
BAM Danmark A/S

Tobaksvejen 25, 1. tv., DK-2860 Søborg

Annual Report for 2023

CVR No. 35 65 19 50

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/6 2024

Marinus Frederik
Robert de Jonge
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of BAM 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 financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Søborg, 26 June 2024

Executive Board

Marinus Frederik Robert de Jonge
Manager

Board of Directors

Marinus Johannes Sebastianus
Antonius Broos
Chairman

Wilhelmus Patrick de Kort

Marinus Frederik Robert de Jonge

Independent Auditor's report

To the shareholder of BAM Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of BAM Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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' 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.

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, in our view, 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 in Management's Review.

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 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.

Hellerup, 26 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Morten Jørgensen

State Authorised Public Accountant

mne32806

Company information

The Company	<p>BAM Danmark A/S Tobaksvejen 25, 1. tv. 2860 Søborg</p> <p>Email: info@bam-danmark.dk</p> <p>CVR No: 35 65 19 50 Financial period: 1 January - 31 December Incorporated: 30 January 2014 Financial year: 10th financial year Municipality of reg. office: Gladsaxe</p>
Board of Directors	<p>Marinus Johannes Sebastianus Antonius Broos, chairman Wilhelmus Patrick de Kort Marinus Frederik Robert de Jonge</p>
Executive Board	<p>Marinus Frederik Robert de Jonge</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup</p>

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross loss	-315,791	-274,233	63,379	44,278	8,590
Profit/loss of primary operations	-377,440	-321,741	18,452	6,118	-7,055
Profit/loss of financial income and expenses	10,108	250	-149	-133	-87
Net profit/loss for the year	-366,871	-318,731	14,208	4,666	-5,573
Balance sheet					
Balance sheet total	438,325	560,149	135,911	147,795	86,904
Equity	-212,750	154,121	22,851	8,644	3,978
Number of employees	55	54	55	47	38
Ratios					
Return on assets	-86.1%	-57.4%	13.6%	4.1%	-8.1%
Solvency ratio	-48.5%	27.5%	16.8%	5.8%	4.6%

Management's review

Key activities

The object of the Company is to carry on design, construction and contracting business, including construction of real property as well as industrial activities in Denmark and abroad, including within project development of real property, industry, trade and investment and other activities related thereto.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 366,870,755, and at 31 December 2023 the balance sheet of the Company shows a negative equity of DKK 212,749,937.

The result is primarily due to significant write-downs on the value of work in progress in 2023. This is due to both individual circumstances and a general negative market development.

The past year and follow-up on development expectations from last year

The loss for the year is considered to be very unsatisfactory and higher than expected due to higher write-downs on the value of work in progress.

Targets and expectations for the year ahead

The market circumstances including inflation and supply chain challenges continue to impact the business. The company expects a significant improvement of results before tax compared to 2023 but still expecting to be negative. BAM Danmark is fully committed to delivering its projects.

External environment

Company Management has continued to focus on the impact that the activities has on the external environment and working to reduce the environmental impact associated with the implementation of projects.

This work is done through careful planning and conscious choice of materials and methodology in both tendering-, planning- and execution phase.

Subsequent events

After the end of the financial year, events have occurred which have led to further write-downs on work in progress, which is the reason for the company's expectations for the year.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross loss		-315,790,593	-274,232,646
Staff expenses	4	-61,649,001	-47,508,159
Profit/loss before financial income and expenses		-377,439,594	-321,740,805
Financial income	5	10,605,360	344,857
Financial expenses	6	-497,041	-95,202
Profit/loss before tax		-367,331,275	-321,491,150
Tax on profit/loss for the year	7	460,520	2,760,602
Net profit/loss for the year	8	-366,870,755	-318,730,548

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Trade receivables		60,058,495	76,372,999
Contract work in progress	9	8,857,599	0
Receivables from group enterprises		343,432,622	473,434,765
Other receivables		12,606,977	6,853,173
Deferred tax asset	10	0	0
Prepayments		2,506,551	1,516,705
Receivables		427,462,244	558,177,642
Cash at bank and in hand		10,862,670	1,971,163
Current assets		438,324,914	560,148,805
Assets		438,324,914	560,148,805

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		-213,249,937	153,620,818
Equity		-212,749,937	154,120,818
Other provisions	11	8,502,985	9,424,104
Provisions		8,502,985	9,424,104
Payables to group enterprises		240,376,000	0
Long-term debt	12	240,376,000	0
Trade payables		212,623,788	107,892,999
Contract work in progress	9	169,258,914	281,410,448
Payables to group enterprises	12	5,600,482	451,313
Other payables		14,712,682	6,849,123
Short-term debt		402,195,866	396,603,883
Debt		642,571,866	396,603,883
Liabilities and equity		438,324,914	560,148,805
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Subsequent events	3		
Contingent assets, liabilities and other financial obligations	13		
Related parties	14		
Accounting Policies	15		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500,000	153,620,818	154,120,818
Net profit/loss for the year	0	-366,870,755	-366,870,755
Equity at 31 December	500,000	-213,249,937	-212,749,937

Notes to the Financial Statements

1. Going concern

The parent company, Koninklijke BAM Groep nv, has provided a financing facility and issued a letter of support confirming that the parent company, if needed, will support BAM Danmark A/S financially until at least June 2025 with the amount that is expected to be sufficient to cover the liquidity needed.

2. Uncertainty relating to recognition and measurement

In connection with the preparation of the annual accounts, the management has made a number of assumptions and made accounting estimates and assessments, which form part of the basis for recognition and measurement of the company's assets and liabilities as well as income and expenses.

These assumptions and assessments are based on historical experience and business knowledge as well as other factors that management considers reasonable, but which by their nature can be uncertain and unpredictable. Unexpected events and conditions may cause the realized results to deviate from the estimates and assessments used.

It is the management's assessment that accounting estimates and assessments that may be particularly significant for the preparation of the accounts primarily relate to the recognition of work progress, including disputes, litigations and arbitration proceedings.

3. Subsequent events

After the end of the financial year, events have occurred which have led to further write-downs on work in progress, which is the reason for the company's expectations for the year.

4. Staff Expenses

	2023	2022
	DKK	DKK
Wages and salaries	53,611,962	43,037,758
Pensions	3,163,043	3,214,902
Other social security expenses	4,873,996	1,255,499
	<u>61,649,001</u>	<u>47,508,159</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	<u>55</u>	<u>54</u>
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Notes to the Financial Statements

	2023	2022
	DKK	DKK
5. Financial income		
Interest received from group enterprises	10,604,526	0
Other financial income	0	344,772
Exchange gains	834	85
	<u>10,605,360</u>	<u>344,857</u>
	2023	2022
	DKK	DKK
6. Financial expenses		
Interest paid to group enterprises	376,000	0
Other financial expenses	66,899	72,843
Exchange loss	54,142	22,359
	<u>497,041</u>	<u>95,202</u>
	2023	2022
	DKK	DKK
7. Income tax expense		
Current tax for the year	-460,520	0
Deferred tax for the year	0	-2,760,602
	<u>-460,520</u>	<u>-2,760,602</u>
	2023	2022
	DKK	DKK
8. Profit allocation		
Retained earnings	<u>-366,870,755</u>	<u>-318,730,548</u>
	<u>-366,870,755</u>	<u>-318,730,548</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
9. Contract work in progress		
Selling price of work in progress	822,370,915	765,944,307
Payments received on account	-982,772,230	-1,047,354,755
	<u>-160,401,315</u>	<u>-281,410,448</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	8,857,599	0
Prepayments received recognised in debt	-169,258,914	-281,410,448
	<u>-160,401,315</u>	<u>-281,410,448</u>

	2023	2022
	DKK	DKK
10. Deferred tax asset		
Deferred tax asset at 1 January	0	-2,760,602
Amounts recognised in the income statement for the year	0	2,760,602
Deferred tax asset at 31 December	<u>0</u>	<u>0</u>
Tax loss carry-forward	-148,310,325	-67,957,964
Transferred to deferred tax assets	148,310,325	67,957,964
	<u>0</u>	<u>0</u>

Deferred tax has been provided at 22% corresponding to the current tax rate.

Deferred tax asset		
Calculated tax assets	148,310,325	67,957,964
Write down to assessed value	148,310,325	67,957,964
Carrying amount	<u>0</u>	<u>0</u>

The total tax loss carry-forward amount to DKK 674.1 million at 31 December 2023 (2022: DKK 306.8 million).

Notes to the Financial Statements

	2023	2022
	DKK	DKK
11. Other provisions		
The company has an obligation to perform certain works and warranty repairs on completed projects. Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, and it is probable that settlement of the obligation will result in a consumption of the company's financial resources. Provisions are measured at expected net realizable value.		
Other provisions	8,502,985	9,424,104
	8,502,985	9,424,104
The provisions are expected to mature as follows:		
After 5 years	8,502,985	9,424,104
	8,502,985	9,424,104
	2023	2022
	DKK	DKK
12. Long-term debt		
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.		
The debt falls due for payment as specified below:		
Payables to group enterprises		
After 5 years	240,376,000	0
Long-term part	240,376,000	0
Other short-term debt to group enterprises	5,600,482	451,313
	245,976,482	451,313
	2023	2022
	DKK	DKK
13. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	558,185	1,095,547
Between 1 and 5 years	501,256	887,858
	1,059,441	1,983,405
Guarantee obligations		
The company has working guarantee obligations for a total of DKK 252 million.		

Notes to the Financial Statements

2023
DKK

2022
DKK

13. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

As part of its business character, the Company is a natural party to various disputes, disputes, litigation and arbitration proceedings. In all cases, it is assessed to what extent the cases can lead to liabilities for the company and the likelihood of them. A case may in special cases also result in a contingent asset or claim against parties other than the developer. Available information and legal reviews from advisors form the basis of management's discretion. The outcome can be difficult to assess, and the result can naturally deviate from the company's assessment and have an impact on the Company's cash position and future results.

14. Related parties and disclosure of consolidated financial statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Royal BAM Group nv	Bunnik, Holland/Netherlands
BAM Bouw en Techniek B.V	Bunnik, Holland/Netherlands

The Group Annual Report of Royal BAM Group nv may be obtained at the following address:

<http://www.bam.com/en/investor-relations/annual-reports>

Notes to the Financial Statements

15. Accounting policies

The Annual Report of BAM Danmark A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Royal BAM Group nv, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

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 completed 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 Company. 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.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

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

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$