

Bilfinger Danmark A/S

Vesterhavsgade 147
6700 Esbjerg

CVR no. 33 85 95 38

Annual report for 2023

(13th Financial year)

Adopted at the annual general meeting
on 28. juni 2024

Dr David Douglas Nairn Hall
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Bilfinger Danmark A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Esbjerg, 28 June 2024

Executive board

Michael Fugleberg Damtoft
CEO

Supervisory board

Dr David Douglas Nairn Hall
Chairman

Michael Fugleberg Damtoft

Derek Marcus

Independent auditor's report

To the shareholder of Bilfinger Danmark A/S

Opinion

We have audited the financial statements of Bilfinger Danmark A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Other matter

With effect for the current financial year, the company is covered by the obligation to be audited. We must emphasize that the comparative figures in the annual accounts have not been audited.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Independent auditor's report

Statement on management's review

Management is responsible for management's review.

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

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

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

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

Hellerup, 28 June 2024

CVR no. 33 25 68 76



Lasse Nørgård
State Authorized Public Accountant
mne10675

Company details

The company

Bilfinger Danmark A/S
Vesterhavsgade 147
6700 Esbjerg

CVR no.: 33 85 95 38

Reporting period: 1 January - 31 December 2023

Incorporated: 11 July 2011

Domicile: Esbjerg

Supervisory board

Dr David Douglas Nairn Hall, chairman
Michael Fugleberg Damtoft
Derek Harcus

Executive board

Michael Fugleberg Damtoft, CEO

Auditors

Crowe
Statsautoriseret Revisionsinteressentskab v.m.b.a.
Rygårds Allé 104
2900 Hellerup

Management's review

Business review

The company's purpose is to run a contracting business within engineering, construction, fabrication and maintenance of industrial plants and floating production units and related business.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 1,178,989, and the balance sheet at 31 December 2023 shows equity of DKK 5,153,329.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Bilfinger Danmark A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in work in progress less other external costs.

Revenue

Revenue is attributable to services provided by the Company. Revenue is recognised over time as performance is attributable to services by the Company. Revenue is recognised over time as performance obligations are fulfilled, which is when the service has been transferred to the customer. This is based on the actual service provided during the year to the end of the reporting period and determined by actual labour and hire rates specified in customer contracts.

Accounting policies

In accordance with contractual arrangements, there is typically a monthly invoice with usual payment terms of 30 to 60 days after invoice has been issued. Prior to the invoice being raised, revenue is accrued in the accounting period to which it is earned. Provision is made for all losses expected to arise on completion of contracts entered into at the statement of financial position date, whether or not work has commenced on these contracts.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised exchange gains and losses on foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 7 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

Tangible assets

Items of fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Useful life

Other fixtures and fittings, tools and equipment 3-5 years

Assets costing less than DKK 10.000 are expensed in the year of acquisition.

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any amounts estimated to be uncollectable. An estimate for doubtful debts is made when there is objective evidence that the collection of the full amount is no longer probable under the terms of the original invoice. Impaired debts are derecognised when they are assessed as uncollectable.

Accounting policies

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit and loss. ECLs are based in the difference between contractual cash flows in accordance with the contract and all the cash flows the company expects to receive, discounted at an approximation of the original effective interest rate. ECLs are provided for credit losses that result from default events that are possible within the next 12 months.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

As management company, Bilfinger Danmark A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement
1 January 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Gross profit		50,087,219	44,260
Staff costs	1	-38,019,190	-32,277
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-7,120,424</u>	<u>-5,839</u>
Profit/loss before net financials		4,947,605	6,144
Financial income	2	795,498	1,595
Financial costs	3	<u>-3,778,707</u>	<u>-2,224</u>
Profit/loss before tax		1,964,396	5,515
Tax on profit/loss for the year	4	<u>-3,143,385</u>	<u>4,699</u>
Profit/loss for the year		<u><u>-1,178,989</u></u>	<u><u>10,214</u></u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>-1,178,989</u>	<u>10,214</u>
		<u><u>-1,178,989</u></u>	<u><u>10,214</u></u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Assets			
Goodwill		6,415,211	7,698
Intangible assets	5	<u>6,415,211</u>	<u>7,698</u>
Other fixtures and fittings, tools and equipment	6	11,732,363	13,464
Tangible assets		<u>11,732,363</u>	<u>13,464</u>
Total non-current assets		<u>18,147,574</u>	<u>21,162</u>
Trade receivables		9,925,484	9,864
Contract work in progress		5,275,640	6,879
Receivables from group enterprises		18,253,035	5,261
Other receivables		1,256,708	9,727
Deferred tax asset		3,378,734	6,426
Corporation tax		0	2,291
Prepayments		398,850	696
Receivables		<u>38,488,451</u>	<u>41,144</u>
Cash at bank and in hand		<u>16,851,361</u>	<u>7,479</u>
Total current assets		<u>55,339,812</u>	<u>48,623</u>
Total assets		<u><u>73,487,386</u></u>	<u><u>69,785</u></u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Equity and liabilities			
Share capital		500,000	500
Retained earnings		4,653,329	5,832
Equity		<u>5,153,329</u>	<u>6,332</u>
Payables to group enterprises		47,500,000	0
Total non-current liabilities	7	<u>47,500,000</u>	<u>0</u>
Short-term part of long-term debt	7	2,500,000	0
Trade payables		4,050,969	3,170
Payables to group enterprises		6,823,257	51,479
Corporation tax		96,349	0
Other payables		7,363,482	8,645
Deferred income		0	159
Total current liabilities		<u>20,834,057</u>	<u>63,453</u>
Total liabilities		<u>68,334,057</u>	<u>63,453</u>
Total equity and liabilities		<u><u>73,487,386</u></u>	<u><u>69,785</u></u>
Contingent liabilities	8		
Mortgages and collateral	9		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	500,000	5,832,318	6,332,318
Net profit/loss for the year	0	-1,178,989	-1,178,989
Equity at 31 December 2023	<u>500,000</u>	<u>4,653,329</u>	<u>5,153,329</u>

Notes

	<u>2023</u>	<u>2022</u>
	DKK	TDKK
1 Staff costs		
Wages and salaries	33,951,424	29,153
Pensions	3,385,351	2,977
Other social security costs	682,415	147
	<u>38,019,190</u>	<u>32,277</u>
Number of fulltime employees on average	<u>49</u>	<u>46</u>
2 Financial income		
Interest received from group enterprises	489,352	54
Other financial income	179,450	1,541
Exchange adjustments	126,696	0
	<u>795,498</u>	<u>1,595</u>
3 Financial costs		
Interest paid to group enterprises	3,339,015	1,504
Other financial costs	439,692	181
Exchange adjustments costs	0	539
	<u>3,778,707</u>	<u>2,224</u>
4 Tax on profit/loss for the year		
Current tax for the year	96,349	0
Deferred tax for the year	3,047,036	1,018
Adjustment of tax concerning previous years	0	1,727
Adjustment of deferred tax concerning previous years	0	-7,444
	<u>3,143,385</u>	<u>-4,699</u>

Notes

5 Intangible assets

	<u>Goodwill</u>
Cost at 1 January 2023	8,981,295
Cost at 31 December 2023	<u>8,981,295</u>
Impairment losses and amortisation at 1 January 2023	1,283,042
Depreciation for the year	<u>1,283,042</u>
Impairment losses and amortisation at 31 December 2023	<u>2,566,084</u>
Carrying amount at 31 December 2023	<u><u>6,415,211</u></u>

6 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2023	18,019,161
Additions for the year	4,124,719
Disposals for the year	<u>-18,547</u>
Cost at 31 December 2023	<u>22,125,333</u>
Depreciation at 1 January 2023	4,555,588
Depreciation for the year	<u>5,837,382</u>
Depreciation at 31 December 2023	<u>10,392,970</u>
Carrying amount at 31 December 2023	<u><u>11,732,363</u></u>

Notes

7 Long term debt

	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Payables to group enterprises	<u>0</u>	<u>47,500,000</u>	<u>2,500,000</u>	<u>0</u>
	<u>0</u>	<u>47,500,000</u>	<u>2,500,000</u>	<u>0</u>

8 Contingent liabilities

The company is jointly taxed with other Danish group companies. The jointly taxed companies have joint and unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

The company has entered into a rental agreement that can be terminated on 31 March 2027 at the earliest with a contingent liability of DKK 1,734 thousand.

The company has entered into lease agreements, which result in a contingent liability of DKK 79 thousand.

9 Mortgages and collateral

None.