09	3,944,702.91
III. Financial assets		
1. Shares in affiliated companies	55,000.00	8,333.00
2. Cooperative shares	10,400.00	10,400.00
	65,400.00	18,733.00
B. Current Assets		
I. Inventories		
1. Work in progress	82,919,323.83	71,251,375.75
2. Advance payments received	-76,825,868.38	-60,747,117.19
	6,093,455.45	10,504,258.56
II. Receivables and other assets		
1. Trade accounts receivable	7,645,854.37	8,237,927.28
2. Receivables from affiliated companies	300,105.00	0.00
3. Other assets	2,667,469.67	3,291,610.97
	10,613,429.04	11,529,538.25
III. Securities		

	As of December 31, 2016 EUR	As of December 31, 2015 EUR
Other securities	613,727.15	509,606.38
	613,727.15	509,606.38
IV. Cash and cash equivalents	3,117,302.04	2,096,553.39
C. Prepaid expenses	112,384.36	124,890.43
	25,128,123.65	28,775,972.45

liabilities

	As of December 31, 2016 EUR	As of December 31, 2015 EUR
A. Equity		
I. Drawn capital	504,650.00	504,650.00
II. Capital reserve	37,924.95	37,924.95
III. Retained earnings		
1. Legal Reserve	40,000.00	40,000.00
2. Other retained earnings	3,246,473.03	2,167,999.22
IV. Group net profit	6,214,468.94	5,466,131.07
	10,043,516.92	8,216,705.24
B. Difference from capital consolidation	0.00	1,078,473.81
C. Provisions		
1. Provisions for pensions	169,804.00	171,065.00
2. Tax provisions	148,900.00	148,239.82
3. Other provisions	5,077,261.10	4,326,939.85
	5,395,965.10	4,646,244.67
D. Liabilities		
1. Liabilities to banks	294,801.06	3,531,504.73
2. Advance payments received on orders	99,300.00	0.00
3. Trade accounts payable	4,581,137.25	6,096,928.06
4. Profit participation capital	1,000,000.00	1,000,000.00
5. Other Liabilities	3,713,403.32	4,206,115.94
	9,688,641.63	14,834,548.73
	25,128,123.65	28,775,972.45

Consolidated income statement for the period from January 1 to December 31, 2016

of BUG Verkehrsbau AG, Berlin

	2016 EUR	2015 EUR
1. Sales	62,791,198.26	109,267,497.93
2. Increase (in connection with reduction) in the inventory of finished and unfinished products	11,667,948.10	-22,427,969.16
3. Other operating income	1,635,184.19	1,422,030.22
	76,094,330.55	88,261,558.99
4. Cost of materials		
a) Expenses for raw materials, consumables and supplies and for purchased goods	10,601,670.31	15,815,427.55
b) Expenses for purchased services	30,814,468.80	39,071,571.01
	41,416,139.11	54,886,998.56
5. Personnel expenses		
a) Wages and salaries	17,946,227.34	16,939,163.36
b) Social security and pension expenses	5,443,904.91	4,931,211.24
	23,390,132.25	21,870,374.60
6. Depreciation on intangible assets and property, plant and equipment	975,840.04	797,204.45
7. Other operating expenses	8,146,298.82	7,629,027.60
	2,165,920.33	3,077,953.78
8. Income from other securities	312.00	312.00
9. Other Interest and Similar Income	50,786.33	51,680.37
10. Write-downs on securities held as current assets	17,871.40	182,529.48
11. Interest and Similar Expenses	775,176.84	710,481.49
12. Profit transferred on the basis of a partial profit transfer agreement	0.00	52,992.50
13. Taxes on income and earnings	629,566.23	815,826.00
	-1,371,516.14	-1,709,837.09

	2016	2015
	EUR	EUR
14. Profit after tax	794,404.19	1,368,116.69
15. Other taxes	46,066.31	44,092.29
16. Consolidated net income	748,337.88	1,324,024.40
17. Profit carried forward	5,466,131.06	4,142,106.67
18. Consolidated net profit	6,214,468.94	5,466,131.07

Notes to the consolidated financial statements as of December 31, 2016

of BUG Verkehrsbau AG, Berlin ("BUG")

I. Group structure and scope of consolidation

BUG Verkehrsbau AG (BUG AG) as the parent company, registered under the number HRB 77576 B at the Berlin-Charlottenburg District Court, is obliged to prepare and publish consolidated financial statements for the first time on December 31, 2016 (Section 290 HGB).

The consolidated financial statements as of December 31, 2016 were prepared in accordance with the German Commercial Code (HGB).

In addition to BUG AG, FBB Elektroanlagen und Bahnstrom GmbH (FBB GmbH), based in Berlin, was included in the consolidated financial statements by way of full consolidation, in which BUG AG has a 100% stake. The preparation of consolidated financial statements has so far been waived in accordance with Section 296 (2), as FBB GmbH, as a subsidiary, was considered to be of minor importance for the obligation to convey a true and fair view of the Group's assets, financial and earnings position .

The balance sheet date for both companies is December 31, 2016.

The capital consolidation was carried out using the purchase method. On the key date of the initial consolidation, 01/01/2016, the retained earnings at the subsidiary FBB GmbH resulted in a negative difference which was reclassified to retained earnings.

In the debt consolidation, receivables and liabilities were offset against each other.

The consolidated income statement was prepared using the total cost method. Expenses and income from intragroup business relationships were consolidated and offset. Interim results were not eliminated due to their subordinate importance for conveying a true and fair view of the Group's asset, financial and earnings position in accordance with Section 304 (2) HGB.

The previous year's sales revenues were adjusted in the course of the first-time application of the Accounting Directive Implementation Act (BilRUG). EUR 37,806.66 were reclassified from other operating income to sales.

II. Accounting and valuation methods

The financial statements of the affiliated companies included in the consolidated financial statements are prepared using uniform accounting and valuation methods in accordance with the provisions of the Commercial Code and the supplementary provisions of the Stock Corporation Act.

The principle of continuation of business activities is assumed for the affiliated companies included (Section 252 (1) No. 2 HGB).

The intangible assets and tangible assets were valued at acquisition cost, reduced by straight-line depreciation (with normal useful lives between three and ten years). Low-value assets with acquisition costs up to a value of € 410.00 were written off in full in the year of acquisition.

The financial assets were valued at cost.

The construction work in progress reported in the item "Work in progress" was recognized at production cost or at the lower contract price the loss-free valuation was observed. The total amount of advance payments received on orders in the amount of (€ 76,825,868.38) was openly deducted from the work in progress (€ 82,919,323.83),without assigning the down payments received to the individual orders within the work in progress.

The receivables and other assets are valued at their nominal value. Individual value adjustments were made for disputed trade receivables. The remaining net trade receivables were adjusted for a flat rate of 1%.

The securities of the current assets were valued at acquisition cost or at the lower fair value on the balance sheet date.

Liquid funds are shown at their nominal value.

Active prepaid expenses are recognized in the amount to be accrued on the reporting date.

The pension provision was formed using the actuarial PUC (Projectet Unit Credit) method. The basis of the report is the mortality table by Dr. Klaus Heubeck 2005 G with an assumed retirement age of 65 years and the calculation rate announced by the Deutsche Bundesbank of 4.01%, which corresponds to the average market interest rate with an assumed remaining term of 15 years. In addition, a pension trend of 2% has been taken into account.

The tax provisions and the other provisions take into account all identifiable risks and uncertain liabilities and have been recognized at the settlement amount required according to a prudent business judgment. No discounting was applied to provisions with a remaining term of less than one year. The assessment of the warranty provision is based on 0.5% of the respective annual turnover and takes into account the contractual warranty periods of two or five years for the dissolution.

Liabilities were stated at their settlement amount.

Foreign currency receivables and payables are valued at the mean spot exchange rate on the reporting date.

III. Information on the consolidated balance sheet

The development of the individual items of the fixed assets results from the consolidated fixed asset schedule, which is attached as an attachment.

The shares in affiliated companies relate to BUG Verkehrsbau GmbH and VKLT West GmbH. BUG Verkehrsbau GmbH and VKLT West GmbH were acquired as shelf companies in 2016 and will commence active business operations on 01.01.2017. They were thus economically re-established in the reporting year.

These companies were not included in the consolidated financial statements in accordance with Section 296 (2) of the German Commercial Code (HGB), as they were considered to be of minor importance for the obligation to provide a true and fair view of the Group's assets, financial position and results of operations.

Name, seat	Capital share	Equity	Result according to the last available annual financial statements for the 2016 financial year
BUG Verkehrsbau GmbH, Duisburg	€ 25,000.00 100.00%	€ 25,000.00	N / A
VKLT West GmbH, Schönwalde-Glien	€ 25,000.00 100.00%	€ 25,000.00	N / A

Receivables from customer guarantees withheld in the amount of € 23,361.35 (previous year € 161,367.92) included in the trade receivables have a remaining term of more than one year.

The receivables from affiliated companies in the amount of € 300,105.00 (previous year € 0.00) relate to VKLT West GmbH. These are funds made available as part of the commencement of active business operations, which serve as down payments for the acquisition of assets.

The other assets have a remaining term of up to one year.

The prepaid expenses contain prepayments for insurance, vehicle tax and the like. Ä., which are to be dissolved in subsequent years.

The company's share capital is divided into 502,023 no-par shares with a notional value of € 1.01 per share. The shares are made out to the bearer.

The amount of € 169,804.00 reported as pension provision as of December 31, 2016 results after offsetting the current value of the reinsurance policy in the amount of € 234,222.00 with the settlement amount of the pension obligation in the amount of € 404,026.00. The value of the reinsurance policy corresponds to the tax asset value and is considered to be amortized acquisition or production costs in accordance with Section 255 (4) sentence 3 of the German Commercial Code and as the fair value in accordance with Section 255 (4) sentence 4 of the HGB. The interest expense from the compounding of the provision (€ 15,577.00) was offset against the interest income from the plan assets (€ 20,192.00). In accordance with the valuation of pension provisions changed by the law for the implementation of the residential property credit directive in Section 253 (2) sentence 1 HGB, the discounting of pension provisions was carried out for the first time in 2016 on the basis of an average market interest rate for the past ten years (in previous years: seven years). The difference according to Section 253 (6) of the German Commercial Code (HGB) between the settlement amount with the 10-year average interest rate and the 7-year average interest rate is € 55,174. 1 HGB revised valuation of pension provisions, the discounting of pension provisions was carried out for the first time in 2016 on the basis of an average market interest rate of the past ten years (in previous years: seven years). The difference according to Section 253 (6) of the German Commercial Code (HGB) between the settlement amount with the 10-year average interest rate and the 7-year average interest rate is € 55,174. 1 HGB revised valuation of pension provisions, the discounting of pension provisions was carried out for the first time in 2016 on the basis of an average market interest rate of the past ten years (in previous years: seven years). The difference according to Section 253 (6) of the German Commercial Code (HGB) between the settlement amount with the 10-year average interest rate and the 7-year average interest rate is € 55,174.

The other provisions amount to € 5,077,261.10. They were essentially formed for vacation and overtime obligations, outstanding invoices and warranty obligations.

The liabilities shown in the consolidated balance sheet have the following remaining terms and are secured as follows:

		thereof with a remaining maturity		
Type of liability	Total amount as of December 31, 2016	up to 1 year	between 1 u. 5 years	over 5 years
	€	€	€	€
Liabilities to credit institutions	294,801.06	71,492.07	223,308.99	0.00
	(Previous year 3,531,504.73)	(Previous year 3,484,335.07)	(Previous year 47,169.66)	(Previous year 0.00)
Advance payments received on orders	99,300.00	99,300.00	0.00	0.00
	(Previous year 0.00)	(Previous year 0.00)	(Previous year 0.00)	(Previous year 0.00)
liabilities from goods and services	4,581,137.25	4,581,137.25	0.00	0.00
	(PY: 6,096,928.06)	(PY: 6,096,928.06)	(Previous year 0.00)	(Previous year 0.00)
Profit participation capital	1,000,000.00	500,000.00	500,000.00	0.00
	(Previous year 1,000,000.00)	(Previous year 0.00)	(Previous year 1,000,000.00)	(Previous year 0.00)
other liabilities	3,713,403.32	2,629,535.57	1,083,867.75	0.00
	(PY: 4,206,115.94)	(PY: 2,705,591.94)	(Previous year 1,429,769.00)	(Previous year 70,755.00)
	9,688,641.63	7,881,464.89	1,807,176.74	0.00
	(Previous year 14,834,548.73)	(PY: 12,286,855.07)	(Previous year 2,476,938.66)	(Previous year 70,755.00)

Type of liability	Secured amounts	
	€	Type of security
Liabilities to credit institutions	294,801.06	Transfer by way of security of fixed assets
	(Previous year 3,488,055.59)	
Advance payments received on orders	0.00	

Type of liability	Secured amounts €	Type of security
	(Previous year 0.00)	
liabilities from goods and services	0.00	
	(Previous year 0.00)	
Profit participation capital	0.00	
	(Previous year 0.00)	
other liabilities	1,465,943.38	Securing ownership of property, plant and equipment
	(Previous year 1,294,527.58)	
	1,760,744.44	
	(Previous year 2,381,759.07)	

The profit participation agreement signed on March 1, 2013 with CBG Commerz Beteiligungskapital GmbH & Co. KG is classified as profit participation capital under borrowed capital. expelled. The nominal amount of € 1,000,000.00 was transferred on March 14, 2013. Due to the fact that the holder of the profit-sharing rights does not share in the loss, the commercial accounting is carried out under borrowed capital.

IV. Contingent liabilities, other financial obligations

As of the balance sheet date, there are contingent liabilities in accordance with Section 251 of the German Commercial Code (HGB) in the amount of € 13,486,368.73 from the obligation from counter-guarantees to banks and surety insurances based on contract performance and warranty guarantees issued in favor of the company as well as bidder guarantees.

As of the reporting date, there are contingent liabilities of € 980,236.50 (previous year: € 1,140,084.24) from the joint liability for loan liabilities assumed by BUG Vermietungsgesellschaft mbH to finance the acquisition of the business building as well as construction machinery and equipment.

According to our past experience, claims against our company from the liability relationships are not to be expected.

The other financial obligation arising from joint liability for liabilities in the context of working groups towards third parties amounts to € 48,472.36 (previous year: € 238,654.00). Internally, the company is only proportionally liable for ARGE liabilities up to an amount of € 24,236 (previous year: € 110,509.00).

Financial obligations from leasing contracts amount to € 7,521,065.95 (previous year: € 1,953,193.92).

Financial obligations from multi-year rental contracts for space and land exist for 2016 to 2024 totaling € 3,932,996.66 (previous year: € 4,328,021.38) until the end of the respective contract period.

V. Information on the consolidated income statement

The revenues of € 62,791,198.26 were generated in the track construction divisions with € 27,232,661.83 (previous year € 55,101,191.73), civil engineering with € 15,509,373.32 (previous year € 36,822,198, 41), communication and electrical engineering with € 5,230,221.45 (previous year € 8,880,258.34), civil engineering with € 9,029,924.80 (previous year € 1,933,426.97), electrical systems and traction current € 5,555. 174.29 (previous year: € 6,128,620.77) and others with € 233,842.56 (previous year: € 329,801.79).

The track construction division generated € 340,537.35 (previous year: € 6,408,133.92) of sales in Poland, while the remaining sales were generated in Germany.

Other operating income includes income unrelated to the accounting period totaling € 771,897.42 (previous year: € 515,163.54). This mainly concerns income from the reversal of provisions in the amount of € 583,068.78 (previous year: € 388,484.81) and from the derecognition of liabilities in the amount of € 180,852.60 (previous year: € 104,227.67). The income from currency translation amounts to € 23,968.84 (previous year: € 32,142.15).

The other operating expenses include extraordinary expenses in connection with the conclusion of a new or processing of the old syndicated loan agreement in the amount of € 240,592.86 and expenses from currency conversion in the amount of € 46,164.02 (previous year: € 33,140.77).

The interest income includes € 360.43 (previous year: € 10,530.28) from the discounting of long-term liabilities and provisions, the interest expenses include € 38,703.75 (previous year: € 83.25) from the compounding of long-term provisions.

VI. Other Information

The stake in the Kompetenznetz Rail Berlin-Brandenburg GmbH, Brandenburg, reported in the previous year was sold at a book value of € 8,333.00.

FBB GmbH made use of the disclosure alleviations in accordance with Section 264 (3) HGB.

The interest paid during the financial year is € 602,334.66.

Taxes paid during the financial year amount to € 851,872.60.

The fee to be charged by the auditor for the financial year is € 35 thousand for auditing services, € 12 thousand for tax advisory services and € 5 thousand for other services.

The management board and the supervisory board of BUG AG intend to propose to the general meeting that BUG AG's net profit of € 5,855,309.33 be used as follows. An amount of € 702,832.20 is to be distributed to the shareholders through the distribution of a dividend of € 1.40 per share. The remaining amount of € 5,152,477.13 is to be carried forward to a new account.

The annual average for 2016 was 400 (previous year: 377), of which 277 (previous year: 260) were industrial workers and 123 were salaried employees (previous year: 117) (figures excluding the management board and 25 trainees).

In the 2016 financial year, the management was carried out by the Management Board, Dipl. Ing. Martin Thomas and, since his appointment as a further member of the Management Board on April 1, 2016, Dipl.-Ing. Roland Mueller. On the same date, Mr. Thomas was appointed CEO.

The total remuneration granted is not stated with regard to Section 286 (4) HGB.

In the year under review, the Supervisory Board was composed as follows:

Dr. Hartwig Meyer, auditor, Bremen, (chairman), partner of the partner company Gräwe & Partner, Bremen

Prof. Dr. Ralf Leinemann, lawyer, Berlin, partner at Leinemann & Partner Rechtsanwälte mbB

Mr. Dipl.-Ing. Hans-Erich Fröhlich, civil engineer, Berlin, pensioner; until August 2016

Mr. Dipl.-Inform. (Univ.) Frank Gülicher, Berlin, Deutsche Bahn AG; from August 2016

The total remuneration of the members of the Supervisory Board in the year under review was € 11.0 thousand (previous year: € 11.0 thousand).

VII. Events of particular importance after the end of the financial year

The subsidiary BUG Verkehrsbau GmbH, Duisburg, has the essential business bases and almost all employees of Brall Nachf. GmbH & Co. KG, Dinslaken, and Herbert Atrops GmbH & Co. KG with a notarized purchase agreement dated January 24, 2017 with retroactive economic effect as of January 1, 2017 , Dinslaken.

With a notarized purchase agreement dated May 2, 2017, the subsidiary RME GmbH, Frankfurt (Oder), founded in 2017, took over the essential business principles and almost all employees of RMM RailwayMechanicsMetal, Frankfurt (Oder).

As of March 31, 2017, the first tranche of the profit participation capital of € 500 thousand was repaid as scheduled from current liquidity.

Berlin, June 29th, 2017

Martin Thomas, CEO

Roland Müller, board member

Development of group assets in the 2016 financial year

of BUG Verkehrsbau AG, Berlin

	Acquisition / production costs				
	As of 01/01/2016	Currency adjustment	Accesses	Departures	As of December 31, 2016
	EUR	EUR	EUR	EUR	EUR
I. Intangible Assets					
Commercial property rights and similar rights and values acquired against payment	396,357.66	0.00	43,918.51	0.00	440,276.17
	396,357.66	0.00	43,918.51	0.00	440,276.17
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	798,741.14	0.00	480,727.27	528,452.72	751,015.69
2. Technical systems and machines	5,181,134.21	0.00	1,096,488.62	0.00	6,277,622.83
3. Other equipment, fixtures and fittings	4,727,963.75	-136.02	344,343.11	24,292.82	5,047,878.02
	10,707,839.10	-136.02	1,921,559.00	552,745.54	12,076,516.54
III. Financial assets					
1. Shares in affiliated companies	0.00	0.00	55,000.00	0.00	55,000.00
2. Holdings	8,333.00	0.00	0.00	8,333.00	0.00
3. Cooperative shares	10,400.00	0.00	0.00	0.00	10,400.00
	18,733.00	0.00	55,000.00	8,333.00	65,400.00
	11,122,929.76	-136.02	2,020,477.51	561,078.54	12,582,192.71

	Accumulated depreciation				
	As of 01/01/2016	Currency adjustment	Accesses	Departures	As of December 31, 2016
	EUR	EUR	EUR	EUR	EUR
I. Intangible Assets					
Commercial property rights and similar rights and values acquired against payment	348,668.14	0.00	38,893.51	0.00	387,561.65

	Accumulated depreciation				
	As of 01/01/2016	Currency adjustment	Accesses	Departures	As of December 31, 2016
	EUR	EUR	EUR	EUR	EUR
	348,668.14	0.00	38,893.51	0.00	387,561.65
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	110,815.14	0.00	35,377.35	64,333.95	81,858.54
2. Technical systems and machines	2,859,968.04	0.00	561,565.87	0.00	3,421,533.91
3. Other equipment, fixtures and fittings	3,792,353.01	-68.50	340,003.31	18,874.82	4,113,413.00
	6,763,136.19	-68.50	936,946.53	83,208.77	7,616,805.45
III. Financial assets					
1. Shares in affiliated companies	0.00	0.00	0.00	0.00	0.00
2. Holdings	0.00	0.00	0.00	0.00	0.00
3. Cooperative shares	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
	7,111,804.33	-68.50	975,840.04	83,208.77	8,004,367.10

	Book values	
	As of December 31, 2016	As of December 31, 2015
	EUR	EUR
I. Intangible Assets		
Commercial property rights and similar rights and values acquired against payment	52,714.52	47,689.52
	52,714.52	47,689.52
II. Tangible assets		
1. Land, land rights and buildings, including buildings on third-party land	669,157.15	687,926.00
2. Technical systems and machines	2,856,088.92	2,321,166.17
3. Other equipment, fixtures and fittings	934,465.02	935,610.74
	4,459,711.09	3,944,702.91
III. Financial assets		
1. Shares in affiliated companies	55,000.00	0.00
2. Holdings	0.00	8,333.00
3. Cooperative shares	10,400.00	10,400.00
	65,400.00	18,733.00
	4,577,825.61	4,011,125.43

List of information in accordance with Section 313 (2) HGB as of December 31, 2016

of BUG Verkehrsbau AG, Berlin

No./Name	Direct participation rate	Held by
	%	No.
I. Affiliated companies that were included in the consolidated financial statements		
1 BUG Verkehrsbau AG, Berlin		
2 FBB Elektroanlagen & Bahnstrom GmbH, Berlin	100	1
No./Name	Participation rate	Held by
	%	No.
II. Affiliated companies that were not included in accordance with Section 296 HGB		
3 VKLT West GmbH, Schönwalde-Glien	100	1
4 BUG Verkehrsbau GmbH, Duisburg	100	1

Consolidated cash flow statement for the 2016 financial year

of BUG Verkehrsbau AG, Berlin

	2016
	EUR
Annual result before profit shares of others	
Shareholder and extraordinary result	748.338
+/- write-downs / write-ups on intangible assets and property, plant and equipment	975.840
+/- increase / decrease in provisions	749.720
+/- Other non-cash expenses / income	68
- / + profit / loss from the disposal of fixed assets	-60,597

	2016
	EUR
- / + Increase / decrease in trade accounts receivable and other assets	811,988
- / + increase / decrease in inventories	4,410,803
+/- Increase / decrease in liabilities and other liabilities	-1,909,203
+/- change in prepaid expenses	12,506
Cash flow from operating activities	5,739,463
+ Payments from the disposal of intangible assets and property, plant and equipment	530.133
+ Payments from the disposal of financial assets	8,333
- Payments for investments in intangible assets and property, plant and equipment	-1,965,478
- Payments for investments in financial assets	-55,000
Cash flow from investing activities	-1,482,011
+/- taking out / repaying financial loans	-3,236,704
Cash flow from financing activities	-3,236,704
Cash changes in financial resources	1,020,749
+ Cash funds at the beginning of the period	2,096,553
Cash funds at the end of the period	3,117,302

Group equity statement for the 2016 financial year

of BUG Verkehrsbau AG, Berlin

	Subscribed capital	Capital reserve	Group equity generated	Group equity
	No-par shares			
	KEUR	KEUR	KEUR	KEUR
As of December 31, 2015	504,650	37,925	7,674,130	8,216,705
Consolidated net income	0	0	748.338	748.338
Consolidated overall result	0	0	748.338	748.338
As of December 31, 2016 (before change in reporting)	504,650	37,925	8,422,468	8,965,043
Reclassification of negative difference from capital consolidation	0	0	1,078,747	1,078,747
As of December 31, 2016 (after change in reporting)	504,650	37,925	9,501,215	10,043,790

Group management report and management report as of December 31, 2016

of BUG Verkehrsbau AG, Berlin

I. Foundations of the group

Business model

The beginnings of the BUG group go back to 1990 with the establishment of a GmbH. The current BUG Verkehrsbau AG (BUG) was established in 2000 through a change of form. In 2005 the company took a stake in FBB Bahnstrom- und Elektroanlagen GmbH (FBB), which is now a 100% subsidiary of BUG Verkehrsbau AG. Both companies form the basis for the consolidated financial statements in 2016.

These consolidated financial statements were prepared for the first time on December 31, 2016. Since the determination of the complete previous year's figures would only be possible with a disproportionate effort, due to the first-time preparation of the consolidated financial statements, the disclosure of previous year's figures for some key figures was dispensed with.

The BUG Group (BUG Group including its sister company BUG Vermietungsgesellschaft mbH, Hoppegarten) continues to pursue the strategy of becoming a full-service provider of solutions for all aspects of railway infrastructure construction and offers the entire range of services for the respective customers, in particular Deutsche Bahn AG . The BUG Group is currently divided into the following operational organizational areas:

> BUG: track construction, civil engineering, communication and electrical engineering (KET), civil engineering

> FBB: Railway equipment (high-voltage and traction current systems up to 100 KV, S-Bahn power rails, 50 Hz lighting and 50 Hz point heating including planning)

Missing own trades can be realized for the customers through business relationships with mostly long-term partner companies.

These organizational areas are partially further subdivided into regions and are supplemented and supported by necessary internal areas (e.g. calculation, commercial area).

The chairman of the board, Mr. Martin Thomas, is also the majority shareholder of BUG.

II. Economic report

1. Macroeconomic and industry-specific framework conditions

After years of moderate growth, 2016 was another year of good sales growth for the German construction industry. An increase in sales of 6.3% is expected after 1.6% in 2015. This does not mean that historical highs are achieved, but the positive trend of recent years continues almost unabated.

The Berlin-Brandenburg region was also able to benefit from this good overall German development and showed significant increases in sales in the main construction trade. In the 2016 reporting year, sales increased by a total of 9.8% and incoming orders in the region increased by 20.5%. This means that the trend in this key figure has been growing positively for many years. The further development in the first three months of 2017 confirm this positive trend, as the building trade in the Berlin-Brandenburg region increased again by 6, 8% compared to the same period of the previous year. With regard to the labor market, both the number of commercial employees and the hours worked developed identically in 2016, increasing by 1.6% and 1.5% respectively. The risk of a shortage of skilled workers is still there, however, as sales growth continues to be more pronounced than the increase in employees. 5% on. The risk of a shortage of skilled workers is still there, however, as sales growth continues to be more pronounced than the increase in employees. 5% on. The risk of a shortage of skilled workers is still there, however, as sales growth continues to be more pronounced than the increase in employees.

The service and financing agreement II (LuFV II) signed on January 12, 2015 between the federal government and Deutsche Bahn AG provides for a total investment of € 28.0 billion (+40%) for its planned period of application from 2015 to 2019. Specifically, the funds for the minimum maintenance amount will increase from € 5.0 billion to € 8.0 billion and the funds for replacement investments from € 15.0 billion to € 20.0 billion. The BUG Group is in both segments active. However, the expansion of the funds still requires a certain amount of time in planning for the construction and implementation. which was noticeably reflected in a somewhat more pronounced tendering activity by DB in the financial year, but it is currently difficult to assess whether the specifications from LuVF II can be met by DB with regard to the individual volumes. The planning of the BUG Group continues to assume that it will also be able to generate corresponding increases in incoming orders and sales in the following years. whether the requirements from the LuVF II with regard to the individual volumes can be complied with by the DB. The planning of the BUG Group continues to assume that it will also be able to generate corresponding increases in incoming orders and sales in the following years. whether the requirements from the LuVF II with regard to the individual volumes can be complied with by the DB. The planning of the BUG Group continues to assume that it will also be able to generate corresponding increases in incoming orders and sales in the following years.

With the LuFV II, there is planning security for those involved in the industry at least until 2019. New, important areas have been separated in LuFV II and are therefore increasingly in focus. For example, in the area of bridge maintenance / restoration, the renewal of 875 bridges during the period of validity of LuFV II was agreed, a sub-area that BUG can best serve, among other things, through its "civil engineering" area, which was created in 2013, and thus Deutsche Bahn is available as a competent and reliable service provider in accordance with the corporate strategy "everything from a single source". Complex bridge structures require the entire scope of services of railway construction. The BUG Group can map this range of services, in particular through the high level of in-house production based on the "everything from a single source" strategy.

Due to the high quality of the work performed, both in the main services advertised and in the subsequent supplements, BUG guarantees anew every year that a good starting position is created to continue to operate successfully on the market.

The BUG Group tries to influence current issues in the field of traffic route construction through representation in important association bodies as well as through active participation in other organizations. The chairman of the board of BUG is one of the presidium members of the Berlin-Brandenburg building industry association and of the federal railway construction department.

2. Course of business and situation

BUG Verkehrsbau AG

With a total output of T € 70,977 (previous year: T € 83,793), BUG generated an operating result of T € 1,849 T € (previous year: T € 2,595) in the reporting year. Due to a disproportionate reduction in the cost of materials in relation to the total output, the gross profit margin could be increased from 35.6% to 43.9%. However, this increase in the gross profit margin was almost offset by the sharp rise in personnel expenses. The margin of the operating result in relation to the total output was 2.6% in the reporting year after 3.1% in the previous year. With these figures, however, up to and including EBITDA, the BUG is within the scope of the planning that was drawn up in the previous year for 2016 and the following years. The increased investment activity in recent years, which, in contrast to previous years, is now increasingly being implemented at BUG, led in particular to an above-planned increase in depreciation.

Unfortunately, the positive trend did not continue in 2016 for our Polish branch in Szczecin, so that all budget values were clearly undercut in all areas.

In 2016, the earnings situation was again influenced by the major Dessau-Roßlau I node project, albeit less materially than in previous years. Since the supplementary negotiations with the client extended over the entire year and are still ongoing, 2017 will continue to be influenced by this major project.

On July 21, 2016, the BUG and all those involved in the consortium succeeded in expanding or making the consortium contract more flexible under improved conditions. These improved conditions are a major reason for the reported reduction in financial expenses in the past financial year. In addition, the group's internal cash management could be improved, so that the taking out of short-term loans at the consortium could be optimized.

For the conclusion of the new and the execution of the old consortium agreement, expenses of T € 241 arose in the financial year, which are shown as an extraordinary result in the earnings position.

Thanks to the consistently good rating of BUG with the syndicate banks and with the other financial partners, it was still possible to agree good average interest premium margins with the various financial institutions.

The balance thus results in BUG's annual surplus of T € 389 (in the previous year an annual surplus of T € 1,026).

The tamping machine acquired in the previous year, for which a down payment was shown in the last annual financial statements, was taken over by BUG in the past financial year and was able to start operations as planned in the autumn of the year, both for the BUG Group's own needs and for third parties. It was possible to finance the machine, including the down payment, in the form of a leasing contract.

As of December 31, 2016, the company had an order backlog of € 44,887 thousand (previous year: € 23,935 thousand). This corresponds to a calculated order range of 7.3 months (previous year 4.1 months). At the date of preparation of the annual financial statements, there were orders and order commitments amounting to € 52.4 million, which corresponds to a calculated order length of 9.0 months.

BUG Group

The situation in the group is not much different. With a total output of T € 74,459, the group achieved a consolidated net profit of T € 748 with a slightly better gross profit margin of 44.4%.

At the end of the financial year, BUG acquired both VKLT West GmbH and BUG Verkehrsbau GmbH as shelf companies. With both companies, the group's strategy of becoming a full-service provider for all trades in the railway construction and railway equipment sector is to be further implemented.

The VKLT West GmbH will take over the essential business basis of the VKLT West and the TrafficPlanex GbR as part of a so-called "asset deal" on January 1st, 2017 through a notarized contract dated November 7th, 2016 and made first advance payments in the past financial year.

a) Earnings position

BUG Group / BUG Verkehrsbau AG

The overall performance is broken down into the individual operational areas as follows:

in T €	2014	2015	2016	Delta 2015-2016
Track construction	26,288	36,737	30,216	-6,521
Civil engineering	22,368	27,329	24,741	-2,588
KET	6,477	10,084	10,036	-48
Civil engineering	6,634	9.314	5,751	-3,563
Others	181	330	233	-97
SUM BUG Verkehrsbau AG	61,948	83,794	70,977	-12,817
Railway equipment (FBB) *			6,423	N / A
Consolidation *			-2,941	N / A
SUM BUG Group			74,459	N / A

* Due to the lack of previous year's figures, it is not possible to determine the change in the figures

The services of the branch in Poland were assigned to the track construction area.

BUG Verkehrsbau AG

The earnings situation, which is developed from the company's most important earnings figures from the profit and loss account, is as follows:

BUG Verkehrsbau AG in € thousand	2014	2015	2016	Delta 2015-2016
Total output 1)	61,948	83,794	70,977	-12,817
Gross result 2)	28,248	31,214	33.211	1.997
Operating profit 3)	2,376	2,595	1,849	-746
Financial result 4)	-656	-904	-765	139
extraordinary result	0	0	-241	-241
Annual surplus	1,144	1,026	389	-637

1) Sales + inventory changes

2) Total output - cost of materials + other operating income 3) Gross profit - personnel expenses - depreciation - other operating expenses - other taxes 4) Income from securities + other interest income - depreciation on securities - other interest expenses - expenses from partial profit transfers

With a total output of T € 70,977 in the past financial year, BUG did not reach the value of the previous year, but its performance stabilized at a high level.

Due to the reduction of the total output while at the same time building up our own capacities, the cost of materials could be reduced disproportionately from T € 53,938 to T € 39,810. This is also evident in the increase in the gross profit margin.

At the same time, this led to an increase in personnel expenses. The higher average number of employees, in particular due to the necessary increase in staff for the operation of the tamping machine as well as the tariff increases, led to a disproportionate increase in personnel expenses from T € 20,927 in the previous year to T € 22,359 in the financial year.

As a result of the increased investment activity at BUG, the depreciation also increased, so that the operating result decreased by a total of T € 746 to T € 1,849.

As already mentioned above, the new syndicate agreement with its conditions led to an improvement in the financial result.

BUG Group

BUG Group in € thousand	2016
Total output 1)	74,459
Gross result 2)	35,149
Operating profit 3)	2,359
Financial result 4)	-742
extraordinary result	-241

BUG Group	
in € thousand	2016
Annual surplus	748

[1] Sales + changes in inventory

[2] Total output - cost of materials [3] Gross profit - personnel expenses - depreciation - other operating expenses - other taxes [4] income from securities + other interest income - depreciation on securities - other interest expenses - expenses from partial profit transfers

There is essentially no different picture in the group. We therefore refer to the comments on the BUG at this point.

b) Financial position

The overview of the liquidity development is as follows:

Cash flow statement BUG Verkehrsbau AG				Delta
in T €	2014	2015	2016	2015-2016
Cash flow from ongoing business activity	2,855	-1,502	5,838	7,340
Cash flow from investing activities	-1,314	-2,448	-1,456	992
Cash flow from financing activities	-989	2,336	-3,237	-5,573
Changes	552	-1,614	1,145	2,759
Financial resources (beginning)	2,305	2,857	1,243	-1,614
Financial resources (end)	2,857	1,243	2,388	1,145

At the end of the year, BUG was able to significantly improve the balance of work in progress and receivables as well as liabilities from the service process, so that this led to a very good cash flow from ongoing business activities. The payments for investments mainly relate to investments in movable property, plant and equipment, but also include payments for the acquisition of the new BUG subsidiaries in the financial year.

Thanks to the high cash flow from ongoing business activities, BUG was able to realize the investments of the financial year while at the same time repaying funds.

Overall, there is an increase in financial resources compared to the previous year of € 1,145 thousand to € 2,388 thousand as of December 31, 2016.

During the year, the company was able to meet its financial obligations in full at all times within the framework of the due dates.

c) Financial position

BUG Verkehrsbau AG

The asset structure is shown in the following table:

ACTIVA BUG Verkehrsbau AG	2014		2015	
in T €		%		%
Capital assets	2,709	12.4%	4,350	16.0%
Inventories and work in progress	9,019	41.1%	10,316	38.0%
Requests from deliveries and services	4,668	21.3%	7,588	27.9%
other receivables, assets and securities held as current assets	2,585	11.8%	3,558	13.1%
liquid funds	2,857	13.0%	1,243	4.6%
other assets	82	0.4%	125	0.5%
TOTAL ASSETS	21,920	100.0%	27,180	100.0%

ACTIVA BUG Verkehrsbau AG	2016		Delta 2015-2016
in T €		%	
Capital assets	4,907	21.0%	557
Inventories and work in progress	5,408	23.1%	-4,908
Requests from deliveries and services	7.118	30.4%	-470
other receivables, assets and securities held as current assets	3,475	14.8%	-83
liquid funds	2,388	10.2%	1,145
other assets	112	0.5%	-13
TOTAL ASSETS	23,408	100.0%	-3,772

Overall, the balance sheet total decreased by T € 3,772 compared to the previous year.

Despite the limited available investment funds, the company continues to pursue the goal of supplementing existing assets, closing technological gaps, strengthening the effectiveness of the columns and expanding the BUG Group into a full-service provider. The increase in property, plant and equipment is due to increased investment in operating assets, mainly for the expansion of the vehicle fleet in the 2016 financial year. In addition, another company property was acquired in the Hoppegarten industrial park in the past financial year, which serves to further cover the space requirements due to the increased in-house production depth. A total of T € 1,940 (T € 1,965 in the group) was invested and T € 960 (T € 975 in the group) was written off. There were also disposals with residual book values of € 478 thousand. Property, plant and equipment amounted to € 4,427 thousand as of December 31, 2016 (previous year: € 3,922 thousand).

Thanks to stringent receivables management, the work in progress and trade receivables were significantly reduced at the end of the financial year.

The increase in liquid funds is mainly due to the above-mentioned decrease in the inventory of work in progress and the trade receivables balance; with regard to the further change in liquid funds, we refer to the explanations within the development of liquidity.

The capital structure is as follows:

PASSIVA BUG Verkehrsbau AG	2014		2015	
in T €		%		%
Equity	7.190	32.8%	8,217	30.2%
accruals	3,486	15.9%	4,095	15.1%
Liabilities to credit institutions	2,296	10.5%	3,532	13.0%
payments received	1,195	5.5%	0	0.0%
liabilities from goods and services	3.812	17.4%	5,867	21.6%
Contributions from silent partners	479	2.2%	0	0.0%
Profit participation capital	1,000	4.6%	1,000	3.7%
liabilities	2,462	11.2%	4,469	16.4%
TOTAL LIABILITIES	21,920	100.0%	27,180	100.0%

PASSIVA BUG Verkehrsbau AG	2016		Delta 2015-2016
in T €		%	
Equity	8,606	36.8%	389
accruals	4,851	20.7%	756
Liabilities to credit institutions	295	1.3%	-3,237
payments received	99	0.4%	99
liabilities from goods and services	4,366	18.7%	-1,501
Contributions from silent partners	0	0.0%	0
Profit participation capital	1,000	4.3%	0
liabilities	4.191	17.9%	-278
TOTAL LIABILITIES	23,408	100.0%	-3,772

Equity increased in line with the annual surplus. As a result of the reduced balance sheet total, BUG's equity ratio increased to 36.8% compared to the previous year. Compared to the 2014 balance sheet, which ended with a balance sheet total similar to that of the reporting year, the equity ratio was increased by 12.2% from 32.8%. The trade payables were reduced in line with the significantly lower stocks of work in progress and trade receivables.

The use of current account lines and the taking out of short-term money market loans could be minimized as of the balance sheet date. The profit participation rights that are still held are profit participation rights that have a term until March 31, 2018. The contributions of silent partners were contractually converted into a subordinated loan on March 31, 2015 with scheduled repayment of T € 90 pa and are therefore reported under other liabilities.

BUG Group

The asset structure is shown in the following table:

ASSETS BUG Group	2016	
in T €		%
Capital assets	4,578	18.2%
Inventories and work in progress	6.094	24.3%
Requests from deliveries and services	7,646	30.4%
other receivables, assets and securities held as current assets	3,581	14.3%
liquid funds	3.117	12.4%
other assets	112	0.4%
TOTAL ASSETS	25,128	100.0%

The capital structure is as follows:

LIABILITIES BUG Group	2016	
in T €		%
Equity	10,044	40.0%
accruals	5,396	21.5%
Liabilities to banks	295	1.2%
payments received	99	0.4%
liabilities from goods and services	4,581	18.2%
Profit participation capital	1,000	4.0%
other liabilities	3.713	14.8%
TOTAL LIABILITIES	25,128	100.0%

There is no significant difference in the group's asset or capital structure compared to BUG Verkehrsbau AG.

3. Financial performance indicators

When it comes to financial performance indicators, our focus is on:

- Development of total output (construction output)

- Operating profit
- Contribution margin calculation
- Liquidity status

For internal corporate management, we therefore use the key performance indicators (operating profit in relation to total output) and cash flow.

The yield on construction work fell from 3.1% in the previous year to 2.6%, so that the absolute operating result also decreased. Thanks to a moderate dividend policy, BUG's internal financing potential can still be viewed as good, which is also reflected in a good equity ratio.

4. Overall statement

We rate our net assets and financial position as good and our earnings position as satisfactory.

Our construction output development is gratifying and deviates only slightly from the plan, the earnings development is satisfactory, even if the set goals were not quite achieved.

In the year under review, we were again able to make cash discounts with our suppliers through short-term payments. By extending and expanding the consortium agreement, the financing was secured until December 30, 2019 and, if all extension options are implemented, even until December 30, 2021.

III. Branch report

In 2007 a branch was founded in Poznan, Poland, in order to be represented with its own branch on the promising Polish market. In the meantime, the headquarters of the branch was relocated to Stettin. Within this branch, 4 employees were employed in the financial year, who provide services in the field of infrastructure projects for the Polish State Railways as part of the takeover of general contracting. In the division accounting, these projects are assigned to the “track construction” division due to their character.

IV. Forecast report

As part of the annual planning process, the company has revised the business plans for the years 2017 to 2019 both for all individual companies in the BUG Group and for the group itself. The planning for the years 2017 to 2019 assumes moderate growth in output and a growing level of profitability for BUG over the entire period; for FBB, the planning was drawn up on the assumption of a stable output and earnings level. It can be assumed that the projects to be carried out will continue to grow in size and complexity.

The liquidity reserves in 2017 are being heavily used by acquired larger projects (e.g. preparatory measures for Nordkreuz Karow, renovation of Bad Kleinen station). The syndicated loan agreement that was extended and expanded in the reporting year will in all probability be able to cover these additional demands. If necessary, additional funds can be raised in addition to the consortium agreement in a limited volume.

In the first quarter of 2017, we are a little above plan in terms of construction output and operating results, both at BUG and in the BUG Group. Due to the good order backlog at BUG and in the BUG Group, we assume that the planned positive operating result and the planned construction output for the 2017 financial year, which is approx estimated for 2016 can be achieved overall. The yield on construction work for the 2017 financial year was slightly higher for BUG at the level of the 2016 financial year,

Due to cautious financial planning for BUG and for the BUG Group, a slightly positive cash flow from current business activities was taken into account for the 2017 financial year, which is sufficient to fully cover investment activities, so that on balance a slightly positive net cash -Flow remains. All efforts and initiatives of the BUG and the FBB continue to focus on the reliable, high-quality and punctual fulfillment of the construction contracts concluded.

V. Opportunities and Risk Report

BUG also sees the ongoing negotiations on additional orders with the client as a potential opportunity for realizing additional earnings contributions outside the tendered and commissioned construction volume.

The discussions and plans in previous years in politics and society to make more investments in the expansion of the entire infrastructure of the Federal Republic of Germany could be documented for the next few years by the conclusion of LuFV II at the beginning of 2015 for the rail infrastructure industry. The BUG Group sees great opportunities in this to achieve the targeted service volumes with good profit margins.

Furthermore, the final disputes between the individual ARGENs may also result in positive earnings contributions. In addition, the company sees opportunities in the development of further foreign markets, which are repeatedly analyzed for new market opportunities.

For the near future, there are further business risks listed below, the probability or timing of which cannot currently be determined with sufficient accuracy.

On the one hand, when carrying out increasingly large and long-term projects, there is the risk of an increased build-up of supplementary services that cannot be implemented promptly with a liquidity effect. Due to the sustained increase in the complexity of the (large) projects advertised, there are always large-scale changes to plans, which can essentially only be processed through supplements. The consequent management of supplements within the BUG Group monitors this risk and takes appropriate countermeasures.

On the other hand, the training of engineering personnel specializing in railway construction requirements has not been pushed forward by the construction industry in the past few years in order to keep up with the current demand for personnel, which consequently means a shortage of skilled workers. In the 2017 financial year, in addition to long-term participation in the Germany Scholarship, the BUG Group is again offering interested applicants the opportunity to acquire construction-specific qualifications as part of a dual study program. In order to meet the BUG Group's personnel requirements for industrial workers, BUG hired new trainees again in 2017. In total, an average of 25 people were in training. Due to the personnel policy practiced in the past, an average of 408 employees (382 in the previous year) could be tied to the BUG this year, the fluctuation rate due to voluntary resignations has been consistently low for years.

Due to the sometimes fierce competition in the tendering market, a central office within the BUG Group coordinates which tenders it participates in in order to make optimal use of its strengths (wide range of services, flexibility, high level of prequalifications for the Deutsche Bahn division) can. The tenders of our main client, Deutsche Bahn AG, are of great importance here, as the BUG Group realizes construction services in a range of 75% to 85% of the annual total output of BUG with Deutsche Bahn AG.

Corresponding creditworthiness information is obtained and analyzed for all clients, especially new addresses, from credit agencies. In addition, there is monitoring for changes in creditworthiness for almost all regular customers.

The receivables and liability controlling system analyzes and monitors key figures such as payment terms, covenants, overdue periods, submitted and received guarantees.

Currency risks currently only exist at BUG with regard to the branch in Szczecin. The protection is currently carried out in such a way that products and services are procured in the same currency in which the customer is invoiced.

Due to the current level of interest rates and developments, the BUG Group has not hedged the variable interest rates for financial liabilities. However, the current development is the subject of monitoring in the BUG, so that in the event of a trend reversal, necessary and sensible interest rate hedges can be agreed promptly.

The risks presented above, taking into account the opportunities, do not currently show that the risk-bearing capacity of BUG or the BUG Group is or can be exceeded. In assessing the risks, the Board of Management assumes a normal scope of risk with regard to the size, complexity and business model of BUG.

In doing so, the Management Board makes particular use of the risk management system. Within this system, all risks were recorded in a risk catalog by means of a risk inventory and are coordinated and updated with the respective risk officer at least once a year. Furthermore, all risk officers are obliged to report any risks that currently arise outside of the reporting dates above a certain value limit directly to the management in order to coordinate further measures. The risks resulting from this annual update are reported by the Management Board in a summarizing report to the Supervisory Board above a certain value limit. In the individual Supervisory Board meetings, the Executive Board agrees with the Supervisory Board members on the individual risks. These risks are continuously tracked until they are resolved or no longer represent a significant risk. The risk inventory of the reporting year did not reveal any risks that could endanger the company's existence. In the individual Supervisory Board meetings, the Executive Board agrees with the Supervisory Board members on the individual risks. These risks are continuously tracked until they are resolved or no longer represent a significant risk. The risk inventory of the reporting year did not reveal any risks that could endanger the company's existence. In the individual Supervisory Board meetings, the Executive Board agrees with the Supervisory Board members on the individual risks. These risks are continuously tracked until they are resolved or no longer represent a significant risk. The risk inventory of the reporting year did not reveal any risks that could endanger the company's existence.

Berlin, June 29, 2017

Martin Thomas, CEO

Roland Müller, board member

Auditor's report

We have audited the consolidated financial statements prepared by BUG Verkehrsbau AG, Berlin - consisting of the balance sheet, income statement, notes, cash flow statement and statement of changes in equity - and the group management report for the financial year from January 1 to December 31, 2016. The preparation of the consolidated financial statements and the group management report in accordance with German commercial and stock corporation law is the responsibility of the company's legal representatives. Our job is

We conducted our audit of the consolidated financial statements in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing principles established by the Institute of Auditors (IDW). Accordingly, the audit is to be planned and performed in such a way that inaccuracies and violations that have a material impact on the presentation of the asset, financial and earnings position conveyed by the consolidated financial statements in accordance with the principles of proper bookkeeping and the group management report are given with sufficient certainty be recognized. When determining the audit activities, knowledge of the business activities and the economic and legal environment of the group as well as expectations of possible errors are taken into account. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in the consolidated financial statements, defining the scope of consolidation, the accounting and consolidation principles used and the significant estimates made by the legal representatives as well as the appraisal of the overall presentation of the consolidated financial statements and the group management report. We are of the opinion that our audit forms a sufficiently secure basis for our assessment.

Our audit has not led to any reservations.

In our opinion, based on the knowledge gained during the audit, the consolidated financial statements comply with the statutory provisions and, in compliance with the principles of proper bookkeeping, give a true and fair view of the Group's asset, financial and earnings position. The group management report is consistent with the consolidated financial statements, complies with the legal requirements, as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Berlin, June 30, 2017

Ebner Stolz GmbH & Co. KG
auditing company tax consulting company

Karina Frille, auditor

Stefan Mattner, auditor

The board of directors

Report on the audit of the annual and consolidated financial statements as of December 31, 2016 as well as the combined management report 2016 and the proposal for the appropriation of retained earnings

With regard to the annual financial statements, consolidated financial statements and management report for 2016, which received an unqualified audit opinion from the auditing company EBNER STOLZ GmbH & Co.KG on June 30, 2016, the Supervisory Board reported the following on the results of its audit:

The Board of Management and the Supervisory Board discussed the audit reports in detail on August 31, 2017. The auditor attended the joint meeting of the Executive Board and the Supervisory Board on August 31, 2017, which approved the annual financial statements as of December 31, 2016. The Supervisory Board took note of the audit result and approved it.

In the run-up to the Supervisory Board meeting on August 31, 2017, the Supervisory Board examined the annual financial statements and consolidated financial statements on a random basis and discussed queries on August 31, 2017 with the Executive Board and the auditor present. All questions could be clarified and necessary explanations were given. This applies in particular to the statements on the risk management system, the changed annual audit and the first-time dividend distribution.

A. Balance

With regard to the explanations of the balance sheet, the asset, financial and earnings position and the management report, the Supervisory Board refers to the auditor's report (Section E. of the report and Group report).

B. Financial position

The 2016 annual financial statements show an annual surplus of € 389 thousand. The equity ratio increased from 30.2% to 36.8% due to the lower total assets and net income.

The consolidated net profit for 2016 amounts to T € 748 and the equity ratio 40%.

In particular, the Supervisory Board discussed semi-finished services, receivables and provisions with the auditor. Furthermore, the adjustments to the BilRUG.

C. Proposal for the use of retained earnings

The net profit is as follows:

1. Lecture 01/01/2016	T € 5,466
2. Net income	T € 389
Balance sheet profit on December 31, 2016	T € 5,855

Of the net profit, € 1.40 per share (€ 703 thousand) is to be distributed.

D. Summary result of the audit of the annual financial statements, consolidated financial statements and the management report 2016

In summary, the Supervisory Board comes to the conclusion that there are no objections to the annual financial statements and consolidated financial statements of December 31, 2016 of BUG Verkehrsbau AG in the version of the audit reports of the auditing company EBNER STOLZ dated June 30, 2017, and to the management report. The 2016 annual financial statements are thus approved and adopted by the Supervisory Board. The supervisory board expressly supports the establishment of a compliance system with the involvement of the supervisory board in the form of annual information.

In 2016, the Supervisory Board continuously monitored the Management Board in joint meetings (April 28, 2016, August 18, 2016 and December 1, 2016) in accordance with Section 171 (2) AktG. The quarterly reports were also submitted to the Supervisory Board.

Special committees of the supervisory board were not formed. The committee discussed and decided on all pending topics in its entirety. The resolutions were passed unanimously.

In particular, the medium-term planning with special consideration of the expansion of the company structure, the capacity utilization / tender results and the establishment of a risk management system formed the focus of the negotiations of the Supervisory Board in the 2016 financial year.

Berlin, August 31, 2017

Dr. Hartwig Meyer, Chairman of the Supervisory Board

Prof. Dr. Ralf Leinemann, supervisory board

Dipl.-Inf. Frank Gülicher, Supervisory Board