

Copenhagen Metro Team I/S

Amager Strandvej 60
2300 København S
CVR No. 33504764

Annual report 2023

The Annual General Meeting adopted the annual report on 21.03.2024

Vivian Rasmussen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	14
Balance sheet at 31.12.2023	15
Statement of changes in equity for 2023	17
Cash flow statement for 2023	18
Notes	19
Accounting policies	24

Entity details

Entity

Copenhagen Metro Team I/S
Amager Strandvej 60
2300 København S

Business Registration No.: 33504764
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Pablo Martinez Sonnendrucker, Chairman
Daniele Cascianelli
Luca Pavone

Executive Board

Daniele Cascianelli, Project Director

Auditors

KPMG Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
CVR No.: 25578198

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Copenhagen Metro Team I/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023.

Further, in our opinion, the Management's commentary gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 21.03.2024

Executive Board

Daniele Cascianelli

Project Director

Board of Directors

Pablo Martinez Sonnendrucker

Chairman

Daniele Cascianelli

Luca Pavone

Independent auditor's report

To the shareholders of Copenhagen Metro Team I/S

Opinion

We have audited the financial statements of Copenhagen Metro Team I/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Emphasis of matter regarding matters in the financial statements

Without modifying our opinion, we draw attention to the disclosures in note 10, in which the board of directors describe the uncertainty related to the recognition and measurement of claims raised towards the employer and thereby the recognized revenue and the valuation of contract work in progress.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information

required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 21.03.2024

KPMG Statsautoriseret Revisionspartnerselskab

CVR No. 25578198

Henrik Y. Jensen

State Authorised Public Accountant

Identification No (MNE) mne35442

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Key figures					
Revenue	8,629	15,290	14,172	43,570	123,870
Gross profit/loss	(477)	6,011	2,304	16,511	1,194
Operating profit/loss	(477)	6,011	2,304	16,511	1,194
Net financials	(13,050)	(10,846)	(9,002)	(8,417)	(12,877)
Profit/loss for the year	(11,126)	(4,625)	(4,801)	5,780	(8,842)
Total assets	147,858	144,251	128,907	120,995	89,590
Equity	(5,499)	5,627	10,252	15,053	9,274
Cash flows from (used in) operating activities	(919)	(75)	(491)	(987)	16,157
Average number of employees	10	14	24	45	102
Ratios					
Gross margin (%)	(5.53)	39.31	16.26	37.90	0.96
Net margin (%)	(128.94)	(30.25)	(33.88)	13.27	(7.14)
Return on equity (%)	(17,247.21)	(58.25)	(37.95)	47.52	(64.56)
Equity ratio (%)	(3.72)	3.90	7.95	12.44	10.35

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

Copenhagen Metro Team I/S (CMT) is a Danish Partnership, which was registered on 21st February 2011 for the purpose of managing the Copenhagen Cityringen Project.

The contract was signed on 7th January 2011 between Metroselskabet I/S (MS) and CMT. CMT is a Danish Partnership composed of:

- Webuild S.p.A. (ex-Salini Impregilo S.p.A) (99,989%)
- MST S.p.A. (ex Neosia spa, ex Tecnimont Civil Construction S.p.A) (0,001%)
- S.E.L.I. Societa' Costruzione Lavori Idraulici S.p.A. (0,01%)

as amended on 24th September 2021.

The Copenhagen Cityringen Project consists of engineering, design, and construction of the new metro-ring of Copenhagen realized in a period of just more than eight years, with 17 new stations, 5 shafts and 2 new single-track tunnels of 17 kilometers each.

The Copenhagen Cityringen Project was the largest construction project in Denmark in 400 years and one of the largest in volume and scope in Europe in recent times.

In July 2019 CMT delivered the Project (hand-over), and on 29th of September 2019 the Metro line 3 (Cityringen) was officially opened to public service.

As one of the largest infrastructure projects in Europe in recent times the project itself, due to its economic value and the more than eight years of construction activities, has created a positive impact to the economy of both Copenhagen and Denmark as a whole.

Development in activities and finances

A substantial completion stage has been reached where the Cityringen Project is fit for occupancy and use for its intended purpose.

CMT is still involved in the 5-year defects liability period foreseen in the contract, ending in July 2024. However, in the period, CMT has frequently been denied access to job sites, with a consequent, unavoidable slowdown of these activities. The remaining expenses are related to Warranty period activities and to the follow-up of the arbitration process.

CMT's Income Statement for the year ended 31st December 2023 shows a loss of EUR 11,126 thousand, and the Balance Sheet at the same date shows total assets of EUR 151,758 thousand. The result includes the effect of recognition of the Claims estimated with a high probability to be awarded to CMT.

Status of the process of Claims

Claims raised by CMT towards MS according to the contract and Danish Law, are mainly related to the following:

- a) A dispute on the execution of the concrete structures in the foundation, piles and D-Walls at all the 22 shafts, resulting in additional costs and time. The technical justifications and closure of non-conformities done by CMT were rejected by MS with a substantial impact on time and costs of work performed.
- b) Misalignment of the contract schedules of the TS Contractor Ansaldo STS and CMT's contract schedule caused consequent and significant delays to CMT installation works, testing and commissioning. Additional costs

occurred, also because MS excluded CMT from access to relevant information regarding the schedule of Ansaldo STS.

- c) Ansaldo STS delays in various parts of its work, among other the installation of the Permanent Way in the tunnels and the preparation of the Safety Documentation impacted CMT time schedule and costs.
- d) Deviations and re-sequencing of the Project Model common milestones, including the negative impact of the anticipated but prolonged train testing on CMT activities. Train testing was not adequately described and anticipated in the Contract documents.
- e) Clashes and conflicts between the Ansaldo STS works and CMTs work, particularly CMTs architectural finishes work (AF) were impacted by the TS Contractors delays.
- f) Reduced productivity during installation work due to negative interferences from surface work and for the priority given to the Surface Contractors. For this reason, CMT was exposed to additional restrictions on access to the stations to perform the work resulting in delays and further costs.
- g) Delays in MS' approval process of: CMT design, CMT Non-Conformities and CMT safety documentation. It is CMT's technical and legal evaluation that the events described caused significant additional delays to CMT's scheduled program of works.

These delays caused significant increases of expenses among other due to CMT's mitigation measures and accelerations to secure that the Cityringen Project would be delivered of the required quality and on time, which was CMT's focus during the entire execution phase.

This focus was the reason for CMT's mitigation of problems, mistakes and delays caused by other parties on the project.

It is CMT's evaluation that the additional expenses related to mitigation activities should be subject to Variation Orders in accordance with C.S.A. no.7. In accordance with C.S.A. no.7 Variation Orders are not subject to CAPS. In April 2021 CMT submitted its Supplementary Statement of Claims to the Danish Building and Construction Arbitration Board. The updated total amount that is going to be claimed from MS in the arbitration court is 792,1 M€.

This does not include the reputational claim reserved in the final account and the Attachments 4-5-6 to C.S.A. no.7, the legal costs, and all other necessary costs to complete the arbitration.

The reputational damage

It is CMTs evaluation that CMT and the shareholders behind the consortium suffered unnecessary reputational damage. According to the contract CMT could not approach stakeholders or media without prior approval from MS.

However, this was legally conditional upon MS adopting an objective, transparent, factual, fair and balanced report of the events, which MS failed to according to CMT's claim.

Examples of the above are the repeated denials to CMT access to media to protect its reputation and MS' failure to take initiatives to do joint media activities with CMT.

An example is the more than 50 publicly available videos produced by MS about the progress of the works, where none of them give any indication that CMT performed 99 percent of the physical works on the Cityringen. It is CMT's evaluation, that MS by such actions deliberately and intentionally aimed to gain an unjustified appreciation with stakeholders.

Process and evaluation of the claims

CMT's ongoing technical and legal evaluations of the quality and the merit of the claims concludes that there is sufficient reason and justification to process the before mentioned claims.

So far CMT has submitted more than 75.000 pages of material to the Danish Construction and Arbitration Board for documentation and substantiation.

During 2020 MS submitted counterclaims to CMT for rectification of defects, which prevented the value of the Performance Bond to be reduced from 3 percent to 1 percent of the amount of the works. These counterclaims were rejected by CMT since the technical and legal evaluation show that they are completely undocumented and unsubstantiated.

As a consequence, a new dispute was raised by CMT in the Danish Building and Construction Arbitration Board in 2021, in order to request the reduction of the Performance Bond from 3 percent to 1 percent of the contract value, because CMT considers that 3 percent is unduly retained. However, the arbitration court decided that this question should be decided within the above-mentioned existing dispute.

In addition, as part of the claim process, several questions were raised and answered within the agreed "Syn & Skøn" procedures.

As of today, the process in the Danish Arbitration Court is ongoing.

Profit/loss for the year in relation to expected developments

Results on the Main Profit and Loss figures for the Year 2023 were slightly more negative than expected, primarily due to a higher interest rate on debt throughout the year.

Uncertainty relating to recognition and measurement

The date of achievement of the hand-over milestone for the Cityringen Project, set for 12th of July 2019, has been confirmed successfully and has been signed by the parties on 19th of July 2019.

On 29th of September the Metro Line 3 (Cityringen) officially opened to the public service.

The Statement of Final Account has been submitted to MS on 10th of January 2020, and modified in March 2020 fixing the final contract price, excluding Contractor's outstanding claims, in EUR 2,117,838 thousand.

Costs for unbudgeted activities incurred primarily, for structural works requested by MS and mitigation/acceleration measures to mitigate delays due to MS' risks, leading to the notification of claims from CMT to MS.

These costs, with others related to, inter alia, EoT (Extension of Time), delayed approval of AF design, interferences created by the main contractor of the transport-systems, were taken into consideration during the evaluation of the work in progress, to the extent foreseen by the legal and technical opinions, in accordance with the procedures adopted by the Webuild Group.

During the course of the works, negotiations regarding the closure of certain claims and Variation Orders were finalized with the C.S.A. no.7 and Attachments 4, 5 and 6. The remaining disputed requests for Variation Orders and claims (approx. 110 No. in total, on various matters) were presented and substantiated. The total amount of the claims is EUR 792,1 million (at 31st of December 2023), excluding interest and VAT.

The amount of the claims is within the fully expected range due to the size, complexity and duration of the project.

CMT delivered a wholeheartedly, committed and professional effort to complete the Cityringen project successfully and on-time - mostly by mitigating and recovering delays that were completely outside CMTs influence and responsibility.

All these claims have been indicated in the Statement of Final Account. In addition to this CMT has reserved a Reputational Claim, the costs of the bank guarantees and a claim for failure of the agreed Negotiation Process.

CMT claims are going to be presented in the Danish Building and Construction Arbitration Board - extensively and thoroughly - reflecting the result of the Cityringen and the effort and resources deliverers to complete the project in time.

The Variation Orders are not included in C.S.A. no.7 and are to be considered additional if agreed by the parties or expressly ordered to CMT.

In parallel to the formal judicial process, CMT will maintain a transparent, solution oriented and constructive approach towards a potential amicable settlement.

CMT cannot exclude the fact that currently unforeseeable events may arise in the future which require changes to the assessments made to date, and that these might be material.

Outlook

CMT expects to have a negative financial outcome for 2024, mainly due to legal and technical expenses for the management and follow-up of the claims in the arbitration process, and for financial expenses accrual.

Statutory report on corporate social responsibility

Corporate Social Responsibility (CSR) for CMT is the main policy to be followed as a fundamental element and a key driver for achieving business results in a sustainable way.

The main points of our CSR are:

- a) Human rights.
- b) Employee rights.
- c) Anti-corruption.
- d) Health and safety.
- e) Environment and climate.

CMT's CSR policy is in accordance with the policy of our main Shareholder Webuild S.p.A. - Italy.

Their latest Sustainability Report was submitted in April 2023, available on website at:
<https://www.webuildgroup.com/en/sustainability/report/>

Statutory report on the underrepresented gender

Goal/target

According to the Articles of Association of CMT, the Board of directors is appointed by the three partners of the Partnership, cf. article 5.3 of the Articles of Association. Currently, CMT has no female board members.

The Board of directors considers it an ambition to increase the number of female members of the Board of directors to one member within the next four years.

Policy

CMT initiatives are aimed at increasing the number of female managers and to instruct the in-house HR-department to seek qualified female candidates for management positions in order to make a balance between the genders. It is a demand that female candidates for vacant jobs are considered carefully.

The percentage of female leaders is presently at 20,0% (2022 was also 20,0%)

The aim is that the percentage should be raised when vacant jobs arise.

The initiative is in accordance with the policy of our main Shareholder Webuild S.p.A. Italy.

Events after the balance sheet date

No event has occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 EUR'000	2022 EUR '000
Revenue	3	8,629	15,290
Production costs		(9,106)	(9,279)
Gross profit/loss		(477)	6,011
Other financial income	5	18,965	8,153
Other financial expenses	6	(32,015)	(18,999)
Profit/loss before tax		(13,527)	(4,835)
Tax on profit/loss for the year	7	2,401	210
Profit/loss for the year	8	(11,126)	(4,625)

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR'000	2022 EUR'000
Plant and machinery		0	5
Leased assets		261	349
Property, plant and equipment	9	261	354
Fixed assets		261	354
Trade receivables		16	0
Contract work in progress	10	141,975	133,360
Receivables from group enterprises		1,844	1,848
Other receivables		1,986	5,892
Prepayments	11	606	708
Receivables		146,427	141,808
Cash	12	1,170	2,089
Current assets		147,597	143,897
Assets		147,858	144,251

Equity and liabilities

	Notes	2023 EUR'000	2022 EUR'000
Retained earnings		(5,499)	5,627
Equity		(5,499)	5,627
Deferred tax	13	0	2,400
Provisions		0	2,400
Lease liabilities		79	125
Non-current liabilities other than provisions	14	79	125
Current portion of non-current liabilities other than provisions	14	61	135
Trade payables		10,560	15,300
Payables to group enterprises		142,075	120,124
Other payables		582	540
Current liabilities other than provisions		153,278	136,099
Liabilities other than provisions		153,357	136,224
Equity and liabilities		147,858	144,251
Going concern	1		
Events after the balance sheet date	2		
Staff costs	4		
Contingent liabilities	16		
Related parties with controlling interest	17		
Transactions with related parties	18		
Group relations	19		

Statement of changes in equity for 2023

	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	5,627	5,627
Profit/loss for the year	(11,126)	(11,126)
Equity end of year	(5,499)	(5,499)

Cash flow statement for 2023

	Notes	2023 EUR'000	2022 EUR'000
Operating profit/loss		(477)	6,011
Amortisation, depreciation and impairment losses		95	87
Working capital changes	15	12,513	4,673
Cash flow from ordinary operating activities		12,131	10,771
Financial income received		18,965	8,153
Financial expenses paid		(32,015)	(18,999)
Cash flows from operating activities		(919)	(75)
Free cash flows generated from operations and investments before financing		(919)	(75)
Increase/decrease in cash and cash equivalents		(919)	(75)
Cash and cash equivalents beginning of year		2,089	2,164
Cash and cash equivalents end of year		1,170	2,089
Cash and cash equivalents at year-end are composed of:			
Cash		1,170	2,089
Cash and cash equivalents end of year		1,170	2,089

Notes

1 Going concern

The Company's current liabilities at this date exceed its current assets. The company is dependent on Webuild Group to regularly provide sufficient and necessary liquidity, in accordance to the approved budget, to ensure that the company is able to fulfill its obligations and liabilities as they fall due. No commitment in financial support has been provided from Webuild Group in accordance to its internal policies. Management however assessed that Webuild Group has the ability and intention to provide necessary financial support as in previous years and consequently that there is no material uncertainty regarding the entity's ability for going concern. On this basis the financial statements for the year ended 31 December 2023 has been prepared on a going concern basis.

2 Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

3 Revenue

The entity only manages one construction project in Denmark, and the activity can therefore not be allocated into separate segments.

4 Staff costs

	2023	2022
	EUR'000	EUR'000
Wages and salaries	3,200	4,037
Other staff costs	1	1
	3,201	4,038
Average number of full-time employees	10	14

CMT Board of Director members are not remunerated for the specific task, as this activity is deemed included in their overall compensation from Webuild Group. The compensation paid by Webuild Group to CMT Board members are: EUR 883 thousands in 2023 and EUR 1,200 thousands in 2022.

5 Other financial income

	2023	2022
	EUR'000	EUR'000
Other interest income	18,965	8,153
	18,965	8,153

6 Other financial expenses

	2023 EUR'000	2022 EUR'000
Financial expenses from group enterprises	6,283	4,342
Other interest expenses	18,990	8,175
Other financial expenses	6,742	6,482
	32,015	18,999

7 Tax on profit/loss for the year

	2023 EUR'000	2022 EUR'000
Change in deferred tax	(2,401)	(210)
	(2,401)	(210)

8 Proposed distribution of profit and loss

	2023 EUR'000	2022 EUR'000
Retained earnings	(11,126)	(4,625)
	(11,126)	(4,625)

9 Property, plant and equipment

	Plant and machinery EUR'000	Leased assets EUR'000
Cost beginning of year	30	495
Cost end of year	30	495
Depreciation and impairment losses beginning of year	(25)	(146)
Depreciation for the year	(5)	(88)
Depreciation and impairment losses end of year	(30)	(234)
Carrying amount end of year	0	261

10 Contract work in progress

	2023 EUR'000	2022 EUR'000
Contract work in progress	2,566,663	2,539,066
Progress billings regarding contract work in progress	(2,424,688)	(2,405,706)
	141,975	133,360

Costs for unbudgeted activities were incurred during the last five years, primarily for:

- A) Structure consolidation works requested by the employer.
- B) Delays for approval of Architectural Finishes design, and delays due to employer's risk events;
- C) Delay disruption and prolongation indirect costs;

leading to the formalization of requests for additional compensations. These costs were taken into consideration during the evaluation of work in progress, to the extent in which their reimbursement was deemed highly probable, based on technical and legal opinions, in accordance with the procedures in force within Webuild Group. A portion of raised claims has been recognized as revenues in the last budget of October 2023, to cover the extra costs incurred, and based on estimated outcome of the Claims. Part of the claims have been settled. While other claims have been deferred to the Building and Construction Arbitration Court, under certain specific condition. CMT cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date, and these changes might be material.

11 Prepayments

Prepayments accounts for prepaid insurances and deferred expenses.

12 Cash

Cash and cash equivalents are composed by bank balances in Danish banks.

13 Deferred tax

	2023 EUR'000	2022 EUR'000
Property, plant and equipment	0	(1,195)
Other deductible temporary differences	0	3,595
Deferred tax	0	2,400

	2023 EUR'000	2022 EUR'000
Changes during the year		
Beginning of year	2,400	2,610
Recognised in the income statement	(2,400)	(210)
End of year	0	2,400

The Danish tax authorities made a verdict on the ongoing tax case during 2022 and changed the taxable income for the income years 2019 and 2020, stating that the project costs should be deducted in 2019 and the income from the project upon the finalization of the contract with Metroselskabet I/S. The project was physically delivered in 2019, but due to significant unsettled claims, this will have a significant impact on the final outcome of the contract and the related taxable income, practically the contract is not yet finalized; as consequence CMT filed an appeal to the Tax tribunal and the management has decided not to recognize any additional tax loss carried forward related to the above matter.

14 Non-current liabilities other than provisions

	Due within 12 months 2023 EUR'000	Due within 12 months 2022 EUR'000	Due after more than 12 months 2023 EUR'000
Lease liabilities	61	135	79
	61	135	79

The company has no long-term debt that is due more than 5 years from the balance sheet date.

15 Changes in working capital

	2023	2022
	EUR'000	EUR'000
Increase/decrease in receivables	(8,519)	(15,507)
Increase/decrease in trade payables etc	(918)	(1,803)
Other changes	21,950	21,983
	12,513	4,673

16 Contingent liabilities

In 2021 all pending subcontractor's claims submitted in Arbitration were closed, therefore, as of 31 December 2023, there are no residual risks related to subcontractors claims.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2015 for income taxes etc. for the jointly taxed entities, and from 2015 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

17 Related parties with controlling interest

The main companies closely related to Copenhagen Metro Team I/S are companies belonging to Webuild Group. The transactions between these Webuild Group companies mainly relate to commercial assistance, services (technical, organizational, legal and administrative), seconded personnel and financial transactions. These transactions are regulated by specific contracts and in accordance to the procedures in force within the group.

18 Transactions with related parties

	Parent	Other related
	EUR'000	parties
	EUR'000	EUR'000
Production costs	1,051	0
Financial expenses	6,512	0
Receivables	0	1,848
Liabilities other than provisions	142,075	0

CMT I/S has issued a Transfer Pricing Report highlighting the various Intercompany transactions.

Related party transactions are related to: Seconded personnel, Guarantee Fee, Management Fees, Interest expenses and other minor services (IT).

Remuneration to the parent company's executive board and board of directors is disclosed in note 4. Payables to group enterprises are disclosed in the balance sheet.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Webuild S.p.A., Centro Direzionale Milanofiori Strada 6 - Palazzo L - 20089 Rozzano (MI) - Italy

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Webuild S.p.A., Centro Direzionale Milanofiori Strada 6 - Palazzo L - 20089 Rozzano (MI) - Italy

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year. The financial statement is presented in Euro (EUR).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the work performed in the financial year (the percentage-of-completion method). The percentage of completion is estimated based on realised production costs compared to the estimated total production costs.

Claims raised towards the employer are recognized as income to cover the direct and indirect costs which have been incurred when the estimated outcome of the claims can be assessed highly probable.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, as well as amortisation, depreciation and impairment losses relating to property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Other financial income

Other financial income comprises interest income, including interest income on net capital gains payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on net capital losses on, payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The partnership has been registered as an individual tax subject and will provide taxes on behalf of the partnership parties.

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, other fixtures and fittings, tools and equipment and leased assets are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leased assets	5 years
Other fixtures and fittings, tools and equipment	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

The entity is part of the centralized treasury account.

Contract work in progress

Contract work in progress is measured based on the percentage of completion.

Contract work in progress less prepayments received from the Client, is recognised in the balance sheet under receivable or liabilities other than provision, depending on whether the net value is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.