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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
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CVR no. 20 22 26 70

STRUKTON RAIL A/S

GAMMEL LYNGVEJ 2, 4600 KØGE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 28 June 2024

Jens Christian Jensen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 20 28 65 47

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COMPANY DETAILS

Company	Strukton Rail A/S Gammel Lyngvej 2 4600 Køge	
	CVR No.:	20 28 65 47
	Established:	5 September 1997
	Municipality:	Køge
	Financial Year:	1 January - 31 December
Board of Directors	Tjark Arno de Vries, chairman Sofia Birgitta Sartor Paulus Henricus Maria de Haas Arthur Erik Pieter Vlaanderen	
Executive Board	Jens Christian Jensen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Strukton Rail A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Køge, 28 June 2024

Executive Board

Jens Christian Jensen

Board of Directors

Tjark Arno de Vries Chairman	Sofia Birgitta Sartor	Paulus Henricus Maria de Haas

Arthur Erik Pieter Vlaanderen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Strukton Rail A/S

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Strukton Rail A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2023 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company
Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Copenhagen, 28 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Christensen	Troels Stenholm
State Authorised Public Accountant	State Authorised Public Accountant
MNE no. mne35626	MNE no. mne47806

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue	502.455	340.022	249.599	218.385	377.813
Gross profit/loss	-2.265	16.205	10.892	-53.596	-146.646
Operating profit/loss	-14.144	-9.535	-16.155	-65.531	-176.564
Financial income and expenses, net	-1.268	93	-2.639	-5.653	6.164
Profit/loss for the year before tax	-12.966	8.704	-3.854	-70.706	-170.603
Profit/loss for the year	-12.966	8.704	-3.854	-70.752	-171.044
Balance sheet					
Total assets	145.638	149.578	355.092	321.360	198.623
Equity	19.724	32.690	23.986	27.840	35.344
Cash flows					
Cash flows from operating activities	25.324	-39.912	18.556	-42.512	-73.258
Cash flows from investing activities	21.145	38.650	-808	3.476	-1.078
Cash flows from financing activities	6.541	-85.935	48.389	65.095	74.383
Total cash flows	53.010	-87.197	66.137	26.059	47
Investment in property, plant and equipment	-4.505	-3.250	-1.049	-1.212	-1.078
Key ratios					
Gross margin	-0,5	4,8	4,4	-24,5	-38,8
Equity ratio	13,5	21,9	6,8	8,7	17,8
Return on equity	-49,5	30,7	-14,9	-224,0	-296,4
Profit margin	-2,6	2,6	-1,5	-32,4	-45,3

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin: $\frac{\text{Gross profit x 100}}{\text{Net revenue}}$

Equity ratio: $\frac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Profit margin: $\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$

MANAGEMENT COMMENTARY

Principal activities
The Group's principal activities comprise construction and maintenance of railways in Denmark.

Unusual matters
No unsual matters impacts the financial statements.

Recognition and measurement uncertainty
Work in progress and other provisions are exposed to significant uncertainty related to recognition and measurement. We refer to note 16 for a thorough description of the uncertaintites.

Development in activities and financial and economic position
The market has in general been good with a reasonable number of tenders compared to previous years.

The revenue increased with 48 % from DKK 340 million to DKK 502 million. The revenue increase was higher than expected due to revenue from new projects, especially the Østbane Project, being higher in the year than forecasted.

The profit margin for 2023 was -2,6%. The negative deviation compared to the outlook for 2022 (+2,0 %) is primarily caused by unforeseen cost overruns.

We refer to note 15 for our description of the prerequisites for applying the going concern assumption.

Profit/loss for the year compared to the expected development
The income statement of the Group for 2023 shows a loss of DKK 13 million and at 31 December 2023 the balance sheet of the Group shows an equity of DKK 20 million. The result for 2023 is not meeting the expectations from last year due to the reasons listed in the section above.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Business and Financial Risks
The main business risk of the Parent Company and the Group is related to the size and complexity of the projects and the dependency on a small number of customers. For a thorough description of the risks and uncertainties related to the projects we refer to note 17.

We have identified different financial risks:
Capital ressources and liquidity risk is identified as a medium financial risk. In general cash flows fluctuates during the year which calls for strong financial resources. New projects also demand credit insurance or alternatively favorable payment terms or bank guarantees.

As of yearend 2023 external debts are insignificant and cash position has been strengthened a lot during the year. This situation is expected to further stabilize during year 2024. Despite strong cash position we still have an intra-group credit facility as described in note 16.

Foreign exchange risk is relevant but deemed a low risk due to payment of Group administration fees in SEK which can fluctuate significantly.

Credit risk is deemed small since many of the customers are public entities.

Environmental situation
The Group is certified according to ISO9001:2008 / ISO 140001:2004 and ISO45001. In relation to the certifications, the Group has formulated objectives for its environmental work. The environmental objectives relates to reduction of fossil fuels, better waste management in the tracks and use of chemical APV.

MANAGEMENT COMMENTARY

Knowledge resources
The Group constantly works on maintaining its position as the leading railway construction and maintenance company. To ensure this position, the Group's objective is to employ and retain highly skilled employees.

The Group is a member of "BaneBranchen" and Danish Construction Association which works to strenghten the training of engineers and the creation of apprenticeships in the railway industry.

Research and development activities
The Group has not been actively involved in any research and development activities.

Future expectations
The order book for 2024 is well established. The Group expects revenue for the coming year at a level of DKK 480 million to 520 million. Profit margin expects to increase to approximately 3% in year 2024.

The current staff is expected to be increased by 5-10 FTE in year 2024, as some of the new coming projects requires relative more man power.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
NET REVENUE		**502.454.639**	**340.022.306**	**502.385.414**	**339.914.819**
Production costs	1	-504.719.943	-323.817.250	-504.650.718	-323.709.763
GROSS PROFIT/LOSS		**-2.265.304**	**16.205.056**	**-2.265.304**	**16.205.056**
Administrative expenses	1	-11.878.320	-17.190.578	-11.872.039	-17.193.284
OPERATING LOSS		**-14.143.624**	**-985.522**	**-14.137.343**	**-988.228**
Other operating expenses		0	-8.549.364	0	-510.440
LOSS BEFORE FINANCIALS		**-14.143.624**	**-9.534.886**	**-14.137.343**	**-1.498.668**
Income from investments in subsidiaries		0	0	2.438.759	10.078.682
Income from investments in associates		2.445.041	18.145.785	0	0
Financial income	2	855.831	811.815	855.831	2.578.165
Financial expenses	3	-2.123.567	-718.939	-2.123.566	-2.454.404
LOSS BEFORE TAX		**-12.966.319**	**8.703.775**	**-12.966.319**	**8.703.775**
Tax on profit/loss for the year		0	0	0	0
LOSS FOR THE YEAR	4	**-12.966.319**	**8.703.775**	**-12.966.319**	**8.703.775**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2023 DKK	Group 2022 DKK	Parent Company 2023 DKK	Parent Company 2022 DKK
Other plant, machinery tools and equipment		6.583.027	6.926.162	6.583.027	6.926.162
Property, plant and equipment	5	**6.583.027**	**6.926.162**	**6.583.027**	**6.926.162**
Investments in subsidiaries		0	0	20.368.763	17.930.004
Investments in associates		1.006.346	23.700.865	510.440	0
Rent deposit and other receivables		449.000	549.000	449.000	549.000
Financial non-current assets	6	**1.455.346**	**24.249.865**	**21.328.203**	**18.479.004**
NON-CURRENT ASSETS		**8.038.373**	**31.176.027**	**27.911.230**	**25.405.166**
Raw materials and consumables		5.571.442	4.911.547	5.571.442	4.911.547
Inventories		**5.571.442**	**4.911.547**	**5.571.442**	**4.911.547**
Trade receivables		11.820.736	13.911.792	11.803.861	13.878.055
Contract work in progress		38.627.813	75.011.366	38.627.813	75.011.366
Receivables from group enterprises		11.531.200	0	18.060.444	6.443.379
Receivables from associated enterprises		10.112.906	18.178.200	10.112.906	18.178.200
Other receivables		765.366	431.224	764.068	429.926
Corporation tax receivable		0	270.125	135.000	135.000
Prepayments	7	1.263.735	790.463	1.263.735	790.463
Receivables		**74.121.756**	**108.593.170**	**80.767.827**	**114.866.389**
Cash and cash equivalents		**57.906.354**	**4.897.536**	**57.241.491**	**4.592.050**
CURRENT ASSETS		**137.599.552**	**118.402.253**	**143.580.760**	**124.369.986**
ASSETS		**145.637.925**	**149.578.280**	**171.491.990**	**149.775.152**

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BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2023 DKK	Group 2022 DKK	Parent Company 2023 DKK	Parent Company 2022 DKK
Share Capital	8	1.100.000	1.100.000	1.100.000	1.100.000
Reserve for net revaluation under the equity method		0	5.900.542	0	0
Retained earnings		18.623.527	25.689.304	18.623.527	31.589.846
EQUITY		**19.723.527**	**32.689.846**	**19.723.527**	**32.689.846**
Other provisions	9	43.497.407	56.877.340	43.497.407	56.877.340
PROVISIONS		**43.497.407**	**56.877.340**	**43.497.407**	**56.877.340**
Lease liabilities		4.003.293	2.590.319	4.003.293	2.590.319
Frozen holiday pay		14.621.189	14.127.634	14.621.189	14.127.634
Non-current liabilities	10	**18.624.482**	**16.717.953**	**18.624.482**	**16.717.953**
Bank debt		64.149	118.588	64.149	118.588
Lease liabilities		1.346.228	1.914.850	1.346.228	1.914.850
Contract work in progress		2.919.253	7.621.890	2.919.253	7.621.890
Trade payables		22.193.423	19.039.031	23.051.401	19.002.031
Debt to Group companies		18.714.401	9.497.871	43.719.805	9.740.753
Corporation tax payable		947	0	0	0
Other liabilities		18.132.591	5.100.911	18.124.221	5.091.901
Deferred income	11	421.517	0	421.517	0
Current liabilities		**63.792.509**	**43.293.141**	**89.646.574**	**43.490.013**
LIABILITIES		**82.416.991**	**60.011.094**	**108.271.056**	**60.207.966**
EQUITY AND LIABILITIES		**145.637.925**	**149.578.280**	**171.491.990**	**149.775.152**

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EQUITY

	Group			
	Share Capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2023	1.100.000	5.900.542	25.689.304	32.689.846
Proposed profit allocation, see note 4		2.445.041	-15.411.360	-12.966.319
Transfers				
Receiv./decl. dividend		-25.650.000	25.650.000	0
Settlem. negative balance		18.139.094	-18.139.094	0
Allowed equalization		-834.677	834.677	0
Equity at 31 December 2023	**1.100.000**	**0**	**18.623.527**	**19.723.527**

	Parent Company			
	Share Capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2023	1.100.000	0	31.589.846	32.689.846
Proposed profit allocation, jf. note 4		2.438.759	-15.405.078	-12.966.319
Transfers				
Settlem. negative balance		-2.438.759	2.438.759	0
Equity at 31 December 2023	**1.100.000**	**0**	**18.623.527**	**19.723.527**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 DKK	**2022** DKK
Profit/loss for the year	-12.966.319	8.703.775
Depreciation, amortisation and impairment losses	4.848.531	15.107.490
Losses from sale of fixed assets	0	510.440
Profit/loss from associates	-2.445.041	-18.145.785
Change in deferred income	421.517	0
Change in deferred cost	-473.272	0
Change in deposit and other receivables	100.000	0
Corporation tax paid	271.072	128.663
Change in inventories	-659.895	-384.655
Change in receivables and work in progress	26.662.030	-10.076.467
Change in other provisions	-13.379.933	-4.359.477
Change in current liabilities	22.471.710	-28.959.753
Other cash flows from operating activities	473.278	-2.436.151
CASH FLOWS FROM OPERATING ACTIVITY	**25.323.678**	**-39.911.920**
Purchase of property, plant and equipment	-4.505.397	-1.324.533
Purchase of financial assets	0	-525.000
Dividend received from associates	25.650.000	40.500.000
CASH FLOWS FROM INVESTING ACTIVITY	**21.144.603**	**38.650.467**
Raising/reduction of loans from group enterprises	5.750.624	-84.752.922
Change in lease liabilities	844.352	-1.231.821
Change in bank debt	-54.439	49.301
CASH FLOWS FROM FINANCING ACTIVITY	**6.540.537**	**-85.935.442**
CHANGE IN CASH AND CASH EQUIVALENTS	**53.008.818**	**-87.196.895**
Cash and cash equivalents at 1. January	4.897.536	92.094.431
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**57.906.354**	**4.897.536**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	57.906.354	4.897.536
CASH AND CASH EQUIVALENTS	**57.906.354**	**4.897.536**

NOTES

	Group		Parent Company		
	2023 DKK	2022 DKK	2023 DKK	2022 DKK	Note
Staff costs					1
Average number of full time employees	126	113	126	113	
Wages and salaries	107.583.719	90.364.466	107.583.719	90.364.466	
Pensions	12.657.213	10.571.050	12.657.213	10.571.050	
Social security costs	-1.274.355	5.190.633	-1.274.355	5.190.633	
Other staff costs	2.788.215	1.831.557	2.788.215	1.831.557	
	121.754.792	**107.957.706**	**121.754.792**	**107.957.706**	

For 2023 remuneration to the Executive Board has not been disclosed in the annual figures in accordance with section 98 B(3) of the Danish Financial Statements Act.

Social security costs are negative in 2023 due to reversal of provision DKK 3.500.000.

	Group 2023 DKK	Group 2022 DKK	Parent Company 2023 DKK	Parent Company 2022 DKK	Note
Financial income					2
Other interest income	855.831	811.815	855.831	2.578.165	
	855.831	**811.815**	**855.831**	**2.578.165**	
Financial expenses					3
Group enterprises	1.297.902	467.508	1.297.902	2.235.313	
Other interest expenses	825.665	251.431	825.664	219.091	
	2.123.567	**718.939**	**2.123.566**	**2.454.404**	
Proposed distribution of profit					4
Allocation to reserve for net revaluation under the equity method	2.445.041	18.145.784	2.438.759	0	
Retained earnings	-15.411.360	-9.442.009	-15.405.078	8.703.775	
	-12.966.319	**8.703.775**	**-12.966.319**	**8.703.775**	

NOTES

	Note
Property, plant and equipment	5

	Group Other plant, machinery tools and equipment
Cost at 1 January 2023	51.549.359
Additions	4.505.397
Disposals	-2.452.315
Cost at 31 December 2023	**53.602.441**
Depreciation and impairment losses at 1 January 2023	44.623.197
Reversal of depreciation of assets disposed of	-2.163.221
Depreciation for the year	4.559.438
Depreciation and impairment losses at 31 December 2023	**47.019.414**
Carrying amount at 31 December 2023	**6.583.027**
Of which finance lease assets	5.208.442

	Parent Company Other plant, machinery tools and equipment
Cost at 1 January 2023	51.549.359
Additions	4.505.397
Disposals	-2.452.315
Cost at 31 December 2023	**53.602.441**
Depreciation and impairment losses at 1 January 2023	44.623.197
Reversal of depreciation of assets disposed of	-2.163.221
Depreciation for the year	4.559.438
Depreciation and impairment losses at 31 December 2023	**47.019.414**
Carrying amount at 31 December 2023	**6.583.027**
Of which finance lease assets	5.208.442

NOTES

Note

Financial non-current assets 6

	Group	
	Investments in associates	Rent deposit and other receivables
Cost at 1 January 2023	19.145.440	549.000
Disposals	0	-100.000
Cost at 31 December 2023	**19.145.440**	**449.000**
Revaluation at 1 January 2023	5.065.865	0
Dividend	-25.650.000	0
Profit/loss for the year	2.445.041	0
Revaluation at 31 December 2023	**-18.139.094**	**0**
Carrying amount at 31 December 2023	**1.006.346**	**449.000**

	Parent Company		
	Investments in subsidiaries	Investments in associates	Rent deposit and other receivables
Cost at 1 January 2023	42.361.044	15.510.440	549.000
Disposals	0	0	-100.000
Cost at 31 December 2023	**42.361.044**	**15.510.440**	**449.000**
Revaluation at 1 January 2023	-8.353.192	-15.000.000	0
Profit/loss for the year	2.438.759	0	0
Revaluation at 31 December 2023	**-5.914.433**	**-15.000.000**	**0**
Impairment losses and amortisation of goodwill at 1 January 2023	16.077.848	0	0
Carrying amount at 31 December 2023	**20.368.763**	**510.440**	**449.000**

Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Strukton Rail Holding A/S, Køge	20.368.763	2.438.758	100 %

Investments in associates (DKK)

Name and domicil	Equity	Profit for the year	Ownership
Strukton - Aarsleff JV I/S, Viby J.	1.079.011	14.171.424	45 %
Fjernbane west Projekt I/S, Ballerup	-	-	30 %

NOTES

	Group		Parent Company		
	2023 DKK	2022 DKK	2023 DKK	2022 DKK	Note
Prepayments					7
Prepaid costs	1.263.735	790.463	1.263.735	790.463	
	1.263.735	**790.463**	**1.263.735**	**790.463**	

Prepaid expenses relates to administrative costs e.g. insurance.

	2023 DKK	2022 DKK	Note
Share Capital			8
Allocation of share capital:			
Shares, 1.100 unit in the denomination of 1.000 DKK	1.100.000	1.100.000	
	1.100.000	**1.100.000**	

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Note

	Group		Parent Company	
	2023 DKK	**2022** DKK	**2023** DKK	**2022** DKK
Other provisions				
The due dates for provisions are expected to be:				
Within 1 year	10.125.000	5.250.000	10.125.000	5.250.000
Between 1 and 5 years	33.372.407	51.627.340	33.372.407	51.627.340
	43.497.407	**56.877.340**	**43.497.407**	**56.877.340**

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Other provisions include a provision for future losses in respect of work in progress for third parties.

Long-term liabilities 10

	Group			
	31/12 2023 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**31/12 2022 total liabilities**
Lease liabilities	5.349.521	1.346.228	0	4.505.169
Payables to group enterprises	0	0	0	9.502.614
Frozen holiday pay	14.621.189	0	14.621.189	14.127.634
	19.970.710	**1.346.228**	**14.621.189**	**28.135.417**

	Parent Company			
	31/12 2023 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**31/12 2022 total liabilities**
Lease liabilities	5.349.521	1.346.228	0	4.505.169
Payables to group enterprises	0	0	0	9.740.753
Frozen holiday pay	14.621.189	0	14.621.189	14.127.634
	19.970.710	**1.346.228**	**14.621.189**	**28.373.556**

Deferred income 11

Deffered income include prepayments relating to income in subequent years.

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Contingent assets, liabilities and other financial obligations 12

Contingent assets

The Company has not recognised a deferred tax asset of DKK 56,487k as of 31 December 2023 (2022: DKK 53,148k), as it is uncertain whether the tax asset will be utilised in the foreseeable future.

	Group		Parent Company	
	2023 DKK	**2022** DKK	**2023** DKK	**2022** DKK
Lease liabilities (operating leases), the payment is due:				
Within 1 year	1.308.251	1.260.313	1.308.251	1.260.313
Between 1 and 5 years	2.728.152	288.145	2.728.152	288.145
	4.036.403	**1.548.458**	**4.036.403**	**1.548.458**
Rent obligation:				
Terms up to 11 months	588.764	564.944	588.764	564.944
	588.764	**564.944**	**588.764**	**564.944**

Other contingent liabilities:

By virtue of its business operations, the Parent and Group is a party to legal disputes that can be expected in the course of its business operations. Management keeps all such involvement under constant review and makes provisions accordingly.

Other contingent liabilities include the Parent's and Group's joint and several liability together with other stakeholders for Fjernbane West Project I/S' obligations (Municipality of reg. office: Gladsaxe). The Group has entered into the partnership due to the signing of a major contract, with a share of ownership of 30%. At 31 December 2023, the limited partnership's debt totals DKK 29,595k.

The Parent and Group is a partner in Strukton - Aarsleff JV I/S and is jointly and severally liable with other stakeholders for its obligations. The latest audited annual report at 30 September 2023 showed a total debt of DKK 434k.

Furthermore, the Parent and Group has provided guarantee for Danske Bank regarding Strukton Rail AB's bank engagement.

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other Danish Group Companies in the joint taxable group for tax on the Group’s joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group’s joint taxable income is stated in the annual report of STRUKTON RAIL HOLDING A/S, which serves as Management Company for the joint taxation.

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Charges and securities 13

As security for the Company's debt to bank facilities and for another group company's bank debt, the Group has issued a company charge. The company charge, which is maximised to DKK 30,000k, comprises the two entities' combined or separate debt at 31 December 2023. For the Group, the company charge includes the following assets:

- Other plant, fixtures and fittings, tools and equipment
- Inventories
- Work in progress for third parties
- Trade receivables

Related parties 14

The Company's related parties include:

Controlling interest

Stichting Administratiekantoor Sanderink Investments, Netherlands (The ultimate parent company)
Srukton Rail AB, Sweden (The Intermediate parent company)

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on an arm's length basis.

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Prerequisites for the going concern assumption 15

The 2023 annual Financial Statements of Strukton Rail A/S are prepared based on the going concern assumption. To support the going concern assumption, Management has prepared liquidity forecasts for 2024. As in previous years, the Group has secured a letter of support from the ultimate parent company providing a funding of maximum DKK 50 million. As per 31 December 2023 and per the signing of this Annual Report the credit facility is unused.

The total need of liquidity is to a large extent dependent on the below items:
- Production and progress in line with the negotiated milestones on especially the F-bane Project as described in note 17.
- Realisation of efficiencies incorporated into the budget for the finalization of the Østbane Project in 2024. The project is described further in note 17.
- Management has taken the uncertainties related to the above items into account in the liquidity forecast for 2024. Should the Group at any point during 2024 need more liquidity than described above, Management is comfortable that it will be possible to negotiate further extension of loans and credit lines with its ultimate owner.

Moreover, in making the assessment of the Group’s ability to continue as a going concern, Management has, amongst others, taken into consideration the operating plan and 2024 budget, development in the orderbook, cash projections and the ability to fulfil the short-term liabilities towards the supply chain. In performing this assessment, Management has considered factors that could indicate the presence of material uncertainties that might cast significant doubt upon the Group’s ability to continue as a going concern.

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Note

Information on significant uncertainties at recognition and measurement 16

The Group executes design and construction projects for principals (engineering contracts). In these kind of projects both design risks and construction risks play a role in a wide range of project works in terms of complexity, scale and order size.

Depending on the contract type, errors in forecasts and estimates may result in project losses and negative cash flows. In some cases, this results in discussions with the principal regarding financial performance of the project. This generally concerns the invoicing of contract deviations, the cost of delays or the quality of the works. In some cases, this may lead to claims and further legal proceedings. However, in most cases such discussions are resolved to the satisfaction of all parties involved. The Group is committed to structural application of tender procedures, both during the acquisition phase and during the execution phase, in order to prevent this sort of risks.

The total project cost is subject to accounting estimates. Such accounting estimates are subject to more uncertainty as:

- The agreed contract form entails more risk for the contractor. After all, in a design and construction contract the contractor also bears the design risk.

- In some contracts, the contractor is responsible for maintenance.

-The contract term is longer (or maybe extended even longer), whereby the estimate of the final amount of work is inherently subject to greater uncertainty.

The F-bane project

The F-bane project (construction contract and participation in Fjernbane West Project I/S) is associated with a high degree of judgmental uncertainty in the financial year 2023. The F-Bane project is executed by a consortium of Strukton Rail A/S and Thales Denmark A/S on behalf of Banedanmark. The contract concerns installation and maintenance of signaling systems for Fjernbane West. All existing signaling systems on Fjernbane West will be replaced by a system based on ERTMS (European Railway Traffic Management System. The F-Bane project is highly complex, in particular due to the high technical requirements imposed on the railway sector and due to the long duration of the project. As of 31 December 2023, the project has generated accumulated revenue of DKK 921 million (2022: DKK 769 million) and is approx. 69.6 % complete (2022: 64.5 % complete). The F-bane contract is loss-making, and the expected contract result for the F-bane project improved by DKK 9 million to a loss of DKK 189 million in 2023. The reduction in the loss is based on a strengthened operational and financial management implemented in 2023.

The provision for the loss-making contract was decreased from DKK 52 million in 2022 to DKK 40 million in 2023 through utilisation of the provision and reversal through profit and loss based on reassessment of the expected losses to complete the project.

The year-end balances and results incurred during 2023 are based on Management's best forecast. The forecast takes into account the project history and also makes assumptions about future efficiencies and synergies to be achieved. Management stresses that significant accounting estimates have been applied and, consequently, due to the size of the contract changes to these estimates may affect future results materially.

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Note

Østbane Project
In 2023 Strukton Rail A/S entered into the Østbane contract. The contract amount is fixed and the works consist of renewal of existing tracks on two lines and installation of new tracks on one line in 2023 and 2024. In the renewal stage it became apparent that the project would result in a loss due to higher costs than expected related to the process of removing the existing tracks and preparing for the new tracks. This has resulted in an accumulated loss of DKK 16 million being recognised in 2023 including a provision for losses in 2024. Management expects to realise efficiencies in the last stage of the project to be carried out in 2024 regarding installation of new tracks because the complexity related to installation of new tracks is lower than renewal of old tracks.

As of 31 December 2023, the project has generated revenue of DKK 221 million and is approx. 56 % complete. The Østbane contract is loss-making, and a provision for the loss-making contract is recognized at DKK 3 million at year-end 2023.

After the balance sheet date, the client has claimed the right to withhold payments of DKK 8 million related to work performed on the Østbane Project in 2023. It is still uncertain which party is responsible for the defects because the investigations are at an early stage. Given the uncertainty, Management finds that the accounting criteria is not met for provisioning the withheld amount and has chosen to disclose the matter as a uncertainty related to recognition and measurement of work in progress. In the project budget, risk reserves are already included to mitigate the financial effect thus the effect on profit before tax is expected to be lower than DKK 8 million depending on the outcome of the technical investigations.

Consolidated Financial Statements 17
The following wholly-owned companies are fully consolidated in the concolidated financial statements of Strukton Rail A/S:
- Strukton Rail Holding A/S, Køge
- Strukton Rail S-Bane A/S, Køge

The Company and Group is included in the consolidated financial statements of Strukton Railinfra AB (address: Västberga allé 60, 126 30 Hägersten, Sweden) and Strukton Rail BV (Address Westkanaaldijk 2, 3542 DA Utrecht, Netherlands). Their consolidated financial statements can be obtained through inquiry to the companies.

ACCOUNTING POLICIES

The Annual Report of Strukton Rail A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company Strukton Rail A/S and the subsidiaries in which Strukton Rail A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or newly formed entities within the Group are recognised in the Consolidated Financial statements from the date of acquisition or the date of formation. Sold or wound-up entites are recognised in the Consolidated Income Statement to the date of sale. The comparative figures are not corrected for newly acquired, sold or wound-up entities.

The date of acquisition is the date on which the Group gains actual control over the acquired entity.

Acquired entities within the Group are recognised in the Consolidated Financial Statements according to the combination method, the combination being regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

Positive and negative differences between the acquisition cost and the carrying amounts of acquired and identified assets and liabilities are recognised in equity at the acquisition.

Transaction costs, incurred in connection with acquisition of businesses, are recognised in the income statement in the year when costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue
Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work performed 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 Group. 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 recognised exclusive of VAT and net of discounts relating to sales.

Production costs
Production costs comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs etc, as well as operation, project administration and management.

Administrative expenses
Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets and amortisation of goodwill are also included.

Income from investments in subsidiaries and associates
The proportional share of the results of subsidiaries and associates, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries and associates are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment..	3-7 years	0 %

Gain or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Gain or loss is recognised in the Income Statement as other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets

for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

Financial non-current assets

Investments in subsidiaries and associates are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of consolidation.

Investments in subsidiaries and associates are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

The pooling of interests method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

Net revaluation of investments in subsidiaries and associates is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

ACCOUNTING POLICIES

Subsidiaries and associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries and associates deficit.

Impairment of fixed assets
The carrying amount of tangible assets together with financial fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company’s experience from previous years.

Contract work in progress
Contract work in progress 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 recognised 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 realisable 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.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments, assets
Prepayments recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents
Cash and cash equivalents include cash at bank.

Other provisions for liabilities
Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

When it is likely that the future total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Group's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand.