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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 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 22 June 2023

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	Karl Johan Oscarsson, chairman Paulus Henricus Maria de Haas Jens Christian Jensen	
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 2022.

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 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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, 22 June 2023

Executive Board

Jens Christian Jensen

Board of Directors

Karl Johan Oscarsson Chairman	Paulus Henricus Maria de Haas	Jens Christian Jensen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders 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 2022, 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 2022 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 2022 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:

- 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, 22 June 2023

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

	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement				
Net revenue	340.022	249.599	218.385	377.813
Gross profit/loss	16.205	10.892	-53.596	-146.646
Operating profit/loss	-9.535	-16.155	-65.531	-176.564
Financial income and expenses, net	93	-2.639	-5.653	6.164
Profit/loss for the year before tax	8.704	-3.854	-70.706	-170.603
Profit/loss for the year	8.704	-3.854	-70.752	-171.044
Balance sheet				
Total assets	149.578	355.092	321.360	198.623
Equity	32.690	23.986	27.840	35.344
Cash flows				
Cash flows from operating activities	-39.912	18.556	-42.512	-73.258
Cash flows from investing activities	-1.850	-808	3.476	-1.078
Cash flows from financing activities	-45.435	48.389	65.095	74.383
Total cash flows	-87.197	66.137	26.059	47
Investment in property, plant and equipment	-3.250	-1.049	-1.212	-1.078
Key ratios				
Gross margin	4,8	4,4	-24,5	-38,8
Equity ratio	21,9	6,8	8,7	17,8
Return on equity	30,7	-14,9	-224,0	-296,4
Profit margin	2,6	-1,5	-32,4	-45,3

The financial highlights shows only the development in 2022, 2021, 2020 and 2019, because the Group presented its first consolidated financial statements in 2020 with comparable figures for 2019.

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

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

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

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

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

MANAGEMENT COMMENTARY

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

Unusual matters
No unsual matters has been seen.

Recognition and measurement uncertainty
Work in progress and other provisions are exposed to significant uncertainty related to recognition and measurement. We refer to note 2 for a thorough description of the uncertaintites.

Development in activities and financial and economic position
The market in general has been impacted by an increasing number of tenders compared to 2021.

The revenue increased with 35 % from DKK 250 million to DKK 340 million. The revenue increase was in line with the development expectation from last year.

The profit margin for 2022 was 2,6%. The small positive deviation compared to the outlook for 2021 (2 %) is primarily caused by a marginal higher project profitability than anticipated.

Profit/loss for the year compared to the expected development
The income statement of the Group for 2022 shows a profit of DKK 8,703,775 and at 31 December 2022 the balance sheet of the Group shows an equity of DKK 32,689,846. The result for 2022 is in line with the development expectations from last year.

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 2.

We have identified several financial risks:
Capital ressources and liquidity risk is identified as the largest financial risk. 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.

The interest rate risk is assessed as a material but not significant risk to the Parent Company and the Group. As of year end 2022 external debts are insignificant. If further cash is needed for the operations throughout 2023 we expect to utilize intra-group credit facilities at a higher interest rate than in the past.

Foreign exchange risk is relevant but deemed a low risk due to payment of Group administration fees in SEK which is currency affected by rather large fluctuations.

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.

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.

Knowledge resources (continued)
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 Group expects a 30 – 35 % increase in revenue for the coming year compared to 2022 of around DKK 450 million to DKK 475 million with a profit margin of approximately 2%. The order book for 2023 is well established.

The current staff is expected to be increased by 10 to be suitable for the revenue in 2023.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
NET REVENUE		**340.022.306**	**249.598.509**	**339.914.819**	**249.274.292**
Production costs	3	-323.817.250	-238.706.899	-323.709.763	-238.609.489
GROSS PROFIT/LOSS		**16.205.056**	**10.891.610**	**16.205.056**	**10.664.803**
Administrative expenses	3	-17.190.578	-18.985.483	-17.193.284	-18.990.194
OPERATING LOSS		**-985.522**	**-8.093.873**	**-988.228**	**-8.325.391**
Other operating expenses		-8.549.364	-8.061.360	-510.440	-22.436
LOSS BEFORE FINANCIALS		**-9.534.886**	**-16.155.233**	**-1.498.668**	**-8.347.827**
Income from investments in subsidiaries		0	0	10.078.682	5.990.278
Income from investments in associates		18.145.785	14.940.473	0	784.102
Financial income		811.815	710.291	2.578.165	710.291
Financial expenses	4	-718.939	-3.349.327	-2.454.404	-2.990.640
PROFIT BEFORE TAX		**8.703.775**	**-3.853.796**	**8.703.775**	**-3.853.796**
Tax on profit/loss for the year		0	0	0	0
PROFIT FOR THE YEAR	5	**8.703.775**	**-3.853.796**	**8.703.775**	**-3.853.796**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2022 DKK	Group 2021 DKK	Parent Company 2022 DKK	Parent Company 2021 DKK
Goodwill		0	8.038.923	0	0
Intangible assets	6	**0**	**8.038.923**	**0**	**0**
Other plant, machinery tools and equipment		6.926.162	9.909.807	6.926.162	9.909.807
Property, plant and equipment	7	**6.926.162**	**9.909.807**	**6.926.162**	**9.909.807**
Investments in subsidiaries		0	0	17.930.004	48.351.322
Investments in associates		23.700.865	46.889.758	0	834.677
Rent deposit and other receivables		549.000	24.000	549.000	24.000
Financial non-current assets	8	**24.249.865**	**46.913.758**	**18.479.004**	**49.209.999**
NON-CURRENT ASSETS		**31.176.027**	**64.862.488**	**25.405.166**	**59.119.806**
Raw materials and consumables		4.911.547	4.526.892	4.911.547	4.526.892
Inventories		**4.911.547**	**4.526.892**	**4.911.547**	**4.526.892**
Trade receivables		13.911.792	23.554.530	13.878.055	23.554.530
Contract work in progress	9	75.011.366	127.171.671	75.011.366	127.171.671
Receivables from group enterprises		0	0	6.443.379	5.268.547
Receivables from associated enterprises		18.178.200	41.334.857	18.178.200	41.334.857
Other receivables		431.224	1.148.568	429.926	1.147.270
Corporation tax receivable		270.125	398.788	135.000	0
Prepayments	10	790.463	0	790.463	0
Receivables		**108.593.170**	**193.608.414**	**114.866.389**	**198.476.875**
Cash and cash equivalents		**4.897.536**	**92.094.431**	**4.592.050**	**92.082.800**
CURRENT ASSETS		**118.402.253**	**290.229.737**	**124.369.986**	**295.086.567**
ASSETS		**149.578.280**	**355.092.225**	**149.775.152**	**354.206.373**

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BALANCE SHEET AT 31 DECEMBER

		Group		Parent Company	
EQUITY AND LIABILITIES	**Note**	**2022** DKK	**2021** DKK	**2022** DKK	**2021** DKK
Share capital	11	1.100.000	1.100.000	1.100.000	1.100.000
Reserve for net revaluation under the equity method		5.900.542	28.254.758	0	5.990.278
Retained earnings		25.689.304	-5.368.687	31.589.846	16.895.793
EQUITY		**32.689.846**	**23.986.071**	**32.689.846**	**23.986.071**
Other provisions	12	56.877.340	61.236.817	56.877.340	61.236.817
PROVISIONS		**56.877.340**	**61.236.817**	**56.877.340**	**61.236.817**
Lease liabilities		2.590.319	1.856.904	2.590.319	1.856.904
Payables to group enterprises		0	45.349.781	0	45.349.781
Frozen holiday pay		14.127.634	14.143.893	14.127.634	14.143.893
Non-current liabilities	13	**16.717.953**	**61.350.578**	**16.717.953**	**61.350.578**
Bank debt		118.588	69.287	118.588	69.287
Lease liabilities		1.914.850	3.880.086	1.914.850	3.880.086
Contract work in progress	9	7.621.890	79.428.281	7.621.890	79.428.281
Trade payables		19.039.031	15.297.860	19.002.031	15.275.860
Debt to Group companies		9.497.871	72.057.669	9.740.753	71.209.456
Other liabilities		5.100.911	37.785.576	5.091.901	37.769.937
Current liabilities		**43.293.141**	**208.518.759**	**43.490.013**	**207.632.907**
LIABILITIES		**60.011.094**	**269.869.337**	**60.207.966**	**268.983.485**
EQUITY AND LIABILITIES		**149.578.280**	**355.092.225**	**149.775.152**	**354.206.373**

Prerequisites for the going concern assumption	1
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EQUITY

	Group			
	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2022	1.100.000	28.254.758	-5.368.687	23.986.071
Proposed profit allocation, see note 5		18.145.784	-9.442.009	8.703.775
Transfers				
Receiv./decl. dividend		-40.500.000	40.500.000	0
Equity at 31 December 2022	**1.100.000**	**5.900.542**	**25.689.304**	**32.689.846**

	Parent Company			
	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2022	1.100.000	5.990.278	16.895.793	23.986.071
Proposed profit allocation, jf. note 5			8.703.775	8.703.775
Transfers				
Allowed equalization		-5.990.278	5.990.278	0
Equity at 31 December 2022	**1.100.000**	**0**	**31.589.846**	**32.689.846**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 DKK	2021 DKK
Profit/loss for the year	8.703.775	-3.853.796
Depreciation, amortisation and impairment losses	15.107.490	16.508.251
Losses from sale of fixed assets	510.440	22.436
Profit/loss from associates	-18.145.785	-14.940.473
Corporation tax paid	128.663	-398.788
Change in inventories	-384.655	-935.524
Change in receivables and work in progress	-10.076.467	32.956.686
Change in other provisions	-4.359.477	-10.920.993
Change in current liabilities	-28.959.753	118.071
Other cash flows from operating activities	-2.436.151	0
CASH FLOWS FROM OPERATING ACTIVITY	**-39.911.920**	**18.555.870**
Purchase of property, plant and equipment	-1.324.533	-1.049.410
Sale of property, plant and equipment	0	241.501
Purchase of financial assets	-525.000	0
CASH FLOWS FROM INVESTING ACTIVITY	**-1.849.533**	**-807.909**
Raising/reduction of loans from group enterprises	-84.752.922	53.320.897
Reduction of lease liabilities	-1.231.821	-4.945.738
Change in bank debt	49.301	14.229
Dividends paid in the financial year	40.500.000	0
CASH FLOWS FROM FINANCING ACTIVITY	**-45.435.442**	**48.389.388**
CHANGE IN CASH AND CASH EQUIVALENTS	**-87.196.895**	**66.137.349**
Cash and cash equivalents at 1. January	92.094.431	25.957.082
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**4.897.536**	**92.094.431**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	4.897.536	92.094.431
CASH AND CASH EQUIVALENTS	**4.897.536**	**92.094.431**

NOTES

Note

Prerequisites for the going concern assumption 1

The 2022 annual Financial Statements of Strukton Rail A/S are prepared based on the going concern assumption. To support the going concern assumption, Management has liquidity forecasts for 2023. As in previous years, the Group has secured a letter of support from the ultimate parent company providing a funding of maximum DKK 100 million. As per 31 December 2022, the headroom on the credit facility amounts to DKK 98,3 million. As per the signing of this Annual Report the headroom on the credit facility amounts to DKK 82,7 million.

The total need of liquidity is to a large extent dependent on the below items:
- The Group have implemented a new guarantee regime during 2022 for the F-bane Project described in note 2. The guarantee is fixed guarantee of DKK 125 million. Guarantees in Danske Bank exists for other contracts amounting to DKK 25 million.
- Should the Group at any point during 2023 need more liquidity than described above, Management sees other possibilities 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 2023 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.

NOTES

Note

Information on uncertainty with respect to recognition and measurement 2

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 2022. 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 2022, the project has generated revenue of DKK 769 million (2021: DKK 628 million) and is approx. 64,5 % complete (2021: 60 % complete). The F-bane contract is loss-making, and the expected contract result for the F-bane project remained the same. Due to losses incurred in 2022, the provision for the loss-making contract was decreased from DKK 62 million in 2021 to DKK 52 million in 2022.

The year-end balances and results incurred during 2022 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 tothese estimates may affect future results materially.

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NOTES

	Group 2022 DKK	Group 2021 DKK	Parent Company 2022 DKK	Parent Company 2021 DKK	Note
Staff costs					3
Average number of employees	113	106	113	106	
Wages and salaries	90.364.466	85.202.758	90.364.466	85.202.758	
Pensions	10.571.050	9.462.863	10.571.050	9.462.863	
Social security costs	5.190.633	1.916.634	5.190.633	1.916.634	
Other staff costs	1.831.557	2.151.838	1.831.557	2.151.838	
	107.957.706	**98.734.093**	**107.957.706**	**98.734.093**	
Remuneration of Executive and Supervisory Board	0	3.197.018	0	3.197.018	
	0	**3.197.018**	**0**	**3.197.018**	

For 2022 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.

	Group 2022 DKK	Group 2021 DKK	Parent Company 2022 DKK	Parent Company 2021 DKK	Note
Financial expenses					4
Group enterprises	467.508	1.848.367	2.235.313	1.848.367	
Other interest expenses	251.431	1.500.960	219.091	1.142.273	
	718.939	**3.349.327**	**2.454.404**	**2.990.640**	
Proposed distribution of profit					5
Allocation to reserve for net revaluation under the equity method	18.145.784	14.940.474	0	5.990.278	
Retained earnings	-9.442.009	-18.794.270	8.703.775	-9.844.074	
	8.703.775	**-3.853.796**	**8.703.775**	**-3.853.796**	

Intangible assets	Group Goodwill	Note
		6
Cost at 1 January 2022	16.077.847	
Cost at 31 December 2022	**16.077.847**	
Amortisation at 1 January 2022	8.038.924	
Amortisation for the year	8.038.923	
Amortisation at 31 December 2022	**16.077.847**	
Carrying amount at 31 December 2022	**0**	

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Property, plant and equipment 7

	Group
	Other plant, machinery tools and equipment
Cost at 1 January 2022	48.407.087
Additions	3.250.245
Disposals	-107.973
Cost at 31 December 2022	**51.549.359**
Depreciation and impairment losses at 1 January 2022	38.497.280
Reversal of depreciation of assets disposed of	-107.973
Depreciation for the year	6.233.890
Depreciation and impairment losses at 31 December 2022	**44.623.197**
Carrying amount at 31 December 2022	**6.926.162**
Finance lease assets	4.658.652

	Parent Company
	Other plant, machinery tools and equipment
Cost at 1 January 2022	48.407.087
Additions	3.250.245
Disposals	-107.973
Cost at 31 December 2022	**51.549.359**
Depreciation and impairment losses at 1 January 2022	38.497.280
Reversal of depreciation of assets disposed of	-107.973
Depreciation for the year	6.233.890
Depreciation and impairment losses at 31 December 2022	**44.623.197**
Carrying amount at 31 December 2022	**6.926.162**
Finance lease assets	4.658.652

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Financial non-current assets 8

	Group	
	Investments in associates	Rent deposit and other receivables
Cost at 1 January 2022	18.635.000	24.000
Additions	0	525.000
Cost at 31 December 2022	**18.635.000**	**549.000**
Revaluation at 1 January 2022	28.254.758	0
Dividend	-40.500.000	0
Profit/loss for the year	18.145.784	0
Impairment losses for the year	-834.677	0
Revaluation at 31 December 2022	**5.065.865**	**0**
Carrying amount at 31 December 2022	**23.700.865**	**549.000**

	Parent Company		
	Investments in subsidiaries	Investments in associates	Rent deposit and other receivables
Cost at 1 January 2022	42.361.044	15.000.000	24.000
Additions	0	0	525.000
Cost at 31 December 2022	**42.361.044**	**15.000.000**	**549.000**
Revaluation at 1 January 2022	14.029.202	-14.165.323	0
Dividend	-40.500.000	0	0
Profit/loss for the year	18.117.606	0	0
Revaluation and impairment losses for the year	0	-834.677	0
Revaluation at 31 December 2022	**-8.353.192**	**-15.000.000**	**0**
Impairment losses and amortisation of goodwill at 1 January 2022	8.038.924	0	0
Amortisation of goodwill	8.038.924	0	0
Impairment losses and amortisation of goodwill at 31 December 2022	**16.077.848**	**0**	**0**
Carrying amount at 31 December 2022	**17.930.004**	**0**	**549.000**

Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Strukton Rail Holding A/S, Køge	17.424.005	18.117.606	100 %

NOTES

		Note
Fixed asset investments (continued) **Investments in associates**		**8**
Name and domicil	**Ownership**	
Strukton - Aarsleff JV I/S, Viby J.	45 %	
Fjernbane west Projekt I/S, Søborg	30 %	

	Group		Parent Company		
	2022 DKK	**2021** DKK	**2022** DKK	**2021** DKK	
Contract work in progress					**9**
Sales value of work performed	1.395.234.422	1.014.710.885	1.395.234.422	1.014.710.885	
Progress invoicing/advances received	1.327.844.946	-966.967.495	1.327.844.946	-966.967.495	
Contract work in progress, net	**67.389.476**	**47.743.390**	**67.389.476**	**47.743.390**	
Contract work in progress (asset)	75.011.366	127.171.671	75.011.366	127.171.671	
Contract work in progress (liability)	-7.621.890	-79.428.281	-7.621.890	-79.428.281	
	67.389.476	**47.743.390**	**67.389.476**	**47.743.390**	
Prepayments					**10**
Costs	790.463	0	790.463	0	
	790.463	**0**	**790.463**	**0**	

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

	2022 DKK	**2021** DKK	
Share capital			**11**
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**	

NOTES

	Group 2022 DKK	Group 2021 DKK	Parent Company 2022 DKK	Parent Company 2021 DKK	Note
Other provisions					12
Within 1 year	5.250.000	623.000	5.250.000	623.000	

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

Long-term liabilities 13

Group

	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Lease liabilities	4.505.169	1.914.850	0	5.736.990
Payables to group enterprises	9.502.614	9.502.614	0	117.407.450
Frozen holiday pay	14.127.634	0	14.127.634	14.159.532
	28.135.417	**11.417.464**	**14.127.634**	**137.303.972**

Parent Company

	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Lease liabilities	4.505.169	1.914.850	0	5.736.990
Payables to group enterprises	9.740.753	9.740.753	0	116.559.237
Frozen holiday pay	14.127.634	0	14.127.634	14.143.893
	28.373.556	**11.655.603**	**14.127.634**	**136.440.120**

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Contingent assets, liabilities and other financial obligations 14

Contingent assets

The Company has not recognised a deferred tax asset of DKK 53,148k as of 31 December 2022 (2021: DKK 53,126k, as it is uncertain whether the tax asset will be utilised in the immediate future. Thus tax for the year amounts to DKK 0.

	Group		Parent Company	
	2022 DKK	**2021** DKK	**2022** DKK	**2021** DKK
Lease liabilities (operating leases):				
Within 1 year	1.260.313	2.072.788	1.260.313	2.072.788
Between 1 and 5 years	288.145	1.618.485	288.145	1.618.485
	1.548.458	**3.691.273**	**1.548.458**	**3.691.273**
Rent obligation:				
Terms up to 11 months	564.944	1.150.737	564.944	1.150.737
	564.944	**1.150.737**	**564.944**	**1.150.737**

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 2022, the limited partnership's debt totals DKK 46.788.312.

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 2022 showed a total debt of DKK 1.531.419.

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

The parent and the group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Strukton Rail Holding A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other 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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Contingencies etc. (fortsat) 14

Charges and securities 15

As security for the Company's debt to bank facilities and for another group company's bank debt, the Group have issued a company charge. The company charge, which is maximised to DKK 30.000.000, comprises the two entities' combined or separate debt at 31 December 2022. 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 16

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.

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

ACCOUNTING POLICIES

The Annual Report of Strukton Rail A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

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. The difference from acquired entities is DKK ('000).

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, administration and project 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

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 2 years. The period of amortisation is determined based on an assessment of the contractual period of the underlying custormer customer contract.

Gain or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Gain and loss are recognised in the Income Statement under other operating income or other operating expenses.

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.

ACCOUNTING POLICIES

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.

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 intangible fixed and 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.

ACCOUNTING POLICIES

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.

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.