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# ***Storstroem Bridge Joint Venture I/S***

Hollandsvej 3,  
4760 Vordingborg,  
Denmark

## **Annual Report 2022 1 January - 31 December**

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CVR No 3938 7166

The Annual Report was  
presented and adopted at the  
Annual General Meeting of  
the Company on  
22/05/2023

Mr. Luciano Giovanni  
Reguzzo  
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 Storstroem Bridge Joint Venture I/S for the financials year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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

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

Vordingborg, 22 May 2023

## **Executive Board**

Mr. Luciano Giovanni Reguzzo  
*Chairman*

Mr. Andrea Picello



# Independent Auditor's Report

*To the shareholders of Storstroem Bridge 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 2022, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Storstroem Bridge Joint Venture I/S for the financial year 1 January - 31 December 2022, 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' 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**

Without modifying our opinion, we draw attention to note 2 to the financial statements describing the uncertainty pertaining to the valuation of contract work in progress.

## **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.



## Independent Auditor's Report

- 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 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, 22 May 2023

**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**

### **Storstroem Bridge Joint Venture I/S**

Hollandsvej 3,  
4760 Vordingborg,  
Denmark

Telephone: +45 32 22 57 23

CVR No 3938 7166

Financial period: 1 January - 31 December

Municipality of reg. office: Vordingborg

## **Executive Board**

Mr. Luciano Giovanni Reguzzo

Mr. Andrea Picello

## **Board of Representative**

Mr. Luciano Giovanni Reguzzo

Mr. Marco Minola

Mr. Giorgio Giulio Ambrosini

## **Auditors**

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Munkebjergvænget 1, 3 og 4 sal

DK-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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	DKK	DKK	DKK	DKK	DKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	(1,148,697,549)	(339,640,068)	(93,534,947)	(79,242,305)	25,528,431
Revenue	0	222,239,421	412,355,845	239,582,568	163,719,951
Profit/loss before financial income and expenses	(1,148,697,549)	(117,400,647)	318,820,898	160,340,263	4,771,793
Net financials	(8,567,274)	(11,735,344)	(7,095,321)	(2,270,334)	41,970
Net profit/loss for the year	(1,438,258,447)	(553,469,621)	(217,214,781)	(160,098,721)	4,813,763
<b>Balance sheet</b>					
Balance sheet total	1,256,120,895	748,609,654	409,074,879	397,738,541	286,300,995
Equity	0	0	(372,499,739)	(155,284,958)	4,813,763
<b>Cashflows</b>					
Cash flows from:					
- Operating activities	(839,357,982)	(485,396,623)	(93,980,026)	(153,519,277)	128,628,431
- investing activities	(139,787,079)	(58,846,801)	(57,095,125)	(93,507,872)	(594,151)
including investment in property, plant and equipment	(139,787,079)	(58,846,801)	(57,095,125)	(93,507,872)	(594,151)
Change in cash and cash equivalents for the year	236,498	(919,519)	(1,750,395)	(122,953,423)	128,034,280
Number of employees	225	209	134	75	16
<b>Ratios</b>					
Gross margin	0.0%	-152.8%	-22.7%	-33.1%	15.6%
Profit margin	0.0%	-52.8%	77.3%	66.9%	2.9%
Return on assets	-91.4%	-15.7%	77.9%	40.3%	1.7%
Solvency ratio	0.0%	0.0%	-91.1%	-39.0%	1.7%
Return on equity	0.0%	0.0%	116.6%	206.2%	200.0%

For definitions, see under accounting policies.



# Management's Review

## Key activities

The entity's activity is to design and build the new Storstroem Bridge between Masnedø and Falster for the client, Vejdirektoratet. The completion date is expected to be in September 2024.

## Development in the year

The income statement of the Company for 2022 shows a loss of DKK 1.438.258.447, and at 31 December 2022 the balance sheet of the Company shows an equity of DKK 0.

The contract for the construction of Storstrom Bridge has in 2022 been assessed as an even more loss-making contract. As a result hereof, the total additional expected loss is accrued in the income statement for 2022 as an offset against the revenue recognized on this contract and, for exceeding amount, as an operating expense.

The parent company, Itinera S.p.A., has issued a Loss Coverage Letter confirming the availability to financially support the Company in the year 2023 and until the completion of the project.

Storstroem Bridget Joint Venture I/S therefore is to be considered as going concern.

The financial year for 2022 has been still impacted by the Covid-19 outbreak and 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 2021 the Company expected a breakeven result in 2022. However, Management also expected that the outlook would be negatively impacted by the Covid-19 and by the Russian-Ukraine war outbreak.

Despite the result is not as expected the Management considers the result to be satisfactory considering the overall situation and confident that all actions to minimize the loss have been deployed.

## Targets and expectations for the year ahead

As described above the contract has been assessed as a loss-making contract, and therefore the Company expects a breakeven result for 2023.

## 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 of raw materials are impacted by the world economy, which has been suffering for the Covid-19 outbreak before and the Russian-Ukraine war, particularly in Europe. This has therefore influenced the production cost significantly. The Company seeks to minimise this risk by entering into fixed price agreements for raw materials and subcontractors.

# Management's Review

## ***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.

## **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 2 to the Financial Statements.

## **Unusual events**

The financial year 2022 has been still negatively impacted by the Covid-19 outbreak and by the Russian-Ukraine war. The Covid-19 outbreak has made the construction process more difficult in terms of raw materials and manpower. This has led to a postponement of the completion date from March 2023 to September 2024.

## **Statement of corporate social responsibility**

SBJV 's parent company Itinera Group have published the CSR report for 2022 on their websites. The CSR report can be found at:

<https://www.itinera-spa.it/wp-content/uploads/2023/04/ITINERA-Sustainability-Report-2022.pdf>

# Management's Review

## Statement on gender composition

Target figures for the Executive Board:

In the current financial year, the Executive Board have had 2 male members and according to the Danish Business Authority's latest guidance equal gender composition has been achieved.

Gender equality at other management levels of the Company:

Management has joint responsibility for identifying and developing employees who want 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 2022 meant that the gender representation at other management levels has remained unchanged.

## Statement on data ethics

The Company complies with legal requirements and acknowledge and respect that use of data (both personal data and non-personal data) may create risks for the users that applicable laws do not cover.

The Company has standards in relation to where data is collected and how it is used:

- The Company refrains from extensive collection of data which may be characterised as data-driven surveillance.
- The Company sets standards for collection of data from assets and other sources.
- The Company will develop additional policies and procedures to ensure compliance with the above-mentioned principles.

## 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 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Revenue</b>	3	<b>0</b>	<b>222,239,421</b>
Other operating income		0	0
Expenses for raw materials and consumables		(125,235,952)	(91,518,994)
Other expenses		(1,023,461,597)	(470,360,495)
<b>Gross profit / loss</b>		<b>(1,148,697,549)</b>	<b>(339,640,068)</b>
Staff expenses	4	(206,894,672)	(142,159,664)
Depreciation expenses	6-7	(74,098,952)	(59,934,545)
<b>Profit/(loss) - EBIT</b>		<b>(1,429,691,173)</b>	<b>(541,734,277)</b>
Financial income		12,324	105,044
Financial expenses	5	(8,579,598)	(11,840,388)
<b>Profit before tax (EBT)</b>		<b>(1,438,258,447)</b>	<b>(553,469,621)</b>
Tax on profit / (loss) for the year		0	0
<b>Net loss for the year</b>		<b>(1,438,258,447)</b>	<b>(553,469,621)</b>

## Balance Sheet 31 December 2022

### Assets

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Software	6	24,641	51,648
<b>Intangible assets</b>		<b>24,641</b>	<b>51,648</b>
Other fixtures and fittings, tools and equipment	7	304,669,888	237,902,886
Fixed assets in progress	7	0	1,051,867
<b>Property, plant and equipment</b>		<b>304,669,888</b>	<b>238,954,753</b>
<b>Fixed assets</b>		<b>304,694,529</b>	<b>239,006,401</b>
<b>Inventories</b>		<b>125,235,952</b>	<b>93,800,698</b>
Contract assets	8	0	0
Trade receivables		8,831,959	7,073,172
Receivables from related parties		708,298,379	331,953,498
Other receivables		44,117,136	11,566,638
Prepayments	9	62,295,498	62,798,304
<b>Receivables</b>		<b>823,542,972</b>	<b>413,391,612</b>
<b>Cash at bank and in hands</b>		<b>2,647,441</b>	<b>2,410,943</b>
<b>Total Current Assets</b>		<b>951,426,365</b>	<b>509,603,253</b>
<b>Total Assets</b>		<b>1,256,120,894</b>	<b>748,609,654</b>

# Balance Sheet 31 December 2022

## Equities and Liabilities

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Contributed capital		0	0
Retained earnings		0	0
<b>Total Equity</b>		<b>0</b>	<b>0</b>
Prepayments received from customers	11	87,500,000	75,000,000
Lease obligations	11	27,858,506	63,380,826
Contract liabilities	11	348,581,151	0
Other payables		5,343,812	5,222,308
<b>Long-term debt</b>		<b>469,283,469</b>	<b>143,603,134</b>
Prepayments received from customers	11	62,500,000	75,000,000
Contract liabilities	8	153,356,721	31,898,460
Credit institutions		235,382,683	243,748,175
Lease obligations	11	55,861,456	29,748,471
Trade payables		269,005,154	140,790,988
Payable to related parties		0	64,757,180
Other payables		10,731,411	19,063,246
<b>Short-term debt</b>		<b>786,837,425</b>	<b>605,006,520</b>
<b>Total liabilities</b>		<b>1,256,120,894</b>	<b>748,609,654</b>
<b>Total Equity and liabilities</b>		<b>1,256,120,894</b>	<b>748,609,654</b>
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Distribution of profit	10		
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Fee to the auditors appointed in general meeting	16		

## Statement of Changes in Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	0	0	0
Net profit/loss for the year	0	(1,438,258,447)	(1,438,258,447)
Contribution from owners	0	1,438,258,447	1,438,258,447
<b>Equity at 31 December</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Cash Flow Statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Net profit for the year		(1,438,258,447)	(553,469,621)
Adjustments	14	693,049,844	71,669,888
Change in working capital	15	(85,582,105)	8,138,454
<b>Cash flows from operating activities</b>		<b>(830,790,708)</b>	<b>(473,661,279)</b>
Financial Income		12,324	105,044
Financial expenses		(8,579,598)	(11,840,388)
<b>Cash flows from ordinary activities</b>		<b>(839,357,982)</b>	<b>(485,396,623)</b>
Corporation tax paid		0	0
<b>Cash flows from operating activities</b>		<b>(839,357,982)</b>	<b>(485,396,623)</b>
Purchase of intangible assets		0	0
Purchase of property, plant and equipment		(139,803,718)	(59,382,017)
Proceeds from property, plant and equipment		16,639	535,216
<b>Cash flows from investing activities</b>		<b>(139,787,079)</b>	<b>(58,846,801)</b>
Raising/reduction of loans from credit institutions		(8,365,492)	112,607,983
Raising/reduction of loans from group enterprises		(66,045,408)	(150,595,265)
Reduction of lease obligations		(9,409,335)	(11,416,448)
Contribution from owners		1,063,201,794	592,727,635
<b>Cash flows from financing activities</b>		<b>979,381,559</b>	<b>543,323,906</b>
Changes in cash and cash equivalents		236,498	(919,518)
Cash and Cash equivalents at 1 January		2,410,943	3,330,462
<b>Cash and Cash equivalents at 31 December</b>		<b>2,647,441</b>	<b>2,410,943</b>



# Notes to the Financial Statements

## 1 Going concern

In order to ensure sufficient liquidity, the Company has previously received a Letter of Support from the parent company Itinera SpA, declaring that they will provide the required liquidity for planned activities in Storstroem Bridge Joint Venture I/S for the financial year 2023, so that the Company is to be considered as going concern.

During 2022 the Company has receive contribution from owners of DKK 1,438 million covering the accumulated losses and a Letter of Support from the Parent Company for all the years until completion of the project.

## 2 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

There is uncertainty related to the recognition and measurement of the Company's project to design and build the new Storstroem Bridge. Contract work in progress includes a cumulative selling price of DKK 797 million at 31 December 2022, which is based on an estimate of the percentage of completion.

In connection with the start-up of the project, it has been established that initial calculations were not correct in relation to expected production costs. Management regularly reassesses budgets and forecasts and has covered part of the construction costs with arrangements with subcontractors etc. The design phase continues during the completion of the project and optimizations of the project's finances have been recognized, and residual values on plants and machines used in the construction process have been recognized.

The Company has presented significant claims to the client due to technical issues and delays. Recognitions has been made on the basis of an independent and external assessment of the submitted claims. In cooperation with the client, the Company has started a process for arbitration, so claims can be settled

Due to the scope and length of the project and the recognized claims, there will continue to be uncertainty related to the total project costs. The valuation of contract work in progress is therefore subject to considerable uncertainty.

## 3 Segment information

The company only has one segment.

## 4 Staff expenses

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Wages and salaries	(129,250,310)	(103,834,631)
Pensions	(14,498,088)	(11,401,982)
Other social security expenses	(765,408)	(712,866)
Other staff expenses , including seconded staff	(62,380,866)	(26,210,185)
	<u>(206,894,672)</u>	<u>(142,159,664)</u>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>4 Staff expenses - continued</b>		
Including remuneration to the Executive Board.	(828,948)	(828,948)
Average number of employees	225	209
<b>5 Financial expenses</b>		
Other financial expenses	(2,790,052)	(6,050,842)
Financial expenses to related parties	(5,789,546)	(5,789,546)
	<b>(8,579,598)</b>	<b>(11,840,388)</b>
<b>6 Intangible Asset</b>		<u>2022</u>
		DKK
Cost at 1 January		108,032
Additions for the year		0
Disposals for the year		0
<b>Cost at 31 December</b>		<b>108,032</b>
Impairment losses and amortization at 1 January		(56,384)
Amortization for the year		(27,008)
<b>Impairment losses and amortization at 31 December</b>		<b>(83,391)</b>
<b>Carrying amount at 31 December</b>		<b>24,641</b>
<b>7 Property, Plant and Equipment</b>	Other fixtures and fittings, tools and equipment	Fixed assets in progress
Cost at 1 January	335,643,779	1,051,867
Additions for the year	139,803,718	0
Disposals for the year	(12,935,000)	0
Transfers for the year	1,051,867	(1,051,867)
<b>Cost at 31 December</b>	<b>463,564,364</b>	<b>0</b>
Impairment losses and depreciation at 1 January	(97,740,893)	0
Depreciation for the year	(74,071,944)	0
Depreciation of sold assets for the year	12,918,361	0
<b>Impairment losses and depreciation at 31 December</b>	<b>(158,894,476)</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>304,669,888</b>	<b>0</b>
Including assets under financial lease amounting to	82,775,162	0

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>8 Contract assets and liabilities</b>		
Gross selling price of work in progress	1,929,788,021	1,531,594,415
Payments received on account	(1,298,525,878)	(1,040,676,478)
<b>Gross contract Asset</b>	<b>631,262,143</b>	<b>490,917,937</b>
Provision for losses on contracts	(1,133,200,016)	(522,816,397)
<b>Net contract Asset</b>	<b>(501,937,873)</b>	<b>(31,898,460)</b>
<b><u>Recognized in the balance sheet as follows:</u></b>		
Contract work in progress recognized in assets	0	0
Prepayment received recognized in debt	0	(31,898,460)
Provision for losses on contracts - long term	(348,581,151)	0
Provision for losses on contracts - short term	(153,356,721)	0
	<b>(501,937,872)</b>	<b>(31,898,460)</b>
<b>9 Prepayments</b>		
Prepayments consist of prepaid expenses concerning rent, insurance premiums, subcontractor and supplier advances as well.		
<b>10 Distribution of profit</b>		
Retained earnings	-1,438,258,447	-553,469,621
	<b>-1,438,258,447</b>	<b>-553,469,621</b>
<b>11 Long-term debt</b>		
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.		
<b>Prepayments received from customers</b>		
After 5 years	0	0
Between 1 and 5 years	87,500,000	75,000,000
Long-term part	87,500,000	75,000,000
Within 1 year	62,500,000	75,000,000
	<b>150,000,000</b>	<b>150,000,000</b>
<b>Lease obligations</b>		
After 5 years	0	0
Between 1 and 5 years	27,858,506	63,380,826
Long-term part	27,858,506	63,380,826
Within 1 year	55,861,456	29,748,471
	<b>83,719,962</b>	<b>93,129,297</b>

# Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>11 Long-term debt - continued</b>		
<b>Other Payable</b>		
After 5 years	0	0
Between 1 and 5 years	5,343,812	5,222,308
Long-term part	<u>5,343,812</u>	<u>5,222,308</u>
Within 1 year	10,731,411	19,063,246
	<b><u>16,075,223</u></b>	<b><u>24,285,554</u></b>
<b>Contract Liabilities</b>		
After 5 years	0	0
Between 1 and 5 years	348,581,151	0
Long-term part	<u>348,581,151</u>	<u>0</u>
Within 1 year	153,356,721	31,898,460
	<b><u>501,937,872</u></b>	<b><u>31,898,460</u></b>

## 12 Contingent assets, liabilities and other financial obligations

The company has placed as security with bankers bond for DKK 150 million as at 31 December 2022.

In connection with the work in progress the parent company has issued a performance guarantee of DKK 308 million and an advance payment guarantee of DKK 150 million to the client.

### Basis

## 13 Related parties

### Controlling interest

Aurelia Srl  
Itinera SpA

Ultimate Parent Company  
Partner with majority 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.

The company is included in the Group Report of the Ultimate Parent Company and in the Group Report of the partner with majority share:

# Notes to the Financial Statements

## 13 Related parties - contined

Name	Place of registered office
Aurelia Srl	Corso Romita n.10, 15057 Tortona (AL), Italy
Itinera SpA	Via Balustra n. 15, 15057 Tortona (AL), 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 Itinera SpA may be obtained at the following address:

Via Mario Balustra n. 15  
15057 Tortona (AL)  
Italy

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>14 Cash Flow Statement - adjustments</b>		
Financial Income	(12,324)	(105,044)
Financial Expense	8,579,597	11,840,387
Provision for risks	610,383,619	0
Depreciation	74,098,952	59,934,545
	<b>693,049,844</b>	<b>71,669,888</b>
<b>15 Cash Flow Statement - change in working capital</b>		
Change in inventories	(31,435,254)	(42,623,321)
Change in contract work in progress, Assets	-	22,095,142
Change in contract work in progress, Liabilities	(140,344,207)	31,898,460
Change in receivables	(34,309,286)	80,828
Change in prepayments	502,806	10,734,583
Change in trade and other payables	120,003,835	(14,047,238)
	<b>(85,582,105)</b>	<b>8,138,454</b>

## 16 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 Itinera SpA

# Notes to the Financial Statements

## 17 Accounting Policies

The Annual Report of Storstroem Bridge Joint Venture I/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

### 17.1 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.

### 17.2 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

## 17 Accounting Policies

### 17.3 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 Storstroem Bridge 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 Storstroem Bridge 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.

### 17.4 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 Storstroem Bridge 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 Storstroem Bridge 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.

#### 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.

# Notes to the Financial Statements

## 17 Accounting Policies

### 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.

## 17.5 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	3-10 years
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Depreciation period and residual value are reassessed 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.



# Notes to the Financial Statements

## 17 Accounting Policies

### **Inventories**

Inventories are measured at the lower of cost under the FIFO 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.

### **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.

### **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.

### **Prepayments received from customers**

Prepayments received from customers comprise payments received in respect of income in subsequent years.

# Notes to the Financial Statements

## 17 Accounting Policies

### 17.6 Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and

#### 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.

### 17.7 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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$