

FSC FEMERN SICE COBRA I/S

C. E. Christiansens Vej 2,

4930 Maribo

CVR No. 43560387

Annual Report 2022/23

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 June 2024

Rafael Luis Pulido Ortega
Chairman

Contents

Management’s Statement3

Independent Auditors' Report4

Company Information6

Management's Review7

Accounting Policies8

Income Statement11

Balance Sheet12

Statement of changes in Equity14

Cash Flow Statement15

Notes16

Management's Statement

Today, Management has considered and adopted the Annual Report of FSC FEMERN SICE COBRA I/S for the financial year 1 October 2022 - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flow for the financial year 1 October 2022 - 31 December 2023.

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

Maribo, 28 June 2024

Executive Board

Rafael Luis Pulido Ortega

Supervisory Board

Rafael Luis Pulido Ortega
Chairman

Antonio Pérez Hereza
Vice Chairman

Gonzalo Miguel Lasa García

Enrique Pérez Gómez

Alejandro Just Rodrigo

Juan Carlos García del Bosque

José Manuel Olivares Villafranca

Independent Auditors' Report

To the shareholders of FSC FEMERN SICE COBRA I/S

Opinion

We have audited the financial statements of FSC FEMERN SICE COBRA I/S for the financial year 1 October 2022 - 31 December 2023, which comprise an income statement, balance sheet, statement of changes in equity, cash flows and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of its operations and cash flows for the financial year 1 October 2022 - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility 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 (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement 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.

Management's responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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

Independent Auditors' Report

Company's internal control.

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 28 June 2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-no. 33963556

Thomas Holm Christensen
State Authorised Public Accountant
mne46321

FSC FEMERN SICE COBRA I/S

Company details

Company	FSC FEMERN SICE COBRA I/S C. E. Christiansens Vej 2, 4930 Maribo
CVR No.	43560387
Date of formation	1 October 2022
Financial year	1 October 2022 - 31 December 2023
Supervisory Board	Rafael Luis Pulido Ortega Antonio Pérez Hereza Gonzalo Miguel Lasa García Enrique Pérez Gómez Alejandro Just Rodrigo Juan Carlos García del Bosque José Manuel Olivares Villafranca
Executive Board	Rafael Luis Pulido Ortega
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab CVR-no.: 33963556

Management's Review

The Company's principal activities

FSC FEMERN SICE COBRA IS (hereinafter FSC) is a Danish Partnership which was registered on 1st October 2022 for the purpose of performance of Tunnel Electrical and Mechanical contract (from now on TEM Contract) for Femern Belt Project.

The contract was signed on 30th May 2022 between FEMERN A/S (hereinafter The Owner) and the following companies:

Sociedad Ibérica de Construcciones Eléctricas S.A. (SICE) (incorporated in Spain with number A28002335 whose registered office is at C/La Granja 72, 28108, Alcobendas (Madrid)) (SICE);
SICE Tecnología Y Sistemas S.A. (incorporated in Spain with number A82804170 whose registered office is at C/La Granja 72, 28108, Alcobendas (Madrid)) (SICE TYS);
Cobra Instalaciones Y Servicios S.A. (incorporated in Spain with number A46146387 whose registered office is at Cardenal Marcelo Spinola, No. 10, 28016, Madrid) (Cobra); and
Moncobra S.A. (incorporated in Spain with number A78990413 whose registered office is at Cardenal Marcelo Spinola, No. 10, 28016, Madrid) (Moncobra).

(together being the Contractor).

On 21st November 2022 a variation agreement was signed between The Owner, The Contractor and FSC for incorporating the last one as a legal entity which purpose is carry out the Works under the Contract in accordance with the Contract entered into between the Owner and the Contractor. FSC is composed of Cobra Instalaciones y Servicios, S.A (65%) and Sociedad Ibérica de Construcciones Eléctricas, S.A (35%).

The project will build an immersed tunnel between Denmark and Germany and will set a record in terms of length and depth. The length will be approximately 19 kilometres long and consist of an electrified, double-track railway and a four-lane motorway, with foundation depths reaching more than 40m under the sea surface.

The Femern Belt fixed rail-road link is a key element to complete the main North-South route connecting central Europe and the Nordic countries; and for that reason, In the spring of 2020, the Femern Belt link's financing model was approved by the EU Commission.

Development in activities and the financial situation

The commencement date of the project was on 2nd January 2023.

As it is stated in the project schedule, first stage of the project covered 19 months for the design of all electromechanical systems for tunnel. During 2023, FSC has developed the Design Basis and Basic Design for all systems of the Project; all packages were delivered to the Owner.

The Owner informed FSC that some access milestones of the project could be delayed which will generate a right to be compensated for the possible impact in cost or time. On December 8th, the Contractor received a crucial communication, titled Revised Access Milestones that outlines modifications to the schedule.

The Company's Income Statement of the financial year 1 October 2022 - 31 December 2023 shows a result of DKK 17.690.824 and the Balance Sheet on 31 December 2023 a balance sheet total of DKK 499.185.970 and an equity of DKK 17.690.824

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of FSC FEMERN SICE COBRA I/S for 2022/23 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B enterprises with addition of a few provisions for reporting class C.

As the financial year 2022/23 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The annual report is presented in Danish kroner.

Foreign currency translation

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

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of the financial assets for the interest deposit are not included and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised 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 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income statement

Revenue

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

Production costs

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

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc.

Other staff expenses are recognised in other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Tax on profit/loss for the year

There is not a tax account in the income statement due FSC is a tax transparent entity.

Balance sheet

Short-term trade receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Contract work in progress

Construction contracts in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and bank deposits.

Equity

The equity is made up of the accumulated earnings.

Prepayments received from customers

Prepayments received from customers comprise advanced payment money received from the client and covered

Accounting Policies

by a bank guarantee.

Trade payables

Payables are measured at amortized cost, which usually corresponds to the nominal value.

Income Statement

	Note	2022/23 kr.
Revenue	1	88.051.443
Production cost		-74.082.242
Gross profit		13.969.201
Employee benefits expense	2	-4.123.459
Profit from ordinary operating activities		9.845.742
Other finance income		9.698.515
Other finance expenses		-1.853.433
Profit from ordinary activities before tax		17.690.824
Profit		17.690.824
Proposed distribution of results		
Retained earnings		17.690.824
Distribution of profit		17.690.824

Balance Sheet as of 31 December

	Note	2023 kr.
Assets		
Deposits		107.000
Investments		107.000
Fixed assets		107.000
Short-term trade receivables		14.159.595
Contract work in progress	3	8.133.617
Short-term receivables from group enterprises	4	150.000
Other short-term receivables		132.585.717
Receivables		155.028.929
Cash and cash equivalents	6	344.050.042
Current assets		499.078.971
Assets		499.185.971

Balance Sheet as of 31 December

	Note	2023 kr.
Liabilities and equity		
Retained earnings		17.690.824
Equity		<u>17.690.824</u>
Prepayments received from customers		431.783.920
Trade payables		23.225.011
Payables to group enterprises		17.252.525
Tax payables		9.139.738
Other payables		93.953
Deferred income, liabilities	7	0
Short-term liabilities other than provisions		<u>481.495.147</u>
Liabilities other than provisions within the business		<u>481.495.147</u>
Liabilities and equity		<u>499.185.971</u>
Contingent liabilities	8	
	9	

FSC FEMERN SICE COBRA I/S

Statement of changes in Equity

Profit attributable to:

<u>Share</u>	<u>2023</u>	<u>Total</u>
Cobra Branch DK (65%)	11.421.827	11.421.827
Sice Branch DK (35%)	6.150.214	6.150.214
	<u>17.572.041</u>	<u>17.572.041</u>

Cash Flow Statement

	2022/23
	kr.
Profit	9.845.742
Working capital changes	326.359.219
Cash flow from ordinary operation activities	336.204.961
Interest received	9.698.514
Interest paid	-1.853.433
Cash flows from operating activities	344.050.042
Net increase (decrease) in cash and cash equivalents	344.050.042
Cash and cash equivalents, ending balance	344.050.042
Cash and cash equivalents at year-end are composed of:	
Cash	7.770.632
Bank deposits (< 3 months)	336.279.410
Cash and cash equivalents in total	344.050.042

Notes

2022/23

1. Revenue

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

2. Employee benefits expense

Wages and salaries	3.902.501
Post-employment benefit expense	204.848
Social security contributions	16.080
	<u>4.123.429</u>
Average number of employees	<u>5</u>

3. Contract work in progress

	2023
Change value of work	88.051.443
Change by payments on accounts regarding work in progress	-79.917.826
Net value of contract work	<u>8.133.617</u>

4. Short-term receivables from group enterprises

There is a loan from FSC to SICE Denmark and COBRA Denmark of 75.000 DKK for each one.

5. Other short-term receivables

Accrued Interest Short Term Deposits	2.735.775
Prepayments	211.155
Interest Deposits (> 3 months)	111.886.500
Advanced Payments to Suppliers	17.752.287
	<u>132.585.717</u>

6. Cash and cash equivalents

Cash on Banks	7.770.632
Bank Deposits	336.279.410
	<u>344.050.042</u>

Notes

2022/23

7. Prepayments received from customers

<i>Date</i>	Invoice Number	Due Date	Country	Advance Payment
25/11/2022	FSC001-2022	16/12/2022	Denmark	16.228.517 €
25/11/2022	FSC002-2022	16/12/2022	Denmark	10.275.418 €
25/11/2022	FSC003-2022	16/12/2022	Denmark	6.330.557 €
11/10/2023	FSC-DE-001-2023	01/11/2023	Germany	7.706.756 €
11/10/2023	FSC-DE-002-2023	01/11/2023	Germany	9.603.678 €
11/10/2023	FSC-DE-003-2023	01/11/2023	Germany	7.757.787 €
			Total	57.902.713 €

8. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

9. Branches

Consolidation

FSC has established a branch in Germany for the performance of the German scope of work. The operation and balance have been integrated in the Company's accounting records globally, i.e. integrating all the balance, with appropriate eliminations, if applicable.

Branch	Total Assets	Turnover	Profit before tax
Germany	188.276.317	0	-118.783