
***Odense Hospital Project Team
Joint Venture I/S***

Kochsgade 31C, 1 sal
5000 Odense C,
Denmark

**Annual Report 2023
1 January - 31 December**

CVR No 3930 2675

The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on
10th June 2024

Mr. Simone Bonauguro
Chairman of the General
Meeting

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Management's Statement

The Board of Directors have today considered and adopted the Annual Report of Odense Hospital Project Team Joint Venture I/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.

Odense, 10th June 2024

Executive Board

Mr. Simone Bonauguro
Chairman

Mr. Massimo Andreoni

Mr. Igor Soglia

Mr. Andrea Picello



Independent Auditor's Report

To the shareholders of Odense Hospital Project Team Joint Venture I/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 and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Odense Hospital Project Team Joint Venture I/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("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' 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 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

We draw attention to note 1 to the financial statements describing the uncertainty pertaining to the valuation of contract work in progress. Our opinion is not modified with respect to this matter.

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.



Independent Auditor's Report

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.

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 judgment and maintain professional skepticism 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.



Independent Auditor's Report

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosure 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.

Odense, 10th June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikael Johansen

State Authorized Public Accountant

mne23318

Claus Damhave

State Authorized Public Accountant

mne34166

Company Information

The Company **Odense Hospital Project Team Joint Venture I/S**

Kochsgade 31C, 1 sal
5000 Odense C,
Denmark

Telephone: +45 32 22 57 23

CVR No 3930 2675

Financial year period: 1 January - 31 December

Municipality of registered office: Odense

Executive Board

Mr. Simone Bonauguro
Mr. Igor Soglia
Mr. Massimo Andreoni
Mr. Andrea Picello

Board of Representative Mr. Simone Bonauguro

Mr. Roberto Davoli
Mr. Luciano Giovanni Reguzzo
Mr. Giorgio Giulio Ambrosini

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Munkebjergvænget 1, 3 og 4 sal
5230 Odense M,
Denmark

Financial Highlights

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	DKK	DKK	DKK	DKK	DKK
Key figures					
Profit/loss					
Revenue	901.869.551	920.134.163	957.222.543	746.582.461	207.090.718
Gross profit	88.465.203	127.364.938	121.945.053	95.178.964	33.647.119
Profit/loss before financial income and expenses	3.845.885	45.521.125	49.030.836	38.981.830	10.589.507
Net financials	2.618.883	(736.566)	(2.198.122)	(1.482.390)	(772.837)
Net profit for the year	6.464.768	44.784.560	46.832.714	37.499.440	9.816.670
Balance sheet					
Balance sheet total	541.458.661	711.292.334	702.890.767	572.394.748	253.941.845
Equity	148.170.281	141.705.513	96.920.953	50.088.239	12.588.799
Cashflows					
Cash flows from:					
- Operating activities	(289.475.496)	64.444.596	219.375.091	49.321.815	155.946.519
- investing activities	(13.531.146)	(12.698.279)	(2.997.588)	(16.275.257)	(827.607)
including investment in property, plant and equipment	(14.253.881)	(13.846.647)	(4.403.373)	(16.275.257)	(827.607)
Change in cash and cash equivalents for the year	(303.464.497)	47.394.742	206.254.364	33.997.152	147.588.813
Number of employees	92	84	79	56	21
Ratios					
Gross margin	9,8%	13,8%	12,7%	12,7%	16,2%
Profit margin	0,4%	4,9%	5,1%	5,2%	5,1%
Return on assets	0,7%	6,4%	7,0%	6,8%	4,2%
Solvency ratio	27,4%	19,9%	13,8%	8,8%	5,0%
Return on equity	8,7%	63,2%	96,6%	149,7%	156,0%

For definitions, see under accounting policies.

Management's Review

Key activities

The entity's activity is to design and build the new Odense University Hospital for the client, Region Syddanmark. The new completion date is under discussion with Client and will be finalized during 2024.

In December 2022, a contract addendum was signed with the customer in this regard, which determined, among other things, a one-year time extension.

However, during the financial year 2023, various external factors not attributable to the contractor, including certain delays attributable to the customer, caused delays in the works that resulted in the contractor failing to meet certain intermediate milestones. On this basis, the JV submitted a request for an extension of the contractual deadlines as well as a claim for reimbursement for the extended construction period. Amicable discussions are currently pending between the parties aimed at analysing the requests received from the JV.

Development in the year

The income statement of the Company for 2023 shows a profit of DKK 6.464.768, and at 31 December 2023 the balance sheet of the Company shows equity of DKK 148.170.281.

The financial year for 2023 has been impacted by the Russian-Ukraine war as described under Unusual events below.

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

In the Annual Report for 2022 the Company expected a positive development in 2023 and a profit level above the level achieved in 2022. However, Management also expected that the outlook would be negatively impacted by the Russian-Ukraine war.

Based on this Management considers the result to be satisfactory and in line with expectations.

Targets and expectations for the year ahead

The Company expects a positive development in 2024 and a profit level for the financial year 2024 in the range of DKK 40-50 million.

Risks

Currency risk

The project revenue is in Danish kroner and the purchases are mainly in Danish kroner or Euro, and therefore the Company is not subject to any material foreign exchange risk.

Prices on raw material

Prices for purchase of raw materials are impacted by the world economy and can therefore influence the production cost significantly. The Company seeks to minimise this risk by entering into fixed price agreements for raw materials and subcontractors, and by contract price revision application.

Project risk

In the construction industry, projects are the most significant risk, and therefore the controlling of project risk is an important area of focus.

Project management is essential for effective coordination, optimisation and completion of the project, and thereby delivering within the agreed terms for time and finance.

Research and development

The Company does not have any research and development activities.

Knowledge resources

The Company continues to recruit and retain competent employees who are continuously educated.

Management's Review

External environment

The Company strive to minimise their negative impact on the environment and on climate change.

Uncertainty relating to recognition and measurement

While there might be some uncertain and unforeseen situations, which could lead to an utmost consideration, based upon the years elapsed and the experience in this industry, Management considers the risk for such aspect to be minimised till the lower possible level.

Furthermore, we refer to note 1 to the Financial Statements.

Unusual events

The financial year 2023 has been negatively impacted by the Russian-Ukraine war. The Russian-Ukraine war has made the construction process more difficult in terms of raw materials and manpower.

Statement of corporate social responsibility

At OHPT Project Team I/S, we take Corporate Social Responsibility (CSR) seriously. It is at the core of our values and principles. We believe that by prioritizing CSR, we can make a positive impact on the world around us. So, we have made it our fundamental policy to ensure that our business practices align with our commitment to social responsibility.

As our parent company, we support the protection of human rights, recognising the equal dignity of all people and diversity as essential resources for the development of humanity.

We promote the health and safety of our people and the creation of an ethical and inclusive working environment. We base our work on lawfulness, integrity, responsibility and transparency.

Our commitment to the environment is deeply ingrained in our values. It is why we follow our Parent company's environmental policy to guide our efforts in this area, including our approach to climate impact. By doing so, we aim to play our part in creating a sustainable future for the planet.

The CSR policy of OHPT Project Team I/S, is in line with the policy of our main group shareholder ITINERA S.p.A. – Italy, VAT number ITO1668980061.

Their latest Sustainability Report was submitted and published in April 2024, available on website at:

<https://www.itinera-spa.it/docs/sustainability-report-2023/>

Statement on gender composition

At OHPT Project Team I/S, we firmly believe in creating an inclusive workplace where everyone is treated with respect and equality. To achieve this, we strive to offer fair and unbiased opportunities to all individuals, regardless of their gender, at every stage of employment.

Total general meeting-elected members in top management / Target

In the current financial year, the Executive Board composed by 4 male members, no female members.

There has been no election to the board in 2023, and therefore no changes to the gender composition of the top management.

Going forward, the Company will to the extent possible nominate suitable female candidates. The intention is to increase the underrepresented gender's share to 25% within 2026.

Management’s Review

Total member in other management / Target

In the current financial year, the Other Management consists in total 11 members, no females in Other Management levels of the Company.

Start from 2026, the company aims to increase the female leaders by 20% when vacant jobs arise.

Management has joint responsibility for identifying and developing employees who wish a management career with staff or business area responsibility.

Besides skills, ambition and talent, Management focuses in the selection process on the general need for gender diversity at the Company’s future management levels. The Company thus wants to offer equal opportunities in terms of supplementary training and to ensure that advertising targets both male and female candidates.

The Company always employs the best candidate for the job, which specifically in 2023 meant that the gender representation at other management levels has remained unchanged. The figure is justified by the strong male connotation of the construction activities.

		2026 Targets	2023	2022
Top Management	Total number of members	4	4	4
	Underrepresented gender in percent	25	0	0
	Target figure in percent	25	25	25
	Year for meeting targets	2026	2026	2026
Other management levels	Total number of members	11	11	11
	Underrepresented gender in percent	20	0	0
	Target figure in percent	20	20	20
	Year for meeting targets	2026	2026	2026

Statement on data ethics

The Company continues to focus on protecting the personal data of its Stakeholders, aware that protecting the privacy of natural persons is a fundamental right, also recognised by the Charter of Fundamental Rights of the European Union.

In accordance with the provisions of Regulation (EU) 2016/679 (“GDPR”), a Data Protection organisational model was implemented with the definition of roles and responsibilities for full regulatory compliance. On a voluntary basis, the Company has also appointed a Data Protection Officer (DPO), a fundamental aspect for the Company’s accountability, with the task of communicating with the parties involved in personal data processing (regulatory authorities, data subjects, operating divisions within a company or organisation, Controller, Processor).

Over the last year, the Company has also continued its commitment to the in-depth application of European regulations on protection of personal data, working to increase the expertise and awareness of employees and other personnel in this area.

Data Managers were involved in certain specific topics of current management and protection of personal data (e.g. methods of transferring data to non-EU countries). The Company actively participates in working groups launched on privacy topics, coordinated by the Data Protection Officer. Activities to define agreements with third parties on the basis of the procedure of the Parent Company ASTM S.p.A. continued.

All company activities are subject to periodic risk assessments in relation to information security. In 2023, the company and the Group did not record any IT security incidents.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Customer contract revenue	2	873.723.706	896.568.439
Other revenue		28.145.845	23.565.724
Total Revenue		901.869.551	920.134.163
Expenses for raw materials and consumables		(58.640.705)	(44.872.790)
Other external expenses		(754.763.644)	(747.896.434)
Gross Profit		88.465.203	127.364.938
Staff expenses	3	(71.418.123)	(67.505.004)
Depreciation expenses	4	(13.201.195)	(14.338.809)
Profit before financial income and expenses (EBIT)		3.845.885	45.521.125
Financial income		6.889.771	1.333.693
Financial expenses		(4.270.888)	(2.070.259)
Profit before tax (EBT)		6.464.768	44.784.560
Tax on profit for the year		0	0
Net profit for the year		6.464.768	44.784.560

Balance Sheet 31 December 2023

Assets

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Other fixtures and fittings, tools and equipment	4	13.415.495	13.085.543
Property, plant and equipment		13.415.495	13.085.543
Fixed Assets		13.415.495	13.085.543
Inventories		20.420.737	1.660.527
Trade receivables		114.989.706	89.927.516
Prepayments	6	142.519.371	65.341.390
Receivables from related parties		-	129.805
Other receivables		64.384.359	51.954.063
Receivables		321.893.436	207.352.774
Cash at bank and in hands		185.728.993	489.193.490
Total Currents assets		507.622.429	696.546.264
Total Assets		541.458.661	711.292.334

Balance Sheet 31 December 2023

Equities and Liabilities

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Contributed capital		0	0
Retained earnings		148.170.281	141.705.513
Total Equity		148.170.281	141.705.513
Lease obligations	7	1.195.930	1.127.616
Long-term debt		1.195.930	1.127.616
Trade payables		185.683.500	147.936.659
Payables to related parties		474.953	1.341.861
Lease obligations	7	10.848.453	10.507.715
Other payables		69.317.024	68.924.529
Contract liabilities	8	125.768.520	339.748.442
Short-term debt		392.092.450	568.459.206
Total Liability		393.288.380	569.586.821
Total Equity and Liability		541.458.661	711.292.334
Uncertainty relating to recognition and measurement	1		
Distribution of profit	5		
Related parties	10		
Contingent assets, liabilities and other financial obligations	9		

Statement of Changes in Equity

	Contributed capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2023	0	141.705.513	141.705.513
Net profit/loss for the year	0	6.464.768	6.464.768
Equity at 31 December 2023	0	148.170.281	148.170.281

Cash Flow Statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Net profit for the year		6.464.768	44.784.560
Adjustments	11	10.582.312	15.075.375
Change in working capital	12	(309.141.459)	5.321.228
Cash flows from operating activities		(292.094.379)	65.181.162
Financial income		6.889.771	1.333.693
Financial expenses		(4.270.888)	(2.070.259)
Cash flows from ordinary activities		(289.475.496)	64.444.596
Corporation tax paid		0	0
Cash flows from operating activities		(289.475.496)	64.444.596
Purchase of property, plant and equipment		(14.253.881)	(13.846.647)
Proceeds from sale of PP&E		722.734	1.148.368
Cash flows from investing activities		(13.531.146)	(12.698.279)
Reduction of loans from group enterprises		(866.908)	(2.513.924)
Raise / reduction of lease obligations		409.052	(1.837.651)
Cash flows from financing activities		(457.855)	(4.351.576)
Changes in cash and cash equivalents		(303.464.497)	47.394.742
Cash and Cash equivalents at 1 January		489.193.490	441.798.748
Cash and Cash equivalents at 31 December		185.728.992	489.193.490

Notes to the Financial Statements

1 Uncertainty relating to recognition and measurement

When preparing financial statements, Management makes a number of accounting choices, judgements and estimates forming the basis of recognition and measurement of the Company's assets and liabilities as well as income and expenses. The estimates are based on historical experience and other factors which Management considers appropriate in the circumstances, but which are inherently uncertain or unpredictable. The assumptions may be incomplete or inaccurate, and contingencies or unexpected circumstances may arise. The Company is moreover exposed to risks and uncertainties that may result in the actual outcome deviating from these estimates. Consequently, estimates may be subject to considerable uncertainty.

Contract work in progress

Work in progress includes contract work in progress of a cumulative selling price of DKK 3.718.390.495.

In December 2022, a contract addendum was signed with the customer in this regard, which determined, among other things, a one-year time extension.

However, during the financial year 2023, various external factors not attributable to the contractor, including certain delays attributable to the customer, caused delays in the works that resulted in the contractor failing to meet certain intermediate milestones. Consequently, the customer has submitted claims against the contractor.

On this basis, the company submitted a request for an extension of the contractual deadlines as well as a claim for reimbursement for the extended construction period. Amicable discussions are currently pending between the parties aimed at analysing the requests received from the company. It is management's assessment that the company will enter into an agreement regarding the extension of time and the submitted claims will be nullified.

Based on the above contract work in progress is therefore subject to material uncertainty.

2 Segment Information

The Company only has one segment.

3 Staff expenses

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Wages and salaries	(52.870.666)	(48.411.798)
Pensions	(3.920.757)	(3.752.410)
Other social security expenses	(313.168)	(285.114)
Other staff expenses, including seconded staff	(14.313.532)	(15.055.682)
	<u>(71.418.123)</u>	<u>(67.505.004)</u>
Including remuneration to the General Manager and Board of Directors.	(1.186.509)	(1.046.784)
Average number of employees	<u>92</u>	<u>84</u>

Notes to the Financial Statements

	<u>2023</u> DKK	<u>2022</u> DKK
4 Property, plant and equipment		
		Other fixtures and fittings, tools and equipment
Cost at 1 January	45.484.084	
Additions for the year	14.253.881	
Disposals for the year	(10.401.090)	
Cost at 31 December	<u>49.336.874</u>	
Impairment losses and depreciation at 1 January	(32.398.541)	
Depreciation for the year	(13.201.195)	
Depreciation of sold assets for the year	9.678.356	
Impairment losses and depreciation at 31 December	<u>(35.921.380)</u>	
Carrying amount at 31 December	<u>13.415.495</u>	
Including assets under finance leases amounting to		<u>12.046.344</u>
	<u>2023</u> DKK	<u>2022</u> DKK
5 Distribution of profit		
Retained earnings	6.464.768	44.784.560
	<u>6.464.768</u>	<u>44.784.560</u>
6 Prepayments		

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subcontractor advances as well.

Notes to the Financial Statements

7 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:

	<u>2023</u> DKK	<u>2022</u> DKK
Lease obligations		
After 5 years	0	0
Between 1 and 5 years	1.195.930	1.127.616
Long-term part	1.195.930	1.127.616
Within 1 year	10.848.453	10.507.715
	12.044.383	11.635.331

8 Contract assets and liabilities

Selling price of work in progress	3.718.390.495	2.844.666.789
Payments received on account	(3.844.159.015)	(3.184.415.231)
	(125.768.520)	(339.748.442)

Recognized in the balance sheet as follows:

Contract work in progress recognized in assets	0	0
Prepayments received recognized in debt	(125.768.520)	(339.748.442)
	(125.768.520)	(339.748.442)

9 Contingent assets, liabilities and other financial obligations

The Company has not placed any assets as security with bankers etc., and the Company has no contingent liabilities as at 31 December 2023.

In connection with the work in progress the two partners have issued a performance guarantee of DKK 755 million.

Notes to the Financial Statements

10 Related parties

Basis

Controlling interest

Aurelia Srl	Ultimate Parent Company
C.M.B. Società Cooperativa	Partner with 51 percent share
Itinera SpA	Partner with 49 percent share

Transactions

The company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with action 98(c)(7) of the Danish Statements Act.

There are no related party transactions that have not been carried through on market terms.

Consolidated Financial Statements

The Company is included in the Annual Report of the Ultimate Parent Company and in the Annual Report of the partner:

Name	Place of registered office
Aurelia Srl	Turin, Piedmont, Italy
C.M.B. Società Cooperativa	Carp, Modena, Italy

The Group Annual Report of Aurelia Srl may be obtained at the following address:

Corso Romita n.10
15057 Tortona (AL)
Italy

The Group Annual Report of C.M.B Societa Cooperativa may be obtained at the following address:

Via Carlo Mars 101
41012 Carpi (MO)
Italy

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
11 Cash Flow Statement - adjustments		
Financial Income	(6.889.771)	(1.333.693)
Financial Expense	4.270.888	2.070.259
Depreciation	13.201.195	14.338.809
	<u>10.582.312</u>	<u>15.075.375</u>
12 Working Capital		
Change in contract assets and liabilities	(213.979.922)	(66.007.154)
Change in inventories	(18.760.210)	(776.103)
Change in receivables	(37.362.681)	29.943.926
Change in prepayments	(77.177.981)	8.184.822
Change in trade and other payables	38.139.335	33.975.737
	<u>(309.141.459)</u>	<u>5.321.228</u>
13 Fee to the auditors appointed in general meeting.		
Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act.		
The fee is specified in the consolidated financial statements for C.M.B. Societá Cooperativa.		

Notes to the Financial Statements

14 Accounting Policies

The Annual Report of Odense Hospital Project Team Joint Venture I/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large-sized enterprises of reporting accounting class C-large.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

14,1 Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized 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 recognized 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.

14,2 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 recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

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 recognized in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

14 Accounting Policies

14.3 Leases

Leases are recognised in the balance sheet at the calculated amount of the lease liability in accordance with IFRS 16. The lease liability is calculated at the present value of the lease payments calculated by applying the interest rate implicit in the lease or Odense Hospital Project Team Joint Venture I/S's incremental borrowing rate as discount rate if the interest rate implicit in the lease is not available. Lease assets are depreciated and written down for impairment under the same policy as for Odense Hospital Project Team Joint Venture I/S's other fixed assets.

The Company has chosen to apply the exemptions concerning short-term and low-value leases. Therefore, such lease assets are not recognised as assets and liabilities in the balance sheet. The costs are recognised in the income statement on a straight-line basis over the lease term.

The lease liability is recognised in the balance sheet under debt and is adjusted for prepaid lease payments on a current basis. At the same time, interest is added on the liability. Interest expenses are charged to the income statement on a current basis.

14.4 Income Statement

Revenue

Revenue from contracts with customers is recognised on the basis of transfer of control, which according to IFRS 15 takes place at the time when control of the service delivered passes to the customer.

Control is considered passed to the customer when:

- a binding sales agreement has been made;
- delivery has been made before year end;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue in respect of which Odense Hospital Project Team Joint Venture I/S delivers is recognised over time ("construction contracts"). This revenue is calculated on the basis of the selling price of 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 Odense Hospital Project Team Joint Venture I/S.

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 recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

14 Accounting Policies

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Government grants

Government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income, or in the balance sheet if the purpose of the grant is investment in an asset.

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.

Other external expenses

Other external expenses comprise expenses for subcontractors, technical assistance and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as other payroll related expenses including seconded staff.

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise amortization, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

The Company is not an independent tax subject, consequently no tax has been included in the annual report.

Notes to the Financial Statements

14 Accounting Policies

14.5 Balance Sheet

Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost added revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
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Depreciation period and residual value are re-assessed annually.

The fixed assets' residual values are determined at nil.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost under the weighted average method and net realizable value.

The net realizable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realizable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labor.

Receivables

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

Notes to the Financial Statements

14 Accounting Policies

Contract assets and liabilities

Contract work in progress

Contract work in progress regarding service 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 recognized 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 realizable 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.

Prepayments

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

Equity

Dividends

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial debts

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

Notes to the Financial Statements

14 Accounting Policies

14.6 Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortization and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

14 Accounting Policies

14.7 Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$