Annual Report 2023

STRUKTON GROEP NV

Strukton

Content

We contribute to **safe**, **sustainable** and **accessible infrastructures**, now and in the future. That has been our commitment for **over 100 years**. Our focus is on sustainable infrastructures in **Western Europe**.

Strukton

Foto cover: Vincent Basler

1. Message from the Executive Board

Foto: Babet Hogervorst

Getting back on track
This annual report is the second annual report that we have released in 2024: in May, we published the annual report 2022. While the timing is unusual, the report itself marks an important milestone: we have cleared the 'audit backlog' and can return to the normal reporting regime. This reflects how hard everyone at Strukton Groep N.V. and the operating companies has been working to get our organisation in order and our business back on track.
The first months of 2023 were very turbulent. The previous CEO of Strukton Groep N.V. was suspended and the shares of Oranjewoud N.V., our parent company, held by him were transferred to a custodian who was appointed by the Enterprise Chamber for the duration of the court proceedings. In July 2023, a new Executive Board was appointed by the Supervisory Board. The assignment was clear: to bring back (financial) stability to the organisation.
It was a complex task that required action in all areas of the organisation. The following priorities were set: managing and reducing the cash outflow; restoring relationships with stakeholders; taking back control of operations; moving towards risk-based tendering.

Developments during 2023
Reaching out to our stakeholders was one of the first steps that we, the new Board, took. We enjoyed constructive conversations with our main clients about the projects that we are working on, including the complex ones that had proved extremely challenging in previous years. There were also frequent meetings with our supply chain partners, financial institutions, and auditors to discuss and solve pending issues.
Cash outflow was addressed by improving the management and control of our projects with clear procedures and processes, and by further divestment of non-core activities. In 2023, the Grid Solutions activities were sold to SPIE Nederland and Immersion Projects hived off to continue as Immontec BV. These divestments gave our cash position, and thus our financial stability, an important boost. During 2023, preparations were also made to sell other non-core activities, resulting in the sale several entities in 2024.
In addition, we have taken measures to improve working capital and attract (external) funding.


Foto: Bouwfotografe

'Everyone at Strukton Groep and the operating companies has been working hard to get our organisation in order and our business back on track'

Risk-based tendering was introduced for all new projects. Stringent selection criteria regarding risk profile, resources, and quality are now in place. Our focus has shifted to contracts and projects related to rail and rail infrastructure in our five home countries in Europe. Organisation-wise, the choices made in 2023 have given employees much needed clarity and transparency. A company culture based on cooperation, integrity, and respect is taking shape. The constructive collaboration between the Executive Board, Supervisory Board, and employees representative bodies has contributed to this. This culture provides a good basis for creating a leaner organisation structure in the Netherlands. We started to centralise the IT departments in the Netherlands in 2023, which led to better service and cost savings during 2024. In 2024, we continued with centralising the HR and Accounting departments. Based on an investigation done by an external consultant at the end of 2024, further improvements will be made during 2025.

Foto: Bouwfotografe

'A company culture based on cooperation, integrity and respect is taking shape'

FIOD
On 12 November 2024, Strukton Group (on behalf of Strukton International B.V. and Strukton Civiel Projecten B.V.) reached an agreement with the Public Prosecution Office *(Openbaar Ministerie)* on a settlement *(schikking)* regarding the allegations of bribery *(omkoping)* and forgery *(valsheid in geschrifte)* related to the Ryadh Metro Project in the Kingdom of Saudi Arabia. Details are given on page 103.

Financial results
Over 2023, Strukton Group realised an EBIT of EUR 11.4 with a revenue of EUR 1.4 billion. This includes the transaction results (EUR 13.8 million) of sold activities.

Financial highlights

- Revenue of EUR 1.4 billion (2022: EUR 1.4 billion)
- EBIT margin EUR 11.4 million, 0.8% (2022: EUR 5.7 million negative, -0.4%).
- Net result EUR 13.4 million (2022: EUR 178.4 million, mainly due to sale of Worksphere division)
- Group equity position improved to EUR 107.4 million (2022: EUR 23.0 million); solvency ratio raised to 9.1% (2022: 3.1%)
- Orderbook amounting to EUR 3.4 billion (2022: EUR 2.8 billion).

Looking ahead
Our focus in 2023 was on the ‘here and now’, to get Strukton back on track and create the (financial) stability that we need to move forward. There is of course still work to be done. However, there is a solid foundation on which we can now build.

Our business environment is still clouded by uncertainty in a wide array of areas, from energy shortages and the tight labour market to geopolitical and climate change-related challenges and increasing tensions in many parts of the world. At the same time, the need for safe, sustainable, and accessible infrastructures in our home markets remains strong. This offers many opportunities for Strukton Groep. We are now in the position to seize them and leave our turbulent past firmly behind us.

We wish to thank all our stakeholders for their continued confidence in our company and the support we have experienced during the past year. A special thanks goes to our employees for their hard work and commitment. Seeing how motivated and proud they are to create tomorrow today has been a valuable source of inspiration.

2.Our organisation

Foto: Paul Poels

Our organisation
Strukton Groep contributes to safe, sustainable, and accessible infrastructure, now and in the future. That has been our commitment for over 100 years.
The Group consists of five business units. The rail business units (Strukton Rail Netherlands & Belgium, Strukton Rail Nordics and Strukton Rail Italy) create and maintain railway networks in a safe, future-proof, and sustainable way. Strukton Infrastructure Specialties is specialised in infrastructure, with a focus on rail-civil engineering, hydraulic engineering, and tunnels. Strukton Roads & Concrete's expertise is centred around predictable organisation of realizing sustainable infrastructure in the civil engineering domain, such as (drinking) water infrastructure, road construction and maintenance, and civil infrastructure for the energy transition. Our operating companies join forces where they can, to maximise value for the projects we work on.

Strukton Infrastructure Specialties and Strukton Roads & Concrete operate in the Netherlands. The rail business units operate in five countries: Belgium, Denmark, Italy, the Netherlands, and Sweden.

Our profile
We help our clients to build tomorrow today by contributing to sustainable infrastructure for a safe, climate-friendly, future-proof and pleasant world. The work we do in infrastructure has an enormous impact; this is how we can make the difference. We are motivated to channel all our energy and passion into designing, building, and maintaining future-proof infrastructure. Safety is always key priority; sustainability is a must; quality and integrity are self-evident. Our trained professionals and experts combine their wealth of experience and craftmanship with technical, digital, and process innovations to do so.

Our mission
We are committed to playing a leading role in the transition to a safe and future-proof infrastructure and a sustainable way of working. We therefore challenge our clients and partners to explore boundaries, making work processes and solutions as sustainable and safe as possible. Functionality, quality, durability, and a good balance between price and quality are always top of mind.

We design, build, and maintain sustainable infrastructure, focussing on green transportation and energy. We truly shine in projects in which technology is key and in which our expertise can make a difference. Assignments in which all our specialisms come together.

Balance
All we do should be in balance with:
- What the earth gives us
- The interests and needs of our employees
- The interests and needs of our clients, our partners in the chain and our company
- The interests and needs of society.

Experienced teams
During 2023, our 4,201 colleagues created business in five home countries: Belgium, Denmark, Italy, the Netherlands, and Sweden. We work on a national basis in each of these countries, based on maintenance contracts or (mostly long-term) projects.

We have clocked up 100 years so far, but we still have our eye firmly on the future. We are pragmatic go-getters and work safely, sustainably, with integrity, professionally and skilfully. And we are extremely proud of what we do.

Our core activities
We offer a comprehensive package of services in sustainable infrastructure, ranging from design up to and including management and the circular reprocessing of some materials. Our strength in particular lies in management and maintenance in areas where we can combine high-quality technology, domain knowledge and professionalism.

Principal clients
Our principal clients are central government organisations (including Rijkswaterstaat, ProRail, RFI, Infrabel, Trafikverket, Banedanmark), decentralised government bodies (municipalities, utility authorities and provinces) and the industry.

3. Our Strategy and Results

Foto: Stefan Verkerk

Our presence in 2023 was firmly focussed on strengthening our position as a sustainable infrastructure specialist service provider. Rail-related activities play an increasingly important role, with support from specialist civil-engineering activities. De-risking and future-proofing our organisation is an ongoing process. In 2023, further action was taken to cease existing operations that no longer fit.

There are three key values that shape all we do: safety, sustainability, and integrity.

3.1 Safety

The work we do has intrinsic health & safety risks. Therefore, health & safety is our number one priority. We take responsibility for this together. Strukton is committed to working in accordance with the 24Safe safety policy: we work safely, reside safely on site, and travel safely to and from our projects, 24 hours per day and seven days per week. Nothing is more important than the safety of our employees, of those of the parties we work with, of visitors and passers-by. That is why we see safety at work as an integral part of the professional skills of all Strukton employees and of the people with whom we work.

Safety principles

There are ten safety principles that guide our daily work:

1. We work safely or not at all
2. We teach new colleagues to work safely
3. We focus on the prevention of incidents and accidents
4. We plan our work well
5. We work in an ordered and tidy manner
6. We check and follow up (e.g. regular workplace inspections)
7. We regularly evaluate safety with our partners
8. Everyone has the right to stop work if safety is at risk
9. We follow up on safety procedures to learn
10. We collaborate with the industry to continuously improve safety

Incidents and accidents

Our key safety indicator is the internationally recognised IF rate, the number of lost time accidents x 1,000,000 / the number of at-risk hours. By comparing the number of lost time accidents with the number of at-risk hours this factor can provide more information than the number of accidents alone. In 2023, the Injury Frequency (IF) rate in the Netherlands was 4.78 (2022: 4.7). For the whole group together, the IF rate was 12.95.

Intensified cooperation

During 2023 we intensified the cooperation between the business units and countries regarding safety. We increasingly share our experiences and expertise. This takes place during the quarterly international safety meetings between Sweden and the Netherlands, among others, that we initiated this year. As from 2024, Belgium and Denmark also take part in this meeting.

Broad definition

There is more to a safe working environment than safety procedures alone. Mental safety and well-being are equally important factors. Strukton wants to create an environment that is physically, mentally and socially safe, for our own employees and everyone we work with. This is an environment in which everyone is respected, and all voices are heard. You can read more about the social and mental aspects of safety under Sustainability.

3.2 Sustainability

Our sector has a significant impact on the living environment with respect to the use of raw materials, waste, emissions, and loss of biodiversity. This brings both great responsibility as well as opportunities to make the world more sustainable. Strukton is committed to designing, constructing, and maintaining sustainable infrastructure. We aim to do so by embracing our corporate social responsibility (CSR) across the entire value chain, collaborating with our suppliers, partners, customers and other stakeholders to shape a future that prioritises safety, environmental sustainability and quality. Financial sustainability is integral to our commitment, ensuring that our efforts in sustainable infrastructure development continue to be economically viable and impactful.

Sustainability is a mindset. Fully embracing this enables us to think outside the box and discover

exciting new opportunities that are not only good for the planet but good for business, too. Innovation plays an important role in this; we actively encourage the development and implementation of new ideas and technology that contribute to sustainability in all our operating companies.

CSR policy

In 2023, we began to work on a Strukton-wide CSR policy. This was completed and published internally and externally in 2024. Our operating companies formulate, evaluate, and improve measures and actions to achieve the ambitions defined in this policy in a way that fits their organisation and local circumstances. However, there is also a lot that we can learn from each other. We therefore actively encourage the exchange of expertise and best practices.

In preparation for the CSRD requirements, we have conducted a Double Materiality Analysis and are now in the final phase of its completion.

Strukton's CSR policy is aligned with international efforts for a sustainable future. We contribute to the Sustainable Development Goals (SDGs) of the United Nations (UN). Our main impact areas are SDGs 7, 8, 9, 12, 13,15, 17. They are aligned with our strategic focus and our key activities.

We respect the fundamental human rights based on the universal declaration on human rights by the UN, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the International Labour Standards by the International Labour Organization (ILO).

To address climate-related issues, we have defined four main targets:

- Our business operations are climate-neutral in 2035
- Our working locations (offices and projects) are free of harmful emissions and residual waste in 2030
- We design our products and projects in a circular way, re-use materials and build with circular materials in 2030
- All our projects contribute to better soil quality and biodiversity in 2030.

Our CSR policy focusses on five key areas: climate-neutral operations; circular economy; biodiversity & ecosystems; diversity & inclusion; and health & safety.

Climate-neutral operations

It is our ambition to reduce emissions in our operations and our chain, and to prevent air pollution. To achieve this, we are focussing on the introduction of zero and low-emission vehicles and equipment, on using renewable energy sources, and on increasing our energy efficiency.

Strukton performs in accordance with the highest level of the CO2 Performance Ladder, an instrument that helps organisations reduce their carbon emissions in the organisation, in projects and in the business sector.

In 2023, we took several steps forward in introducing zero and low-emission vehicles and equipment. Strukton Rail Netherlands introduced the first electric rail crane, which was successfully used in several projects. It was also used by Strukton Roads & Concrete, on the restructuring of the N270 highway: to meet strict Dutch regulations regarding nitrogen compounds in the air, all activities in this project were carried out with zero and low-emission vehicles and equipment. This shows how our business unitswork together and can benefit from each other's expertise.

In our Dutch organisation, we made preparations for a new mobility policy, to offer employees other, more environmentally friendly modes of transport for their commute to work.

We regularly publish CO2 Progress and Energy Action Plans to report on our progress. The total gross carbon footprint scope 1 and 2 was 37,806 tons CO2 in 2023 (2022: 37,885 tons). The reduction was therefore small (79 tons or 0.21%). Relative to sales, however, we did fulfil our target; the relative reduction in 2023 amounted to 4.5%.

Circular economy

We believe that a circular economy is key in solving sustainable development challenges. To improve in this area, we are working on design for disassembly and reuse, material reuse and recycling, and nature-based infrastructure practices.

This year, we joined the Closing the Loop initiative for circular viaducts. In this project from Rijkswa-

'Sustainability is a mindset and makes us think ouside of the box and discover new opportunities that are good for the planet and for business'

terstaat, part of the Dutch ministry of Infrastructure and Water Management, we investigated the reuse of bridge girders. Our operating companies in the Netherlands also worked on pilots with circular concrete, for catenary structures, among others. In all cases, Strukton was happy to take the lead and share knowledge and expertise with other partners in the chain.

Biodiversity and Ecosystems
Loss of forest, land degradation, and the extinction of species pose severe threats to our planet and the people living on it. We therefore aim to prevent land degradation and the loss of flora and fauna, and to restore biodiversity wherever possible. Our focus lies on green infrastructure design, flora and fauna protection, and environmental impact assessment.

In several of our projects in 2023 we took mitigation measures to minimise the impact of our activities on bats and their flight paths, for instance, and to create an alternative habitat for badgers. Our portfolio company Molhoek-CCT specialises in certified ecological verge management and won a tender for ecological track side management in the north of the Netherlands on behalf of ProRail in October 2023.

Health & Safety
This is a top priority for Strukton and one of our key values, as mentioned above under Safety.

Diversity & Inclusion
Diversity and inclusion are essential to our success and are integral to creating a positive and innovative work environment. Therefore, we are committed to embracing differences and nurturing a workplace that values and respects the unique perspectives and backgrounds of all our employees.

In 2023 we started work on a policy for diversity and inclusion for Strukton as a whole. Local policies in place at Strukton Rail Sweden and Italy were a source of inspiration for this. The policy was rolled out in all business units in the course of 2024.

3.3 Integrity

Good business practices, integrity, respect, transparent reporting, and accountability are leading aspects of our business. We owe our success to our core competencies in the implementation of projects and to always acting ethically correct and with integrity. Integrity is key on a personal, business, and social level.

In 2023, we prepared an update of our policy on acting with integrity, Strukton All Right, and our Code of Conduct. The aim was to emphasize the importance of integrity for Strukton, create uniformity, and take the next step in professionalizing our approach. The updated documents were published in 2024.
We also worked on reporting procedures regarding integrity and appointed two external confidential mediators to whom employees can turn to discuss any issues or concerns they may have on the subject.

4. Governance

Foto: Gerrit Serné

2023 was a pivotal year for Strukton Groep. The previous CEO of Strukton and ultimate shareholder was suspended and the shares of Oranjewoud N.V., our parent company, were transferred to a temporary custodian who was appointed by the Enterprise Chamber. In July 2023, a new Executive Board was appointed by the Supervisory Board.

Since this change, much time and effort has been devoted to getting the organisation back on track. We have gained much better insights into potential risks and are taking appropriate measures to counteract them. Introducing a new tender board procedure was a milestone in this area. Safety has been acknowledged as our top priority, before all other risk factors. The importance of integrity as one of our company's key values has also been recognised, with preparations being made to embed new policy in the organisation. Lastly, corporate governance has been reinforced and relationships with internal and external parties have been restored.

4.1 Risk management

Strukton Groep continuously monitors, evaluates and manages the risks it encounters in various areas. The areas that were most important for 2023 are included below.

Risk appetite
We have tightened the selection criteria for new projects and implemented stronger group-wide controls. In accordance with our new tender board procedure, we now strategically aim to only tender for maintenance and construction projects that are a good match with our core competencies (rail and civil engineering domains), with limited risks and justified expectations of healthy earning capacity. Projects with a mid-term maintenance and management component are particularly interesting to us as they align to core competencies and contribute to stabilizing our financial performance.

Strategic risks and market risks
Safety
The work we do has intrinsic health and safety risks. Therefore, health and safety is our number one priority. We take responsibility for this together – see Operational risks.

Labour market
The scarcity in specific areas of the labour market makes it increasingly challenging to recruit sufficient people with the technical skills that Strukton needs. We are therefore investing in our position as a preferred employer, both to attract and recruit new talent and to retain our current employees. To do this, we are focussing on creating an appealing work environment with competitive terms of employment, room for personal and professional development, and a focus on mental and physical well-being.

Supply chain
Strukton has a network of valued suppliers without whom we would not be able to perform our core activities. In recognition of their importance, we have improved our payment terms for suppliers to ensure that we fulfil our financial obligations timely.
Prices of material and labour continue to be volatile, due to the geopolitical situation and high inflation - see Financial risks.

Purchasing policy of principals
The rail markets in our home countries can be characterised as monopsonies. The market volume generated by the main principals has decreased. At the same time, new parties are being encouraged to enter the market. Strukton focusses on remaining competitive, in terms of scale and quality, and on differentiating itself through research & development and sustainable solutions. We also aim to expand our activities to include non-principal work and work for municipal public transport companies.

Tender costs
We generate a significant portion of our operating income from public tender procedures. Tender costs have been increasing over the past years, due to the increasing complexity of tenders (in particular projects awarded on a Best Value, Design & Construct (D&C) or integrated contracts). As a result, we are increasingly selective in tendering.

Public sector contracting authorities
Delays in political decision-making processes and adjustments to government investment budgets affect the size and number of orders to be awarded. We closely monitor the development of the order

book and activity level in relation to the size of the organisation so that we can take appropriate measures, if and when necessary, paying especial attention to solvency. In addition, we strive to ensure that long-term, repetitive orders form a substantial part of our operating income.

Operational risks and compliance risks

Safety

By their nature, our operational activities can potentially result in accidents, injuries, and loss of reputation or non-compliance with the occupational health and environmental regulations. With careful preparation of activities, safety awareness programmes, and analysis of accidents and near-misses we work to minimise this risk. All colleagues have access to the Quality, Health, Safety and Environment (QHSE) systems. These are frequently audited by external accredited and certifying bodies.

Control measures relating to safety are, among others:

- Colleagues, suppliers and sub-contractors are actively involved in safety awareness campaigns;
- We actively encourage reporting, which is used for continuous improvement;
- We take preventive measures to avoid calamities;
- We actively encourage working with a Last Minute Risk Analysis (LMRA).

Realisation and design

In the project- and maintenance-based work that we generally carry out for third parties, design risks and realisation risks play a role. We are committed to the structural application of procedures, during the acquisition phase and the implementation phase, to prevent the occurrence of issues in these areas. For design risks, third-party reviews are highly valued. We are insured for design errors.

Fixed prices

Principals often wish to transfer risks to the contractor in exchange for a fixed price. As a result, losses and negative cash flows can be incurred. Our policy aims to de-risk our operations, to attract a positive cashflow and accept only the risks that we can manage independently. As part of our project monitoring method, we have introduced an advanced system for risk identification and quantification, in both the acquisition and implementation phases. As raw material prices continue to fluctuate, we are cautious in accepting inflation risks. In long-term projects, we focus on adequate indexation schemes.

'Safety is our top priority, before all other risk factors'

Agency contracts

Strukton Groep has made limited use of agents in the past but refrains from doing so since years, in whichever shape or form.

Utilisation rate

Our company's profitability and cash flow are negatively affected if we do not deploy our employees and our fleet of machines and equipment in projects or contracts at self-funding rates. Strukton Rail manages this risk by deploying both its fleet and its employees in all home countries. Throughout Strukton, we focus on increasing the share of non-project-based activities to limit the risk of understaffing.

Information security

We depend on the availability and continuity of information through our information technology systems. Without it, operations are effectively suspended. Therefore, we continuously focus on the protection of information and connections to stay in control.

Compliance
We have paid renewed attention to 'hard' compliance, for example, compliance with competition rules, privacy and anti-corruption rules. However, we have also taken steps in 'soft' compliance, for example preparing to update our policy on diversity and inclusion - see Our strategy and results, Sustainability

'We focus on the protection of information and connections to stay in control'

Financial risks
Available credit facilities
The company's liquidity requirement is forecasted on a frequent basis, and the application of the facilities is continually monitored. Insights acquired with the help of external parties have enabled us to take specific measures to improve our work capital and cash position.

Financial instruments
With Strukton's strengthened focus on Belgium, Denmark, Italy, the Netherlands and Sweden, the extent of this exposure is reduced. Almost all of Strukton's activities are carried out within the Euro zone and are naturally hedged due to the high extent of locally sourced costs and wages in countries. The activities of business units outside the Euro zone are mostly carried out within the currency zone of the relevant country. The translation risk on share capital and loans provided to subsidiaries outside the Euro zone is not hedged in 2023, as there is no significant exposure to currency risks.

Insurance
It is our policy to insure risks – in particular, operational and financial risks - that we are not able or willing to bear. We assess our insurance policies for amended legislation and regulations, sums insured and new risks on an annual basis and adjust our insurance programme where necessary.

Risk management and control systems
Risk control framework
The risk control framework consists of, among others, Code of Conduct, the Delegation of Authority, the procedure for authorisation applications relating to complex and large-scale projects, the planning and control cycles and relevant reports.

Internal control systems
The company's internal risk control and auditing system is designed to control risks related to business activities and the realisation of company objectives. It also monitors the efficiency and effectiveness of business processes and the consistency of the administrative processes.
In 2023, we focussed on the following improvements to this system. We implemented a more stringent tender board procedure to ensure that we only tender for maintenance and construction projects that are a good match with our core competencies (rail and civil engineering), with limited risks and justified expectations of healthy earning capacity. Other procedures regarding risks – for instance, when approval from the Group is required – were reviewed and improved. In operations, we introduced improved procedures for contract management, project control and project management. We made also preparations to update the Code of Conduct and began preparations for reporting in line with the Corporate Sustainability Reporting Directive (CSRD), which will be applicable for Strukton Groep from 2025 onwards.
Overall, the new leadership led to more clarity on risks and risk management throughout the Group.

External auditor
In 2023 relations with the external auditor were normalised and the remaining administrative backlog was taken care of, bringing Strukton Groep fully up to date.

Reporting structure
Strukton's reporting structure is in line with the management of the separate business units. The progress and development of the operational results, the liquidity and financial position of the company, the safety risks, operational and financial risks, and CSR results are set out in the periodical management reports. The implementation of the strategy is based on improvement programmes focusing on the operational processes regarding tender management and project management, and also in the field of working capital and cash management and safety.

Foto: Spanjer

'Preparations to comply with the CSRD regulations will provide further insight into risks and how we can take action to address them'

Business continuity

Major external events like pandemics, wars or climate change can have a material effect on Strukton's operation and business results. We must always be prepared for such an event. We have a multidisciplinary business continuity organisation in place to ensure that our activities can continue on project and contract sites, in our offices and at home, in a safe and healthy manner. Preparations to comply with the requirements of the CSRD in 2025 will provide further insight into related risks and how we can take action to address them.

Going concern assessment

The 2023 financial statements of Strukton have been prepared based on the going concern assumption.
Strukton made a detailed assessment of the company's ability to continue as a going concern. The going concern assessment takes into account events including divestments of non-core portfolio companies within the group, the operating plan 2024 and further, developments of Strukton's order book, road map of working capital improvement and attracting external funds. In performing this assessment, Strukton considered factors that could indicate the presence of material uncertainties that might cast significant doubt upon the company's ability to continue as a going concern. Factors considered included: operating results and/or major losses on projects, as well as that no declaration of liability has been issued regarding Strukton Civiel B.V., Strukton Civiel Projecten B.V. and Strukton International B.V. It is worth noting that all business units are currently profitable.
Several large loss making projects have caused significant losses in recent years. These projects are elaborated on in paragraph' Accounting considerations on key projects'. This includes the construction of the new office for the Dutch National Institute for Public Health and the Environment (RIVM), called "MEET RIVM". The MEET RIVM project is highly complex, in particular due to the high requirements on laboratories. Disagreements regarding the financial impact and the extent of delay led both parties to initiate the contractual dispute procedure. In this process, MEET presented a detailed analysis of the financial impacts and delays attributed to Change Orders GAP III, Reconfiguration Process 1, and other factors. MEET estimated these additional works would extend the Availability Certificate by 40 months, targeting completion around year-end 2024. However, in an interim decision issued in October 2023, the GAP III Committee determined that the critical delay from these Change Orders was 15 months and invited parties to discuss and settle on the associated financial impact. On March 8, 2024, the parties reached a settlement agreement, setting the scheduled Availability Date to the beginning of 2025, and establishing financial

compensation terms. The settlement agreement was signed on 20 November 2024.
The key project Hoofdstation Groningen has been delayed and the planning has moved backwards several times. Due to the complexity of the design, the COVID-19 lockdown, and the technical complexities involved in realizing certain aspects of the design, delays were incurred along with increased costs. Since the project will take time to complete up into June 2026, there are risks and uncertainties for which we identified our best estimate.
The key project A15 faces a disagreement with the client regarding the use of quieter but less durable asphalt with respect to the recoverability of the costs of this asphalt. In October 2024, the consortium and the client agreed upon a settlement on the scope and adjustment of the maintenance strategy. The arbitration procedure is therefore settled. The total estimated contractual loss for Strukton, has been taken into account in the financial figures of 31 December 2023.
In 2023, two maintenance contracts commenced in Sweden, each with a duration of five years. These projects have been characterised by significant challenges arising from inaccurate cost estimations made during the tender phase, intensified by unforeseen difficulties such as harsh winter conditions that impacted project execution. Additionally, complexities and uncertainties in the working relationship between Strukton and the client have further complicated the situation. As a result a significant loss is taken in 2023.
Strukton accelerated its strategic decision to withdraw from our operations in the Middle East. We have reached a settlement with our consortium partners on the Riyadh Metro Project in 2023.
There are no financial covenants, financing requirements mainly constitute (bank) guarantees, transaction banking, (equipment) lease and transactions. For now, the non-recourse project-financing for RIVM and the ringfenced facilities in Italy are left intact and continue. Other cash or credit facilities are repaid, reduced or not materially utilised.
Furthermore, Strukton responded by taking measures to ensure business continuity, significantly reduce cost and capital expenditure to protect liquidity and profitability. Strukton has 'stress tested' its going concern assessment, considering aforementioned factors on an individual basis, and considered all available information about the future such as result forecasts and cash flow projections, at least twelve months after the end of the audit date of these financial statements. For the projects and contracts with a relative high-risk profile the assessment has been done for the entire contract period. Financing major loss making projects and other inherent factors causes that there are uncertainties that may cast doubt on the company's ability to continue as a going concern.
The forecasted situation has improved compared to the reporting of the 2022 financial statements due to a combination of actual cash-outflows being lower than initially assessed by management as well as due to some of the mitigating measures being implemented and carried out by management. These mitigating measures included, amongst others, attracting external funding, divesting portfolio companies, and improving working capital. The further mitigating measures as identified (including the Letter of Support from Oranjewoud N.V. until 31 December 2025) have been assessed by management and are considered to be realistic and feasible. Therefore, it is appropriate to prepare the financial statements based on going concern.

For further explanation of the underlying reasons, please refer to the section 'Liquidity risk' in paragraph 'Financial risk management'.

Conclusion

The focus in 2023 was on further improving the internal control and procedures throughout the business units, supported by the leaner organisational structure. The reporting procedures were improved and the holding organisation is now more involved in the operation. We made good progress, and there is more to achieve as we move forward. We will further develop the newly introduced tender procedure into a full stage gate risk review in 2024 alongside further strengthened group wide controls and enhancement of ICFR for project management. We have also started to prepare for reporting in line with the CSRD requirements. This is applicable from 2025 onwards.

Foto: Eyefly

4.2 Company culture and integrity

People are Strukton's most important asset. Creating an open and safe corporate culture is our top priority. The appointment of a new Executive Board in July 2023 has led to a renewed focus on this.
There is a new leadership culture, which brings clarity and transparency at all levels of the organisation. Teamwork is more important than ever. In addition, there is a clear focus on the physical and mental health, well-being, and safety of our own employees and of the partners with whom we work. This is reflected by, among others, our policy on diversity and inclusiveness. In 2023 we worked on an update of this policy, which was published in 2024.

Integrity

Integrity is one of our key values. We always act ethically correct and with professional integrity, at all levels of our organisation and in all operating companies. Our Strukton All Right integrity programme lays the foundation for this. It is the umbrella for all related documents and policies – on preventing corruption and inappropriate conduct, for instance – which are based on our Code of Conduct. Strukton All Right and all related documents are available on our website and on our Intranets.

Code of Conduct
Our Code of Conduct sets out the key rules that Strukton imposes for fair and just business. It helps to determine what is fair and just at work, in addition to existing local legislation. The code has clear links to other policy documents and rules on, among others, dealing with gifts and invitations, countering bribes and corruption, and the regulations regarding undesirable behaviour.

Regulatory and legal compliance

Strukton Groep is transparent about our regulatory compliance, and we act with integrity at all times. We are keen to ensure that we adhere to all the applicable laws and regulations and abide by the standards and values in force. In other words, that we are 'compliant'. The body of rules and obligations, both internal and external, is extensive and complex.

Data privacy
The need to handle personal data of our employees and our partners carefully is self-evident. To remain compliant with privacy legislation, Strukton Groep has set up a privacy structure and governance arrangement. We continuously take appropriate technical and organisational measures to protect personal data, such as applying the IT Code of Conduct and using secure storage and connections. The specific measures taken are based on our Strukton Data Classification guideline.
In 2023 no data breaches that were required to be reported to the competent authority, have occured.

Information security
To ensure it can withstand the increasing cyber threats, Strukton Groep is continuing to improve the security of its information technology (IT) and operational technology (OT) systems.

4.3 Corporate Governance

Good business practices, integrity, respect, supervision, transparent reporting and accountability are the leading aspects on which our corporate governance policy is based.

‘We aim for a balanced workforce in terms of age, gender, background, training, and profesional experience’

Strukton Groep N.V. is a public limited liability company governed by Dutch law. The company is managed by the Group Executive Board, under the supervision of the Supervisory Board. Oranjewoud N.V. is the sole shareholder of the company. Oranjewoud has amended its articles of association in August 2023 pursuant to which it has adopted a more stringent large-company regime (structuur-regime).

Management
The Group Executive Board manages the company and determines the vision and the ensuing mission, strategy, and objectives of the company. The Group Executive Board is responsible for transparent governance within the company and frequently provides information and tools to the shareholder and the Supervisory Board as required for the adequate fulfilment of their tasks. The Management Teams of the operating companies are responsible for defining and executing the strategies of their respective operating companies within the overall group strategy framework.

Appointment and remuneration of CEO
On 17 March 2023 the Supervisory Board suspended Mr. Sanderink as CEO of the Executive Board with immediate effect for a period of three months. In addition, at the request of the Supervisory Board, the Enterprise Chamber rendered its ruling on the 1 June 2023. In this ruling, the Enterprise Chamber (in short) came to the decision that a continuation of the involvement of Mr Sanderink was currently not in the interest of Strukton and Oranjewoud. Therefore, the Enterprise Chamber (as requested by the Supervisory Board) (i) suspended Mr Sanderink as statutory director of Oranjewoud and Strukton and (ii) placed the shares in Oranjewoud and held by Sanderink Investments (with the exception of 1 share) into custody with a custodian. The court appointed Mr. M. Holtzer, partner of DLA Piper, as the custodian.

As of the date of suspension, the members of the Supervisory Board collectively acted as the interim directors of Strukton Groep, until 15 July 2023. On this date, Mr. R.P. van Wingerden (as CEO) and Mr. M.A.J. de Haas (as Chief Transition Officer (CTO)) were appointed as statutory directors of Strukton Groep. Together with the CFO and, as per the end of July 2023, the Chief Legal Officer (CLO), they constitute the Group Executive Board.
The general meeting determines the remuneration of the members of the statutory members of the Group Executive Board based on an advice issued by the Supervisory Board. Please also refer to note 28 of the consolidated financial statements for the remuneration of management during 2023.

Supervisory Board
The company installed a Supervisory Board in 2017. On 22 March 2022, Mr. J.M. Kuling was appointed as Chairman of the Supervisory Board and Mr. A. Schoots was appointed as Supervisory Board member. Mr. B.C. Fortuyn was appointed as Supervisory Board member as of 1 April 2022 and Mr. J.J.A. van Leeuwen was appointed a member as of 1 May 2022. Mr. A. Schoots resigned as Supervisory Board Member as per July 2023. Ms. M.L. Bremer was appointed a member as of 21 March 2024 and Ms. P. Koselka joined the Supervisory Board on 25 July 2024.

Diversity
It is our intention to define our diversity policy in 2025, resulting at the end in a balanced workforce in all positions in terms of age, gender and background, training, education, and professional experience. The regulation in Book 2 of the Dutch Civil Code (BW) sets out a best-effort obligation imposed on large companies for the seats of the Executive Board to be occupied by women for at least thirty percent, and by men for at least thirty percent, insofar as such seats are divided among natural persons. In addition, a new Dutch law was implemented on 1 January 2022 providing for additional (reporting) obligations regarding diversity applicable to the Group Executive Board, Supervisory Board and the “sub top”. In the selection and appointment of potential new members of Strukton Groep’s Supervisory Board, diversity has been considered.

With the appointment of Ms M.L. Bremer as a member of the Supervisory Board in March 2024 and Ms. P Koselka in July 2024, Strukton acted in accordance with the Dutch Diversity Act. In addition, two of our business units have women on the Executive Boards: Strukton Rail Belgium is led by Ms. D. Vleminckx, CEO.

Conflict of interest and transactions between related parties
The Supervisory Board of Strukton Groep N.V. is responsible for resolving any conflicts of interest between the company on the one hand and the Executive Board of Oranjewoud N.V., the Supervisory Board, the Group Executive Board and the external auditor on the other. Transactions with the shareholder or affiliated companies are conducted in line with market practice.

Auditor
The Supervisory Board of Strukton nominates the external auditor for the group as a whole. Forvis Mazars Accountants N.V. has been appointed for the audit of the financial statements 2023.

Internal stakeholders
Our colleagues are a key stakeholder group. We are in continuous dialogue with our colleagues on developments in the organisation, individual development, performance, safety & health, sustainability, and integrity in meetings and on the job. The main sources of information for colleagues are the intranet sites and meetings.

The colleagues are represented in Strukton's employee participation bodies. Each operating company which meets the required statutory threshold has its own Works Council or other employee participation body. For issues concerning all operating companies, a Central Works Council has been installed. In 2023 relations with all employee participations bodies were restored and scheduled meetings are now held on a regular basis.

External stakeholders
We continuously work in dialogue with our stakeholders and ensure that our business operations remain aligned with their requirements and needs. They challenge us to discover new opportunities and possibilities regarding sustainability and to accelerate the pace in this respect, and we, in our turn, challenge them. We have identified our customers, employees, financial partners, suppliers and subcontractors, regulators, and social organisations as our key stakeholders. In addition, knowledge and educational institutions, sector organisations, and NGOs are relevant stakeholder groups for us with whom we wish to maintain a constructive dialogue. We frequently publish about key events on our websites and in press releases.
In 2023 we paid great attention to restoring relations with our key stakeholders.

Compliance
We owe our success to our core competencies in the implementation of projects and contracts, and to always acting ethically correct and with integrity. In all operating companies, Strukton insists on integrity in doing business. See our paragraph on corporate culture and integrity.

Executive Board and Supervisory Board
As per reporting date, the Executive Board of Strukton Groep is as follows:
- Mr. R.P. van Wingerden (Chief Executive Officer)
- Mr. M.A.J. de Haas (Chief Transition Officer)
- Mr. A.E.P. Vlaanderen (Chief Financial Officer)
- Mr. W.J. Wieland (Chief Legal Officer)

The Supervisory Board of Strukton Groep is as follows:
- Mr. J.M. Kuling (Chairman)
- Mr. B.C. Fortuyn
- Mr. J.J.A. van Leeuwen
- Ms. M.L. Bremer (as of 21 March 2024)
- Ms. P. Koselka (as of 25 July 2024)

Mr. A. Schoots resigned as Supervisory Board Member per July 2023.

5. Financial Results 2023

Revenue

2022	2023
1.38	1.44
BILLION EURO	BILLION EURO

Green revenue*

2022	2023
76	80
PERCENT	PERCENT

Solvency

2022	2023
3.1	9.1
PERCENT	PERCENT

EBIT

2022	2023
-5.7	11.4
MILLION EURO	MILLION EURO

EBIT margin

2022	2023
-0.4	0.8
PERCENT	PERCENT

Scope 1 and 2

2022	2023
37.9	37.8
TON	TON

IF Rate

2023

12.95

(NL: 4.78)

On track to a sustainable future

24SAFE

focusing on safety together

* This concerns the eligible green revenue. The green revenue is determined by estimating the percentage of activities within an entity that are considered green according to the EU Taxonomy. Local financials have assessed which revenue falls under the green revenue definition according to the EU Taxonomy.

Key figures	2023	2022	2021	2020 [5]	2019 [1]
Amounts in EUR millions (unless stated otherwise)					
Revenue	1,439.5	1,378.2	1,439.6	1,349.8	1,873.3
Operational result (EBITDA)	63.2	45.2	-100.2	-98.0	62.3
Operating result (EBIT)	11.4	-5.7	-153.0	-178.9	6.0
Net operating result	16.9	-8.0	-181.6	-198.4	-19.7
Cashflow					
Operating activities	12.9	-34.9	105.1	52.0	60.4
Investing activitities	-2.7	237.9	-73.4	-38.6	-43.0
Financing activities	-39.8	-49.7	-21.7	2.7	-28.3
Total Cash flow	**-29.6**	**153.3**	**10.0**	**16.1**	**-11.0**
Investment in property, plant and equipment	31.6	31.8	22.6	14.2	21.5
Depreciation/ impairment on fixed assets	-51.8	-50.9	-52.8	-80.9	-62.2
Excluding PPP SPC financial holding companies [4]					
Balance sheet total	1,030.2	1,010.9	1,034.4	1,067.4	1,139.1
Invested equity [2]	-301.3	-379.0	-12.9	158.1	366.7
Net debt [3]	-198.6	-86.4	-13.4	4.6	27.7
Solvency rate (%) based on group equity	10.4%	3.6%	-12.8%	4.3%	17.3%
Including PPP SPC financial holding companies [4]					
Balance sheet total	1,183.4	1,159.3	1,157.9	1,159.3	1,296.3
Total equity	107.1	22.8	-170.2	8.7	184.6
Total group equity	107.4	23.0	-170.2	8.9	185.6
Invested equity [2]	-139.9	-225.8	127.3	306.9	519.7
Net debt [3]	-70.8	28.1	126.4	153.0	176.4
Solvency rate (%) based on group equity	9.1%	3.1%	-11.4%	4.0%	15.2%
Net result (in %) of group equity	26.1%	10.9%	225.0%	-205.2%	-10.6%
Net result (in %) of revenues with customer contracts	1.2%	-0.6%	-12.6%	-10.9%	-1.1%
Orderbook on closing date	3,421.0	2,775.0	2,403.9	1,981.6	2,852.7
Non-financial data					
Average number of employees	4,231.9	4,230.6	6,139.0	6,451.0	6,651.0
Sick leave rate (%)	3.5%	5.9%	6.0%	4.8%	3.4%
Carbon dioxide emission (in tonnes)	37.806	37,603.8	41,543.6	36,263.7	42,322.0

1 After amendments to the accounting policies regarding Leasing (IFRS 16) and restatements/revisions as included in the financial statements 2020.

2 Invested equity is calculated as total (group) equity plus financial liabilities as included in note 25 of the consolidated financial statements.

3 Net debt is calculated as subordinated loans plus non-current liabilities and debt to financial institutions minus cash and cash equivalents (excluding cash blocked within combinations).

4 PPP SPC financial holding companies are public-private partnership projects. The figures are presented including and excluding the PPP SPC financial holding companies in order to present the significant impact of these projects on the statement of financial position.

5 Significant decrease of consolidated statement of income figures due to the sale of worksphere.

5.1 General

2023 was a positive year for Strukton Groep with a net result of EUR 13.4 million.

5.1.1 Operating income

The revenue increased by EUR 61.3 million in 2023 compared to 2022.

The revenue per segment is as follows:

Revenue (in EUR Millions)	**2023**	**2022**
Rail Infrastructure	1,044.4	954.1
Civil Infrastructure	229.8	199.7
Technology and buildings	28.7	44.7
Other	136.6	179.8
Total	**1,439.5**	**1,378.2**

5.1.2 Operational result

The operational result per segment is as follows:

Operational result (EBITDA) (in EUR Millions)	**2023**	**2022**
Rail Infrastructure	69.4	103.4
Civil Infrastructure	(1.5)	(59.2)
Technology and buildings	(0.6)	(10.4)
Other	(4.1)	11.4
Total	**63.2**	**45.2**

5.1.3 Taxes

In 2023, the corporate income tax amounts to EUR 3.6 million negative.

5.1.4 Order book

The order book was well-filled:

Order book (in EUR Millions)	**Netherlands**	**Outside Netherlands**	**Total**
Rail Infrastructure	329.1	2,014.5	2,343.7
Civil Infrastructure	870.8	-	870.8
Other	206.8	-	206.8
Total	**1,406.7**	**2,014.5**	**3,421.3**

The order books are until 2027. In the Rail Infrastructure segment, the order books in the Netherlands, Sweden and Italy increased compared to 2022. The Dutch order book of the civil engineering isegment increased compared to 2022.

5.1.5 Cash flow and financing

The decrease (EUR 33.7 million) of cash and cash equivalents amounted to EUR 313.6 million in 2023 (2022: EUR 347.2 million).

At year-end 2023, the generic guarantee facilities were maintained at EUR 70 million.

At year-end 2023, the total cash blocked is EUR 66.4 million.

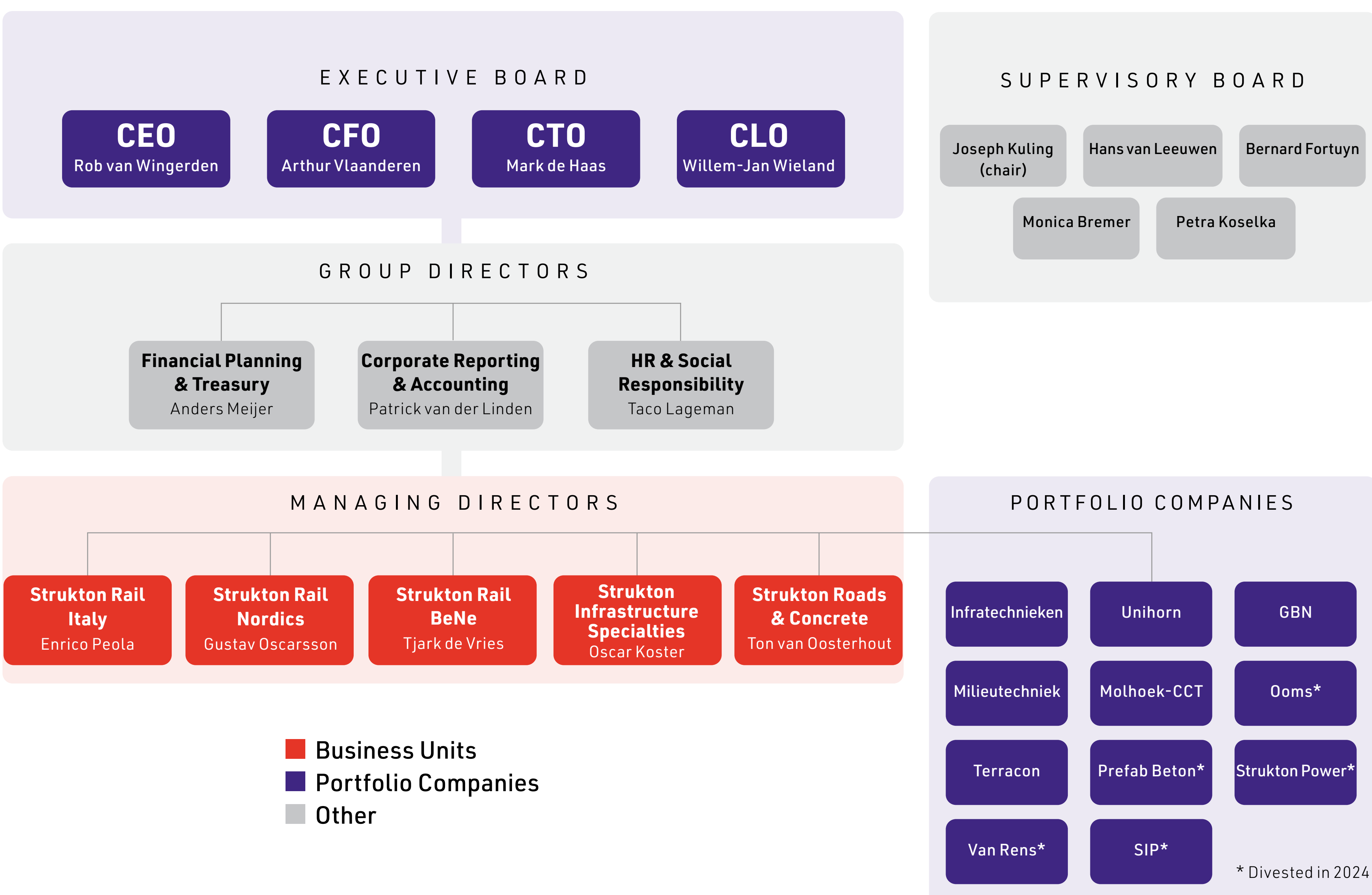
The company's liquidity requirement is being forecasted on a frequent basis, and the application of the facilities is continuously monitored.

5.1.6 Equity position

Equity increased in 2023 by EUR 84.3 million mainly due to the net result of EUR 13.4 million.

5.2 Highlights per division

Strukton Governance and Organisation



The above organisational structure shows the organisation after the changes made in 2020-2022. The business units report directly to Strukton Groep. The portfolio companies operate on a more autonomous level within Strukton Groep. The highlights below are including a breakdown on the current structure.

5.2.1 Strukton Rail segment

This paragraph includes the three rail-related business units Strukton Rail Belgium-Netherlands, Strukton Rail Nordics (Sweden and Denmark) and Strukton Rail Italy. FTE is the end of the year.

Rail Infrastructure (Revenue in EUR Millions)	**Revenue**	**FTE**
Rail Netherlands-Belgium	426.2	1,305
Rail Italy	302.4	670
Rail Nordics	315.8	1,128
Total	**1,044.4**	**3,102**

The growing importance of rail as a segment is also reflected in the results over 2023 with a combined revenue over the three clusters of EUR 1,045.4 million and an EBITDA of EUR 69.4 million positive.

5.2.2 Strukton Civil segment

2023 was a better year for the Dutch civil engineering segment. The revenue for the year was EUR 229.8 million and the EBITDA was EUR 1.5 million negative. FTE is the end of the year.

Civil Infrastructure (Revenue in EUR Millions)	**Revenue**	**FTE**
Roads & Concrete	173.9	330
Strukton Civil Projects	16.2	-
International	39.6	119
Total	**229.8**	**449**

Hoofdstation Groningen

Strukton Civiel Projecten B.V. is working on the Hoofdstation Groningen (Groningen Main Station) project on behalf of ProRail. The project has been delayed and the planning has been shifted backwards several times. The delays are caused by the complexity of the project and material external circumstances, both resulting in a longer and more expensive design process. The following reasons have contributed to the cost increases and/or delays:

- COVID-19. Given the complexity of the design, the intention was to perform the design phase at one location. In March 2020, three months after the start of the final design (DO) phase, almost all 75 designers were forced to work individually due to a corona lockdown. This had a major impact on the integrated approach of the design, which in turn led to delays and higher costs.
- Macro-economic circumstances led to unforeseeable cost increases and supply chain disruptions.
- Remove cables and ducts at the start of the project. At the start of the project, a large number of unknown cables and ducts turned out to be present in the site.
- Design complexity and inefficiency. The realisation of parts of the design turned out to be technically very complex. As a result, adjustments were made to the design, which led to delays and higher costs.
- Anchoring problems. After pouring the concrete, the anchors proved to be unsatisfactory at a number of points. As a result, Strukton's subcontractor had to take measures to resolve this, which led to higher costs.
- Train-free periods (Trein Vrije Periodes - TVPs). Consecutive delays mentioned above are multiplied by missing certain pre-determined train-free periods (TVPs) and lack of flexibility in securing new ones

The completion of the project is currently foreseen in 2026.

The above matters were not foreseeable and have arisen during the important execution phase of the project. Remaining uncertainties relate to the not yet contracted cost-to-complete and the amount of expected compensation. We are in constructive and active dialogue with ProRail, which has led to a final agreement on additional remuneration per April 2024. Furthermore, Strukton is in an active dialogue with ProRail on the risks related to a specific element in the scope of the project. Currently, the impact is uncertain and the expected project result and completion date of the project are not affected. The estimated final project result amounts to EUR 124.5 million. A provision of EUR 122.4 million is formed up until 2023, and a further provision of EUR 2.1 million is recognised in 2024.

On July 17, 2024, a fire broke out on the working site. This resulted in fire, water, and smoke damage on the future bus driver's residence and technical installations included in the same building. The cause of the fire is currently being investigated. Furthermore, the impact of the fire on the expected project result is being estimated and is treated as a non-adjusting subsequent event. Expectation is that this impact will not be material

Avenue2
Strukton Civiel Projecten B.V., is via Avenue2 V.O.F. involved in developing and realizing project A2 Maastricht for Rijkswaterstaat and the Municipality of Maastricht. The project was completed in 2017. The client believes that Avenue2 V.O.F. is responsible for various defects and has been in discussions with Avenue2 V.O.F. The defects are disputed by Avenue2 V.O.F. This has not yet led to a conclusion, different outcomes of the current process are possible and may influence future results. The client has drawn on the provided bank guarantee of EUR 4.2 million. For a portion of this amount, an additional provision has been made as of December 31, 2023, based on the management's best estimate. This estimate reflects the most likely outcome as currently foreseeable.

With the new structure since 2022, the civil engineering segment is expected to improve financial performance and lower the risk profile as from 2023 onwards. Business-wise, the focus will be on smaller projects of a repetitive nature in which the focus on only the core competencies are envisaged to restore the earnings potential of the business.

5.2.3 Strukton International
Strukton International used to be a separate division, operating in projects outside of Europe, with a focus on the Middle East. Following the strategic roadmap with focus on sustainable infrastructure in Europe, Strukton International is being wound down, with the intention to withdraw and cease Strukton International's activities.

Riyadh Metro Project (Saudi-Arabia)
Strukton International's single largest project (acting through Strukton Civiel Projecten B.V.) was the Riyadh Metro project in Saudi Arabia with the Royal Commission for Riyadh City as the client (RCRC). Strukton was part of the so-called FAST consortium with FCC Construccion S.A., Samsung C&T Corporation, Freyssinet Saudi Arabia and ALSTOM Transport S.A. as the consortium members. However, Strukton's relationship with RCRC and the other consortium members deteriorated significantly due to a complex legal event regarding our operations in the country. A Saudi citizen Mr Al-Shattery obtained a judgement against Strukton in his favour on 3 May 2021 in the Kingdom of Saudi Arabia. Pursuant to this judgement, Strukton was ordered to pay this individual an amount of EUR 25.25 million. Strukton strongly disputes the validity of this claim. We also believe this judgement has been obtained in breach of our rights of due process.

Notwithstanding the aforementioned, RCRC has used this court ruling as a ground for withholding a similar amount to the entire FAST Consortium in the summer of 2021. Strukton perceives this action by RCRC as legally incorrect. However, this event has led to a material breach of confidence between the FAST consortium members and Strukton, ultimately leading to the exclusion by the other consortium members of Strukton in November 2021.

Discussions between Strukton and the other consortium members continued as to the lawfulness of the exclusion(s) and the consequences of such exclusions. We reached an agreement on a process with the other consortium members in January 2023. This agreement aimed to regulate a process pursuant to which Strukton transfers the bank guarantees and its participation in the various consortia, joint ventures and entities of the Riyadh metro project to the other members. The agreement handed over responsibilities with regards to the project to the consortium and was effected during June 2023. Strukton is also party in a number of statutory and tax disputes for which we have formed provisions for a total amount of EUR 16.1 million (2022: EUR 16.1 million). Considering the finalisation of the agreement, no further negative financial impact is expected relating to the Riyadh Metro Project.

Road work projects (Qatar)
Strukton initially entered the market of Qatar as a platform to market its premium grade asphalt products that perform well in the local climate. Strukton Construction and Trading is involved in multiple medium-size road work contracts supporting the overall infrastructure investments of the country of Qatar made in recent years. Execution inefficiencies, cultural differences with partners, travel restrictions during the COVID pandemic and minor local legal disputes all contributed to a negative result and also the decision of Strukton not to continue in the region. At the time of writing, the three most material projects are materially complete and progressing towards handover and latent defects phase. In 2023, a provision of EUR 2.2 million was recognised based on the received additional tax assessment from the Tax Authority in Qatar. As of today, we are in the Defined Liability Period. In this 400-day warranty period, we are responsible for addressing and resolving any identified defects. After that, our Qatar activities are foreseen to come to an organic end during 2025 -2026. Management's best estimate of the provision remains the same per year-end 2022. Our Qatari activities are foreseen to come to an organic end during 2024.

5.2.4 Technology & Buildings

MEET RIVM project
Since 2014, MEET RIVM CBG (referred to as "MEET," the project company) has been responsible for the construction of new facilities for the RIVM (National Institute for Public Health and the Environment). MEET is accountable for the Design, Build, Maintain and Operate (DBMO) aspects of the project. A distinct, Strukton-owned special purpose company, MEET Strukton, was established to secure the initial non-recourse project financing.
This unique project has faced considerable challenges, leading to formal dispute resolution proceedings with the Contracting Authority. Key areas of dispute include:
(1) the VC-C vibration control measures implemented in the new building and
(2) several major change orders for the laboratories requested by the Contracting Authority.

These issues have resulted in critical delays and substantial financial impact, which the Contracting Authority contested. The DBFMO agreement provides a contractual dispute resolution mechanism intended to address these types of challenges. Between 2017 and 2024, these issues resulted in three Committees of Experts for review and resolution.

Mitigating Measures (Committee of Experts 01 and 02)
To comply with the contract's strict vibration requirements, various so-called "mitigation measures" were implemented. During the initial dispute procedure in 2017, the Committee of Experts 01 assessed the cost of these measures at EUR 20.7 million, with 40% was to be reimbursed by the Contracting Authority. Since then, additional measures were required and implemented, resulting in actual costs significantly exceeding the 2017 estimate. Again, the Contracting Authority contested. In response, MEET initiated a second dispute resolution process in November 2020 to re-evaluate the cost allocation between the parties.

By July 2021, the second Committee of Experts (02) issued a preliminary ruling, deciding that 50% of the increased costs should be covered by the Contracting Authority. To finalise its decision, the Committee appointed an independent cost expert to determine the total cost, and this expert issued a final report in November 2023. On December 19, 2023, the Committee released its binding recommendation, obligating the Contracting Authority to reimburse MEET for the mitigation costs. Both MEET and the Contracting Authority accepted this recommendation, making the outcome final. Current project valuation is based on the compensations awarded in the binding decision and the costs incurred for implementing the vibration mitigation measures.

Change Orders by the Contracting Authority: GAP III and Reconfiguration Process 1 (Committee of Experts 03) In recent years, the Contracting Authority has issued multiple Change Orders, which, alongside COVID-19-related disruptions, have caused critical delays and significant financial impacts. These Change Orders include updates to several facilities in the generic laboratories in the Tower ("Reconfiguration Process 1") and modifications to the special labs wing to establish a polio laboratory that meets updated World Health Organization ("WHO") requirements. Consequently, the building was unavailable by the original Scheduled Availability Date of August 31, 2021. Disagreements regarding the financial impact and the extent of delay led both parties to initiate the contractual dispute procedure.

In this process, MEET presented a detailed analysis of the financial impacts and delays attributed to Change Orders GAP III, Reconfiguration Process 1, and other factors. MEET estimated these additional works would extend the Availability Certificate by 40 months, targeting completion around year-end 2024. However, in an interim decision issued in October 2023, the GAP III Committee determined that the critical delay from these Change Orders was 15 months and invited parties to discuss and settle on the associated financial impact. On March 8, 2024, the parties reached a settlement agreement, setting the Scheduled Availability Date to the beginning of 2025, and establishing financial compensation terms. The settlement agreement was signed on 20 November 2024.

Management's best estimate has led to a combined project loss of EUR 194.1 million, for which provisions were already recorded in previous years

Construction Progress
As of the latest reporting date, construction progress for key components of the project—the Tower, plinth, and special labs wing—stands at near full completion in structural, electrical, and mechanical works. During 2024, finishing touches, such as flooring, painting, and laboratory furniture installation, have been completed. The last months were focussed on the project commissioning and qualification phase, and minor finalisation activities focused on the terrain and expedition areas. These closing steps are critical to ensure the building meets operational standards and is ready before the transition into the operational phase which is anticipated to occur in the early months of 2025.

"Maintain and Operate" Phase and Financial Implications
Starting in Q1 2025, the operational phase of the MEET project will begin. The previously reported EUR 194.1 million project loss for MEET RIVM includes anticipated losses for this operational phase. The provision reflects the expectation of a more challenging operational start-up, driven by complexities stemming from the turbulent Design and Build phase and higher-than-budgeted cost and hourly rates, which have outpaced indexation adjustments.

The operational phase is marked by considerable uncertainty due to multiple factors, including the project's complexity, the substantial total operational costs estimated at EUR 268.1 million, and the 25-year operational term. These factors mean that the projected losses may fluctuate over time as new information emerges and adjustments are made in response to operational realities.

5.2.5 Portfolio companies

The aim of the Portfolio Investments Holding is to create value for Strukton Groep and permit the portfolio companies certain autonomy from the larger business units of Strukton. The structure is designed to allow the individual portfolio companies to operate with a certain degree of freedom from the rest of the Strukton organisation, with support still available and aiming for 'best-for-company'. All shareholdings that Strukton owns are held by the Portfolio Investment Holding. Shareholdings in individual companies are no longer split between Strukton business units or between regions. Further Portfolio Companies may be added from within Strukton Groep and depending on growth trajectory of individual portfolio companies, they could become future business units.

Overall, the portfolio companies were showing a reasonable performance.

Foto: Jason Setzer

'Overall, the portfolio companies were showing a reasonable performance'

6. Message from the Supervisory Board

The way forward

2023 was a challenging and intense year for Strukton Groep. In March, the Supervisory Board was unavoidably forced to suspend Mr. G. Sanderink as the CEO of Oranjewoud N.V., Strukton Groep N.V., and consequently all subsidiaries and related companies of which he was statutory director. The Supervisory Board took over the statutory positions and management of Oranjewoud N.V. and the Strukton companies with immediate effect. This step was taken in the interest of the companies, its continuity, the employees, clients and other stakeholders.

Following a ruling of the Enterprise Chamber in June 2023 the suspension of Mr. G. Sanderink was confirmed and the shares of Oranjewoud N.V. except one were transferred to temporary custodian Mr. M. Holtzer, appointed by the Enterprise Chamber.

It was the start of an period during which the Supervisory Board worked on a plan to guarantee continuity of the company, in close cooperation with the incoming interim Executive Board. It became crystal clear that liquidity of the company was seriously at risk, primarily due to a limited number of heavy loss-making projects. The 'way forward' we agreed on was based on two pillars: strengthening Strukton's position as a sustainable infrastructure specialist service provider, with a focus on rail-related activities in Western Europe, and divesting other, non-core business activities including resolving the backlog in Annual Accounting for the years 2020, 2021, 2022. The exit of the Riyadh Metro project mid 2023 made an important contribution to making progress in the backlog.

In July 2023, a seasoned and experienced interim CEO and Chief Transformation Officer were engaged. A new (interim) Executive Board was installed and began to work on implementing the 'Rescue and Reset' plan. As from that moment, the Supervisory Board refocussed on its supervisory role and duties but continued actively managing shareholder issues and eliminating several major issues and disputes from the past.

We normalised and reinforced relations with the works councils, with several formal and informal meetings on a range of topics. In addition, we took steps to professionalise governance, re-establishing a full two-tier regime at Oranjewoud N.V. and bringing the Supervisory Board at Strukton (and Oranjewoud) at the required level for good governance purposes, reflecting the complexity and size of the entire Oranjewoud group. We have welcomed Mrs. M.L. Bremer and Mrs. P. Koselka as new Supervisory Board members. They onboarded in late 2023 and mid 2024 respectively and started formally in their roles in 2024. Their appointment brings a new balance in skills, experience, and gender to our Supervisory Board.

Achievements during 2023

The Supervisory Board was pleased to see that the Executive Board was able to take important steps in divesting non-core business activities and in reinforcing active management of key projects. Progress was also made in regaining the trust of clients, employees, and suppliers, which was one of the top priorities. Relations with the clients of three high-risk projects – MEET RIVM, A15, and the Groningen railway station – were restored under difficult circumstances. In addition, good progress was made in risk management, compliance, IT, and cybersecurity.

The Supervisory Board and Executive Board worked closely together on professionalising the internal processes, amongst which the tender procedures. We introduced a Tenderboard in which the larger and potentially high-risk tenders are presented and major issues are discussed with the Executive Board and senior management. The final decision of the Executive Board is then taken (partly) based on our advice, especially regarding their liquidity, risk, and margin aspects.

In 2023 an in-depth Independent Business Review (IBR) was executed with the help of external consultants (Deloitte) in order to get a thorough view of the financial performance and more specifically the cashflow of the company in the short and long term.

This was used for renewed financing discussions with banks and other financial institutions. At the end of 2023, the cash position of the company had already improved considerably, thanks to a series of active measures including the divestment of non-core activities and an intercompany loan from Antea Group (via Oranjewoud). Strukton Groep has improved its payment attitude, to pay suppliers on time. All in all, the Interim Executive Board has succeeded in creating a substantially more stable situation. Although not all problems were solved in 2023, there was a solid basis from which to build on in 2024. Updates of the IBR in July and October 2024 showed that the stability of the company has been progressing.

FIOD
On 12 November 2024, Strukton Groep (on behalf of Strukton International B.V. and Strukton Civiel Projecten B.V.) reached an agreement with the Public Prosecution Office *(Openbaar Ministerie)* on a settlement *(schikking)* regarding the allegations of bribery *(omkoping)* and forgery *(valsheid in geschrifte)* related to the Ryadh Metro Project in the Kingdom of Saudi Arabia. Details are given on page 103.

Where we currently stand
Where we currently stand more progress has been made and Strukton Group is firmly back on track. The interim Executive Board has reinforced management at Strukton Rail in Scandinavia and has reaffirmed ties with Strukton Rail Italy, an integral part of our pan-European rail infrastructure business. Mrs. S. Kunst has been appointed to the board of Strukton Rail Italy to strengthen the links with the Group. The divestment of several non-core subsidiary companies continued successfully. In addition, talks with banks and financial institutions on the level of Antea Group about new lines of finance are nearing completion. The risk profile of the company has become lower and more balanced during the year and there is a firmer grip on and progress in finalising the key high-risk loss-making projects. In addition, preparations are being made for CSRD compliance as we see this as an important new licence to operate.

Last but certainly not least, we are also pleased to see that Strukton Groep has been awarded quite a few new contracts and is now enjoying a solid order book. We also see a stronger underlying improvement of the performance, which will result in a more robust equity position.

Looking ahead
After having played such an active role in 2023 and 2024, meeting frequently with the Executive Board and dealing with a wide variety of stakeholder issues, we look forward to reaching calmer waters in 2025. This will give us the opportunity to focus more on the medium- and long-term future strategy and value creation of the Group, as an autonomous healthy set of companies under good governance. Further professionalisation of the organisation will help the entire company to return to good profitability and a stronger solvency.

This future looks promising as the rail market in Europe will continue to grow and offers many opportunities. Opportunities that Strukton will be able to embrace, now that we are back on track and have finally cleared the administrative backlog.

We would like to warmly thank the interim Executive Board and the Works Councils and all employees for the collegial atmosphere in which we have managed to achieve this and so much more.

The Supervisory Board
Mr. J.M. Kuling (Chairman)
Mr. J.J.A. van Leeuwen
Mr. B.C. Fortuyn
Ms. M.L. Bremer
Ms. P. Koselka

7. Financial Statements 2023

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Consolidated statement of financial position

(X EUR 1,000)

		31 December 2023		31 December 2022 (*)	
	Non-current assets				
1.	Property, plant and equipment	105,303		107,583	
2.	Right-of-use assets	93,001		83,029	
3.	Intangible assets	18,938		22,862	
4.	Investments in associates and joint ventures	12,439		20,522	
5.	Financial non-current assets	33,491		10,270	
6.	Deferred tax assets	33,558		32,780	
	Total non-current assets		**296,729**		**277,045**
	Current assets				
7.	Inventories	14,023		24,188	
8.	Trade and other receivables	325,396		312,944	
9.	Contract assets	176,316		189,543	
	Corporate income tax receivable	12,723		8,349	
10.	Cash and cash equivalents	313,595		347,247	
		842,051		**882,271**	
32.	Assets classified as held for sale	44,645		-	
	Total current assets		**886,697**		**882,271**
	Total assets		**1,183,425**		**1,159,316**
	Equity				
	Issued share capital	2,269		2,269	
	Share premium reserve	138,803		69,000	
	Other reserves	(47,278)		(226,685)	
	Undistributed result for the year	13,313		178,177	
11.	**Total equity**	**107,107**		**22,761**	
12.	Non-controlling interest	247		266	
11.	**Total group equity**		**107,354**		**23,027**
	Non-current liabilities				
13.	Subordinated loans	-		13,058	
14.	Loans and other financing obligations	151,633		160,897	
15.	Lease liabilities	46,807		39,588	
6.	Deferred tax liabilities	6,923		9,331	
14.	Taxes and social security contributions payable	23,283		33,360	
16.	Provisions	215,991		218,367	
	Total non-current liabilities		**444,636**		**474,601**
	Current liabilities				
13.	Subordinated loans	-		24,000	
17.	Trade and other payables	508,059		528,139	
15.	Lease liabilities	23,234		24,430	
	Debt to financial institutions	-		2,123	
14.	Contract liabilities	76,331		69,957	
	Corporate income tax payable	3,814		10,519	
16.	Provisions	4,567		2,520	
		616,005		**661,688**	
32.	Liabilities classified as held for sale	15,430		-	
	Total current liabilities		**631,435**		**661,688**
	Total equity and liabilities		**1,183,425**		**1,159,316**

Consolidated statement of income

(X EUR 1,000)

	Continuing operations		2023		2022
18.	**Revenue**		1,439,461		1,378,183
32.	Other income		16,249		-
19.	Costs of raw materials, consumables, subcontract-ed work and other external costs	(804,987)		(802,550)	
20.	Personnel expenses	(355,643)		(346,948)	
22.	Other operating expenses	(232,445)		(184,955)	
	Cost of sales		**(1,393,075)**		**(1,334,453)**
4.	Share of result from associates and joint ventures		554		1,458
	Operational result (EBITDA)		**63,188**		**45,188**
1.2.3.4.	Depreciation and amortisation charges	(49,526)		(50,797)	
1.2.3.4.5.6.	Impairment charges	(2,230)		(127)	
			(51,755)		(50,924)
	Operating result (EBIT)		**11,433**		**(5,736)**
23.	Financial income	17,792		14,294	
23.	Financial expenses	(12,296)		(16,568)	
			5,497		(2,274)
	Result before tax (PBT)		**16,930**		**(8,010)**
24.	Income tax		(3,554)		(15,662)
	Result for the year from continuing operations		**13,376**		**(23,672)**
	Discontinued operations				
32.	Result for the year from discontinued operations		-		202,022
	Net result		**13,376**		**178,350**
	Attributable to:				
	Shareholders of the Company		13,313		178,177
12.	Non-controlling interest		63		173
	Result after taxes		**13,376**		**178,350**

(X EUR 1,000)

		2023		2022	
	Net result for the year		**13,376**		**178,350**
	Items that may subsequently be reclassified to the statement of income				
11.	Changes in fair values of derivatives for hedge accounting	-		-	
11.	Effect of income tax	-		-	
			-		-
11.	Changes in fair values of derivatives for hedge accounting of joint ventures and associates	-		-	
11.	Effect of income tax	-		-	
			-		-
11.	Translation differences foreign currencies	5,561		(1,527)	
11.	Effect of income tax	-		-	
			5,561		(1,527)
	Total items that may subsequently be reclassified to the statement of income		**5,561**		**(1,527)**
	Items that will not be reclassified to the statement of income				
11.	Changes in actuarial reserve	(5,229)		16,826	
11.	Effect of income tax	898		(3,538)	
			(4,331)		13,288
11.	Other movements	(82)		-	
11.	Effect of income tax	-		-	
			(82)		-
	Total items that will not be reclassified to the statement of income		**(4,413)**		**13,288**
	Total comprehensive income for the year		**14,524**		**190,111**
	Attributable to:				
	Shareholders of the Company		14,461		189,938
	Non-controlling interest		63		173
	Total comprehensive income for the year		**14,524**		**190,111**

Consolidated statement of movements in equity

(X EUR 1,000)

	Share Capital	Share Premium	Foreign currency translation reserve	Actuarial reserves	Retained earnings	Result for the year	Sharehold-ers' equity	Non-controlling interest	Total equity
Balance 1 January 2022	**2,269**	**69,000**	**(16)**	**(23,838)**	**(35,943)**	**(181,646)**	**(170,174)**	**-**	**(170,174)**
Appropriation of result 2021	-	-	-	-	(181,646)	181,646	-	-	-
Acquisition of subsidiaries	-	-	-	-	2,996	-	2,996	93	3,090
Result for the reporting period	-	-	-	-	-	178,177	178,177	173	178,350
Other comprehensive income for the reporting period	-	-	(1,527)	13,288	-	-	11,761	-	11,761
Total comprehensive income for the reporting period	**-**	**-**	**(1,527)**	**13,288**	**-**	**178,177**	**189,938**	**173**	**190,111**
Balance 31 December 2022	**2,269**	**69,000**	**(1,543)**	**(10,550)**	**(214,593)**	**178,177**	**22,761**	**266**	**23,027**
Balance 1 January 2023	**2,269**	**69,000**	**(1,543)**	**(10,550)**	**(214,593)**	**178,177**	**22,761**	**266**	**23,027**
Appropriation of result 2022	-	-	-	-	178,177	(178,177)	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-
Share premium contribution	-	69,803	-	-	-	-	69,803	-	69,803
Result for the reporting period	-	-	-	-	-	13,313	13,313	63	13,376
Other comprehensive income for the reporting period	**-**	**-**	**5,561**	**(4,331)**	**-**	**-**	**1,230**	**(82)**	**1,148**
Total comprehensive income for the reporting period	-	-	5,561	(4,331)	-	13,313	14,543	(19)	14,524
Balance 31 December 2023	**2,269**	**138,803**	**4,018**	**(14,881)**	**(36,416)**	**13,313**	**107,107**	**247**	**107,354**

See note 11 for further clarification.

Consolidated statement of cash flows

(X EUR 1,000)

			2023 (*)		2022
	Cash flows provided by operating activities				
	Net result for the year		13,376		178,350
	Adjustments for non-cash items:				
1.3.	Depreciation, amortisation and impairment on fixed assets	51,755		50,923	
23.	Interest charges relating to leases	2,313		1,338	
23.	Interest income and expense (non-lease)	(7,809)		936	
16.	Changes in provisions and employee benefits	(329)		(59,180)	
	Result from disposals of fixed assets	500		(36)	
4.	Share of result from associates and joint ventures	(554)		(1,458)	
32.	Gain on sale of subsidiaries	(16,249)		(202,022)	
			29,626		(209,499)
4. 23.	Dividends distributed by associates and joint ventures		1,000		1,050
	Interest received		7,819		15,913
	Interest paid		(9,215)		(15,908)
24.	Corporate income tax		3,554		15,662
	Corporate income tax paid		(17,819)		(4,889)
7.	Changes inventories		7,159		(1,023)
	Changes in projects in progress and contract balances		14,964		(30,727)
	Changes in trade and other receivables		(21,296)		2,803
	Changes in trade and other payables (excl. ST part of LT liabilities)		(16,286)		13,362
	Net cash (used in)/generated by operating activities		**12,883**		**(34,906)**
	Cash flows provided by investing activities				
3.	Investments in intangible assets		(870)		(249)
1.	Investments in property, plant and equipment		(31,577)		(31,835)
	Disposals of property, plant and equipment		10,895		11,274
	Acquisitions/disposals of joint ventures, associates and other investments		-		-
5.	Investments in PPP projects and other non-current financial assets		328		8,529
5.	Repayments on PPP projects and other non-current financial assets		2,229		28,395
32.	Net proceeds from sale of subsidiaries		16,249		221,768
	Net cash (used in)/generated by investing activities		**(2,746)**		**237,882**
	Cash flows provided by financing activities				
	Acquisition of non-controlling interest		-		(2,606)
14.	Receipts from non-current loans and borrowings		40,000		-
14.	Repayments of non-current loans and borrowings		(31,262)		(13,475)
15.	Payments arising from lease liabilities		(37,326)		(31,544)
11.	Share premium contribution		-		-
13.	Repayment of subordinated loan		(11,194)		(2,087)
	Net cash (used in)/generated by financing activities		**(39,782)**		**(49,712)**
	Composition of net cash (used)/generated				
	Net cash (used in)/generated by operating activities		12,883		(34,906)
	Net cash (used in)/generated by investing activities		(2,746)		237,882
	Net cash (used in)/generated by financing activities		(39,782)		(49,712)
	Total net cash (used)/generated		**(29,645)**		**153,264**
26.	Cash and cash equivalents as at 1 January		345,124		190,075
26.	Cash and cash equivalents as at 31 December		315,889		345,124
26.	Effect of exchange rate differences on cash and cash equivalents (including bank overdrafts)		(409)		(1,785)
	Net (decrease)/increase in cash and cash equivalents		**(29,645)**		**153,264**

*) The statement of cash flows includes the cash flows of the held for sale entities.
The Notes of the Consolidated financial statements referred to include information excluding held for sale entities.
The total net cash flows from held for sale have been disclosed in note 32.

General information

Strukton Groep N.V. (referred to as “Strukton” or the “Company”) is a holding company that directly or indirectly has the ownership of subsidiaries and interests in other entities collectively known as Strukton. Strukton has its registered seat and its actual office at Westkanaaldijk 2, Utrecht, the Netherlands, and it is registered in the Dutch Trade Register under number 30004006.

The Company’s 2023 consolidated financial statements comprise the Company itself and its subsidiaries and Strukton’s share in associates and entities over which it exercises control jointly with third parties. In 2023, Strukton operated in the rail systems, civil infrastructure, technology and buildings markets.
The Company has issued a declaration of liability for several group companies in accordance with article 403 of Book 2 of the Dutch Civil Code. Note 33 contains an overview of the group companies and interests in other entities; this also shows which companies are included in the consolidation and for which group companies a declaration of liability has been issued.

The immediate parent company of Strukton is Oranjewoud N.V. and the ultimate parent company is Sanderink Investments B.V. The previous CEO of Strukton Groep was suspended and the shares of Oranjewoud N.V., our parent company, held by him were transferred to a custodian who was appointed by the Enterprise Chamber for the duration of the court proceedings.

The consolidated financial statements were approved by the Board of Directors and the Supervisory Board members and authorised for issue on 17 December 2024. The Board of Directors has the power to amend and reissue the financial statements. The financial statements as presented in this report are subject to the adoption by the General Meeting of Shareholders.

Basis of preparation
The consolidated financial statements of Strukton have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, where applicable.
The consolidated financial statements are presented in euros, the Company's functional currency. All financial figures in euros are rounded off to the nearest thousand, unless where stated otherwise.

The basis for the estimates remains unchanged compared to those described in the 2022 financial statements. The other significant judgements made by management remained the same as those that were applied to the consolidated financial statements for the year ended 31 December 2022. Further information and considerations regarding areas of significant judgements and estimates are disclosed below.

Going concern assumption
The 2023 financial statements of Strukton have been prepared based on the going concern assumption. Strukton made a detailed assessment of the company's ability to continue as a going concern.

The going concern assessment takes into account events including divestments of non-core portfolio companies within the group, the operating plan 2024 and further, developments of Strukton's order book, road map of working capital improvement and attracting external funds. In performing this assessment, Strukton considered factors that could indicate the presence of material uncertainties that might cast significant doubt upon the company's ability to continue as a going concern. Factors considered included: operating results and/or major losses on projects, as well as that no declaration of liability has been issued regarding Strukton Civiel B.V., Strukton Civiel Projecten B.V. and Strukton International B.V. It is worth noting that all business units are currently profitable.

Several large loss making projects have caused significant losses in recent years. These projects are elaborated on in paragraph' Accounting considerations on key projects'. This includes the construction of the new office for the Dutch National Institute for Public Health and the Environment (RIVM), called "MEET RIVM". The MEET RIVM project is highly complex, in particular due to the high requirements on laboratories. Disagreements regarding the financial impact and the extent of delay led both parties to initiate the contractual dispute procedure. In this process, MEET presented a detailed analysis of the financial impacts and delays attributed to Change Orders GAP III, Reconfiguration Process 1, and other factors. MEET estimated these additional works would extend the Availability Certificate by 40 months, targeting completion around year-end 2024. However, in an interim decision issued in October 2023, the GAP III Committee determined that the critical delay from these Change Orders was 15 months and invited parties to discuss and settle on the associated financial impact. On March 8, 2024, the parties reached a settlement agreement, setting the scheduled Availability Date to the beginning of 2025, and establishing financial compensation terms. The settlement agreement was signed on 20 November 2024.
The key project Hoofdstation Groningen has been delayed and the planning has moved backwards several times. Due to the complexity of the design, the COVID-19 lockdown, and the technical complexities involved in realizing certain aspects of the design, delays were incurred along with increased costs. Since the project will take time to complete up into June 2026, there are risks and uncertainties for which we identified our best estimate.

The key project A15 faces a disagreement with the client regarding the use of quieter but less durable asphalt with respect to the recoverability of the costs of this asphalt. In October 2024, the consortium and the client agreed upon a settlement on the scope and adjustment of the maintenance strategy. The arbitration procedure is therefore settled. The total estimated contractual loss for Strukton, has been taken into account in the financial figures of 31 December 2023.

In 2023, two maintenance contracts commenced in Sweden, each with a duration of five years. These projects have been characterised by significant challenges arising from inaccurate cost estimations made during the tender phase, intensified by unforeseen difficulties such as harsh winter conditions that impacted project execution. Additionally, complexities and uncertainties in the working relationship between Strukton and the client have further complicated the situation. As a result a significant loss is taken in 2023.

Strukton accelerated its strategic decision to withdraw from our operations in the Middle East. We have reached a settlement with our consortium partners on the Riyadh Metro Project in 2023.
There are no financial covenants, financing requirements mainly constitute (bank) guarantees, transaction banking, (equipment) lease and transactions. For now, the non-recourse project-financing for RIVM and the ringfenced facilities in Italy are left intact and continue. Other cash or credit facilities are repaid, reduced or not materially utilised.

Furthermore, Strukton responded by taking measures to ensure business continuity, significantly reduce cost and capital expenditure to protect liquidity and profitability. Strukton has 'stress tested' its going concern assessment, considering aforementioned factors on an individual basis, and considered all available information about the future such as result forecasts and cash flow projections, at least twelve months after the end of the audit date of these financial statements. For the projects and contracts with a relative high-risk profile the assessment has been done for the entire contract period. Financing major loss making projects and other inherent factors causes that there are uncertainties that may cast doubt on the company's ability to continue as a going concern.

The forecasted situation has improved compared to the reporting of the 2022 financial statements due to a combination of actual cash-outflows being lower than initially assessed by management as well as due to some of the mitigating measures being implemented and carried out by management. These mitigating measures included, amongst others, attracting external funding, divesting portfolio companies, and improving working capital. The further mitigating measures as identified (including the Letter of Support from Oranjewoud N.V. until 31 December 2025) have been assessed by management and are considered to be realistic and feasible. Therefore, it is appropriate to prepare the financial statements based on going concern. For further explanation of the underlying reasons, please refer to the section 'Liquidity risk' in paragraph 'Financial risk management'.

Accounting policies for the preparation of the consolidated financial statements
The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated. The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to make judgements, estimates and assumptions that affect the application of Strukton's accounting policies and the reported amounts of assets and liabilities, income and expense.
The accounting policies described below have been applied consistently to the periods presented in these consolidated financial statements, except for the standards and interpretations that have not yet been implemented.

The Company financial statements contain only an abridged statement of income, through the application of Section 402 of Book 2 of the Dutch Civil Code.

Revision of comparative figures 2022
The 2022 comparative figures have been revised in order to reflect the correct comparative figures for 2022. Strukton has made use of postponement of tax debts (both VAT and payroll tax). The current liabilities for an amount of EUR 33,4 million were incorrectly presented as current liabilities under 'trade and other payables', while it should have been presented as non-current liabilities (due to the expectation that they will be settled after one year). The other revision is a reclassification within the trade and other payables. The reclassification is due to related parties being incorrectly classified as such according to the definition. This has the following effect on the comparative figures of 2022:

Revised figures consolidated balance sheet	2022	Revision	2022 Revised
Amounts due to related parties	74,087	(68,623)	5,465
Other liabilities and accruals	141,485	68,623	210,108
Taxes and social insurance contribution	74,039	(33,360)	40,679
Taxes and social insurance contribution (non-current)	-	33,360	33,360
Total	**289,612**	**-**	**289,612**

Application of new and revised standards and interpretations

Amendments to IAS 12 Income taxes 'Deferred Tax related to Assets and Liabilities arising from a single transaction'
The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)
The amendment clarifies how a company needs to disclose their material accounting policies rather than their significant accounting policies. In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.

Amendments to IAS 8 'Definition of Accounting Estimates'
The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IFRS 17 Insurance contracts
This new standard relates to companies that issue insurance contracts. This standard contains a complete description of all aspects that apply to the recording and accounting of insurance contracts. This standard is not applicable to Strukton.

Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules
This amendment introduces a temporary exception to the accounting for deferred tax assets and liabilities related to Pillar Two income taxes. The amendment also adds targeted disclosure requirements for

affected entities, including information about an entity's exposure to Pillar Two income taxes (before Pillar Two legislation is effective) and current tax expense related to Pillar Two income taxes (when Pillar Two legislation is effective).

These amendments have no material impact on the consolidated financial statements of Strukton.

New standards and interpretations in issue but not yet effective

Amendments to IAS 1 Presentation of Financial Statements 'Classification of Liabilities as Current or Non-current Date (issued on 23 January 2023)', 'Classification of Liabilities as Current or Non-current – Deferral of Effective Date (issued on 15 July 2020)' and 'Non-current Liabilities with Covenants (issued on 31 October 2022)'
The amendments entail several adjustments on the classification of liabilities as current or non-current. These amendments are not expected to have a material impact on Strukton.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. These amendments are not expected to have a material impact on Strukton.

Amendments to IAS 21 The effect s of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)
These amendments have no material impact on the consolidated financial statements of Strukton.

IFRS 18 Presentation and disclosure in Financial Statements (issued on 9 April 2024)
The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. Currently no full line-by-line item analysis has been performed and as such the impact on Strukton's financial statements is not yet fully known. These amendments have not been endorsed yet.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)
IFRS 19 is a voluntary IFRS Accounting Standard for eligible subsidiaries and provides an opportunity for those companies to benefit from cost savings and reporting simplifications related to the reduced disclosure requirements while still applying all other IFRS recognition, measurement and presentation requirements. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027. Earlier application is permitted. Due to the fact that the amendments have not been endorsed yet, currently no assessment has been made on whether this would be material or not.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)
The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI. These amendments are not expected to have a material impact on Strukton.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)
With these amendments Entities will have to disclose the effects of supplier finance arrangements

on their liabilities, cash flows and exposure to liquidity risk. In May 2023, the International Accounting Standards Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. With the amendments, the IASB has introduced new disclosure requirements in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.
These amendments are not expected to have a material impact on Strukton.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on Strukton.

Accounting policies for consolidation

Subsidiaries
Subsidiaries are entities in which the Company has a direct or indirect controlling interest. Controlling interest is achieved if Strukton:
• Has the power to direct the relevant activities of an organisation to acquire benefits from its activities;
• Is exposed to or entitled to a variable return on its investment in the organisation; and
• Has the option of exercising its power to manage or influence the return.

Subsidiaries are consolidated from the first date of decisive control being transferred to Strukton. Deconsolidation is implemented on the first date where Strukton no longer has decisive control.
Acquisition of subsidiaries is recognised by Strukton based on the acquisition method. The transferred consideration is valued based on the fair value of the assets transferred by the Company, the equity instruments issued as per the acquisition date, and the liabilities accepted or incurred by the Company. The transferred consideration also includes the fair value of the assets, fees and liabilities pursuant to contractual contingent liabilities. Transaction fees in the context of an acquisition are recognised at the moment these are incurred and charged to the result.

The acquired identifiable assets and the identifiable (contingent) liabilities are stated at fair value as per the acquisition date upon initial recognition in the financial statements. For each acquisition, Strukton states any non-controlling interests at either the fair value or at the share of the non-controlling interest in the identified net assets of the party acquired.

If the transferred consideration, the non-controlling interest and the fair value as at the acquisition date of a share in the acquired party that existed on the acquisition date is higher than the fair value of Strukton's share in the identifiable net assets, then the difference is stated as goodwill. If the transferred consideration is lower than the fair value of the identifiable net assets, the difference is directly taken to the statement of income.

Joint arrangements
Based on IFRS 11 'Joint arrangements', joint arrangements are classified as 'joint venture' or as 'joint operation'. The classification depends on the rights and obligations of each shareholder or partner and is not based on its legal form. Strukton has both joint operations and joint ventures.

Joint operations
Joint operations are interests in entities or contracts in which Strukton has contractually agreed to exercise joint control with third parties. Strukton recognises its interest in the revenues and costs, and assets and liabilities of the joint operation and combines them, item by item, with the corresponding items in Strukton's consolidated financial statements.

Joint ventures
Joint ventures are entities over which Strukton exercises joint control with one or more third parties, with this control set out in an agreement. Strukton is entitled to a share of the net results generated by such entities, and it is entitled to a share in the net assets. The joint ventures are recognised in the consolidated financial statements using the equity method. The valuation of the joint ventures includes the goodwill as recognised upon acquisition, deducting any cumulative impairments. The parties involved concluded a contract agreeing to share control; any decisions relating to relevant activities require the unanimous approval of the parties who have joint control of the joint venture.

Associates
Associates are entities in which Strukton has significant influence on the financial and operational policies, but in which it does not have a controlling interest, and which are not joint ventures or joint operations. The consolidated financial statements include Strukton's share in the overall result of associates according to the equity method, after adjustment of the policies to bring them in line with Strukton's policies, from the date on which significant influence by Strukton commences until the date on which significant influence ceases. The valuation of the associates includes the goodwill as recognised upon acquisition, deducting any cumulative impairments.

Elimination of transactions on consolidation
Intra-group balances and any unrealised gains and losses on transactions within Strukton or income and expenses from similar transactions are eliminated in the preparation of the consolidated financial statements. Unrealised gains and losses from transactions with associates and entities over which joint control is exercised are eliminated in proportion to Strukton's share in the entity.

Accounting policies regarding measurement and presentation

Foreign currency transactions and investments in foreign activities
Foreign currency transactions are initially recognised at the exchange rate of the functional currency at the transaction date. Cash and cash equivalents, receivables, debts and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date. Any translation differences ensuing from the conversion are charged to the statement of income. This does not apply to the differences on loans denominated in foreign currencies as a hedge for an investment in foreign activities. Such differences are recognised in other comprehensive income and accumulated in a translation reserve until the date the foreign activities are sold. On this date the amount (plus or minus) is taken to the statement of income.

The assets and liabilities of foreign operations are translated into euros at the applicable exchange rate at the balance sheet date. Exchange differences arising from this translation are recognised in other comprehensive income and accumulated in the translation reserve. The translation differences are transferred to the statement of income on the full or partial disposal of foreign subsidiaries, joint operations, joint ventures and associates as a result of which Strukton ceases to exercise decisive control. The income and expenses arising from foreign operations are converted to euros at a rate approximating the exchange rate on the transaction date.

Derivative financial instruments
Strukton makes use of interest rate swaps and forward exchange contracts in order to hedge the interest rate risks pursuant to concern and project financing, and in order to hedge currency risks on future USD cash flows. The interest-rate swaps and forward exchange contracts are stated at fair value. This is equal to the present value of the projected cash flows.

Cash flow hedge accounting is applied for the interest rate swaps and forward exchange contracts. Changes in the fair value of interest rate swaps and forward exchange contracts that serve to hedge the interest rate risks and currency risks arising from future interest rate payments and future USD cash flows are recognised in other comprehensive income and accumulated in equity to the extent that the hedge can be classified as effective. The deferred amounts in equity are taken to the statement of income on the completion date of the forward exchange contracts and as soon as the hedged future interest coupons are taken to the result.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that Strukton actually hedges and the quantity of the hedging instrument that Strukton actually uses to hedge that quantity of hedged item.

For the portion of which the hedge effectiveness of the hedge cannot be shown, the change in the value is directly taken to the statement of income. If an interest rate swap is sold or terminated or if the hedge relationship is no longer effective, the cumulative gain or loss up to that point remains recognised in equity unless there is no longer an expectation of the original hedged future cash flows taking place. The results deferred in equity are then recognised immediately in the statement of income within 'financial income/expenses'.

Property, plant and equipment

Land and buildings
Company buildings are stated at cost less the annual straight-line depreciation based on expected useful life, considering any residual value and any cumulative depreciation. The useful life applied for company buildings is ten to fifty years. In the event of major maintenance, the amount is capitalised and written off. Land is not subject to depreciation (except for pavements (eight to twenty years)).

Plant and equipment, and other assets
The equipment, instruments and other items are stated at cost less annual straight-line depreciation based on expected useful life, considering any residual value and any cumulative impairments. The cost also includes the cost of replacing parts of the equipment and instruments insofar as such costs fulfil the conditions for inclusion in the balance sheet, and financing fees for long-term projects if the capitalisation criteria are fulfilled. The useful life in years as applied is two to six years for equipment and instruments, and three to ten years for other items.

Assets under construction
Assets under construction are stated at the cost incurred and mainly consist of instalments for the acquisition of equipment that has not yet been put into use.

No longer recognised in the balance sheet
A property, plant and equipment item is no longer recognised in the balance sheet if divested or if no more economic benefits are expected from use or divestment. Any proceeds or losses ensuing from removing the asset are taken to the statement of income of the year in which the asset is removed from the balance sheet. The residual values, the useful life and the valuation methods are assessed and where necessary

adjusted as per the closing date of the financial year. When property, plant and equipment items consist of components that have different useful lives, these components are accounted for as separate items (key components) under Property, plant and equipment.

Leases

Initial recognition of right-of-use and lease liability
Rental and lease contracts are recognised in the balance sheet, which results in the recognition of a liability that represents the present value of the future lease payments and the recognition of an asset that represents a right to use the leased asset during the lease term of the contract. Upon initial recognition, the measurement of the right-of-use is based on the amount of the initial measurement of the lease liability to which any lease payments are added on or before the effective date. Where applicable, initial direct costs incurred by Strukton for the conclusion of the contract and mandatory estimated discounted costs for restoration and dismantling are included in the measurement of the right-of-use in accordance with the terms of the contract.

Lease payment
On initial recognition, the liability is equal to the present value of the future lease payments over the lease term. A distinction is made between lease and non-lease components of the lease payments. The value of the lease and non-lease components is determined based on the relative stand-alone price of the various components. The non-lease components are not included in the measurement of the liability and are recognised in the statement of income on a straight-line basis. The measurement of the lease liability comprises the fixed payments, variable lease payments that depend on an index or percentage (initially measured by reference to the index or a percentage that was in effect on the effective date of the lease), the exercise price of a purchase option when it is reasonably certain that the option will be exercised, amounts expected to be payable by the lessee under residual value guarantees and payment of penalties for termination of the lease if the lease term reflects the lessee’s exercising of an option to terminate the lease.

Determining the lease term
The lease term is determined as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The non-cancellable period ends when both the lessor and the lessee can terminate the contract with no more than an insignificant penalty.

Treatment of right-of-use after initial recognition
After initial recognition, the right-of-use shall be depreciated over the useful life of the underlying asset or, if shorter, the lease term. In the case of purchase options that are reasonably certain to be exercised, the depreciation period is equal to the useful life of the underlying asset. In this case, it is not permitted to make use of the exception for contracts with a short lease term (term of 12 months or less).

Treatment of liability after initial recognition
After initial recognition, the lease liability is measured using a process like the amortised cost method using the discount rate, increasing the liability by the accrued interest resulting from discounting the lease liability at the inception of the lease, less any payments made. Interest expenses for the period, as well as variable payments not included in the initial measurement of the lease liability and incurred during the relevant period, are recognised as an expense.

Remeasurement of lease liability
The lease liability is remeasured when the lease term, the estimate of whether the exercise of an option is

reasonably certain, the estimate of the assessment of the probability of the residual value guarantee and/or the rates or indexes that are used to determine the future lease payments change. Remeasurements resulting from an adjustment of the lease term or the estimate in the assessment of whether the exercise of the option is reasonably certain use a revised discount rate for the remeasurement. Remeasurements arising from the assessment of the amounts expected to be payable under a residual value guarantee and/or changes in the rates or indexes used to determine future lease payments are performed using the discount rate determined at initial recognition.

The difference with the lease liability prior to the revaluation is corrected on the capitalised right-of-use asset.

Contract amendments
A contract is considered amended if the scope of the contract changes and this change was not part of the original contract. The change is accounted for as a separate contract if the change results from an increase in the leased asset and the change in price is equal to the stand-alone price of the additional leased asset. If the change is not accounted for as a separate contract, the lease liability is recalculated using a revised discount rate. The difference with the lease liability prior to the contract amendment is corrected on the capitalised right-of-use asset.

If there is a decrease in the leased asset, this leads to a decrease in the right-of-use asset. Any profits or losses arising from this are taken directly to the statement of income.

Capitalised right-of-use
Land
Land is leased mainly for the storage of equipment. Contracts are based on annual indexations. These are variable indexations that depend on the consumer price index. The initial measurement is based on the index as at the commencement date. At the time of indexation, the lease obligation is recalculated and the difference with the lease obligation prior to indexation is adjusted to the capitalised right-of-use.

Property
The lease term is determined as described above. For a large part of the contracts, both the lessee's and lessor's approval are required for options to be exercised and therefore the non-cancellable period is equal to the end date without application of options in the contract.

Contracts are based on annual indexations. These are variable indexations that depend on the consumer price index. The initial measurement is based on the index as at the commencement date. At the time of indexation, the lease liability is recalculated and the difference with the lease obligation prior to indexation is adjusted to the capitalised right-of-use.

Plant and equipment
The lease of machinery, installations and equipment relates to the lease of equipment such as forklift trucks and crane machines. The lease term is determined as described above. The lease of equipment includes purchase options under several contracts. If it is reasonably certain that these purchase options will be exercised, the purchase options are considered in determining the lease obligation. In such cases, the depreciation period for the right-of-use is equal to the economic life of the underlying asset. In the case of purchase options, no use is made of the practical application for not capitalising short-term lease contracts.

Cars
The lease of cars relates to the lease of passenger cars, vans and trucks. The lease term is determined as described above. The lease term of these agreements is equal to the non-cancellable period included in

the contract. The non-cancellable period is a standard period (from the start date of the contract) unless the contractually agreed mileage is reached at an earlier point in time.

Other assets
The other assets relate to various leased assets, which cannot be allocated to a specific category due to their diverse nature, such as the rental of video-conferencing equipment. The lease term is determined as described above. For the contracts, both the lessee's and lessor's approval are required for options to be exercised and therefore the non-cancellable period is equal to the end date without application of options in the contract.

Non-capitalised rights of use
Strukton makes use of the exemption provision rule not to recognise rights of use and lease liabilities for short-term lease contracts and leases of low-value assets. Short-term lease contracts are contracts with a lease term of 12 months or less and mainly concern the rental of tools and equipment. Low value assets include assets with a replacement value of less than EUR 5,000 and mainly concern the lease of printers and small mechanical tools. Strukton recognises the lease payments relating to these leases as an expense on a straight-line basis over the term of the lease.

Intangible assets

Patents and intellectual property
Patents and intellectual property are stated at cost less the cumulative amortisation and any cumulative impairment losses. The patents and intellectual property are included in the category Other Intangible Assets.

Software
Software is stated at cost including the capitalised financing costs, deducting the annual straight-line amortisation based on expected useful life and any cumulative impairments. Software is included in the category Other Intangible Assets.

Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the amount of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in business combinations is allocated, at the acquisition date, to the cash-generating units (CGUs) or groups of CGUs expected to benefit from that business combination. Each unit to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Other intangible non-current assets
If separately identifiable intangible assets can be discerned upon acquisition of an entity, these are capitalised and amortised within the relevant applicable amortisation period. The amortisation period is assessed annually.

Investment property

Investment property is property which is held either to earn rental income or for capital appreciation, or for both. Investment property is carried at cost less cumulative depreciation and impairment.

The fair value of the investment property is disclosed in the notes to the consolidated financial statements. The fair value is defined as the price that would be received for the sale of an asset or would be paid for the transfer of a liability in a regular transaction between market parties on the valuation date. The determination of the fair value assumes that the transaction for the sale of an asset or transfer of a liability takes place in the principal market for the asset or liability, or if there is no principal market, in the most favourable market for the asset or liability. The principal or most favourable market must be one to which Strukton has access.

Depreciation is charged to the statement of income according to the straight-line method based on the estimated useful life of each component. Depreciation rates correspond to those of the categories of property, plant and equipment. The depreciation methods, useful lives and residual values are reassessed on the reporting date.

Non-current assets held for sale

Non-current assets (or groups of assets (and liabilities) held for sale) of which the carrying amount is expected to be primarily realised through a sales transaction rather than through their continued use, are classified as 'held for sale'. Immediately before this classification, the assets (or the components of a group of assets being sold) are tested for impairment in accordance with Strukton's accounting policies. The assets (or group of assets being sold) are stated at the lower of carrying amount and fair value (less the costs of selling). An impairment loss on a group of assets held for sale is allocated to goodwill in the first instance, and subsequently in proportion to the remaining assets and liabilities. Impairment losses arising from the initial classification are taken to the statement of income.

Other financial non-current assets

Other non-current receivables
The other non-current receivables concern assets that are held within a business model designed to hold financial assets to receive contractual cash flows. Such cash flows exclusively concern repayments and interest payments on the principal outstanding. Such non-current receivables are initially recognised at the fair value of the relevant performance, and subsequently at amortised cost based on the effective interest rate method.

PPP receivables
PPP receivables (Public-Private Partnership receivables) consists of concessions payments still due from public bodies (government authorities) for PPP concession projects. PPP receivables are recognised as financial non-current assets. This refers to assets that are held within a business model designed to hold financial assets to receive contractual cash flows. Such cash flows exclusively concern repayments and interest payments on the principal outstanding. Such non-current receivables are initially recognised at the fair value of the relevant performance, and subsequently at amortised cost based on the effective interest rate method. The interest rate applied is (virtually) equal to the interest rate (after hedging) of the associated non-recourse PPP loan (PPP loan for which the borrower is not severally liable towards the financier).

Investments in equity instruments
Upon initial recognition, Strukton may choose to irrevocably designate its investments in shares as equity instruments measured at fair value through unrealised gains and losses (FVOCI, Fair Value through Other Comprehensive Income) if they fulfil the definition of an equity instrument according to IAS 32 'Financial instruments: presentation' and are not held for trading purposes. The classification is determined on an instrument basis.

Gains and losses on such financial assets are never recycled into profit or loss. Dividends are recognised as other income in the statement of income if the right to receive payment is established. Strukton chose to irrevocably designate the equity investments to this category.

Deferred taxes

Deferred tax assets and liabilities are recognised for temporary differences between the value of the assets and liabilities in accordance with the accounting principles for measurement and determining the result applied in these financial statements and in accordance with the tax policies. Deferred tax assets are only recognised when realisation is considered to be probable. This is also done for the portion of carry-over losses which is more likely than not being realised against sufficient positive taxable results. For the initial measurement of assets and liabilities that have no impact on the result in the financial statements and on the fiscal result, no tax assets and liabilities are included.
The carrying amount of deferred tax assets is assessed on each balance sheet date and decreased insofar sufficient future taxable profits are not expected to be probable.
Deferred taxes are based on the rate that is likely to be applicable on the date of settlement according to the tax rules. Deferred taxes are recognised in the statement of income, except if related to items that are recognised in the other comprehensive result. In such cases, the deferred taxes are also recognised as other comprehensive result.
If this results on balance in a deferred tax asset, it is recognised as a non-current asset. Deferred tax assets and liabilities are offset in a balance if there is a legally enforceable right to do so, if these are associated with tax on profit imposed by the same tax authorities.

Impairments of other assets

The carrying amount of Strukton's other assets, except for inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If there are such indications, an estimate is made of the recoverable amount of the asset in question.
For goodwill and intangible assets with an indefinite useful life or that are not yet available for use, an estimate of the recoverable amount is made at each reporting date. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which the asset belongs, is greater than the recoverable amount. Impairment losses are recognised in the statement of income. The recoverable amount of an asset or a cash-generating unit equals the higher of the value in use and the fair value net of selling costs. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects both the current market assessments of the time value of money and the specific risks with respect to the asset.

Impairments of goodwill are not reversed (except for goodwill included in the carrying amount of associates and joint ventures). In the case of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the recognised loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are stated at the lower of cost and the net realisable value. The net realisable value is the estimated sales price in the normal conduct of business, less the estimated cost of completion and the cost of sales. The cost of the inventories is based on the average purchase price or based on the first-in-first-out principle (FIFO) (depending on the operational segment) and includes expenditure incurred in acquiring the inventories and the associated costs of purchase. The cost of inventories of finished products includes an appropriate share of the indirect overheads based on normal production capacity.

Contract assets and contract liabilities

Strukton defines a project contract as a contract specifically negotiated for the contracted work to realise an asset. On the balance sheet, Strukton reports the net contract position for each (project) contract as either a contract asset or a contract liability. A contract asset is recognised when Strukton has a right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. A contract receivable is an amount to be billed for which payment is only a matter of passage of time. A contract liability is recognised when Strukton has an obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. A provision for onerous contracts is recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Impairments on PPP receivables, contract assets and trade and other receivables
If the credit risk on PPP receivables has not increased significantly since initial recognition, the loss allowance for these receivables are the 12-month expected credit losses (ECL). If the credit risk on PPP receivables has significantly changed since initial recognition the loss allowance equals the lifetime expected credit losses. PPP receivables are impaired when there is no reasonable expectation of recovering the contractual cash flows.

Indications of increase in credit risk for PPP receivables are:
- Experience significant financial difficulty;
- Are in default or delinquency in interest or principal payments;
- Have increased probability of default; or
- Other observable data resulting in increased credit risk.

The amount of lifetime credit losses is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the PPP receivables' original effective interest rate, taking into account the value of collateral, if any. The carrying amount of the PPP receivables is reduced and the amount of the loss is recognised in the statement of income. If a variable interest rate is applicable, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.
For contract assets and trade and other receivables, Strukton applies the simplified approach for the measurement of expected credit losses. Therefore, Strukton does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. Strukton uses a provisions matrix to calculate expected credit losses on contract assets and trade and

other receivables. This matrix is based on Strukton's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Based on the matrix, expected credit losses for groupings of different customer segments are identified and, if credit losses are expected, contract assets and trade and other receivables are impaired.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of income.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances and cash balances. Amounts due to banks that are payable on demand and that form an integral part of the Company's cash management system are recognised in the statement of cash flows under the cash and cash equivalents.

Equity attributable to shareholders of the parent company

Reserves
The reserves consist of a share premium reserve, a translation reserve, a hedging reserve and an actuarial reserve.
The share premium reserve is a reserve resulting from additional capital contributions by the shareholder. The translation reserve covers all the gains and losses from the translation of Strukton's net investments in foreign subsidiaries. The hedging reserve consists of the accumulated change in the fair value of hedging instruments before the hedged transaction takes place, or if the hedged position has not been terminated yet. An actuarial reserve is formed for the changes in actuarial results on defined-benefit plans regarding the pension liabilities arising from changes in the actuarial assumptions.

Retained earnings
The retained earnings comprise the cumulative results from previous financial years following deduction of dividend payments.

Non-controlling interests

The 'Non-controlling interests' item comprises the equity capital provided by third parties and relates to the non-controlling interests in consolidated entities.

Group equity

The group equity consists of the equity attributable to the shareholders of the parent company and non-controlling interests.

Subordinated loans

A loan is classified as a subordinated loan if subordinated to other recognised liabilities. Upon initial recognition in the financial statements, subordinated loans are stated at fair value (net of transaction fees) and subsequently at amortised cost using the effective interest method.

Non-current liabilities

The non-current liabilities consist of liabilities for financing property development, liabilities in financing public-private partnership projects, bank credit facilities and other non-current liabilities.

On initial recognition in the consolidated financial statements, liabilities for financing property development, liabilities in financing public-private partnership projects, bank credit facilities and other non-current liabilities are valued at fair value (after deducting transaction fees). Subsequently they are valued at amortised cost using the effective interest method. Transaction fees are depreciated over the duration of the loan. The share of non-current liabilities that must be repaid within one year is stated as a repayment liability of non-current liabilities in current liabilities. A liability is written off on the date the obligation expires, lapses or terminates.
Unconditional liabilities based on an option agreement are stated at the fair value. This fair value is calculated by discounting the nominal liability using a real interest rate in accordance with the option pricing model of IFRS 13.

Provisions

A provision is recognised in the balance sheet whenever Strukton has a legally enforceable or a constructive obligation because of a past event, if that constructive obligation can be reliably estimated and it is more likely than not that the settlement of that constructive obligation will entail an outflow of funds. Provisions are determined by calculating the present value of the expected future cash flows. The applied discount rate is a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation.

Onerous contracts provisions
Strukton applies the direct related cost method in measuring the loss on a contract. The loss is recognised on the entire contract. This could imply that the profit on a performance obligation in an onerous contract, prior to realising the performance obligation, is already fully deducted from the loss of the other performance obligation(s). The provision for onerous contracts only relates to the future loss on the performance to be delivered under the contract.

Restructuring provisions
A restructuring provision is created if a detailed formal restructuring plan has been approved and those who will be affected have valid expectations that the restructuring will be effected, because the implementation of the plan has been started or the main features of the plan have been announced to those affected.

Employee benefits
a. Defined contribution plans
For defined contribution plans, Strukton pays contributions on a mandatory, contractual or voluntary basis to pension funds or insurance companies. Strukton has no further obligations beyond the payment of contributions. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income when the contributions are due.

b. Defined benefit plans
Defined benefit plans lead to a fixed pay-out after termination of employment; the amount depends on factors such as salary, service years and accrual rate. Pursuant to IAS 19, Strukton is required to create a provision for this fixed annuity after termination of employment. Strukton's net liability on account of defined benefit plans is determined separately for each plan by estimating the pension entitlements that employees have accrued and will accrue pursuant to their services in the reporting period and previous periods. The present value of these pension entitlements is determined, and the fair value of the plan assets is deducted from this amount. The discount rate is the yield as at the balance sheet date for blue chip corporate bonds with a maturity approximately the same as that of Strukton's liabilities. The calculation is performed by a qualified actuary using the projected unit credit method. This method allows for future

increases in salary due to employees' promotions and general wage trends, including adjustments for inflation.
In the event of an improvement to pension entitlements under a plan, the portion of the improved pension entitlements relating to employees' past service is recognised immediately as an expense in the statement of income. Strukton takes actuarial gains and losses with respect to defined benefit plans and the notional excess or deficit in return on investments directly to the other comprehensive income (OCI). The notional return on investments is determined based on the same discount rate used for interest accrual. If the fund assets exceed the liabilities, the recognised assets are limited to an amount that cannot exceed the present value of any future refunds by the fund or reductions in future pension contributions.

c. Other long-term employee benefits
Strukton's net liability for other long-term employee benefits, except for pension plans, is the amount of the future entitlements that employees have earned in return for their services in the reporting period and previous periods. Examples include jubilee benefits and bonuses. These liabilities are calculated using the projected unit credit method and are discounted to give the present value. The discount rate is the yield as at the balance sheet date for high-value government bonds with a maturity that approximates that of these long-term liabilities of Strukton. Any actuarial gains or losses are recognised in the statement of income in the period in which they occur.

Guarantee commitments
A 'guarantee provision' is recognised if the underlying projects or services have been sold and delivered. This provision is created for the costs that will have to be incurred to rectify deficiencies that become evident after the delivery, yet during the guarantee period. The provision is based on the best estimate for the cash outflow.

Other provisions
The other provisions comprise provisions for specific guarantees issued when interests in entities are sold, risks of legal proceedings against Strukton and/or its operating companies, redundancy arrangements and other relatively minor risks.

Trade and other payables

Trade and other payables and amount payable to credit institutions are initially recognised at fair value and subsequently at amortised cost using the effective interest method. Any income tax payable is recognised at face value.

Revenue

Projects for third parties, service and maintenance contracts
Strukton has adopted and applies IFRS 15 Revenue from Contracts with Customers.
IFRS 15 follows a 5-step approach to recognise for revenue, which is set out below. Certain specific topics have been included or referred to the applicable note. The core principle of IFRS 15 is a 5-step model to distinguish each distinct performance obligation within a contract that Strukton has with its customer and to recognise revenue on the level of the performance obligations, reflecting the consideration that Strukton expects to be entitled for, in exchange for those goods or services.

The following five steps are identified within IFRS 15:
- Step 1 'Identify the contract with the client': Agreement between two or more parties that creates enforceable rights and obligations (not necessarily written).

- Step 2 'Identify the performance obligations': A promise in a contract with a customer to transfer a good or service to the customer.
- Step 3 'Determine the transaction price': The transaction price is the amount of consideration to which an entity expects to be entitled for in exchange for transferring promised goods or services to a client.
- Step 4 'Allocate the transaction price': The objective of allocating the transaction price is for Strukton to allocate the transaction price to each performance obligation.
- Step 5 'Recognise revenue': Strukton recognises revenue when (or as) Strukton satisfies a performance obligation by transferring a promised good or service (that is an asset) to a client.

When determining the revenue recognition, the number of performance obligations in a contract is identified. Subsequently, the transaction price is determined. If the consideration promised in a contract includes a variable component, such as a performance bonus or penalty for delays, the amount of consideration to be received is estimated. In such an event, the variable component is measured using the expected value or the most likely amount, depending on the method that can be expected to best predict the amount of consideration that the entity will be entitled to. This method is subsequently applied throughout the contract. An increase of the amount of consideration due to including or excluding the variable component may not take place until it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration has been resolved.

After determining the amount of consideration, this consideration is allocated to the separate performance obligations. This allocation is based on determining the 'stand-alone selling price' for each performance obligation. The stand-alone selling price is measured based on the 'cost plus margin' method, determining the cost based on the preliminary calculation as prepared during the tender phase. Subsequently, a customary margin is allocated.

Finally, revenue is recognised when transferring control of the goods or services to the customer against an amount reflecting the consideration that Strukton expects to be entitled to in exchange for the relevant goods or services.
Strukton is active in developing, building, maintaining and operating infrastructure projects, technical installations and rail systems. Revenue recognition will be based on the completion rate of the project. Progress of the project is determined based on the input method, with project progress being measured based on the cost incurred by the entity in fulfilling a performance obligation. It is not permitted to recognise revenue for costs incurred that can be attributed to significant inefficiencies and that are not factored into the contract sum, as such costs do not contribute to progress regarding fulfilment of the performance obligation.

In the event of contract deviations, claims or any other changes in the scope of a contract or a (potential) change in the contract consideration, revenue relating to this modification will not be recognised until a written or verbal agreement has been reached.

If the date of transferring the performance obligation is not the same as the date of receiving the consideration, the time value of money is considered when recognising revenue. For this purpose, Strukton makes use of the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component if Strukton expects that the period between the date on which the entity transfers a performance consideration and the date on which the customer pays for this performance obligation is no more than one year.

As a separate performance obligation does not apply, tender fees are recognised as part of the amount of consideration over the term of the contract in proportion with performances completed.

Revenue from sale of goods from inventories
The sale of goods from inventories primarily pertains to the sale of prefabricated concrete applications. Revenue from sales from inventories are recognised in the statement of income when handing over control over the goods or services to the customer against an amount reflecting the consideration that Strukton expects to be entitled to in exchange for the relevant goods or services.

Concessions
During the operational phase, revenues from concession management comprise:
• The revenue regarding the contractually agreed services; and
• The interest income related to the investment in the project.
Revenue is recognised based on the completion rate as soon as the related services are provided. Interest is recognised as finance income in the period to which it relates.

Expenses

Costs to obtain a contract
Costs incurred to be awarded a contract by a customer that would not have been incurred if the contract was not awarded, i.e., incremental acquisition cost of a contract are capitalised. If the conditions of incremental costs are not fulfilled, the costs incurred to win a contract are measured as an expense.

Costs to fulfil the performance obligation
The costs to fulfil a future performance obligation are capitalised if such costs are directly related to an existing contract or specific anticipated contract, provided that these costs are expected to be recovered.

Operating costs
Operating costs are allocated to the year these are related to.

Public private partnerships (concessions)
The costs incurred for proposals for PPP projects are in principle charged to the result, unless such costs are explicitly chargeable to the customer, regardless of whether the contract is obtained. In that case, such costs are capitalised.

Finance income and expenses
Finance income comprises interest received on invested funds, exchange rate gains, and gains on hedging instruments that are recognised in the statement of income.
Finance expenses comprise interest payable on borrowings, interest added to provisions, exchange rate losses, impairment losses on financial assets and losses on hedging instruments that are recognised in the statement of income.

Government grants

Government grants are not recognised until it is reasonably certain that Strukton will comply with the conditions attached to them and that the grants will be received. Government grants that are receivable as a compensation for expenses or losses already incurred are recognised in the statement of income in the period in which they become receivable. Strukton presents such government grants as a reduction to the related expenses in the statement of income.

Corporate income tax

Income tax comprises the payable and offsetable income tax relating to the period under review and deferred income tax. The income tax is recognised in the statement of income, except if it relates to items recognised directly in equity, in which case the tax is charged to equity. The current tax payable and off-setable is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised for temporary differences between the value of the assets and liabilities in accordance with the accounting principles for valuation and determining the result applied in these financial statements and in accordance with the tax policies.

Deferred tax assets are recognised for tax losses carry-forwards, temporary differences and tax credits to the extent that the realisation of the related tax benefit through future taxable profits is probable. Estimates are an inherent part of this process and they may differ from the actual future outcome.

Deferred tax liabilities are not recognised for the following temporary differences: the initial recognition of goodwill, initial recognition of assets and liabilities in a transaction that do not involve a business combination and that affect neither the accounting nor the taxable profit, and differences relating to investments in subsidiaries and entities over which joint control is exercised to the extent that they are unlikely to be settled in the foreseeable future. Deferred tax liabilities are measured using tax rates expected to apply when the temporary differences are reversed, based on legislation enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available for the realisation of the temporary difference.

Strukton measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty, after taking into account external advice where appropriate.

As per IFRIC 23, in preparing estimates of current and deferred tax assets and liabilities, management considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If it is considered probable that an uncertain tax treatment will be accepted, tax estimates are determined in accordance with the tax treatment used or planned to be used in the company’s income tax fillings. If it is not considered probable that an uncertain tax treatment will be accepted, tax estimates are made based on the most likely outcome or the expected value, depending on which method best reflects the uncertainty.

At each reporting date, deferred tax assets are reviewed and reduced to the extent that it is no longer probable that the corresponding tax benefit will be realised. Additional income tax on account of dividend payments is recognised at the same time as the obligation to pay the dividend in question.

Strukton constitutes a fiscal unity together with most of its 100% domestic subsidiaries. Please refer to note 33 for a complete overview of which entities are included in this fiscal unity.

Information per segment

For management purposes, Strukton has a segmented structure based on its products and services. The statement of income and several balance sheet items are presented for each segment. This structure is supported by the management reporting structure, with the aforementioned divisions reporting to Group management entirely separately. The management monitors the operating results of the segments separately to support decision-making regarding allocation of resources and assessment of the results. The segment results are assessed based on the operating result determined in accordance with the operating result in the consolidated financial statements. The management of Group financing and income tax is conducted at Group level.

Policies for the consolidated statement of cash flows

The statement of cash flows is prepared according to the indirect method. Cash flows in foreign currencies are translated at the exchange rate that applies on the transaction date. For subsidiaries and interests in other entities, this is based on the average exchange rate during the financial year. The inventories, receivables, debts, provisions, and debts to credit institutions included in acquisitions are incorporated in the statement of cash flows under investing activities. The acquisition cost paid for acquired associates (after deduction of the purchased cash and cash equivalents), and the selling price received for divested associates, are recognised in the cash flow from investment activities. Income based on interest, dividends and income taxes are included in the cash flow from operations. Transactions that do not involve an exchange of money are not recognised in the statement of cash flows. Amounts owing to banks that are payable on demand and that form an integral part of the Company's cash management system are recognised in the statements of cash flows under the cash and cash equivalents item. Cash flows related to the investments in PPP-projects are included in the cash flow from investing activities due to the nature of investing in the project. The cash from loans and non-recourse financing are included in the cash flow from financing activities. Lease payments are split into an interest component and a repayment component. Both components are included in the cash flow from financing activities. The costs relating to short-term lease liabilities and the costs of low-value leasing assets are included in the cash flow from operating activities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and the current market. The basis for these estimates remains unchanged compared to those described in the 2022 financial statements. The historical experience and other factors especially have an effect on the estimates made regarding the valuation of goodwill, deferred tax assets, defined benefit plans and projects. Actual results may differ from these estimates.

The preparation of the consolidated financial statements requires the management to make judgements, estimates and assumptions that influence the application of the accounting principles and the reported values of assets and liabilities and of income and expenses. The estimates and corresponding assumptions are based on experiences from the past and various other factors that could be considered reasonable under the circumstances. The actual outcomes may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised or in future periods if the revision has consequences for these periods.

The key elements of uncertainty in the estimates are as follows:

Key estimates
- Estimations related to the total costs of projects are included in the 'Assumptions when determining revenue recognition' section below.
- Estimation of uncertain tax positions is included in the applicable accounting policy sections above and in the following section 'Accounting considerations on key projects'.
- Estimation of future taxable profits in support of recognition of deferred tax assets is included in the applicable accounting policy sections above.
- Estimation of inputs into discounted cash flow models relating to the impairment of goodwill is included in the applicable accounting policy sections above.
- The assumptions, forecasts and expectations regarding defined benefit plans and deferred employee benefits as included in the following section 'Defined benefit plans and deferred employee benefits'.
- Estimation in determining the lease terms and discount rates applicable to lease agreements as included in the following sections 'Lease terms' and 'Determining the incremental interest rate'.

Key judgements
- Recoverability of financial and other assets is included in the applicable accounting policy sections above and in the following sections 'Accounting considerations on key projects' and 'Impairments'.
- Recoverability of deferred taxation assets is included in the corresponding accounting policy section above.
- Recognition and measurement of provisions is included in the applicable accounting policy sections above and in the following section 'Accounting considerations on key projects'.
- Correct classification and completeness of liabilities and events occurring after the reporting period is included in note 29.

Assumptions when determining revenue recognition
When recognising revenue from contracts with customers, the contract consideration must be determined. This consideration may also include variable components, such as a performance bonus or penalty for delays. If the consideration promised in a contract includes a variable component, the amount of consideration to be received is estimated. In such an event, the variable component is measured using the expected value or the most likely amount, depending on the method that can be expected to best predict the amount of consideration that the entity will be entitled to. This method is subsequently applied throughout the contract. An increase of the amount of consideration due to including or excluding the variable component may not take place until it is highly probable that a significant reversal in the amount

of cumulative revenue will not occur when the uncertainty associated with the variable consideration has been resolved. Pursuant to IFRS 15, the threshold to recognise positive variable considerations is therefore relatively high. Nevertheless, this variable component is subject to management estimates.

In the event of changes in the scope of a contract or a (potential) change in the contract consideration, revenue relating to this modification will not be recognised until a written or oral agreement has been reached. If this agreement is reached but no agreement was reached about the consideration, the recognition will not take place until it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty regarding the consideration for the contract modification has been resolved. In practice, this means that considerations for requests for change or claims cannot be recognised until a written or oral agreement has been reached on the nature of the change and the relevant consideration.

When allocating the contract consideration to the separate performance obligations, the stand-alone selling price of the performance obligations must be determined.
This stand-alone selling price is measured based on the 'cost plus a margin' method, determining the cost based on the preliminary calculation as prepared during the tender phase. Subsequently, a customary margin is allocated. Both the measurement of the cost and the measurement of the margin are subject to the management's estimates.

Revenue recognition is based on the input method, with project progress based on the cost incurred by the entity in fulfilling a performance obligation in proportion with the total forecast project cost. The total project cost is subject to accounting estimates. Such accounting estimates are subject to more uncertainty as:

- The agreed contract form entails more risk for the contractor. After all, in a design & construct contract the contractor also bears the design risk. In a DBMO (design, build, maintain and operate) contract, the contractor is also responsible for maintenance and operations.
- The contract is still at an early stage in the design or realisation process. When a provisional design is being worked out in detail to create the final design, it may be necessary to deviate considerably from the provisional design (for instance because the initial solution turns out to be not feasible, because the soil conditions are better or worse than expected, or because the dialogue with stakeholders turns out to be much more complicated, and therefore more costly, than anticipated). Numerous risks may also emerge during the execution phase that are for the account of the contractor. It should however be noted that such deviations can be either positive or negative.
- The contract term is longer, whereby the estimate of the final amount of work is inherently subject to greater uncertainty.

Accounting considerations on key projects

MEET RIVM project
Since 2014, MEET RIVM CBG (referred to as "MEET," the project company) has been responsible for the construction of new facilities for the RIVM (National Institute for Public Health and the Environment). MEET is accountable for the Design, Build, Maintain, and Operate (DBMO) aspects of the project. A distinct, Strukton-owned special purpose company, MEET Strukton, was established to secure the initial non-recourse project financing.
This unique project has faced considerable challenges, leading to formal dispute resolution proceedings with the Contracting Authority. Key areas of dispute include:
(1) the VC-C vibration control measures implemented in the new building and
(2) several major change orders for the laboratories requested by the Contracting Authority.

These issues have resulted in critical delays and substantial financial impact, which the Contracting Authority contested. The DBFMO Agreement provides a contractual dispute resolution mechanism intended to address these types of challenges. Between 2017 and 2024, these issues resulted in three Committees of Experts for review and resolution.

Mitigating Measures (Committee of Experts 01 and 02)
To comply with the contract's strict vibration requirements, various so-called "mitigation measures" were implemented. During the initial dispute procedure in 2017, the Committee of Experts 01 assessed the cost of these measures at EUR 20.7 million, with 40% was to be reimbursed by the Contracting Authority. Since then, additional measures were required and implemented, resulting in actual costs significantly exceeding the 2017 estimate. Again, the Contracting Authority contested. In response, MEET initiated a second dispute resolution process in November 2020 to re-evaluate the cost allocation between the parties.

By July 2021, the second Committee of Experts (02) issued a preliminary ruling, deciding that 50% of the increased costs should be covered by the Contracting Authority. To finalise its decision, the Committee appointed an independent cost expert to determine the total cost, and this expert issued a final report in November 2023. On December 19, 2023, the Committee released its binding recommendation, obligating the Contracting Authority to reimburse MEET for the mitigation costs. Both MEET and the Contracting Authority accepted this recommendation, making the outcome final.
Current project valuation is based on the compensations awarded in the binding decision and the costs incurred for implementing the vibration mitigation measures.

Change Orders by the Contracting Authority: GAP III and Reconfiguration Process 1 (Committee of Experts 03)
In recent years, the Contracting Authority has issued multiple Change Orders, which, alongside COVID-19-related disruptions, have caused critical delays and significant financial impacts. These Change Orders include updates to several facilities in the generic laboratories in the Tower ("Reconfiguration Process 1") and modifications to the special labs wing to establish a polio laboratory that meets updated World Health Organization ("WHO") requirements. Consequently, the building was unavailable by the original Scheduled Availability Date of August 31, 2021. Disagreements regarding the financial impact and the extent of delay led both parties to initiate the contractual dispute procedure.

In this process, MEET presented a detailed analysis of the financial impacts and delays attributed to Change Orders GAP III, Reconfiguration Process 1, and other factors. MEET estimated these additional works would extend the Availability Certificate by 40 months, targeting completion around year-end 2024. However, in an interim decision issued in October 2023, the GAP III Committee determined that the critical delay from these Change Orders was 15 months and invited parties to discuss and settle on the associated financial impact. On March 8, 2024, the parties reached a settlement agreement, setting the Scheduled Availability Date to the beginning of 2025, and establishing financial compensation terms. The settlement agreement was signed on 20 November 2024.

Construction Progress
As of the latest reporting date, construction progress for key components of the project—the Tower, plinth, and special labs wing—stands at near full completion in structural, electrical, and mechanical works. During 2024, finishing touches, such as flooring, painting, and laboratory furniture installation, have been completed. The last months were focussed on the project commissioning and qualification phase, and minor finalisation activities focused on the terrain and expedition areas. These closing steps are critical to ensure the building meets operational standards and is ready before the transition into the operational phase which is anticipated to occur in the early months of 2025.

Management's best estimate has led to a combined project loss of EUR 194.1 million, for which provisions were already recorded in previous years

"Maintain and Operate" Phase and Financial Implications
Starting in Q1 2025, the operational phase of the MEET project will begin. The previously reported EUR 194.1 million project loss for MEET RIVM includes anticipated losses for this operational phase. The provision reflects the expectation of a more challenging operational start-up, driven by complexities stemming from the turbulent Design and Build phase and higher-than-budgeted cost and hourly rates, which have outpaced indexation adjustments.
The operational phase is marked by considerable uncertainty due to multiple factors, including the project's complexity, the substantial total operational costs estimated at EUR 268.1 million, and the 25-year operational term. These factors mean that the projected losses may fluctuate over time as new information emerges and adjustments are made in response to operational realities.

Hoofdstation Groningen
Strukton Civiel Projecten B.V. is working on the Hoofdstation Groningen project on behalf of ProRail. The project has been delayed and the planning has been shifted backwards several times. The delays are caused by the complexity of the project and material external circumstances, both resulting in a longer and more expensive design process. The following reasons have contributed to the cost increases and/or delays:

- COVID-19. Given the complexity of the design, the intention was to perform the design phase at one location. In March 2020, three months after the start of the final design (DO) phase, almost all 75 designers were forced to work individually due to a corona lockdown. This had a major impact on the comprehensiveness of the design, which in turn led to delays and higher costs.
- Macro-economic circumstances led to unforeseeable cost increases and supply chain disruptions.
- Remove cables and ducts at the start of the project. At the start of the project, a large number of unknown cables and ducts turned out to be present in the site.
- Design complexity and inefficiency. The realisation of parts of the design turned out to be technically very complex. As a result, adjustments were made to the design, which led to delays and higher costs.
- Anchoring problems. After pouring the concrete, the anchors proved to be unsatisfactory at a number of points. As a result, Strukton's subcontractor had to take measures to resolve this, which led to higher costs.
- Train-free periods (Trein Vrije Periodes). Consecutive delays by the above are multiplied by missing certain pre-determined train-free periods (TVPs) and lack of flexibility in securing new ones. The completion of the project is currently foreseen in 2026.

The above matters were not foreseeable and have arisen during the important execution phase of the project. Remaining uncertainties relate to the not yet contracted cost-to-complete and the amount of expected compensation. We are in constructive and active dialogue with ProRail, which has led to a final agreement on additional remuneration per April 2024. Furthermore, Strukton is in an active dialogue with ProRail on the risks related to a specific element in the scope of the project. Currently, the impact is uncertain and has no impact on the expected project result and completion date of the project. The estimate of the final project result amounts to EUR 124.5 million. A provision is formed of EUR 122.4 million up until 2023, and a further provision is recognised in 2024 of EUR 2.1 million.

On July 17, 2024, a fire broke out on the working site. Fortunately no personnel were harmed in the fire. It did resulted in fire, water, and smoke damage on the future bus driver's personnel facilities and technical installations included in the same building. The cause of the fire is currently being investigated. Furthermore, the impact of the fire on the expected project result is being estimated and is treated as a non-adjusting subsequent event. Expectation is that this impact will not be material.

A-Pier
In 2018, the legal predecessor of Strukton Roads & Concrete (50%) formed a joint venture with Ballast Nedam Road Specialties (50%) for a subcontract regarding the realisation of specific civil works on the A-Pier at Schiphol, as subcontractor for the main contractor, a JV between Ballast Nedam and TAV. In the execution of the project, Ballast Nedam TAV was involved in discussions with Schiphol based whereon ultimately Schiphol decided to terminate the contract with Ballast Nedam TAV. Subsequently, the main contractor terminated the contracts with its subcontractors. There is currently a dispute with Ballast Nedam TAV as to the amount of compensation we are entitled to receive for this premature termination.

The outcome of the current process between Schiphol and Ballast Nedam TAV, and the subsequent implication for Ballast Nedam Road Specialties and Strukton Roads & Concrete is uncertain. The process has not yet led to an agreement on (additional) remuneration and the time consequences. The best estimate on potential remuneration from the client on these matters has been included in the evaluation of the expected project result. A provision is formed for Strukton' share of the net balance amounting to EUR 16.5 million (2022: EUR 15.1 million). If no remuneration will be granted, which Strukton deems unlikely, an additional loss would have to be recognised.

A15 MAVA and M CO
Strukton Civiele Projecten B.V. is involved in the design, build and long-term maintenance of the A15 project.

The client requested to use quieter but less durable asphalt and to execute the asphalt overlay earlier than planned, whereby it was the understanding of the consortium that the client would cover the additional costs (compared to those of the original long-term maintenance strategy).

In October 2024, the consortium and the client agreed upon a settlement on the scope and adjustment of the maintenance strategy. The arbitration procedure is therefore ceased.

Management has assessed the possibility of additional mutations in the project result in the remaining contractual period. This assessment is inherently uncertain given the long period of the contractual obligations. The total estimated contractual loss, which amounts to EUR 15.6 (2022: EUR 15.7 million)million for Strukton, has been taken into account in the financial figures December 31, 2023, through impairment of receivables on the consortium and participation value held by Strukton.

Maintenance contracts Sweden
In 2023, two maintenance contracts commenced in Sweden, each with a duration of five years. These projects have been characterised by significant challenges arising from inaccurate cost estimations made during the tender phase, intensified by unforeseen difficulties such as harsh winter conditions that impacted project execution. Additionally, complexities and uncertainties in the working relationship between Strukton and the client have further complicated the situation. As a result of these factors a provision was formed and the current best estimate of the total projected loss for these contracts is EUR 23.7 million, of which EUR 22.5 million was recognised in 2023.

Avenue2
Strukton Civiel Projecten B.V., is via Avenue2 V.O.F. involved in developing and realizing project A2 Maastricht for Rijkswaterstaat and the Municipality of Maastricht. The project was completed in 2017. The client believes that Avenue2 V.O.F. is responsible for various defects and has been in discussions with Avenue2 V.O.F. The defects are disputed by Avenue2 V.O.F. This has not yet led to a conclusion, different outcomes of the current process are possible and may influence future results. The client has drawn on the provided bank guarantee of EUR 4.2 million. For a portion of this amount, an additional provision has

been made as of December 31, 2023, based on the management's best estimate. This estimate reflects the most likely outcome as currently foreseeable.

Other Civil projects
On top of the major projects described above, Strukton Civiel has also executed a number of smaller loss-making projects. The broad strategy, complex organisational responsibilities and challenging risk management all contributed to poor performance across the board. Strukton Civiel also experienced a number of smaller disputes with partners, subcontractors and clients. Furthermore, Strukton Civiel ventured in all markets and in all disciplines in a traditional market approach until 2020, which was typical for civil companies in the Netherlands. Strukton perceives this market as a high-risk market with low profitability, worsened by significant competition and overcapacity in the asphalt market. The combination of these matters led management to implement a new approach to the Civil market and strengthen internal organisation and controls.

Corporate income tax
Measured deferred tax assets due to tax loss carried forward are subject to the management's estimates in terms of future taxable results to be achieved.

Strukton operates in various countries. Tax legislation and guidelines vary for each country. Tax treaties between various countries do not always offer full prior certainty about the effects and solutions of tax issues. When determining the tax position, it is possible that assumptions must be made. If such assumptions may lead to uncertainties regarding the correctness of the tax position recognised, this is explained in the notes to the financial statements.

Defined benefit plans and deferred employee benefits
The most important actuarial principles at the basis of the recognised pension commitments and other employee benefits are included in the notes to the relevant items. All assumptions, forecasts and expectations applied as a basis for accounting estimates in the consolidated financial statements reflect the actual outlook of Strukton as accurately as possible.

Goodwill
Goodwill is subject to annual impairment tests. An assessment is made of the expected cash flows per business unit based on the business plans drawn up for the next five years. A weighted average cost of capital (WACC) is determined for each business unit based on a representative peer group. The expected cash flows and the WACC form the basis of the discounted cash flow method for the goodwill test. Strukton has developed a standard method for this.

Lease terms
The lease term is equal to the non-cancellable period of the agreement, considering the legally enforceable renewal and termination options included in the agreement, if there is a reasonable assurance that these options will be exercised. The non-cancellable period ends when both the lessor and the lessee can terminate the contract. For each contract, we assess whether there is a reasonable degree of certainty that options will be exercised.

Impairments
Other assets
In order to ascertain whether assets are impaired it is necessary to make an estimate of the recoverable amount. The recoverable amount of an asset or a cash generating unit equals the higher of the value in use and the fair value net of cost of selling. If possible, the fair value net of cost of selling is calculated based on a binding sales contract in an arm's length and objective transaction between independent

parties. If there is no binding sales contract, but the asset is traded on an active market, the fair value net of cost of selling is equal to the market price of the asset net of cost of selling. If there is neither a binding sales contract nor an active market for an asset, the fair value net of cost of selling is based on the best information available to agree a price that could be achieved at the balance sheet date from the sale of the asset in a transaction between properly informed, willing and independent parties, net of the cost of selling. When calculating this value, account is taken of the results of recent transactions involving similar assets in the same business sector. In determining the value in use, the present value of estimated future cash flows is calculated using a discount rate that reflects both the current market rate and the specific risks relating to the asset. The cash flow forecasts are based on reasonable and substantiated assumptions representing the best estimates by the management of the economic circumstances that will exist during the residual useful life of the asset.

Determining the incremental interest rate

Determining the incremental interest rate is a key factor in the measurement of the lease. When determining the incremental interest rate, the following components should be considered:

- The credit rating of the company
- The contractual lease terms
- The amount of the lease liability
- The applicability of guarantees
- The economic conditions

Strukton calculated the incremental interest rate based on the following steps:

1 Determining the reference rate: This reference rate is determined based on the government bonds (of the various countries in which Strukton operates) on the date on which the asset was made available. This was based on government bonds with a term of five years. This term was applied because most of the lease agreements within Strukton have an average term between 3 and 5 years.

2 Determination of the financial spread ('finance spread adjustment'): The determination of the finance spread adjustments was based on credit spreads set out in the financing agreements of the various countries.

Lease specific adjustment: The leases are secured loans because the risk of bad debt is lower since the lessor owns the underlying assets. The finance spread adjustments applied in step 2 relate to loans based on collateral. As a result, no additional adjustment was made. The weighted average interest rate used to determine the cumulative effect of first-time adoption of IFRS 16 was 1.5%.

A vulnerabilities analysis is included in the Notes to the newly adopted and revised standards and interpretations.

Strukton applies a policy focusing on maximum limitation and control of current and future risks, minimising the financial cost. This is based on general control measures, such as internal procedures and instructions and specific measures designed to control the specified risks. Strukton's financial risks mainly concern credit risks, interest rate risks, currency risks, liquidity risks and inflation rate risk. The risk of fluctuations in currency exchange rates and interest rates is hedged with a range of derivatives, transferring the risks that apply to the primary financial instruments to other contract parties. Interest rate and currency risks are mainly centrally managed. No speculative positions are held.

Our financial risk policy focuses on maximum limitation and control of current and future risks

Credit risk
Most of the principals are public organisations (government bodies), which implies minimum credit risk. For orders from private principals in excess of a certain limit, the credit risk is a factor in the contract assessment. Additionally, the orders are invoiced in advance in proportion to progress in the projects. The cash and cash equivalents available are held with financial institutions with a high credit rating.

Interest rate risk
Loans with a variable interest rate are exposed to the risk of changes in cash flows due to interest rate changes. Strukton's policy is designed to conclude long-term loans at a fixed interest rate. Interest rate swaps are concluded to achieve fixed rates. The interest rate risk relating to financing the long-term PPP projects is occasionally hedged with interest rate swaps.

Currency risk
The bulk of Strukton's operations takes place in the euro zone. Strukton's currency risk relates mostly to its foreign subsidiaries in Scandinavia. No hedges are used.

Liquidity risk
The liquidity risk is the risk of Strukton being unable to meet its financial obligations on the due dates. Liquidity management is based on having adequate liquidity to fulfil both current and future financial obligations in regular and special circumstances, without incurring unacceptable losses or jeopardising Strukton's reputation. Using progressive liquidity forecasts, Strukton assesses the adequacy of liquidity levels. Relating to long-term contracts, principals are usually requested to pay instalments to allow for financing of the project costs.

Strukton has facilities in Italy, Sweden and Denmark.

Based on the liquidity forecasts, the Board of Directors of Strukton expects to have sufficient financial room to implement the business plan. Realisation of the liquidity forecast is strongly dependent on the development of external market conditions, order intake, development of project results and the net working capital.

Strukton does not have any specific indications that certain market conditions, such as price development with both customers, and suppliers and contractors, or agreements with suppliers and credit insurers, are developing in any way unfavourably. This also applies to the order intake and timely conversion into sales and development of project results within the expected bandwidths.

The Strukton Executive Board identified various measures that may ensure additional financial room. These measures concern, among other things:
- Better payment conditions, quicker invoicing and collection of invoices, improving the working capital
- Securing dividends from non-credit base subsidiaries, associates and related investments
- Sales of specific assets and non-core portfolio companies
- Agree on additional remuneration for specific projects with clients

Based on the liquidity forecasts, we expect to have sufficient financial room to implement the business plan

Since the divestment of Strukton Worksphere, financing requirements mainly constitute (bank) guarantees, transaction banking, (equipment) lease and transactions. For now, the non-recourse project-financing for RIVM and the ringfenced facilities in Italy are left intact and continue to exist as of the date of authorisation of these financial statements. Other cash or credit facilities have been repaid or reduced or not materially utilised.

COVID-19

Strukton Groep N.V. has used the COVID-19 facilities as provided by the Dutch government, this relates to the special postponement of payment due to the corona crisis. The special postponement of payment due to the corona crisis relates to VAT and wage tax over the period February until June 2021. Payment of these VAT and wage tax amounting to EUR 45.5 million started in October 2022 and will be repaid in 60 months according to the facility.

Capital management

The Executive Board's policy is designed to maintain a strong equity position, enabling Strukton to assure the trust of principals, creditors and the markets, fulfil requirements ensuing from bank covenants and ensure future development of the business activities. Capital consists of issued and paid-up capital, retained earnings, share premium reserve, hedging reserve, translation reserve, legal reserve and an actuarial reserve.

1. Property, plant and equipment

(X EUR 1,000)

2022	Land	Buildings	Plant and equipment	Other assets	Assets under construction	Total
Cost	10,139	62,319	369,117	44,546	11,029	497,150
Accumulated depreciation and impairment	(1,009)	(36,214)	(311,725)	(38,832)	-	(387,780)
Carrying amount as at 31 December 2021	**9,130**	**26,105**	**57,392**	**5,714**	**11,029**	**109,370**
Carrying amount as at 1 January 2022	9,130	26,105	57,392	5,714	11,029	109,370
Acquisitions / (De)Consolidation	-	5	1,441	(897)	(487)	62
Investments	1,634	751	15,291	3,692	10,466	31,834
Disposals	(0)	(2,841)	(1,723)	(5,790)	(2,771)	(13,125)
Impairments	-	-	-	-	-	-
Depreciation	(9)	(1,674)	(13,966)	(2,230)	-	(17,879)
Other reclassifications	4,461	(4,127)	(1,090)	4,803	(4,593)	(546)
Foreign currency exchange differences	-	(0)	(954)	1	(108)	(1,061)
Other movements	(2)	(0)	(1,500)	(46)	476	(1,072)
Carrying amount as at 31 December 2022	**15,214**	**18,219**	**54,891**	**5,247**	**14,012**	**107,583**
Cost	15,600	55,909	336,398	31,692	14,012	453,611
Accumulated depreciation and impairment	(386)	(37,690)	(281,507)	(26,445)	-	(346,028)
Carrying amount as at 31 December 2022	**15,214**	**18,219**	**54,891**	**5,247**	**14,012**	**107,583**

2023	Land	Buildings	Plant and equipment	Other assets	Assets under construction	Total
Carrying amount as at 1 January 2023	**15,214**	**18,219**	**54,891**	**5,247**	**14,012**	**107,583**
Acquisitions / (De)Consolidation	-	-	(220)	(176)	25	(371)
Investments	165	1,171	13,864	3,270	13,107	31,577
Disposals	(1,879)	(1,016)	(1,676)	(714)	(3,992)	(9,277)
Impairments	-	-	-	-	-	-
Depreciation	(14)	(1,371)	(13,218)	(1,995)	-	(16,598)
Other reclassifications	-	140	2,613	276	(3,029)	-
Reclassified to held for sale (Note 32)	(1,408)	(742)	(2,270)	(1,807)	(10)	(6,237)
Foreign currency exchange differences	-	-	17	(1)	46	62
Other movements	180	(574)	2,266	(395)	(2,913)	(1,436)
Carrying amount as at 31 December 2023	**12,258**	**15,827**	**56,267**	**3,705**	**17,246**	**105,303**
Cost	12,594	47,158	319,164	25,645	17,246	421,807
Accumulated depreciation and impairment	(336)	(31,331)	(262,897)	(21,940)	-	(316,504)
Carrying amount as at 31 December 2023	**12,258**	**15,827**	**56,267**	**3,705**	**17,246**	**105,303**

The item Plant and equipment includes:
- Machines and installations for production
- Equipment used in the realisation of works
- Office inventories, computer systems, telecom systems etc.

Strukton has no property, plant and equipment that served as collateral to banks and/or other providers of loan capital in the context of the committed bank facilities (2022: nil). A maximum amount nil (2022: EUR 0.8 million) served as collateral for the bank loans.

The depreciation terms are based on expected economic life.

• Land	No depreciation (only paved areas are subject to depreciation, 8 to 20 years)
• Buildings	10 to 50 years
• Plant and equipment	2 to 6 years
• Assets under construction	No depreciation
• Other assets	3 to 10 years

2. Right-of-use assets

(X EUR 1,000)

2022	Land	Property	Plant and equipment	Cars	Other assets	Total
Carrying amount as at 1 January 2022	**1,483**	**22,433**	**38,949**	**28,524**	**2,277**	**93,667**
Acquisitions / (De)Consolidation	-	-	-	-	-	-
Additions	4	2,000	6,291	6,426	305	15,026
Contract terminations	-	-	-	-	-	-
Contract modifications	(31)	3,050	(73)	1,698	(50)	4,594
Depreciation	(758)	(9,457)	(7,073)	(13,953)	(72)	(31,313)
Other reclassification	-	1,033	(1,330)	3,851	(2,085)	1,469
Foreign currency exchange differences	(20)	(634)	-	(452)	-	(1,106)
Other movements	(1)	183	304	207	-	693
Carrying amount as at 31 December 2022	**677**	**18,608**	**37,068**	**26,301**	**375**	**83,029**
2023						
Carrying amount as at 1 January 2023	**677**	**18,608**	**37,068**	**26,301**	**375**	**83,029**
Additions	0	6,317	16,914	18,874	184	42,288
Contract terminations	-	-	-	-	-	-
Contract modifications	(46)	425	(1,001)	(521)	21	(1,122)
Depreciation	(508)	(8,800)	(8,067)	(13,769)	(70)	(31,213)
Other reclassification	-	979	111	196	350	1,636
Reclassified to held for sale (Note 32)	(29)	(2,448)	(245)	(893)	2	(3,613)
Deconsolidated entities	-	-	-	(225)	-	(225)
Foreign currency exchange differences	(3)	28	-	32	-	57
Other movements	926	894	(189)	924	(391)	2,164
Carrying amount as at 31 December 2023	**1,018**	**16,003**	**44,590**	**30,919**	**471**	**93,001**

The depreciation periods are based on the lease contract terms:

• Land	5 - 10 years
• Property	5 - 10 years
• Plant and equipment	4 years
• Cars	5 years
• Other assets	3 years

Some of the assets that are leased are sub-leased to third parties. The total revenue from these subleases during 2023 amounts to nil (2022: EUR nil).

Land
Most of the land lease contracts have a term of 5 to 10 years. Renewal options are set out in these contracts to ensure operational flexibility. If both the lessor and the lessee wish to extend or not terminate the contracts, the contracts are usually automatically renewed based on the same conditions. Most of the contracts are indexed annually based on the consumer price index (CPI). The lease contracts do not impose covenants, but the leased assets may not be used as collateral for loans.

Property
Most of the property lease contracts have a term of 5 to 10 years. Renewal options are set out in these contracts to ensure operational flexibility. If both the lessor and the lessee wish to extend or not terminate the contracts, the contracts are usually automatically renewed based on the same conditions. Most of the contracts are indexed annually based on the consumer price index (CPI). The lease contracts do not impose covenants, but the leased assets may not be used as collateral for loans.

Plant and equipment
The lease contracts do not impose any covenants, but the leased assets may not be used as collateral for loans. No renewal options are set out in these contracts.

Cars
The leases of the cars have a maximum term of 5 years. If the mileage is higher than contractually agreed, this leads to an adjustment of the lease term to less than 5 years. If the lease term is adjusted, this also results in an adjustment of the lease rate. No indexations and variable payments are set out in these lease agreements. Furthermore, it is not possible to extend the lease term beyond the maximum term of 5 years.

The payment obligations corresponding with the lease contracts are recognised in current liabilities and non-current liabilities. For more information relating to these lease liabilities, please refer to note 15 Lease liabilities.

3. Intangible assets

(X EUR 1,000)

2022	Goodwill	Other intangible assets	Total
Cost	76,598	100,971	177,569
Accumulated amortisation and impairment	(61,642)	(92,888)	(154,530)
Carrying amount as at 1 January 2022	**14,956**	**8,083**	**23,039**
Carrying amount as at 1 January 2022	**14,956**	**8,083**	**23,039**
Acquisitions	1,143	-	1,143
Investments	-	249	249
Divestments	-	(674)	(674)
Impairments	-	-	-
Amortisation	(1)	(2,074)	(2,075)
Intangibles no longer in use (cost)	(60,543)	(80,580)	(141,123)
Intangibles no longer in use (depreciation)	60,543	80,580	141,123
Foreign currency exchange differences	(425)	(42)	(467)
Other movements	-	368	368
Other reclassification	-	1,279	1,279
Carrying amount as at 31 December 2022	**15,673**	**7,189**	**22,862**
Cost	16,772	19,925	36,697
Accumulated amortisation and impairment	(1,100)	(12,736)	(13,836)
Carrying amount as at 31 December 2022	**15,673**	**7,189**	**22,862**

2023	Goodwill	Other intangible assets	Total
Carrying amount as at 1 January 2023	**15,673**	**7,189**	**22,862**
Acquisitions	261	-	261
Investments	-	870	870
Divestments	-	(1,521)	(1,521)
Impairments	-	(1,829)	(1,829)
Amortisation	-	-	-
Intangibles no longer in use (cost)	-	(3,238)	(3,238)
Intangibles no longer in use (depreciation)	-	3,238	3,238
Foreign currency exchange differences	22	9	31
Other movements	-	-	-
Other reclassification	-	(458)	(458)
Reclassified to held for sale (Note 32)	(776)	(502)	(1,278)
Carrying amount as at 31 December 2023	**15,180**	**3,758**	**18,938**
Cost	16,283	14,871	31,154
Accumulated amortisation and impairment	(1,103)	(11,113)	(12,216)
Carrying amount as at 31 December 2023	**15,180**	**3,758**	**18,938**

Strukton performs an annual impairment test on the capitalised goodwill of cash generating units. The key assumptions for the value-in-use calculations are those regarding discount rate (WACC), long-term revenue growth rate and profit before tax margin. The cash flows are based on the five-year business plans prepared by the relevant business unit. This is based on stabilisation and modest growth for some of the sub-segments. The management's expectation is based on historical data, order portfolios, assessments and external information. The business plans applied do not include any acquisitions. For each cash generating unit, a discount rate, the WACC (weighted average cost of capital) is determined, based on a representative peer group. The forecast is based on the cash flows before tax. The cash flows are discounted at a gross WACC (pre-tax WACC).

The WACC, long-term revenue growth rate and profit before tax margin form crucial underlying assumptions for calculating the recoverable amount of each CGU. When these underlying assumptions would change in future, this could have significant impact on the CGU's recoverable amount (based on value in use), which might give rise that the recoverable amount becomes lower than the carrying amount of the CGU to which goodwill is allocated.
Goodwill relates to multiple CGUs of which the 4 CGUs below are deemed significant in comparison with the Group's total carrying amount of goodwill.

Strukton also performed a test for potential impairment triggers for all CGUs (excluding goodwill), which did not result in any findings and therefore no additional impairment testing was performed for CGUs (excluding goodwill).

Cash-generating units to which goodwill has been allocated:		**31/12/2023**	**31/12/2022**
Strukton Rail AB and Strukton Rail Västerås AB	Sweden	6,424	6,138
Terracon Molhoek Beheer B.V.	The Netherlands	1,029	1,029
Costruzioni Linee Ferroviarie S.p.A.	Italy	6,133	6,136
Other cash-generating units	Various	1,594	2,370
		15,180	**15,673**

The key assumptions and the quantification method for each of the significant cash generating units are:

Assumptions used:		**Strukton Rail AB & Strukton Rail Västerås**	**Terracon Molhoek Beheer B.V.**	**Costruzioni Linee Ferroviarie S.p.A.**
WACC (pre-tax)	Financial year 2023	11,2%	12,3%	18,2%
	Financial year 2022	11,1%	12,1%	18,0%
Average yearly growth rate according to business plans	Financial year 2023	-6,6%	-	-2,4%
	Financial year 2022	-1,5%	15,7%	-1,2%
Revenue growth	Financial year 2023	0,5%	0,5%	0,5%
	Financial year 2022	0,5%	0,5%	0,5%

Business plans contain a window of five years ahead, in this case 2024 – 2028. The sensitivity analysis below shows the impact on the realisable values in millions of euros in the impairment test for the significant cash-generating units that may be affected by changes in the assumptions if the other assumptions remain unchanged.

Sensitivity analysis (for all CGUs)
If the gross WACC is 1% point higher than set out above, the cash value of the total cash flows will decrease by approximately EUR 31.1 million. If the gross WACC is 1% point lower than set out above, the cash value of the total cash flows will increase by approximately EUR 37.7 million. Without factoring in a growth rate, the cash value of the total cash flows will decrease by approximately EUR 12.1 million.

Strukton Rail AB (Sweden) and Strukton Rail Västerås AB (Sweden)
The projects, assets and personnel of Strukton Rail Västerås AB were transferred to and merged with Strukton Rail AB after the acquisition on 8 January 2014. The impairment test was therefore based on the consolidated financial figures of Sweden. The test was performed on the future cash flows within Sweden.

The outcome of the calculation of the realisable value is above the Company's book value by EUR 87.2 million including the goodwill recognised. If the adjustment in the key variables is improbably high, the realisable value will still not drop below the Company's book value. Strukton has not recorded any impairment to Strukton Rail AB and Strukton Rail Västerås AB's goodwill in this financial year.

Terracon Molhoek Beheer B.V.
The test was performed on the future cash flows in the Netherlands. The outcome of the calculation of the realisable value is EUR 2.2 million higher than the Company's book value. No impairment is needed Terracon Molhoek's goodwill for this financial year.

Costruzioni Linee Ferroviarie S.p.A.
The test was performed on the future cash flows in Italy. The outcome of the calculation of the realisable value is above the share in the Company's book value by EUR 46.4 million including the goodwill recognised. If the adjustment in the key variables is improbably high, the realisable value will still not drop below the Company's book value. Strukton therefore has not recorded any impairment to Costruzioni Linee Ferroviarie S.p.A.'s goodwill in this financial year.

Other intangible assets
The other intangible assets consist of order books, intellectual property, patents, customer bases and software.

The amortisation terms are based on expected economic life:

- Order books: 6 months to 6 years
- Intellectual Property: 7 years
- Patents: 5 years
- Customer bases: 4 to 12 years
- Software: 2 to 5 years

4. Investments in associates and joint ventures

(X EUR 1,000)

For a full overview of all associates and joint ventures, reference is made to Note 33 C.

2022	Current assets	Fixed assets	Current liabilities	Non-current liabilities	Net assets (100%)	Net assets (Share Strukton)	Revenue	Result after taxes	Result after taxes (Share Strukton)
Eurailscout (joint venture)	15,181	22,819	6,888	10,125	20,987	10,494	27,565	(825)	(413)
Aduco Holding B.V. (joint venture)	4,959	2,942	1,290	598	6,013	1,503	9,230	(191)	(48)
APA B.V. (associate)	8,200	5,234	4,647	323	8,464	2,116	24,924	2,551	638
APRR B.V. (associate)	8,742	5,568	2,698	1,712	9,900	2,475	27,573	2,446	612
Bituned B.V. (joint venture)	7,079	74	3,586	83	3,484	1,742	52,761	1,097	549
GBN Artificial Grass Recycling B.V. (joint venture)	1,765	12,730	5,223	7,371	1,901	1,046	6,566	5	3
Other associates					-	362			(59)
Other joint ventures					-	785			176
Total						**20,522**			**1,458**

2023	Current assets	Fixed assets	Current liabilities	Non-current liabilities	Net assets (100%)	Net assets (Share Strukton)	Revenue	Result after taxes	Result after taxes (Share Strukton)
Eurailscout (joint venture)	14,566	18,374	7,210	4,377	18,063	9,032	25,254	267	134
Aduco Holding B.V. (joint venture)	7,846	2,245	1,632	708	7,751	1,938	14,653	1,737	434
APA B.V. (associate)	10,558	5,116	4,750	281	10,643	2,661	29,027	2,179	545
APRR B.V. (associate)	8,410	6,686	3,660	745	10,690	2,673	25,965	2,791	698
Bituned B.V. (joint venture)	6,292	140	2,609	109	3,714	1,857	52,455	1,229	614
GBN Artificial Grass Recycling B.V. (joint venture)	1,226	12,026	5,490	7,397	351	200	5,849	(1,550)	(853)
Other associates	769	1,227	303	274	1,419	360	4,252	112	33
Other joint ventures	12,145	1,818	9,456	1,354	3,704	1,905	10,977	(345)	(173)
Total						**20,624**			**1,432**
Reclassified to held for sale*						(8,185)			
Total						**12,439**			

*The items classified as held for sale are APA B.V., APRR, B.V., GBN Artificial Grass Recycling B.V. and items included in other associates and other joint ventures

The line items 'Other associates' and 'Other joint ventures' in 2022 and 2023 consist of several, relatively small, associates and joint ventures.

The movement in the value of associates and joint ventures was as follows:

	2023	2022
As at 1 January	**20,522**	**24,486**
Foreign currency exchange differences	-	-
Increase due to increase of share	-	-
Decrease due to decrease of share	-	(46)
Result on current year	(163)	1,458
Dividends distributed by associates and joint ventures	(1,000)	(1,050)
Impairments	-	-
(De)consolidation	-	(1,431)
Reclassified to held for sale (note 32)	(8,185)	-
Other movements	1,265	(2,895)
As at 31 December	**12,439**	**20,522**

Dividends were mainly paid out by Bituned B.V. (EUR 0.5 million) and APA B.V. (EUR 0.5 million) in 2023.

5. Financial non-current assets

(X EUR 1,000)

2022	Non-current receivables	PPP receivables	Investments in equity instruments	Total
Carrying amount as at 1 January 2022	**13,195**	**11,252**	**1,819**	**26,266**
Impairments	-	-	-	-
Loans granted	2,542	-	-	2,542
Repayment of loans	(2,969)	(1,838)	-	(4,807)
Foreign currency exchange differences	13	-	-	13
Additions	-	5,987	-	5,987
Revaluations	-	1,913	-	1,913
Accrued interest	-	6,959	-	6,959
Liquidity funding	-	(23,588)	-	(23,588)
Other movements	(5,323)	-	308	(5,015)
Carrying amount as at 31 December 2022	**7,458**	**685**	**2,127**	**10,270**
2023				
Carrying amount as at 1 January 2023	**7,458**	**685**	**2,127**	**10,270**
Impairments	(395)	-	-	(395)
Loans granted	-	-	-	-
Repayment of loans	(2,229)	-	-	(2,229)
Foreign currency exchange differences	-	-	-	-
Additions	328	16,999	-	17,327
Revaluations	-	(1,402)	-	(1,402)
Accrued interest	-	7,613	-	7,613
Liquidity funding	-	-	-	-
Other movements	(41)	2,281	67	2,307
Carrying amount as at 31 December 2023	**5,121**	**26,176**	**2,194**	**33,491**

The PPP receivables consists of fees to be received pursuant to concession agreements in the Netherlands. The term of the various PPP receivables is approximately 25 years. Most of the amount of such receivables has a term longer than five years. Given the character of the contract parties, the credit risk is estimated at nil (refer to note 25). The PPP-receivables relate to the MEET RIVM project.

6. Deferred tax assets and liabilities

(X EUR 1,000)

	Deferred tax assets		Deferred tax liabilities			Balance
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Property, plant and equipment	5,498	6,965	5,250	5,978	248	987
Intangible assets	-	-	-	1,401	-	(1,401)
Projects under construction / trade receivables	8,975	6,077	-	1,864	8,975	4,213
Financial non-current assets	7,825	8,074	-	-	7,825	8,074
Recognised tax losses carried forward	8,127	4,447	-	-	8,127	4,447
Service anniversary commitments	736	52	-	-	736	52
Pension commitments	2,397	7,165	1,673	-	724	7,165
Other	-	-		88	-	(88)
Carrying amount as per balance sheet date	**33,558**	**32,780**	**6,923**	**9,331**	**26,635**	**23,449**

Movements 2023 relating to the net deferred tax position:

(X EUR 1,000)

	Balance as at 01/01/2023	Recognised in tax expense 2023	Recognised in unrealised results	Reclassified to held for sale	Balance as at 31/12/2023
Property, plant and equipment	987	(739)	-	-	248
Intangible assets	(1,401)	1,401	-	-	-
Projects under construction / trade receivables	4,213	4,762	-	-	8,975
Financial non-current assets	8,074	(249)	-	-	7,825
Service anniversary commitments	52	684	-	-	736
Pension provisions	7,165	(7,339)	898	-	724
Other	(88)	88	-	-	-
	19,002	(1,392)	898	-	18,508
Recognised tax losses carried forward	4,447	3,680	-	-	8,127
Total	**23,449**	**2,288**	**898**	**-**	**26,635**

Movements 2022 relating to the net deferred tax position:

Movements 2022 relating to the net deferred tax position:

((X EUR 1,000)

	Balance as at 01/01/2022	Recognised in tax expense 2022	Recognised in unrealised results	Reclassified to held for sale	Balance as at 31/12/2022
Property, plant and equipment	3,161	(2,174)	-	-	987
Intangible assets	(1,625)	224	-	-	(1,401)
Projects under construction / trade receivables	4,648	(435)	-	-	4,213
Financial non-current assets	9,845	(1,771)	-	-	8,074
Service anniversary commitments	50	2	-	-	52
Pension provisions	8,207	2,496	(3,538)	-	7,165
Other	220	(308)	-	-	(88)
	24,506	(1,966)	(3,538)	-	19,002
Recognised tax losses carried forward	4,229	218	-	-	4,447
Total	**28,735**	**(1,748)**	**(3,538)**	**-**	**23,449**

The recognised tax losses carried forward in 2023 amounted to EUR 8.1 million (2022: EUR 4.4 million). An amount of EUR 3.3 million (2022: EUR 3.3 million) from this concerns the recognition of negative pre-tax loss for the Dutch fiscal unity in the financial years 2013, 2014, 2015, 2019, 2020 and 2021. Based on a management estimate of the future taxable results, the receivable of the Dutch fiscal unity was not written down in 2023 (2022: nil). The losses carried forward are expected to be fully offset against future profits. An amount of EUR 3.6 million (2022: EUR 0 million) from this concerns the recognition of negative pre-tax losses for Sweden in the financial year 2023. Based on a management estimate of the future taxable results, the losses carried forward are expected to be fully offset against future profits for Sweden. This has been substantiated by means of business plans and realistic estimates by management, which serve as convincing evidence. The losses are expected to be realised over a period longer than one year and therefore most of the tax asset has been classified as long-term. The losses have no expiration date.

At the end of 2023, the Dutch fiscal unity had a total amount of EUR 170 million (2022: EUR 384.3 million) of unrecognised tax losses carried forward, whereof EUR 4.5 million has been recognised as deferred tax asset. The change in loss compensation for 2023 compared to 2022 is due to the Dutch Tax Authorities conducting a final assessment of the 2019 figures. Various foreign participating interests have a total tax loss carry-forward of EUR 116.7 million (2022: EUR 93.1 million), whereof EUR 3,6 million (Sweden) has been recognised as deferred tax asset. The short-term amount of the value for tax purposes of the recognised tax loss carried forward as of 31 December 2023 amounts to nil (2022: EUR nil).

7. Inventories

(X EUR 1,000)

	31/12/2023 (*)	31/12/2022
Raw materials and consumables	9,524	11,627
Finished product	-	547
Goods for resale	4,498	11,489
Property development (unsold)	-	525
	14,023	**24,188**

(*) Please refer to note 32 for the amount that is classified as held for sale

The write-down on inventories in 2023 was EUR 4.1 million, which mainly relates to raw materials and consumables of A1 Electronics (2022: EUR 0.1 million). The write-down on inventories is included in the line item other operating expenses in the statement of income.

8. Trade and other receivables

(X EUR 1,000)

	31/12/2023 (*)	31/12/2022
Trade receivables - net	190,492	228,881
Receivables from related parties	3,529	7,635
Taxes and social security contributions receivable	15,215	13,698
Loans to related parties (ST)	-	2,492
Other receivables and accrued income	116,159	60,238
	325,396	**312,944**

(*) Please refer to note 32 for the amount that is classified as held for sale

The other receivables and accrued income mostly concern instalments of work in progress for projects already completed and this line item also consists of receivables from combinations, prepaid taxes and social insurance, and various other types of prepaid amounts.

For risk management please refer to the accounting policies and for default risk please refer to note 25.

9. Contract assets and liabilities

(X EUR 1,000)

	31/12/2023 (*)	31/12/2022
Performance obligations fulfilled and transferred to clients (in practical terms, this item comprises realised revenue based on percentage of completion)	4,482,397	4,133,002
Less: Invoiced installments	(4,382,412)	(4,013,416)
	99,985	**119,586**

(*) Please refer to note 32 for the amount that is classified as held for sale

	31/12/2023 (*)	31/12/2022
Contract assets	176,316	189,544
Contract liabilities	(76,331)	(69,958)
	99,985	**119,586**

The contract assets primarily relate to Strukton's rights to consideration for work completed but not billed at the reporting date. Strukton receives payments from customers in line with a series of performance-related milestones and will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. The contract assets are classified as current assets. The contract assets remains stable, the increase is divided among the various segments.
The contract liabilities primarily arise if a particular milestones payment exceeds the revenue recognised to date under the input method. The contract liabilities are classified as current liabilities. The increase in contract liabilities is mainly attributable to Civil Infrastructure division.

Projects under construction split by segments is as follows:

	31/12/2023 (*)	31/12/2022
Rail systems	120,788	124,678
Civil infrastructure	(25,485)	(19,861)
Technology and buildings	4,682	14,769
	99,985	**119,586**

Major long-term projects are generally financed with loan capital. This means the billed instalments on such projects exceed the costs incurred.

10. Cash and cash equivalents

(X EUR 1,000)

	31/12/2023 (*)	31/12/2022
Cash and cash equivalents	313,595	347,247

	31/12/2023 (*)	31/12/2022
Committed cash and cash equivalents	66,358	153,412
Cash and cash equivalents outside cash pool	167,325	153,501
Cash and cash equivalents within cash pool	79,911	40,334
	313,595	**347,247**

(*) Please refer to note 32 for the amount that is classified as held for sale

Cash and cash equivalents comprise bank balances and cash balances. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management system are recognised in cash and cash equivalents. Bank overdrafts are subject to market interest rates.

The committed cash and cash equivalents include cash and cash equivalents of construction combinations amounting to EUR 66.4 million (2022: EUR 153.4 million). The funds recognised in construction combinations concern funds in partnerships that are subject to contractual provisions governing restrictions on the liquid assets. Furthermore it includes, funds received in restricted accounts. These funds mainly concern deposits pursuant to the Chain Liability Act (G-accounts). Bank balances on frozen accounts amount to nil (2022: nil).

An amount of EUR 58.0 million (2022: EUR 135.9 million) is collateralised for banks. The cash collateral related to the activities on the Riyadh metro project has been released in 2023.

All other cash and cash equivalents are fully at the Company's free disposal.

11. Group equity

(X EUR 1,000)

	Share Capital	Share Premium	Foreign currency translation reserve	Actuarial reserves	Retained earnings	Result for the year	Share-holders' equity	Non-controlling interest	Total equity
Balance 1 January 2022	**2,269**	**69,000**	**(16)**	**(23,838)**	**(35,943)**	**(181,646)**	**(170,174)**	**-**	**(170,174)**
Acquisition of subsidiaries	-	-	-	-	2,996	-	2,996	93	3,089
Appropriation of result 2021	-	-	-	-	(181,646)	181,646	-		-
Result for the reporting period	-	-	-	-	-	178,177	178,177	-	178,177
Unrealised results	-	-	(1,527)	13,288	-		11,761	173	11,934
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-
Share premium contribution	-	-	-	-	-	-	-	-	-
Transactions of non-controlling interest	-	-	-	-	-	-	-	-	-
Balance 31 December 2022	**2,269**	**69,000**	**(1,543)**	**(10,550)**	**(214,593)**	**178,177**	**22,761**	**266**	**23,027**
Balance 1 January 2023	**2,269**	**69,000**	**(1,543)**	**(10,550)**	**(214,593)**	**178,177**	**22,761**	**266**	**23,027**
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-
Appropriation of result 2021	-	-	-	-	178,177	(178,177)	-	-	-
Loan conversion	-	69,803	-	-	-	-	69,803	-	69,803
Result for the reporting period	-	-	-	-	-	13,313	13,313	63	13,376
Unrealised results	-	-	5,561	(4,331)	-	-	1,230	(82)	1,148
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-
Share premium contribution	-	-	-	-	-	-	-	-	-
Transactions of non-controlling interest	-	-	-	-	-	-	-	-	-
Balance 31 December 2023	**2,269**	**138,803**	**4,018**	**(14,881)**	**(36,416)**	**13,313**	**107,107**	**247**	**107,354**

Issued and paid-up capital

Strukton's authorised share capital in 2023 consisted of 500 ordinary shares with a nominal value of EUR 4,538 per share (2022: EUR 4,538). Strukton's issued share capital in 2023 consisted of 500 ordinary shares with a nominal value of EUR 4,538 per share (2022: EUR 4,538). All shares were issued and paid up.

Share premium reserve

An additional capital contribution in 2023 of EUR 69.8 million by the conversion of subordinated loans, we refer to note 13.

Foreign currency translation reserve

The foreign currency translation reserve covers all the gains and losses from the translation of Strukton's net investments in foreign subsidiaries.

Actuarial reserve

The actuarial reserve consists of the accumulated movement of the net present value of pension liabilities due to changes to the actuarial assumptions. In 2023, the actuarial reserve decreased by EUR 4.3 million (2022: increased by EUR 13.3 million).

Retained earnings

No dividends were distributed in 2023 (2022: nil).

12. Non-controlling interests

During 2023, the non-controlling interests only consisted of the non-controlling interest in the Swedish railroad equipment manufacturing company, Tri Stockholm AB where Strukton Rail AB has acquired 60% of the shares. This non-controlling interest is not considered to be material to the group.

13. Subordinated loans

As per year-end 2023 Strukton has no subordinated loans. The subordinated loans from Centric Holding B.V. (EUR 7.3 million) and Sanderink Holding B.V. (EUR 1.6 million) have been fully repaid. In 2023 Strukton has granted additional subordinated loans from Oranjewoud N.V. of EUR 40 million. In December 2023 Strukton has repaid EUR 2.2 million to Oranjewoud. In addition, in December 2023, Oranjewoud has agreed to convert all outstanding subordinated loans, including accrued interest, to share premium (EUR 69.8 million). The movement in subordinated loans is as follows:

(X EUR 1,000)

Carrying amount as at 1 January 2023	**37,058**
Loans granted	40,000
Accrued interest	3,939
Repayments	(11,194)
Conversion to share premium	(69,803)
Carrying amount as at 31 December 2023	**-**

14. Non-current liabilities

14.1 Financial non-current liabilities

	31/12/2023	31/12/2022
Bank loans	62,318	62,746
Non-recourse PPP financing	114,093	119,978
	176,411	**182,724**
Non-current part	151,632	160,941
Current part (note 17)	24,778	21,783
	176,411	**182,724**

Movements for the year within non-current liabilities can be split as follows:

	Bank loans	Non-recourse PPP financing	Total
As at 1 January 2023	**62,745**	**119,979**	**182,724**
Acquisition of subsidiaries	-	-	-
Non-current borrowings additions	15,000	-	15,000
Non-current loan repayments	(15,504)	(5,809)	(21,313)
Exchange rate differences	-	-	-
Other movements	-	-	-
As at 31 December 2023	**62,241**	**114,170**	**176,411**

The decrease in the non-current liabilities mainly relates to the MEET Strukton project. The decrease in Bank loans relates to Strukton Rail Italy.

The repayment schedule for the non-current liabilities is as follows:
(X EUR 1,000)

2022	< 1 year	1 - 5 years	> 5 years	Total
Bank loans	15,898	46,848	-	62,746
Non-recourse PPP financing	5,885	19,007	95,086	119,978
	21,783	**65,855**	**95,086**	**182,724**
2023				
Bank loans	19,155	43,087	-	62,242
Non-recourse PPP financing	5,623	17,784	90,762	114,169
	24,778	**60,871**	**90,762**	**176,411**

For the bank loans an interest rate between 0.92% and 1.9% is applicable and the maturity date of the bank loans is between 2025 and 2029.

For the non-recourse PPP financing an interest rate between 3.67% and 3.72% is applicable and the maturity date of the financing is between 2023 and 2043.

For more information relating to the interest rate risk, please refer to note 25 Financial instruments and section 'Financial risk management' in the Accounting Policies. The current part of the non-current liabilities is also included in note 17.

14.2 Other non-current liabilities

The other non-current liabilities mainly relate to the Special postponement of payment of VAT and wage tax over the period February until June 2021 for an amount of EUR 45.8 million. According to this facility, this amount will be paid in 60 months as from October 2022. The amount of interest paid for the year 2023 is EUR 0.8 million.

The movements for the year within taxes and social security contributions payable can be split as follows:

	31/12/2023	31/12/2022
Taxes and social security contributions payable	33,179	43,309
	33,179	**43,309**
Non-current part	23,283	33,360
Current part (note 17)	9,896	9,949
	33,179	**43,309**

Movements for the year within non-current liabilities can be split as follows:

As at 1 January 2023	**43,309**
Amounts granted	-
Repayments	(9,949)
Reclassified to held for sale (note 32)	(181)
Other movements	-
As at 31 December 2023	**33,179**

15. Lease liabilities

The movements in the value of lease liabilities during 2023 and 2022 were as follows:

	2023	2022
As at 1 January	**64,018**	**76,897**
Accrued interest	2,313	1,338
Lease payments	(37,326)	(31,544)
Foreign currency exchange differences	51	(1,101)
Reclassified to held for sales (note 32)	(3,226)	-
Remeasurements due to contract modifications	(66)	2,019
New lease contracts	44,439	-
Disposals	(162)	16,235
Other movements	-	174
As at 31 December	**70,041**	**64,018**
Long-term component of lease liabilities	46,807	39,588
Short-term component of lease liabilities	23,234	24,430
As at 31 December	**70,041**	**64,018**

	Carrying amount	Contractual cash flows	Up to 1 year	1 - 2 years	2 - 5 years	> 5 years
Lease commitments 2023	**70,041**	72,724	10,847	14,410	39,000	8,467
Lease commitments 2022	**64,018**	64,488	26,169	27,903	7,741	2,676

Remeasurements due to contract modifications
This concerns remeasurements of the lease liabilities due to modifications of the contract within the context of IFRS 16. These remeasurements are mainly due to changes in the lease term and processing indexations during the year.

Amounts recognised in the statement of income
Payments made relating to short-term lease contracts and leases for low-value assets are recognised as an expense in the statement of income on a straight-line basis. This also applies to variable interest expenses that are not index-linked. Short-term lease contracts are lease contracts with a lease term of 12 months or shorter and mainly concern the lease of equipment and cars. Low value assets mainly include the lease of printers and small mechanical tools.

The following amounts are recognised in the statement of income:

	2023	2022
Depreciation on right of use assets	31,213	31,313
Interest on lease contracts	2,313	1,338
Expenses relating to short-term lease contracts	18,839	14,936
Expenses relating to variable lease payments not recognised when determining lease liabilities	7,020	6,548
Income from sub-leasing right of use assets	-	-

The expenses relating to short-term lease contracts and variable lease payments not recognised when determining the lease liabilities are recorded in the other operating expenses in the statement of income.

The total cash outflow for lease contracts in 2023 was EUR 37.3 million (2022: EUR 31.5 million). A total amount of nil million (2022: EUR 2.7 million) was prepaid on lease contracts for subsequent years.

16. Provisions

(X EUR 1,000)

	Restructuring provision	Pension provisions	Service anniversary obligations	Guarantee commitments	Provision for onerous contracts	Tax provision	Other provision	Total
As at 1 January 2022	**904**	**67,885**	**3,437**	**7,797**	**164,017**	**11,083**	**8,133**	**263,256**
Consolidation/Deconsolidation	-	-	-	-	-	-	-	-
Foreign currency exchange differences	-	(3,679)	2	1	(98)	-	358	(3,416)
Additions	-	8,674	-	-	55,734	-	6,486	70,894
Utilisation of the provision	(657)	(25,611)	(511)	(4,915)	(74,955)	-	(1,379)	(108,028)
Release of the provision	-	-	-	-	-	-	-	-
Other movements	179	(169)	-	6	-	(2,165)	329	(1,820)
As at 31 December 2022	**426**	**47,100**	**2,928**	**2,889**	**144,698**	**8,918**	**13,927**	**220,886**
Long-term portion	212	46,939	2,796	2,889	142,692	8,918	13,920	218,366
Short-term portion	214	161	132	-	2,006	-	7	2,520
As at 31 December 2022	**426**	**47,100**	**2,928**	**2,889**	**144,698**	**8,918**	**13,927**	**220,886**
As at 1 January 2023	**426**	**47,100**	**2,928**	**2,889**	**144,698**	**8,918**	**13,927**	**220,886**
Consolidation/Deconsolidation	-	239	(46)	-	-	-	(32)	161
Foreign currency exchange differences	-	270	-	(2)	752	(298)	(75)	647
Additions	1,540	11,561	-	-	39,947	2,229	13,534	68,811
Utilisation of the provision	-	(12,920)	(38)	(2,068)	(46,788)	-	(7,522)	(69,336)
Release of the provision	-	-	-	-	-	-	-	-
Other movements	-	(231)	-	-	-	-	-	(231)
Classified as held for sale (Note 32)	(47)	-	(130)	-	(53)	-	(150)	(380)
As at 31 December 2023	**1,919**	**46,019**	**2,714**	**819**	**138,556**	**10,849**	**19,682**	**220,558**
Long-term portion	683	45,021	2,376	819	137,179	10,849	19,064	215,991
Short-term portion	1,236	998	338	-	1,377	-	618	4,567
As at 31 December 2023	**1,919**	**46,019**	**2,714**	**819**	**138,556**	**10,849**	**19,832**	**220,558**

Pension commitments
The pension plans of the pension funds of Strukton's operating companies as of 31 December 2023 are:
- Sector Pension Fund Construction
- Sector Pension Fund Concrete Product Industry
- Sector Pension Fund Metal and Engineering
- Railroad Pension Fund
- Alecta pension insurance plan, Sweden, ITP scheme
- Alecta pension insurance plan Sweden SAFLO scheme
- Axa pension insurance for Strukton Railinfra N.V., Belgium
- Fondo TFR Pension Fund Italy

The pension plans in the Netherlands are subject to the provisions of the Pension Act. As set out in the Pension Act, the pension plans must be fully funded and operate independently from the Company based on a separate legal entity. Various sector-wide pension funds and insurers manage the different pension plans. Strukton has no additional responsibilities for the administration of these plans.

Defined contribution plans
The above-mentioned first four pension plans concern sector-wide pension fund plans. The basic pension of the participants of these funds is covered by group schemes, with several employers participating in a fund pursuant to mandatory participation. These are based on an indexed career average plan and are therefore classed as a defined benefit plan. As these funds are not equipped to provide the statutory information regarding the proportional share of Strukton in the pension liabilities and fund investments, the defined benefit plans are recognised as defined contribution plans. Strukton is subject to mandatory contribution of the pre-agreed premiums for these plans. Strukton is not permitted to claim refund of excess premiums and is not liable for extra deposits to cover any deficits, excepting that adjustment of future premium levels is allowed. The portion of the basic pension exceeding group plans (the top-up portion) is administered by external parties, which concerns defined contribution plans.

The funding ratio of the sector pension funds is as follows:

	31/12/2023	**31/12/2022**
Bedrijfstakpensioenfonds Bouw	123.9%	122.0%
Bedrijfstakpensioenfonds Betonproductenindustrie	110.0%	108.5%
Bedrijfstakpensioenfonds Metaal en Techniek	105.8%	106.7%
Spoorwegpensioenfonds	127.6%	126.1%
Alecta pension insurer (Sweden)	158.0%	172.0%

Defined benefit plans
A provision was created for four pension plans that can be qualified as a defined benefit plan.

	31/12/2023	**31/12/2022**
Strukton Rail AB (Sweden)	38,116	36,366
Strukton Railinfra N.V. (Belgium)	1,555	1,017
Strukton Roads & Concrete B.V. (Netherlands)	4,387	7,508
Costruzioni Linee Ferroviarie S.p.A. (Italy)	1,961	2,209
	46,019	**47,100**

Strukton Rail AB (Sweden)
The pension scheme for the Strukton Rail AB (Sweden) employees born before 1978 concerns a defined benefit plan. All active participants to this plan are participating in the Sweden Pension Plan ITP2. The other two current plans concern the Sweden pension Plan Balfour Beatty and Sweden Pension Plan KPA. These two plans have only inactive participants of the former Balfour Beatty and the former Svensk Banproduktion. The three plans are administered by PRI, a pension insurer. The total liabilities at year-end 2023 amounted to EUR 37.6 million (2022: EUR 36.4 million). For this purpose, the pension commitments were stated at present value based on IAS 19. The calculation is performed by a qualified actuary. The liability must be financed by the Company. The pension payment is carried out by the organisation Alecta. The risk of the Company's bankruptcy is insured with PRI. In the context of this insurance, guarantees were issued to PRI amounting to SEK 110 million (EUR 10.5 million). Alecta applies different principles for the calculation of the liability than PRI. Therefore, Alecta's calculated provision is higher. Strukton annually pays a premium to PRI for this so-called 'estimated redemption cost'. The liability of Strukton Rail Sweden's in-house pension scheme (ITP2) has been frozen as of 31 December 2021.
As of 1 January 2022 pension premiums are insured with PRI and as a result the related liability will reduce over time as pensions are paid out.

Strukton Rail N.V. (Belgium)
The pension insurance for the employees of Strukton Rail N.V. in Belgium is a defined benefit plan. The pension provision is funded with an insurance contract with quoted market prices.

Strukton Roads & Concrete B.V. (Netherlands)
An indexation commitment for the pension scheme was recognised for Strukton Roads & Concrete B.V. The indexation provision is funded with an insurance contract which is administered by Delta Lloyd & Nationale Nederlanden.

Costruzioni Linee Ferroviarie S.p.A. (Italy)
Costruzioni Linee Ferroviarie S.p.A. provides its employees with a defined benefit plan, Fondo TFR – Pension Fund, for which an amount of EUR 2.0 million (2022: EUR 2.2 million) was reserved in the Company balance sheet. The pension provision in Italy is not financed externally and must be financed by the Company.

Assumptions
The identified material principles for the calculation of the pension provisions are inflation, the discount rate and the mortality tables. Inflation is an indirect principle.
Salary growth and pension growth are direct principles derived from this inflation rate.

Assumptions:	**31/12/2023**	**31/12/2022**
Discount rate	3.10% - 3.20%	3.70% - 3.80%
Inflation	2.00% - 2.25%	2.00% - 2.50%

The following mortality tables were applied:

Belgium	MR/FR (1993 Belgium mortality table)
Italy	ISTAT 2018 M/F
Sweden	DUS 21
The Netherlands	Prognosetafel AG2022

Breakdown
The pension liabilities and pension assets are based on actuarial calculations as of 31 December. The composition and movements in the pension liabilities and pension assets for the defined benefit plans for Strukton Rail AB (Sweden), Strukton Railinfra N.V. (Belgium), Strukton Roads & Concrete (Netherlands), and Costruzioni Linee Ferroviarie S.p.A. (Italy) are set out in the next table.

	31/12/2023	31/12/2022
Defined benefit assets (fair value)	23,391	14,717
Defined benefit obligation (cash value)	(69,410)	(61,817)
Net defined benefit liability	**(46,019)**	**(47,100)**
Movements:		
Fair value of plan assets as at 1 January	**14,717**	**22,000**
Acquisition/Divestment	-	-
Interest income on plan assets	713	241
Employer contributions	8,276	1,178
Disbursements	(1,915)	(1,548)
Return on plan assets greater / (less) than discount rate	1,369	(7,154)
Other	231	-
Fair value of plan assets as at 31 December	**23,391**	**14,717**
Defined benefit obligation at 1 January	**61,817**	**89,885**
Acquisition/Divestment	239	-
Past service cost - curtailments	-	-
Current service cost	349	519
Interest cost on the DBO	2,191	1,266
Administration costs and taxes	(648)	(1,070)
Disbursements from plan assets	(803)	(638)
Disbursements paid by employer	(1,111)	(910)
Net actuarial (gain) / loss	4,036	(24,038)
Currency (gain) / loss	270	(3,621)
Other movements	3,070	424
Defined benefit obligation at 31 December	**69,410**	**61,817**
Actuarial results recognised through OCI at 1 January	**12,520**	**29,346**
Acquisition/Divestment	-	-
Actuarial (gain)/loss due to non-financial assumption changes	397	3,134
Actuarial (gain)/loss due to financial assumption changes	3,640	(26,443)
Return on plan assets greater/less than discount rate	(1,369)	7,154
Return on plan assets	-	-
Foreign currency (gains)/losses	291	(671)
Other movements	2,270	-
Actuarial results recognised through OCI at 31 December	**17,749**	**12,520**

	2023	2022
Pension expense components pursuant to defined benefit plans		
Current service cost	349	519
Interest cost on the defined benefit obligation	2,191	1,266
Return on plan assets	(713)	(241)
Other	648	1,070
Pension cost recognised in the income statement	**2,475**	**2,614**

The expected contribution to the pension plans in 2024 amounts to EUR 1.2 million (2023: EUR 2.1 million). The costs of the pension plans will be paid in full by Strukton.

The main categories of fund investments as a percentage of the fair value of the total fund investments are as follows:

	31/12/2023	31/12/2022
Bonds	0%	0%
Cash and cash equivalents	0%	0%
Other fund investments	100%	100%

As virtually all pension plans are financed based on an insurance contract, the assets consist of the insurer's guarantee that certain pensions will be paid out in the future. The value of these assets is the current present value of these guaranteed pay-outs. An allocation to different asset classes is not applicable. Therefore, these assets are presented under Other fund investments.

Sensitivity analysis
If the discount rate were to increase by 1 percentage point while all other assumptions remained constant, the present value of the pension commitments would fall by EUR 10.2 million. In the event of a fall of 1 percentage point in the discount rate and constant conditions in all other respects, the present value of the pension commitments would rise by EUR 12.9 million. For the two plans in Sweden, these effects are equivalent to a decrease by EUR 7.2 million or an increase by EUR 9.2 million respectively.

If the inflation rate were to further increase by 0.25 percentage point, while all other assumptions remained constant, the present value of the pension commitments would increase by EUR 2.8 million. In the event of a decrease in the inflation rate by 0.25 percentage point, without any other factors changing, the cash value of the pension liabilities would decrease by EUR 2.7 million. For the two plans in Sweden, these effects are equivalent to an increase by EUR 2.1 million or a decrease by EUR 2.0 million respectively.

If the participants to the two Swedish plans would be assumed to live one year longer than assumed, the liabilities would increase by approximately 3.84 % and with an amount of EUR 0.2 million.

Future cash flows
The forecasted cash flows for the two Swedish pension schemes are indicated below. The duration of the ITP2 scheme is equal to 20.2 years (2022: 19.4 years; for the closed KPA schemes, a duration of 13.7 years applies (2021: 22.1 years)).

(* million EUR)	< 1 year	1 - 5 years	> 5 years
2023	1,01	4,40	7,35
2022	0,78	3,94	6,57

Service anniversary obligations
The provision for service anniversaries relates to a bonus paid out upon completing a certain number of service years. The amount and date of paying out this bonus depends on the entity employing the employee, as different companies apply different schemes. The main risk that Strukton incurs on this provision is the interest rate risk.

The actuarial calculation of the service anniversary commitment is based on an annual discount rate of 3.20% (2022: 3.80%). The discount rate is based on the current effective market yield of high-grade corporate bonds.

Guarantee commitments
The guarantee commitments mainly relate to Strukton Rail Italy and are calculated based on historical data in order to estimate the expenses to be made.

Provision for onerous contracts with customers
The onerous contracts provision with customers amounts to EUR 138.6 million (2022: EUR 144.7 million). This provision represents the amount of the onerous contract result to be realised based on the progress of the project. This provision mainly is related to projects in the Civil division (EUR 68.0 million), the MEET Project (EUR 16.9 million) and the Rail division (EUR 51.5 million, of which EUR 30.0 million in Sweden). Please also refer to the paragraph 'Accounting considerations on key projects' which describes the largest projects with the highest uncertainty.

The releases of the provision mostly relate to projects in the Civil division.

Of the full onerous contracts with customers provision, a total of EUR 1.4 million has a current character (2022: EUR 2.0 million).

The additions have been recorded in the line item 'Costs of raw materials, consumables, subcontracted work and other external costs' in the statement of income.

Tax provision
The tax provision addition consists of withholding tax related to Qatar. The Tax Authority in Qatar has issued additional tax assessment and penalties in 2024 related to the years 2019-2023. The addition to this provision has been recorded in the line item 'Income tax' in the statement of income.

Other provision
In the other provision an addition of EUR 10 million relates to the investigation of the Dutch Fiscal Information and Investigation Service (FIOD). The details of the settlement with the Public Prosecution Service is further disclosed in paragraph 'Subsequent Events'.

17. Trade and other payables

(X EUR 1,000)

	31/12/2023 (*)	31/12/2022 (**)
Trade payables	212,208	248,924
Amounts due to related parties	3,469	5,465
Taxes and social security contributions payable	45,887	40,679
Pension contributions	2,007	1,180
Short term portion of non-current liability	24,778	21,783
Other liabilities and accruals	219,709	210,108
	508,059	**528,139**
Invoices to receive	25,486	27,413
Holiday allowance / bonus payable	5,050	5,661
Leave provision	24,668	23,189
Deferred liabilities	65,071	64,016
Other liabilities	99,435	90,029
Total other liabilities and accruals	**219,709**	**210,308**

(*) Please refer to note 32 for the amount that is classified as held for sale

(**) The 2022 comparative figures have been revised. See "Revision of comparative figures 2022".

The non-current part of the non-current liabilities is included in note 14.

18. Revenue

(X EUR 1,000)

	2023	2022
Projects for third parties	1,119,363	1,045,737
Service maintenance and concessions	295,869	306,352
Revenue of sale of finished goods	17,054	19,654
Other revenue*	7,175	6,440
	1,439,461	**1,378,183**

Total revenue from customers based on geographical locations

2023	Rail Infrastructure	Civil Infrastructure	Technology and Buildings	Other and Intercompany eliminations	Total
The Netherlands	375,250	227,760	28,696	130,394	762,101
Italy	302,418	-	-	-	302,418
Sweden	248,411	-	-	-	248,411
Other within Europe	116,447	-	-	-	116,447
Outside of Europe	1,861	2,040	-	6,183	10,084
	1,044,387	**229,800**	**28,696**	**136,577**	**1,439,461**

2022	Rail Infrastructure	Civil Infrastructure	Technology and Buildings	Other and Intercompany eliminations	Total
The Netherlands	311,736	193,538	44,658	167,945	717,877
Italy	290,151	-	-	-	290,151
Sweden	249,380	-	-	-	249,380
Other within Europe	102,111	(4)	-	-	102,107
Outside of Europe	712	6,159	-	11,797	18,668
	954,090	**199,693**	**44,658**	**179,742**	**1,378,183**

Projects for third parties

Projects for third parties consist of the following activities:

- Renewal and new construction of rail systems
- Design, realisation and management of infrastructure projects
- Design, development and realisation of technical systems and buildings in the Netherlands

The performance obligation is proportionately based on the progress of the project. Invoicing is based on instalment schedules related to the progress of the project. Applying instalment schedules means that fulfilment of the performance obligation is not synchronised with payments. If production is higher than invoiced amounts, a contract asset is recognised. If invoiced amounts are higher than production, a contract liability is recognised. In the case of works under direct management, the works are invoiced upon completion of the works. Invoices are generally paid between 30 and 60 days of sending the invoice. Some contracts include prepayment clauses.

Service maintenance and concessions
Service maintenance and concessions consists of the following activities:
- Maintenance and management of rail networks and rail systems
- Maintenance of infrastructure projects
- Maintenance and operation of technical systems and buildings in the Netherlands

The performance obligation is fulfilled in proportion to progress in production. Service maintenance and the concessions are invoiced on a monthly basis in accordance with the contractual agreements. Maintenance contracts are invoiced at the end of the month. Invoicing at the end of the month means that fulfilment of the performance obligation is not synchronised with payments. With invoicing in arrears, a contract asset is recognised. If variable considerations are part of the contract, these are periodically measured, and these are part of the transaction price. Some contracts include prepayment clauses ensuring an amount is paid before delivering the maintenance service.

Supplementary information regarding the revenue from contracts with customers recognised in the reporting year is given below.

Revenue integrated in the credit balance of projects at the start of the period:

	2023	2022
Projects for third parties	49,238	37,927
Service maintenance and concessions	3,205	1,990
	52,443	**39,917**

Recognised revenue from performance obligations fulfilled fully or partly in previous periods:

	2023	2022
Projects for third parties	-	-
Service maintenance and concessions	4,500	-
	4,500	**-**

Projects within the construction sector may take longer than one year or may be carried from one calendar year to the next. The forecast revenue from contracts with customers regarding unfulfilled performance obligations (ongoing projects or projects awarded) are as follows as of 31 December:

	2023	2022
Within one year	1,152,000	998,000
After one year	2,269,000	1,777,000
	3,421,000	**2,775,000**

Other revenue
The other revenue consists of revenue streams related to asphalt services, concrete solutions, environmental services, rail services and leasing of owned machinery to third parties. Other revenue includes the intercompany eliminations

19. Costs of raw materials, consumables, subcontracted work and other external costs

Costs of raw materials and consumables used, subcontracted work and other external costs relate to external expenses directly allocated to the production process.

20. Personnel expenses

(X EUR 1,000)

	2023	2022
Wages and salaries	273,238	268,109
Social security contributions	45,062	51,438
Defined contribution plans	43,088	27,174
Net defined benefit plans	(5,744)	227
	355,643	**346,948**

Several group companies have defined benefit plans (refer to note 16).

21. Workforce

2023	Rail infrastructure	Civil infrastructure	Technology and buildings	Other	Total
The Netherlands	1,162	485	224	419	2,289
Belgium	161	-	-	-	161
Sweden	938	-	-	-	938
Denmark	124	-	-	-	124
Italy	655	-	-	-	655
Other	11	-	-	2	13
	3,050	**485**	**224**	**421**	**4,179**

2022	Rail infrastructure	Civil infrastructure	Technology and buildings	Other	Total
The Netherlands	1,184	575	228	383	2,370
Belgium	166	-	-	-	166
Sweden	905	-	-	-	905
Denmark	113	-	-	-	113
Italy	634	-	-	-	634
Other	21	21	1	-	43
	3,023	**596**	**229**	**383**	**4,231**

During 2023, Strukton employed an average of 4,179 (2022: 4,231) FTEs, of which 1,890 (2022: 1,861) worked outside the Netherlands. At year-end 2023, the number of employees amounts to 4,230 (2022: 4,129).

22. Other operating expenses

In 2023, government grants with a total amount of EUR 2.7 million were received. The amount of EUR 1.5 million is taken into the result in 2023 (2022: EUR 1.5 million).

23. Finance income and expense

(X EUR 1,000)

	2023	2022
Finance income		
Third party interest income	8,624	5,642
Interest on financial non-current assets	7,690	6,914
Result on investments in equity instruments	773	210
Other financial income	706	652
Foreign currency exchange gains	-	876
	17,792	**14,294**
Finance expense		
Third party interest expenses	(4,549)	(10,817)
Lease liabilities interest expenses	(2,313)	(1,338)
Non-recourse PPP financing interest expenses	(3,746)	(1,237)
Other financial expenses	35	(1,334)
Foreign currency exchange losses	(1,724)	(1,842)
	(12,296)	**(16,568)**
Net finance result	**5,497**	**(2,274)**

The interest expenses of non-recourse PPP financing mainly refers to the RIVM building project.

24. Income tax

(X EUR 1,000)

	2023	2022
Current income tax expense	5,842	13,914
Deferred income tax	(2,288)	1,748
	3,554	**15,662**

The corporate income tax is different from the amount theoretically due when applying the weighted average tax rate (25.8%) that is applicable to the results of the consolidated group companies. The difference can be specified as follows:

	2023	2022
Taxable profit	16,930	(8,010)
Income tax using company's domestic tax rate	4,368	(2,067)
Effect of tax rates in foreign jurisdictions	809	(1,208)
Exemption of participation results	(1,700)	(4,104)
Tax provision addition	2,229	-
Impairment of deferred tax asset	-	-
Other movements in deferred tax positions	(3,186)	5,286
Goodwill impairment	-	-
Movement in tax losses carried forward not recognised	(2,306)	13,048
Other including non-deductible costs	3,340	4,707
Effective tax	**3,554**	**15,662**
Effective tax rate (%)	21.0%	-195.5%

In 2023, the corporate income tax charge amounts to EUR 3.6 million (2022: tax charge of EUR 15.7 million). Non-deductible costs mainly relate to Italy (EUR 3,2 million).

25. Financial instruments

(X EUR 1,000)

Financial Instruments	31/12/2023	31/12/2022
Other non-current receivables excluding deferred tax assets	31,297	8,143
Trade receivables	194,022	236,517
Other receivables excluding corporate income tax receivable	307,690	265,970
Cash and cash equivalents	313,595	347,247
	846,603	**857,877**
Current receivables + cash in %	96.3%	99.1%

The majority (96.3%) of the maximum credit risk consists of various current receivables (accounts receivable and other receivables) and cash and cash equivalents (2022: 99.1%).

We applied ECL under IFRS 9, and included the below aging analysis with buckets containing due dates to provide insight in the aging of trade receivables.

Ageing analysis trade receivables	31/12/2023		31/12/2022	
	Gross	**Provision**	**Gross**	**Provision**
Not yet due	152,321	4	179,763	7,397
Due within 1 - 30 days	7,499	25	13,903	1,343
Due within 31 - 60 days	3,646	3	4,713	47
Due within 61 - 180 days	3,472	59	6,846	878
Due within 181 - 365 days	3,376	5	3,178	2,908
Due over one year	34,072	10,268	43,787	3,099
Total	**204,385**	**10,363**	**252,190**	**15,673**
Trade receivables due (%)		25.5%		28.7%
Net position trade receivables		**194,022**		**236,517**

In 2023, the share of overdue trade receivables within the total trade receivables amounts to 25.0% (2022: 28.7%).

The movement in provision for bad debts is as follows:		
	2023	**2022**
Amount as at 1 January	15,673	14,539
Additions	2,045	6,388
Usage of provision	(7,355)	(4,666)
Release	-	(790)
Foreign currency exchange differences	-	250
Other	-	(48)
Amount as at 31 December	**10,363**	**15,673**

Liquidity risks:				31/12/2023		31/12/2022
	Nominal Interest rate	Maturity date	Nominal value	Carrying amount	Nominal value	Carrying amount
Non-current liabilities (in EUR)						
Subordinated loans			-	-	13,058	13,058
Bank loans	1.90%	2025-2027	43,087	43,087	46,848	46,848
Non-recourse PPP financing	3.30%-3.72%	2024-2043	142,663	108,546	160,567	114,093
Other non-current liabilities			23,283	23,283	33,360	33,360
			209,032	**174,914**	**253,833**	**207,359**
Current liabilities (in EUR)						
Subordinated loans			-	-	24,000	24,000
Bank loans	1.90%	2025-2027	19,155	19,155	15,898	15,898
Non-recourse PPP financing	3.30%-3.72%	2024-2043	5,621	5,621	5,877	5,877
Bank overdrafts	Various		-	-	2,123	2,123
Other current liabilities		2024	584,390	584,390	598,096	598,096
			609,166	**609,166**	**645,994**	**645,994**
Total			**818,198**	**784,080**	**899,827**	**853,353**

The majority (74.5%) of the liabilities is current, consisting of various trade payables and amounts owed to banks and financial institutions (2022: 71.8%).

In the context of the bank loans, collateral was provided to banks. This entails the pledge of 100% of the shares of Costruzioni Linee Ferroviarie S.p.A. and property, plant and equipment of multiple entities up to a maximum amount of nil (2022: EUR 0.8 million).

The non-recourse PPP-financing is secured by pledges on the shares in MEET Strukton B.V., all bank accounts of MEET Strukton B.V., all MEET Strukton B.V.'s present and future rights under or in connection with insurances, existing and moveable assets and all and any existing and future rights, interests, claims or receivables of MEET Strukton B.V. under the agreement entered into.

Non-derivative financial instruments:

2023	Carrying amount	Contractual cash flows	< 6 months	6 - 12 months	1 - 2 years	2 - 5 years	> 5 years
Non-derivative financial liabilities							
Subordinated loans	-	-	-	-	-	-	-
Bank loans	62,242	62,937	9,045	10,110	35,981	7,801	-
Non-recourse PPP financing (current and non-current)	114,167	148,284	2,826	2,795	5,337	18,449	118,876
Trade and other payables	607,672	607,672	292,195	292,195	23,282	-	-
Bank overdrafts	-	-	-	-	-	-	-
	784,080	**818,892**	**304,066**	**305,099**	**64,600**	**26,250**	**118,876**

2022	Carrying amount	Contractual cash flows	< 6 months	6 - 12 months	1 - 2 years	2 - 5 years	> 5 years
Non-derivative financial liabilities							
Subordinated loans	37,058	39,978	-	24,000	-	-	15,978
Bank loans	62,746	63,954	7,109	8,660	35,034	13,151	-
Non-recourse PPP financing (current and non-current)	119,970	166,444	2,938	2,939	5,635	15,051	139,881
Trade and other payables	631,456	631,456	299,048	299,048	33,360	-	-
Bank overdrafts	2,123	24,751	2,123	-	-	-	-
	853,353	**926,583**	**311,218**	**334,647**	**74.029**	**28,202**	**155,859**

Foreign currency risks
Most of Strukton's activities are carried out within the Euro zone. The activities of subsidiaries outside the Euro zone are mostly carried out within the currency zone of the relevant country. Strukton's currency risk mostly relates to its foreign subsidiaries in Scandinavia and in Riyadh (Saudi Arabia).
The total equity of these foreign subsidiaries amounted to EUR 24.4 million negative at year-end 2022 (2022: EUR 18.8 million negative).

	Average exchange rate		Spot rate at reporting date	
	2023	**2022**	**2023**	**2022**
DKK	0.134	0.134	0.134	0.134
NOK	0.088	0.099	0.087	0.087
SEK	0.087	0.094	0.089	0.089
USD	0.924	0.951	0.916	0.916
AUD	0.614	0.660	0.613	0.613
SAR	0.246	0.253	0.244	0.244
QAR	0.254	0.232	0.252	0.252

A 10% increase of the euro compared with these exchange rates at year-end would have decreased the equity capital by EUR 2.0 million during the reporting year (2022: EUR 2.0 million). A 10% increase of the euro compared with these exchange rates at year-end would have increased the negative result by EUR 0.7 million during the reporting year (2022: EUR 0.3 million). A 10% decrease of the euro compared with these exchange rates at year-end would have had a similar reverse effect.

Interest rate	**31/12/2023**	**31/12/2022**
	Carrying amount	*Carrying amount*
Fixed-interest instruments		
Financial assets	26,176	685
Financial liabilities	(246,452)	(246,742)
	(220,276)	**(246,057)**
Variable interest instruments		
Financial assets	313,595	347,247
Financial liabilities	-	(2,123)
	313,595	**345,124**

An increase by 100 base points in the interest rate would have decreased the equity and the profit on the reporting period by EUR 1.6 million (2022: EUR 1.6 million decrease). This is subject to presuming that all other variables would have remained constant.
A decrease in the interest rate by 100 base points would have had a similar reverse effect. This interest rate risk does not include the effect of derivatives.

Carrying amounts versus fair values

		Carrying amount		Fair value
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Financial assets				
Non-current receivables	5,121	7,458	5,121	7,458
PPP receivables	26,176	685	59,549	56,554
Investments in equity instruments	2,194	2,127	2,194	2,127
Trade and other receivables	325,396	312,944	325,396	312,944
Contract assets	176,316	189,543	176,316	189,543
	535,202	**512,757**	**568,575**	**568,626**

Financial liabilities				
Bank loans	62,318	62,746	62,318	62,746
Non-recourse PPP financing	114,093	119,978	152,684	161,313
Taxes and social security contributions payable	23,283	33,360	23,283	33,360
Trade and other payables	508,059	561,499	508,059	561,499
Contract liabilities	76,331	69,957	76,331	69,957
Debts to financial institutions	-	2,123	-	2,123
	784,084	**849,663**	**822,675**	**890,998**

The difference between the fair value of the PPP receivables and non-recourse PPP financing compared to their carrying amount can be explained by the long maturity of these assets and liabilities.

For the PPP receivables an average discount factor of 1.51% was applied as a key assumption in order determine the fair value. If the discount factor would be increased or decreased by 1% this would have an impact on the fair value of EUR 14.3 million.

For the PPP payables an average discount factor of 1.12% was applied as a key assumption in order determine the fair value. If the discount factor would be increased or decreased by 1% this would have an impact on the fair value of EUR 21.3 million.

Hierarchy in fair values
Strukton applies the following hierarchy in determining and stating financial instruments, to be discerned into different valuation methods:

- Level 1: listed (non-adjusted) share prices in active markets for identical assets or liabilities
- Level 2: other methods in which all variables have a significant impact on the recognised fair value and are detectable directly or indirectly
- Level 3: methods in which variables are applied that have a significant impact on the recognised fair value, but are not based on detectable market data

Hierarchy in fair values:

2023

	Total	Level 1	Level 2	Level 3
Financial assets if these would be valued at fair value:				
PPP receivables	59,549	-	-	59,549
	59,549	**-**	**-**	**59,549**
Financial liabilities if these would be valued at fair value:				
Non-recourse PPP financing	152,684	-	-	152,684
	152,684	**-**	**-**	**152,684**

2022

	Total	Level 1	Level 2	Level 3
Financial assets if these would be valued at fair value:				
PPP receivables	56,554	-	-	56,554
	56,554	**-**	**-**	**56,554**
Financial liabilities if these would be valued at fair value:				
Non-recourse PPP financing	161,313	-	-	161,313
	161,313	**-**	**-**	**161,313**

26. Cash and cash equivalents in cash flow statement

The cash and cash equivalents balance in the cash flow statement can be specified as follows:

	2023	2022
Cash and cash equivalents	313,595	347,247
Debt to financial institutions	-	(2,123)
Total net cash position balance sheet	**313,595**	**345,124**
Cash and cash equivalents reclassified to held for sale	2,294	-
Total net cash position cash flow statement	**315,889**	**345,124**

27. Off-balance sheet commitments and securities provided

Guarantees and liabilities

Strukton and/or its subsidiaries are severally liable for all debts of V.O.F. firms (general partnerships, construction combinations) in which they hold direct participations. No liabilities are recognised in the financial statements in this respect.

As of 31 December 2023, bankers had issued guarantees and letters of intent up to a total amount of EUR 179.4 million (2022: EUR 286.0 million). These guarantees mainly concern commitments pursuant to projects in progress, maintenance commitments relating to delivered work and investment commitments. The largest guarantees relate to the Riyadh metro project.

The maturity of the issued guarantees for loans is as follows:

Maturity of issued guarantees:
(x EUR 1,000)

2023				
	Total	< 1 year	1 - 5 years	> 5 years
	154,429	111,364	41.815	965

2022				
	Total	< 1 year	1 - 5 years	> 5 years
	286,024	210,869	74,086	1,069

The key facilities in Italy, Sweden and Denmark are specified separately below:

The facilities in Italy can be specified as follows:
- Current account facility of EUR 54.8 million (2022: EUR 46.3 million). Nothing was withdrawn (2022: nil).
- Loan facility EUR 61.8 million (2022: EUR 62.1 million). This was fully withdrawn.
- Bank guarantee facility EUR 158.5 million (2022: EUR 105.9 million), EUR 76.5 million is in use (2022: EUR 87.8 million).
- Factoring contracts EUR 69.9 million (2022: EUR 71.9 million), EUR 62.0 million (2022: EUR 69.4 million) is in use.

In Sweden and Denmark, Strukton has the following facilities:
- Multi-purpose credit facility SEK 259.0 million (2022: SEK 259.0 million). An amount of SEK 131.3 million was withdrawn (2022: SEK 189.0 million).
- Bank guarantee facilities SEK 6.4 million (2022: SEK 11.3 million). An amount of SEK 6.4 million was withdrawn (2022: SEK 11.3 million).

Corporate income tax
The Dutch Tax Authorities are performing an audit of the Riyadh metro project to check the transfer prices applied and the profit distribution between the Netherlands and Saudi Arabia. This audit focuses on old years, but the outcome will also apply to future years. Based on this audit, the Tax Authorities have taken the preliminary view that similar commercial parties operating under the same circumstances would have agreed a different distribution of profits. However, the Tax Authorities have expressed their wish to come to a solution acceptable to both parties, determining the transfer prices to be applied for the project. In order to arrive at an acceptable solution, the tax authorities and Strukton entered into further consultations, with Strukton seeking the support of an external tax consultant. We have not created a provision for this issue in our consolidated financial statements. Based on the double taxation treaty between the governments of the Kingdom of the Netherlands and the Kingdom of Saudi Arabia, which includes a provision regarding corresponding corrections and a provision regarding a mutual consultation procedure, we assume that the countries involved will come to an extrajudicial agreement without any detrimental effects for Strukton.
Strukton constitutes a fiscal unity in the Netherlands for corporate income tax and VAT together with most of its 100% domestic subsidiaries. Please refer for a total overview of the applicable entities to note 33.

Contingent liabilities

Line 7 and Line E59
As per October 2022 and May 2023, Costruzioni Linee Ferroviarie S.p.A., subsidiary of Strukton Rail Italy, is involved in two legal proceedings regarding the Line 7 and Line E59 projects in Poland. As per date of the financial statements there remains a high degree of uncertainty regarding the ultimate outcome of these proceedings, as well of the potential effect on the amount and timing of the outflow of resources. This means that no reliable estimate can be made. Therefore, these proceedings are disclosed as a contingent liability and no provision is recorded in the financial statements.

Strukton Milieutechniek
Strukton Milieutechniek B.V. has been suspected of the storage / transshipment of hazardous waste without an issued environmental permit in the period from January 2022 to September 2022 inclusive. As of the date of preparing the financial statements for financial year 2023, there remains significant uncertainty regarding the ultimate outcome of these proceedings and the possible impact of the amount and timing of any outflow or resources.

Tax audit
Strukton Groep is subject to a VAT audit carried out by the Dutch Tax Authorities over fiscal year 2023. This audit may result in additional VAT, interest and or fines to be paid of which the impact currently cannot be estimated reliably. The audit is estimated to be finalised in 2025.

28. Transactions with related parties

Identification
On 29 October 2010, Strukton Groep N.V. became part of Oranjewoud N.V. Oranjewoud N.V. holds all shares in Strukton Groep N.V. As at year-end 2023, all of the shares in Oranjewoud N.V. are held by Sanderink Investments B.V. Sanderink Investments B.V. is fully owned by Stichting Administratiekantoor Sanderink Investments of Gerard Sanderink.

The Enterprise Chamber (as requested by the Supervisory Board) (i) suspended Mr Sanderink as statutory director of Oranjewoud and Strukton and (ii) placed the shares in Oranjewoud and held by Sanderink Investments (with the exception of 1 share) into custody with a custodian. The court appointed Mr. M. Holtzer, partner of DLA Piper, as the custodian.

The following entities and/or persons can be classified as related parties:

Key management personnel:
- The Executive Board of Strukton Groep N.V. - G.P. Sanderink (suspended since 17 March 2023 for an indefinite period), R.P. van Wingerden (appointed 15 July 2023, as interim-CEO, statutory director), M.A.J. de Haas (appointed 15 July 2023 as interim CTO, statutory director), A.E.P. Vlaanderen (CFO, not as statutory director) and W. Wieland (15 July 2023, as CLO, not as statutory director);
- The Supervisory Board members of Strukton Groep N.V. - J.M. Kuling, A. Schoots (resigned 8 July 2023), B.C. Fortuyn and J.J.A. van Leeuwen. M.L. Bremer and P. Koselka were appointed after the end of the period and therefore they are not considered a related party for the financial statements of 2023;
- the Executive Board of Sanderink Investments B.V. - G.P. Sanderink (suspended since 17 March 2023 for an indefinite period);
- the Executive Board of Oranjewoud N.V. - G.P. Sanderink (suspended since 17 March 2023 for an indefinite period), R.P. van Wingerden (appointed 15 July 2023, as statutory director) and Y.F. van Hijum (appointed 15 July 2023 as statutory director). In the period between the suspension of Mr Sanderink as CEO of Oranjewoud N.V., as per March 17, 2023, and the appointment of Mr. R.P. van Wingerden and Mr. Y.F. van Hijum as the members of the Board of Directors of Oranjewoud N.V. on July 15, 2023, the Supervisory Board took over management of Oranjewoud N.V.;
- The Supervisory Board members of Oranjewoud N.V. , J.M. Kuling, A. Schoots (resigned 8 July 2023), B.C. Fortuyn and J.J.A. van Leeuwen. M.L. Bremer and P. Koselka were appointed after the end of the period and therefore they are not considered a related party for the financial statements of 2023.

Subsidiaries, Joint ventures and Associates:
- For an overview of all related Subsidiaries, Joint Ventures and Associates of Strukton Groep N.V., reference is made to Note 33 of these financial statements.

(In)direct Parent companies:
- Stichting Administratiekantoor Sanderink Investments B.V. and its subsidiaries and interests in other entities;
- Sanderink Investments B.V. and its subsidiaries and interests in other entities; and
- Oranjewoud N.V. and its subsidiaries and interests in other entities.

Transactions with executives and managers in key positions
Managers in key positions include all persons authorised and responsible for directly or indirectly planning, managing and exercising influence on the activities of the entity. Refer for the managers in key positions for the reporting year 2023 to the key management personnel of Strukton as included above in this note.

The remuneration of managers in key positions can be specified as follows:

	2023	2022
Short-term employee benefits	957	671
Other long-term employee benefits	19	-
	976	**671**

Transactions with Supervisory Board members
During 2023, the Supervisory Board members of Strukton were also the Supervisory Board members of Oranjewoud N.V.
The Supervisory Board members were remunerated by Oranjewoud N.V.

Other transactions with related parties
The total amount of purchases from Oranjewoud N.V. in 2023 amounted to nil (2022: nil).
Deliveries totalling EUR 1.6 million were made to Antea Group B.V. in the financial year 2023 (2022: EUR 0.5 million). The total amount of purchases from Antea Group B.V. in 2023 amounted to EUR 4.7 million (2022: EUR 4.5 million). The total amount of deliveries that were made to Centric Holding B.V. in the financial year 2023 amounted to nil (2022: nil). The total amount of purchases from Centric
Holding B.V. in 2023 amounted to EUR 1.5 million (2022: EUR 2.5 million).

At year-end, the following receivables and liabilities exist due to transactions with related parties:

Transactions with related parties:

2023	Oranjewoud N.V.	Centric Holding B.V.	Sanderink Holding B.V.	Antea Group B.V.	Other related parties	Total
Current receivables	-	-	-	384	3,145	**3,529**
Current payables	-	-	-	2,131	1,338	**3,469**
Subordinated loans	-	-	-	-	-	**-**

2022	Oranjewoud N.V.	Centric Holding B.V.	Sanderink Holding B.V.	Antea Group B.V.	Other related parties	Total
Current receivables	-	63	-	988	3,358	**4,409**
Current payables	-	581	-	1,668	786	**3,035**
Subordinated loans	28,372	7,057	1,629	-	-	**37,058**

An amount of EUR 1.2 million of transactions with related parties is presented as held for sale. No impairments were considered necessary regarding the related party receivables.

Furthermore, as all shares owned by Sanderink Investments B.V. minus one have been placed into custody with a custodian (beheerder), the custodian, Mr. M. Holtzer, can also be considered a related party. Mr. Holtzer is not able to have direct influence on the management of Strukton Groep N.V. and its group entities. The only transactions with Mr. M. Holtzer are related to his remuneration for the services being provided, paid by Oranjewoud.

29. Subsequent events

Developments in projects
For the subsequent events occurred in our project please refer to the Key Projects section.

Change in supervisory board
M.L. Bremer was appointed a member as of 21 March 2024 and P. Koselka has joined the supervisory board as of 25 July 2024.

Sale of A1 Electronics
As per 27 March 2024, A1 Electronics (subsidiary of Strukton Power) has been acquired by Gimv B.V. TThe achieved sales result can be considered immaterial. The sale of the A1 Electronics has no impact on the financial position of 2023 as this is considered to be a non-adjusting event. Please refer to note 32.

Sale of Strukton Integrale Projecten
With effect from 1 April 2024, Strukton Integrale Projecten has been sold to Aiber Services B.V. The achieved sales result can be considered immaterial. The sale of the Strukton Integrale Projecten has no impact on the financial position of 2023 as this is considered to be a non-adjusting event. Please refer to note 32.

Sale of stake in asphalt plants
As per 9 July 2024, Strukton has sold its 25% stake in the asphalt production plants APA and APRR. The achieved sales result can be considered immaterial. The sale of the stakes in the asphalt plants has no impact on the financial position of 2023 as this is considered to be a non-adjusting event. Please refer to note 32.

Sale of Strukton Prefab Beton
As per 12 July 2024, Strukton Prefab Beton has been acquired by Roevla Groep B.V. TThe achieved sales result can be considered immaterial. The sale of Strukton Prefab Beton has no impact on the financial position of 2023 as this is considered to be a non-adjusting event. Please refer to note 32.

Sale of Van Rens
As per 23 October 2024, Van Rens has been acquired by Groupe LT. The achieved sales result can be considered immaterial. The sale of Van Rens has no impact on the financial position of 2023 as this is considered to be a non-adjusting event. Please refer to note 32.

Sale of Ooms Producten
As per 5 December 2024, Ooms Producten has been acquired by Pankas AS. The achieved sales result can be considered immaterial. The sale of Ooms Producten has no impact on the financial position of 2023 as this is considered to be a non-adjusting event. Please refer to note 32.

FIOD
On 12 November 2024, Strukton Groep (on behalf of Strukton International B.V. and Strukton Civiel Projecten B.V.) reached an agreement with the Public Prosecution Office *(Openbaar Ministerie)* on a settlement *(schikking)* regarding the allegations of bribery *(omkoping)* and forgery *(valsheid in geschrifte)* related to the Ryadh Metro Project in the Kingdom of Saudi Arabia. This agreement is conditional, as it is subject to the decision of the 'College van procureurs-generaal' after a positive recommendation of the 'Commissie hoge transacties' and conclusion on the content of the settlement agreement and accompanying press release. The agreement involves the payment by Strukton of an amount of EUR 10.0 million, to be paid in four installments spread over the years 2026, 2027, 2028 and 2029. With this settlement Strukton acknowledges the respective facts and circumstances, but does not acknowledge liability *(schuld)*. Strukton will not be prosecuted for the aforementioned allegations and will be able to put an end to this difficult chapter in its history. Given that an agreement has been reached (subject to the above conditions), a provision of EUR 10.0 million has been recognised in the 2023 financial statements.

Fire Hoofdstation Groningen
On July 17, 2024, a fire broke out on the working site. Fortunately no personnel were harmed in the fire.
It did resulted in fire, water, and smoke damage on the future bus driver's personnel facilities and technical installations included in the same building. The cause of the fire is currently being investigated. Furthermore, the impact of the fire on the expected project result is being estimated and is treated as a non-adjusting subsequent event. Expectation is that this impact will not be material.

30. Services pursuant to concessions and PPP

Strukton's group companies participated in special purpose companies for PPP concession projects during 2023. These companies have entered into a concession agreement for providing services. All agreements are based on a public-private partnership (PPP). These are referred to as DBFM(O) contracts - Design, Build, Finance, Maintain and Operate contracts.
Companies over which Strukton can jointly exercise control are recognised as joint ventures or joint operations. If Strukton cannot exercise joint control, the company is recognised as an associate or an investment in equity instruments.

The following applies to all concession agreements:

- The concession payments depend on the availability of infrastructure or accommodation.
- Insofar as the fees concern the provision of support and other services, they are recognised in proportion to the delivery of the services.
- The concession agreements contain provisions for indexation, and certain elements of the agreements can be amended with reference to a benchmark.
- Strukton itself does not own the infrastructure or accommodation.
- The volatility of revenues is limited.
- The concession agreements do not allow for renewal.

School buildings
Strukton has a 20% stake (2022: 20%) in Talentgroep Montaigne B.V. through Strukton Finance Holding B.V. The concession agreement is a DBFM contract for the construction, maintenance and operation of a school building for the Montaigne Lyceum in The Hague. The concession commenced in 2004 and runs until 2034.

Public buildings
Strukton has a 6% stake (2022: 6%) in DUO2 B.V. through Strukton Finance Holding B.V. The concession agreement is a DBFMO contract for the construction, maintenance and operation of the shared accommodation for the Education Executive Agency (DUO) and the regional office in Groningen of the Dutch Tax and Customs Administration. The concession commenced in 2008 and runs until 2031.

During 2018, Strukton has acquired the remaining 50% of its share in MEET Strukton Holding B.V. (formerly Strukton Hurks Heijmans Holding B.V.) from Hurks and Heijmans. This means that Strukton is the full owner of MEET Strukton Holding B.V. since 8 June 2018. The concession agreement concerns a DBFMO contract for the construction, maintenance and operation of the new housing of RIVM (National Institute for Public Health and the Environment) and CBG (the Dutch Medicines Evaluation Board) at Utrecht Science Park. The concession commenced in 2014 and runs until 2049.

The respective special purpose companies received non-recourse financing. No repayment or interest guarantees have been issued by Strukton.

31. Joint operations

Some of Strukton's activities are carried out in either temporary or permanent joint operations. Joint operations are joint arrangements whereby Strukton and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the joint operation. Strukton recognises its share in the joint operations' individual revenues and expenses, assets and liabilities and includes it on a line-by-line basis with corresponding items in Strukton's financial statements.

(X EUR 1,000)

	31/12/2023	31/12/2022
Assets		
Non-current assets	90	36
Current assets	32,807	35,771
	32,897	**35,807**
Liabilities		
Non-current liabilities	(172)	(7,040)
Current liabilities	(46,938)	(39,133)
	(47,110)	**(46,173)**
Balance assets and liabilities	**(14,213)**	**(10,366)**
	2023	**2022**
Revenues	84,151	52,297
Costs	(81,187)	(47,958)
	2,964	**4,339**

32. Assets and liabilities held for sale and gain on sale of divestments

32.1 Other income

During 2023 the Group sold its shares in the Grid Solution business, Grondontwikkeling Beilen B.V. and Strukton Immersion Projects B.V. The gain recognised on the sale of these businesses. amounts to EUR 16.2 million.

32.2 Assets and liabilities held for sale

Impact on statement of financial position
Assets and liabilities held for sale
(X EUR 1,000)

	2023	2022
Property, plant and equipment	6,238	-
Right-of-use assets	3,615	-
Intangible assets	1,278	-
Other non-current assets	8,185	-
Deferred tax assets	-	-
Inventories	4,531	-
Contract assets	5,219	-
Other receivables	13,286	-
Cash and cash equivalents	2,294	-
Assets held for sale	**44,645**	**-**
Non-current liabilities	2,359	-
Current liabilities	13,071	-
Liabilities held for sale	**15,430**	**-**

Impact on statement of income
Discontinued operations
(X EUR 1,000)

	2023	2022
Revenue	-	30,019
Expenses	-	(29,815)
Result for the period before tax	**-**	**204**
Income tax	-	-
Result for the period after tax	**-**	**204**
Gain on the sale of the Worksphere business	-	198,693
Gain on the sale of others	-	3,329
Total result for the year from discontinued operations	**-**	**202,022**
Attributable to:		
Shareholders of the Company	-	202,022
Non-controlling interest	-	-
Total result for the year from discontinued operations	**-**	**202,022**

Impact on statement of cash flows
Cash flows from discontinued operations

(x EUR 1,000)	2023	2022 (*)
Net cash (used in)/generated by operating activities	-	(15,571)
Net cash (used in)/generated by investing activities	-	239,846
Net cash (used in)/generated by financing activities	-	23,192
Cash flows from discontinued operations	**-**	**247,467**

*** Net cash (used in)/generated by investing activities is including the cash inflow from the sale of the Worksphere business of EUR 221.8 million.**

Gain on sale of subsidiaries

	2023	2022
Gain on Sale of the Worksphere business	-	198,693
Gain on the sale of other subsidiaries	16,249	3,329
	16,249	**202,022**

33. Overview of Group companies and interests in other entities

A. Group companies

The following companies are fully consolidated:

Name	Statutory office	% Share in the issued capital 2023	% Share in the issued capital 2022
Strukton Rail B.V. *[12]	Utrecht (NLD)	100.00	100.00
Strukton Rail Nederland B.V. *[12]	Utrecht (NLD)	100.00	100.00
Strukton Rail Short Line B.V. *[12]	Utrecht (NLD)	100.00	100.00
IWORKX B.V. 12	Utrecht (NLD)	100.00	100.00
Strukton Rolling Stock B.V. *[12]	Utrecht (NLD)	100.00	100.00
Strukton M&E B.V. [12]	Maarssen (NLD)	100.00	100.00
Strukton Embedded Solutions [12]	Utrecht (NLD)	-	100.00
Strukton Systems B.V. *[12]	Utrecht (NLD)	100.00	100.00
Strukton Rail Equipment B.V. *[12]	Utrecht (NLD)	100.00	100.00
Strukton Rail Asset Management B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Railinfra Projecten B.V. *[12]	Utrecht (NLD)	100.00	100.00
Strukton Rail Italy S.r.l.	Bologna (ITA)	100.00	100.00
Uniferr S.r.l.	Reggio Emilia (ITA)	100.00	100.00
Promofer S.r.l.	Rome (ITA)	100.00	100.00
FER RENT S.r.l.	Milano (ITA)	100.00	100.00
Costruzioni Linee Ferroviarie S.p.A.	Bologna (ITA)	100.00	100.00
Construzioni Linee Ferroviarie CLF C.A.	Caracas (VEN)	100.00	100.00
S.I.F.EL S.p.A.	Spigno Monferrato (ITA)	100.00	100.00
Société d'Installations Ferroviaires et Electriques Maroc	Rabat (MAR)	100.00	100.00
AR.FER S.r.l.	Alessandria (ITA)	100.00	100.00
Strukton Construction Trading WLL	Doha (QAT)	49.00	49.00
Strukton Rail Australia PTY Ltd.	Perth (AUS)	100.00	100.00
Strukton Rail International B.V. *[12]	Utrecht (NLD)	100.00	100.00
Strukton Rail N.V.	Merelbeke (BEL)	100.00	100.00
Siebens Spoorbouw B.V.B.A.	Wilrijk (BEL)	100.00	100.00
Certus Rail Solutions N.V.	Merelbeke (BEL)	100.00	100.00
Strukton Railinfra AB	Stockholm (SWE)	100.00	100.00
Strukton Rail AB	Stockholm (SWE)	100.00	100.00
Strukton Rail A/S	Kopenhagen (DNK)	100.00	100.00
Strukton Rail Västerås AB	Stockholm (SWE)	100.00	100.00
SR Kraft AS	Oslo (NOR)	100.00	100.00
Strukton Rail Holding A/S (DK)	Taastrup (DNK)	100.00	100.00
Strukton Rail S-Bane A/S	Taastrup (DNK)	100.00	100.00
JPL Rail A/S	Ørje (NOR)	100.00	100.00
Strukton Power Inc.	Wilmington, Delaware (USA)	-	100.00
Strukton Civiel B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Civiel Projecten B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Roads & Concrete B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Infrastructure Specialties B.V. [12]	Utrecht (NLD)	100.00	100.00

Portfolio Investments Holding B.V. [12]	Utrecht (NLD)	100.00	100.00
GBN Holding B.V. [12]	Utrecht (NLD)	100.00	100.00
GBN Groep B.V. [12]	Utrecht (NLD)	100.00	100.00
GBN Immobilisatie B.V. [2]	Utrecht (NLD)	100.00	100.00
Grondbank Stadskanaal B.V. [12]	Utrecht (NLD)	100.00	100.00
Grind & Ballast Recycling Nederland B.V. [12]	Utrecht (NLD)	100.00	100.00
A-Lanes Asset Management B.V. [12]	Utrecht (NLD)	100.00	100.00
A1 Electronics Netherlands B.V. [123]	Almelo (NLD)	100.00	100.00
Buca Electronics B.V. [1]	Almelo (NLD)	100.00	100.00
Terracon Beheer B.V. *[12]	Werkendam (NLD)	100.00	100.00
Terracon Funderingstechniek B.V. * [12]	Nieuwendijk (NLD)	100.00	100.00
Terracon International B.V. [12]	Nieuwendijk (NLD)	100.00	100.00
Terracon Spezialtiefbau GmbH	Berlin (DEU)	100.00	100.00
Terracompact B.V.	Utrecht (NLD)	100.00	100.00
Molhoek Aannemingsbedrijf B.V. [12]	Nieuwendijk (NLD)	100.00	100.00
Strukton Engineering B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Prefab Beton B.V. [123]	Utrecht (NLD)	100.00	100.00
Strukton Civiel Equipment B.V. [12]	Scharwoude (NLD)	100.00	100.00
Ooms Producten B.V. *[12]	Scharwoude (NLD)	100.00	100.00
Unihorn B.V. [12]	Avenhorn (NLD)	100.00	100.00
Unihorn Astana Ltd. i.l. **	Astana (KAZ)	100.00	100.00
Strukton Milieutechniek B.V. *[12]	Utrecht (NLD)	100.00	100.00
Strukton Betonrenovaties & Voegovergangen B.V. [12]	Nieuwendijk (NLD)	100.00	100.00
Reanco B.V.	Breda (NLD)	100.00	100.00
Recycling & Overslag Breda B.V. [2]	Breda (NLD)	100.00	100.00
Van Rens B.V. [12]	Horst (NLD)	100.00	100.00
Strukton Civiel Startup & Innovation Centre B.V. [1]	Utrecht (NLD)	100.00	100.00
Strukton Immersion Projects B.V. [1]	Utrecht (NLD)	-	100.00
Strukton Immersion Projects Inc.	Vancouver (CAN)	-	100.00
Onderwatertechniek Nederland B.V. [12]	Utrecht (NLD)	-	100.00
Ooms PMB B.V. [12]	Scharwoude (NLD)	100.00	100.00
Ooms PMB HK Ltd.	Hong Kong (CHN)	100.00	100.00
Avenue2 Infra V.O.F.	Nieuwegein (NLD)	100.00	100.00
La Mondiale N.V.	Etterbeek (BEL)	100.00	100.00
MEET RIVM CBG B.V. *[1]	Utrecht (NLD)	100.00	100.00
Strukton Integrale Projecten B.V. *[123]	Utrecht (NLD)	100.00	100.00
SPC Management Services B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Finance ESCo's Holding B.V. [12]	Utrecht (NLD)	100.00	100.00
RGG cluster zwembaden ESCo Invest B.V. [12]	Utrecht (NLD)	100.00	100.00
RGG KPP ESCo Invest B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Assets B.V. [12]	Utrecht (NLD)	100.00	100.00
MEET Strukton Holding B.V.	Utrecht (NLD)	100.00	100.00
MEET Strukton B.V.	Utrecht (NLD)	100.00	100.00
Strukton Management B.V. *[12]	Utrecht (NLD)	100.00	100.00
Strukton Vastgoedbeheer en Facility Management B.V. [12]	Utrecht (NLD)	100.00	100.00
Servica B.V. [12]	Utrecht (NLD)	100.00	100.00
BAG B.V. **	Maastricht (NLD)	100.00	100.00
Strukton Power B.V.[12]	De Meern (NLD)	100.00	100.00
Strukton Materieel B.V. *	Utrecht (NLD)	100.00	100.00

Strukton Vuka B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Elschot B.V. [12]	Utrecht (NLD)	100.00	100.00
Molhoek-CCT B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Infratechnieken B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton Microtunneling B.V. [12]	Maarssen (NLD)	100.00	100.00
Canor Benelux B.V. [12]	Utrecht (NLD)	100.00	100.00
Reanco Benelux B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton combinatie Rijswijk Delft-Zuid V.O.F. [2]	Utrecht (NLD)	100.00	100.00
Strukton International B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton International Denmark A/S	Kopenhagen (DNK)	100.00	100.00
Strukton Specialistische Technieken B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton International Rail B.V. [12]	Utrecht (NLD)	100.00	100.00
Strukton International Belgium N.V.	Merelbeke (BEL)	-	100.00
Strukton International Deutschland GMBH	Kleve (DEU)	100.00	100.00
Strukton PHS Rail-Civiel B.V.	Utrecht (NLD)	100.00	-

The following companies are fully included in the consolidation with a non-controlling interest:

Name	**Statutory office**	**% Share in the issued capital 2023**	**% Share in the issued capital 2022**
TRI Stockholm AB	Hägersten (SWE)	60.00	60.00

B. The following companies are partially accounted for (joint operations):

Name	**Statutory office**	**% Share in the issued capital 2023**	**% Share in the issued capital 2022**
Tribase Datasystems & Network Services V.O.F.	Utrecht (NLD)	-	33.30
Combinatie Hollandia – Strukton Systems V.O.F.	Utrecht (NLD)	-	50.00
Strukton-Aarsleff JV I/S	Aarhus (DNK)	50.00	50.00
SITEC Infrastutture Consorzio Stabile Di Ingegneria	Bologna (ITA)	47.50	47.50
A-Lanes Civil V.O.F.	Nieuwegein (NLD)	50.00	50.00
Avenue 2 V.O.F.	Nieuwegein (NLD)	25.00	25.00
Combinatie Versterken Bruggen V.O.F.	Capelle a/d IJssel (NLD)	50.00	50.00
BPL Wegen V.O.F.	Rotterdam (NLD)	50.00	50.00
Combinatie Buitenring V.O.F.	Rotterdam (NLD)	33.33	33.33
A-Lanes A15 Mobility V.O.F.	Nieuwegein (NLD)	45.00	45.00
A-Lanes Roads V.O.F.	Nieuwegein (NLD)	50.00	50.00
DUOS V.O.F.	Oldenzaal (NLD)	50.00	50.00
A9V1 V.O.F.	Utrecht (NLD)	50.00	50.00
Combinatie Natuuronwikkeling Maasplassen V.O.F.	Vinkel (NLD)	50.00	50.00
Rions - Strukton Roads & Concrete V.O.F. (2022: Combinatie Rions – Strukton Civiel Zuid V.O.F.)	Sittard (NLD)	50.00	50.00
Hydraphalt V.O.F.	Scharwoude (NLD)	50.00	50.00
CE-Asfaltonderzoek V.O.F.	Scharwoude (NLD)	-	50.00

Zandexploitatie Westfriesland V.O.F.	Scharwoude (NLD)	50.00	50.00
Combinatie Dinteloord V.O.F.	Middelharnis (NLD)	50.00	50.00
Combinatie Zijkanaal D V.O.F.	Sliedrecht (NLD)	50.00	50.00
Combinatie Colijn/Rasenberg/van den Herik V.O.F.	Sliedrecht (NLD)	50.00	50.00
Combinatie Gladheidsbestrijding Ballast Nedam – Strukton V.O.F.	Leerdam (NLD)	50.00	50.00
Grondstoffen Recycling Burgum V.O.F.	Utrecht (NLD)	50.00	50.00
Grondstoffen Recycling Sappemeer V.O.F.	Utrecht (NLD)	50.00	50.00
Combinatie Tussen de Westfriezen V.O.F.	Alkmaar (NLD)	16.67	16.67
Combinatie BNOC V.O.F.	Leerdam (NLD)	50.00	50.00
Combinatie Strukton Civiel / Oosterhof Holman V.O.F.	Oldenzaal (NLD)	50.00	50.00
Combinatie OP Beneden-LEK V.O.F.	Scharwoude (NLD)	50.00	50.00
A-team V.O.F.	Utrecht (NLD)	-	50.00
Combinatie Strukton Arcadis Delft Interlocking V.O.F.	Utrecht (NLD)	75.00	75.00
Combinatie Strukton-Den Ouden V.O.F.	Breda (NLD)	50.00	50.00
Combinatie Strukton Civiel Zuid / Van den Herik V.O.F.	Breda (NLD)	50.00	50.00
Combinatie Sluis 0 Den Bosch V.O.F.	Sliedrecht (NLD)	50.00	50.00
Combinatie Van den Herik – Strukton Civiel West V.O.F.	Sliedrecht (NLD)	50.00	50.00
Grondbank West Brabant V.O.F.	Utrecht (NLD)	50.00	50.00
Combinatie K. Dekker – Ooms Construction Muiden V.O.F.	Warmenhuizen (NLD)	50.00	50.00
GBB Grondbank Budel V.O.F.	Zeeland (NLD)	50.00	50.00
Switch - Realisatie NW-2 V.O.F.	Utrecht (NLD)	50.00	50.00
Switch V.O.F.	Utrecht (NLD)	50.00	50.00
Arge Instandsetzung Reinbrucke Maxau	Karlsruhe (DEU)	50.00	50.00
Arge A9 Guntersdorf Instands BW 68	Langen (DEU)	50.00	50.00
Grondontwikkeling Beilen B.V.	Amsterdam (NLD)	-	50.00
Bouwcombinatie SVS V.O.F.	Vianen (NLD)	50.00	50.00
Strukton & Van den Herik V.O.F.	Breda (NLD)	50.00	50.00
Combinatie Strukton Civiel West – Jaro V.O.F.	Scharwoude (NLD)	50.00	50.00
Brücke A43 Rhein-Herne-Kanal Instands	Langen (DEU)	50.00	50.00
Combinatie Piet-Heinplein V.O.F.	Den Haag (NLD)	50.00	50.00
Combinatie BRM 380kV Station Tennet Tilburg	Utrecht (NLD)	50.00	-
Hoka Noord-West V.O.F.	's-Hertogenbosch (NLD)	50.00	50.00
Groene Liggers V.O.F.	Hoofddorp (NLD)	50.00	-

C. Associates and joint ventures:

Name	Statutory office	% Share in the issued capital 2023	% Share in the issued capital 2022
Exploitatie Maatschappij A-Lanes A15 B.V.	Nieuwegein (NLD)	50.00	50.00
Eurailscout Inspection & Analysis B.V.	Utrecht (NLD)	50.00	50.00
New Sorema Ferroviaria S.p.A.	Brescia (ITA)	50.00	50.00
C2CA Technology B.V.	Utrecht (NLD)	27.37	27.37
WeCity B.V.	Harderwijk (NLD)	50.00	50.00
GBN Artificial Grass Recycling B.V.	Utrecht (NLD)	55.00	55.00
Grondstoffen Recycling Weert B.V.	Weert (NLD)	50.00	50.00
Combinatie Verkeersmaatregelen A-Lanes V.O.F.	Rotterdam (NLD)	50.00	50.00

Nederlands Wegen Markeerbedrijf B.V.	Oosterwolde (NLD)	25.00	25.00
Aduco Holding B.V.	Ede (NLD)	25.00	25.00
Asfalt Productie Amsterdam (APA) B.V.[3]	Amsterdam (NLD)	25.00	25.00
Asfalt Productie Rotterdam Rijnmond (APRR) B.V. [3]	Rotterdam (NLD)	25.00	25.00
BituNed B.V.	Reeuwijk (NLD)	50.00	50.00
SolaRoad B.V.	Delft (NLD)	20.00	20.00
DMI Nederland B.V.	Weert (NLD)	50.00	50.00
Strukton LLC	Riyadh (SAU)	49.00	49.00
Petroserv Ltd./Strukton Construction and Trading WLL	Doha (QAT)	50.00	50.00
A-Lanes Management Services B.V.[3]	Nieuwegein (NLD)	25.00	25.00
Aendless Energy B.V.	Den Ham (NLD)	50.00	50.00
Rebru V.O.F.	Utrecht (NLD)	50.00	50.00
Pavement Information Modelling V.O.F.	Nieuwegein (NLD)	12.50	12.50

The following companies are accounted for as investments in equity instruments:

Name	**Statutory office**	**% Share in the issued capital 2023**	**% Share in the issued capital 2022**
Voestalpine Railpro B.V.	Hilversum (NLD)	10.00	10.00
Strukton Finance Holding B.V. ***	Utrecht (NLD)	7.89	7.89

* For companies marked with *, Strukton Groep N.V. issued liability statements in accordance with Section 403 of Title 9 Book 2 of the Dutch Civil Code.

** In liquidation

*** The share capital of Strukton Finance Holding B.V. consists of different types of shares linked to the various investments in PPP projects. For all participations, the ratio is 80/20 (DIF/Strukton) except for ISE Holding B.V., which has a 90/10 ratio (DIF/Strukton), and Strukton Finance B.V. (Delfluent) and Komfort Holding B.V., where all tracker shares are held by DIF.

1 These entities belong to the Dutch fiscal unity for corporate income tax.

2 These entities belong to the Dutch fiscal unity for value added tax.

3 These entities have been classified as held for sale per year-end 2023.

Company financial statements

Company balance sheet before proposed result appropriation

(X EUR 1,000)

		31 December 2023		31 December 2022	
	Non-current assets				
1.	Property, plant and equipment	5,719		6,141	
2.	Intangible assets	547		524	
3.	Right-of-use assets	161		23	
4.	Financial non-current assets	278,378		350,570	
	Total non-current assets		**284,805**		**357,258**
	Current assets				
5.	Trade and other receivables	30,456		17,180	
6.	Cash and cash equivalents	83,300		110,572	
	Total current assets		**113,756**		**127,752**
	Total assets		**398,561**		**485,009**
	Equity				
	Issued share capital	2,269		2,269	
	Share premium reserve	138,803		69,000	
	Other reserves	183,876		(23,076)	
	Undistributed result for the year	(142,015)		205,721	
7.	**Total equity**		**182,931**		**253,915**
8.	Subordinated loans		-		37,058
9.	Provisions		71,960		6,392
10.	Non-current liabilities		13,200		43,609
11.	Current liabilities		130,470		144,035
	Total equity and liabilities		**398,561**		**485,009**

Company statement of income

(X EUR 1,000)

		2023	2022
	Results from subsidiaries after income taxes	**37,725**	**49,142**
12.	Corporate result after income taxes	(179,741)	156,580
	Net result for the year	**(142,015)**	**205,721**

Notes to the Company financial statements

On 29 October 2010, Strukton Groep N.V. became part of Oranjewoud N.V. Oranjewoud N.V. holds all shares in Strukton Groep N.V. The ultimate parent company of Oranjewoud N.V. is Sanderink Investments B.V. The previous CEO of Strukton Groep N.V. was suspended and the shares of Oranjewoud N.V., our parent company, held by him were transferred to a custodian who was appointed by the Enterprise Chamber for the duration of the court proceedings.

Where reference is made in the Company financial statements to transactions with group companies, this means both relations between Strukton Groep N.V. and its subsidiaries and the relations with other group companies that are part of Strukton Groep N.V. and Sanderink Investments B.V., and their related companies. Strukton Groep N.V. is registered in the Dutch Trade Register under number 30004006.

General principles for the preparation of the Company financial statements

Strukton's company financial statements are included in the consolidated financial statements. The company financial statements of Strukton are prepared in accordance with the legal provisions set out in Title 9, Book 2 of the Dutch Civil Code. Within this context, the Company utilises the option provided by Section 2:362 sub 8 of the Dutch Civil Code to apply the same accounting policies to the company financial statements as those applied to the consolidated financial statements. Strukton companies included in the consolidation are stated at net equity value in accordance with the accounting policies applicable to the consolidated financial statements of Strukton. Joint ventures and associates in which significant control is held are valued according to the equity method. The accounting policies as applied to the consolidated financial statements are also applied as the accounting policies of the company financial statements for the determination of the result.

Furthermore, the Company financial statements contain only an abridged statement of income, through the application of Section 402 of Book 2 of the Dutch Civil Code.

Subsidiaries with a negative net asset value

Subsidiaries with negative net asset value are valued at nil. Other long-term interests in these subsidiaries that are in substance part of the net investment (such as long-term receivables) are taken into account in this valuation.

If the Company fully or partly guarantees the liabilities of the subsidiaries concerned, or has the effective obligation to enable the subsidiaries to pay its (share of the) liabilities, a provision is formed.

Accounting policies for the measurement and determination of results

If not stated otherwise, the accounting policies applied are the same as those in the 2023 Consolidated Financial Statements. For a correct interpretation of Strukton's company financial statements, please refer to Strukton's consolidated financial statements.

1. Property, plant and equipment

(X EUR 1,000)

	Land	Buildings	Total
As at 1 January 2022			
Cost	1,784	26,265	**28,049**
Cumulative depreciation and impairment	(455)	(20,851)	**(21,306)**
Carrying amount	**1,329**	**5,414**	**6,743**
Investments	-	-	**-**
Disposals	-	-	**-**
Depreciation	(1)	(602)	**(603)**
Other movements	-	1	**1**
Carrying amount as at 31 December 2022	**1,328**	**4,813**	**6,141**
As at 1 January 2023			
Cost	1,784	26,265	**28,049**
Cumulative depreciation and impairment	(456)	(21,452)	**(21,908)**
Carrying amount	**1,328**	**4,813**	**6,141**
Investments	-	-	**-**
Disposals	-	-	**-**
Depreciation	(1)	(601)	**(602)**
Other movements	180	-	**180**
Carrying amount as at 31 December 2023	**1,507**	**4,212**	**5,719**
As at 31 December 2023			
Cost	1,784	26,265	**28,049**
Cumulative depreciation and impairment	(277)	(22,053)	**(22,330)**
Carrying amount	**1,507**	**4,212**	**5,719**

Strukton leases most of its industrial buildings to its subsidiaries.
Lease income recognised by Strukton in 2023 was EUR 3.3 million (2022: EUR 1.8 million). These leases are subject to 12 months' notice.

The depreciation terms are based on expected economic life.

- Land No depreciation (only paved areas are subject to depreciation, 8 to 20 years)
- Buildings 10 to 50 years

2. Intangible assets

(X EUR 1,000)

	Software	Assets under construction	Total
2022			
Carrying amount as at 1 January 2022	**-**	**307**	**307**
Investments	348	-	348
Amortisation	(131)	-	(131)
Assets under construction put in use	307	(307)	-
Other movements	-	-	-
Carrying amount as at 31 December 2022	**524**	**-**	**524**
Cost	655	-	655
Accumulated amortisation and impairments	(131)	-	(131)
Carrying amount as at 31 December 2022	**524**	**-**	**524**
2023			
Carrying amount as at 1 January 2023	**524**	**-**	**524**
Investments	154	-	154
Amortisation	(131)	-	(131)
Assets under construction put in use	-	-	-
Other movements	-	-	-
Carrying amount as at 31 December 2023	**547**	**-**	**547**
Cost	809	-	809
Accumulated amortisation and impairments	(262)	-	(262)
Carrying amount as at 31 December 2023	**547**	**-**	**547**

3. Right-of-use assets

(X EUR 1,000)

	Cars	Total
2022		
Carrying amount as at 1 January 2022	**93**	**93**
Additions	-	-
Contract modifications	-	-
Depreciation	(71)	(71)
Other movements	1	1
Carrying amount as at 31 December 2022	**23**	**23**
2023		
Carrying amount as at 1 January 2023	**23**	**23**
Additions	257	257
Contract modifications	-	-
Depreciation	(119)	(119)
Other movements	-	-
Carrying amount as at 31 December 2023	**161**	**161**

The payment obligations corresponding with the lease contracts are recognised in current liabilities and non-current liabilities. For more information relating to these lease liabilities, please refer to notes 10. Non-current liabilities and 11. Current liabilities.

4. Financial non-current assets

(X EUR 1,000)

	31/12/2023	**31/12/2022**
Subsidiaries	255,904	301,309
Receivables from group companies	15,172	31,520
Subordinated loans	-	10,000
Third-party receivables	497	497
Deferred tax receivables	4,986	5,425
	276,559	**348,750**
Investments in equity instruments	1,819	1,820
	278,378	**350,570**

An interest rate of 4,0% is charged on receivables from group companies during the year. As per year-end 2023, the non-current receivables from group companies have increased due to new loans that were granted.

Movements in financial non-current assets were as follows:

(X EUR 1,000)

	Subsidiaries	Receivables from group companies	Subordinat-ed loans	Third-party receivables	Deferred tax receivables	Investments in equity instruments	Total
As at 1 January 2022	**254,269**	**-**	**10,000**	**497**	**5,842**	**1,819**	**272,427**
Additions	503	56,806	-	-	-	-	57,309
Disposals	(18,749)	-	-	-	-	-	(18,749)
Capital contributions	1,363	-	-	-	-	-	1,363
Share in results	49,141	-	-	-	-	-	49,141
Movement to provision for subsidiaries	(3,712)	-	-	-	-	-	(3,712)
Dividends	-	-	-	-	-	-	-
Fx conversion result	(2,560)	-	-	-	-	-	(2,560)
Repayments	-	(3,722)	-	-	-	-	(3,722)
Reversal of impairment	-	3,721	-	-	-	-	3,721
Revaluations	-	(25,285)	-	-	(417)	-	(25,702)
Other movements	21,055	-	-	-	-	1	21,056
As at 31 December 2022	**301,309**	**31,520**	**10,000**	**497**	**5,425**	**1,820**	**350,570**
Additions	380	68,315	-	-	-	-	68,695
Disposals	(490)	-	-	-	-	-	(490)
Capital contributions	10,000	-	(10,000)	-	-	-	-
Share in results	37,725	-	-	-	-	-	37,725
Movement to provision	-	(54,346)	-	-	-	-	(54,346)
Reclassification to long-term	-	6,000	-	-	-	-	6,000
Dividends	(90,000)	-	-	-	-	-	(90,000)
Fx conversion result	(295)	-	-	-	-	-	(295)
Repayments	-	(36,366)	-	-	-	-	(36,366)
Revaluations	-	-	-	-	(439)	-	(439)
Other movements	(2,725)	49	-	-	-	(1)	(2,678)
As at 31 December 2023	**255,904**	**15,172**	**-**	**497**	**4,986**	**1,819**	**278,378**

In 2023, part of the loan was formally converted through a capital contribution to Strukton Civiel B.V. of EUR 60.0 million through a decrease of the receivables from group companies. This was already processed as a subsequent event in the financial statements of 2020.

In the movement to provisions, a provision for a receivable from Strukton Integrale Projecten amounting to EUR 45.8 million has been included.

5. Trade and other receivables

(X EUR 1,000)

	31/12/2023	31/12/2022
Trade receivables	80	178
Receivables from group companies	30,083	17,002
Other receivables and accrued income	293	-
	30,456	**17,180**

The majority of the receivables from group companies is related to the VAT positions of the Dutch fiscal unity which are still to be received from group companies. Please refer for an overview of the entities in the Dutch fiscal unity for VAT to note 33 of the consolidated financial statements. The receivables from group companies have a total gross amount of EUR 97.0 million, of which EUR 66.9 million is provided for due to subsidiaries with negative net asset value. The net receivable from group companies of EUR 30.1 million includes the largest receivable of EUR 11.4 million from Strukton Roads and Concrete.

6. Cash and cash equivalents

An amount of EUR 12.5 million (2022: EUR 89.4 million) is collateralised for banks. The cash collateral related to the activities on the Riyadh metro project has been released in 2023.

All cash and cash equivalents are fully at the Company's free disposal.

7.Equity

(X EUR 1,000)

	Share Capital	Share Premium	Foreign currency translation (legal) reserve	Hedging (legal) reserve	Actuarial reserves	Other legal reserves	Retained earnings	Unappro-priated result	Total equity
Balance 1 January 2022	**2,269**	**69,000**	**(672)**	**-**	**(23,838)**	**10,117**	**9,188**	**(32,628)**	**33,436**
Acquisition of subsidiaries	-	-	-	-	-	-	2,996	-	2,996
Appropriation of result 2021	-	-	-	-	-	-	(32,628)	32,628	-
Result for the reporting period	-	-	-	-	-	-	-	205,721	205,721
Unrealised results	-	-	(1,527)	-	13,288	-	-	-	11,761
Total recognised result for the reporting period	**-**	**-**	**(1,527)**	**-**	**13,288**	**-**	**(29,632)**	**238,349**	**220,478**
Change in legal reserve	-	-	-	-	-	1,224	(1,224)	-	-
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-
Share premium contribution	-	-	-	-	-	-	-	-	-
Balance 31 December 2022	**2,269**	**69,000**	**(2,199)**	**-**	**(10,550)**	**11,341**	**(21,668)**	**205,721**	**253,915**
Balance 1 January 2023	**2,269**	**69,000**	**(2,199)**	**-**	**(10,550)**	**11,341**	**(21,668)**	**205,721**	**253,915**
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-
Appropriation of result 2022	-	-	-	-	-	-	205,721	(205,721)	-
Result for the reporting period	-	-	-	-	-	-	-	(142,015)	(142,015)
Unrealised results	-	-	5,561	-	(4,331)	-	-	-	1,230
Total recognised result for the reporting period	**-**	**-**	**5,561**	**-**	**(4,331)**	**-**	**205,721**	**(347,737)**	**(140,785)**
Change in legal reserve	-	-	-	-	-	2,865	(2,865)	-	-
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-
Share premium contribution	-	69,803	-	-	-	-	-	-	69,803
Balance 31 December 2023	**2,269**	**138,803**	**3,362**	**-**	**(14,881)**	**14,206**	**181,189**	**(142,015)**	**182,932**

The other legal reserves include reserves relating to earnings retained by subsidiaries, associates and joint ventures to the extent that there are limitations to arrange profit distributions and reserves of investments that are not at the Company's disposal for allocation.

The legal reserve also includes reserves related to capitalised development costs of EUR 0.5 million (2022: nil). The remaining share capital is specified in the consolidated financial statements.

The difference between the company only equity and the shareholder's equity in the consolidated financial statements consists of the following:

	2023	2022
Provision for receivables from group companies	(260,920)	(108,985)
Adjustment negative equity subsidiaries	336,744	340,140
Total	**75,824**	**231,155**

The difference between the company unappropriated result and the unappropriated result in the consolidated financial statements consists of the following:

	2023	2022
Provision for receivables from group companies	(151,934)	(42,542)
Adjustment negative result subsidiaries	(3,395)	70.086
Total	**(155,329)**	**27,544**

There were multiple subsidiaries for which the negative result was adjusted in the company only result. This is applicable for Strukton Civiel B.V., Strukton Assets B.V. and Strukton International B.V. as no declaration of liability in accordance with article 403 of Book 2 of the Dutch Civil Code was issued for these entities. This causes the differences with the consolidated financial statements as stated above.

8. Subordinated loans

Please refer for further information regarding the subordinated loans to note 13 in the consolidated financial statements.

9.Provisions

(X EUR 1,000)

	Provision for subsidiaries	Tax provisions	Other provisions	Total
As at 1 January 2022	**8,759**	**1,336**	**16**	**10,111**
Additions		-	5	5
Withdrawals	-	-	-	-
Release of provision	(3,712)	(12)	-	(3,724)
Other movements	-	-	-	-
As at 31 December 2022	**5,047**	**1,324**	**21**	**6,392**
Additions	-	-	69,805	69,805
Withdrawals	-	-	-	-
Release of provision	(2,913)	(1,324)	-	(4,237)
Other movements	-	-	-	-
As at 31 December 2023	**2,134**	**-**	**69,826**	**71,960**

The decrease in the provision of EUR 2.9 for subsidiaries is related to the negative equity of subsidiaries for which Strukton Groep N.V. has issued liability statements in accordance with Section 403 of Title 9 Book 2 of the Dutch Civil Code.

In the other provision an addition of EUR 10.0 million relates to the investigation of the Dutch Fiscal Information and Investigation Service (FIOD). The details of the settlement with the Public Prosecution Service is further disclosed in paragraph 'Subsequent Events ' of the consolidated financial statements. An addition of EUR 59.8 is due to Strukton Groep N.V. guaranteeing the fulfilment of Strukton Civiel Projecten obligations for the benefit of 'Hoofdstation Groningen'.

10. Non-current liabilities

(X EUR 1,000)

	31/12/2023	31/12/2022
Lease liabilities	89	27
Deferred tax liabilities	71	-
Tax payables	13,040	18,582
Debts to group companies	-	25,000
	13,200	**43,609**

The debts to group companies had an applicable interest rate of 3% during 2023 (2022: 3%). This interest rate is reassessed on an annual basis. Repayment of the debts to group companies will take place in full or in parts, in mutual consultation between the parties, with Strukton Groep N.V. being entitled to fully or partially repay the balances without owing any penalty (interest) and/or costs.

11. Current liabilities

(X EUR 1,000)

	31/12/2023	31/12/2022
Debt to financial institutions	-	1,369
Trade payables	1,822	797
Lease liabilities	78	-
Debts to group companies	101,145	122,440
Tax payables	18,786	2,378
Other liabilities and accruals	8,639	17,052
	130,470	**144,035**

The debts to group companies mainly consists of the current account payable to Strukton Rail B.V. of EUR 26.7 million (2022: EUR 102.3 million), Strukton Rail Nederland B.V. of EUR 22.6 million (2022: EUR 0 million) and Strukton Systems B.V. of EUR 14.5 million (2022: EUR 4.6 million).

The tax payables mainly relate to VAT payables for the Dutch fiscal unity. Refer for all entities included in the Dutch fiscal unity to note 33 of the consolidated financial statements.

12. Corporate result after income taxes

(X EUR 1,000)

	2023	2022
Corporate result after income taxes	(179,741)	156,580

In 2023, the tax gain of the tax group amounts to EUR 0.8 million (2022: EUR 0.4 million expense). Additionally, the Other results consist of financial income and expenses, overheads and the provision for receivables from group companies. Furthermore it includes the gain on sale of Grondontwikkeling Beilen B.V. in 2023. For further elaboration, please refer to note 32 of the consolidated financial statements.

Strukton formed an independent tax group with most of its domestic subsidiaries in 2023. Strukton does not charge proportionate corporate income tax to its individual subsidiaries.

At year-end 2023, Strukton Groep N.V. had 33.0 employees in FTE (2022: 23.0). The average number of employees in FTE amounted to 28.0 (2022: 19.5). There are no employees in other countries than the Netherlands.

13. Off-balance-sheet commitments and securities provided

As of 31 December 2023, bankers had issued guarantees and letters of intent up to a total amount of EUR 10.0 million (2022: EUR 18.0 million). The largest guarantee relates to the sale of the Worksphere business.

14. Remuneration Supervisory Board and Board of Director members

For an overview of the remuneration of Supervisory Board and Board of Directors members, please refer to the consolidated financial statements.

15. Auditor fees

The total fees for the audit of the consolidated financial statements are listed below. The fees stated below for the audit of the financial statements are based on the total fees for the audit of the financial statements, regardless of whether the procedures were already performed in the financial year.

Expenses for services provided by the Company's current independent auditor, Forvis Mazars Accountants N.V., and other audit firms to Strukton and its subsidiaries are specified as follows:

(X EUR 1,000)

2023	**Forvis Mazars Accountants N.V.**	**Total**
Audit fees	1,600	1,600
Audit-related fees	-	-
Tax fees	-	-
Other non-audit fees	-	-
	1,600	**1,600**

2022	**Forvis Mazars Accountants N.V.**	**Total**
Audit fees	1,700	1,700
Audit-related fees	-	-
Tax fees	-	-
Other non-audit fees	-	-
	1,700	**1,700**

16. Dividend proposal

The proposal is for the General Meeting of Shareholders to refrain from paying out dividends and subtracting the full result from the general reserves (2022: result added to the general reserve).

17. Subsequent events

Capital contribution Strukton Integrale Projecten
In February 2024 the Supervisory Board of Strukton Groep N.V. decided to do a capital contribution to Strukton Integrale Projecten of EUR 131 million.

For the other events after balance sheet date, please refer to note 29 of the consolidated financial statements.

Utrecht, 17 December 2024

Board of Directors
Mr. R.P. van Wingerden
Mr. M.A.J. de Haas

The Supervisory Board
Mr. J.M. Kuling (Chairman)
Mr. J.J.A. van Leeuwen
Ms. M.L. Bremer
Mr. B.C. Fortuyn
Ms. P. Koselka

8. Other Information

Foto: Stefan Verkerk

Statutory result distribution
The provisions relating to result appropriation are set out in Article 23 of the Articles of Association. The provisions set out that the result is at the disposal of the General Meeting of Shareholders.

Independent auditor's report

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Independent auditor's report

for the period ended 31 December 2023

To the Executive Board and Supervisory Board of Strukton Groep N.V.

Report on the audit of the financial statements for the year ended 31 December 2023 included in the annual report

Our Opinion

We have audited the financial statements 2023 (hereafter "financial statements") of Strukton Groep N.V. (hereafter "Company" refers to the legal entity, and "Group" refers to the consolidated level), based in Utrecht, the Netherlands. The Company is at the head of a group of entities ("components"). The financial information of this Group is included in the 2023 Consolidated Financial Statements of the Group. The financial statements include the 2023 Consolidated Financial Statements and the 2023 Company Financial Statements.

In our opinion:
- the accompanying Consolidated Financial Statements give a true and fair view of the financial position of the Group as at 31 December 2023 and of its result and its cash flows for the year ended 31 December 2023 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying 2023 Company Financial Statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its results and its cash flows for the year ended 31 December 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The Consolidated Financial Statements comprise:
- the consolidated statement of financial position as at 31 December 2023;
- the following statements for the year ended 31 December 2023: the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of movements in equity and the consolidated statement of cash flows; and
- the notes comprising a summary of the key accounting policies and other explanatory information.

The Company Financial Statements comprise:
- the company statement of financial position as at 31 December 2023;
- the company statement of income for the year ended 31 December 2023; and
- the notes comprising a summary of the key accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the group and the Company in accordance the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion
We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit response to the risks of fraud and non-compliance with laws and regulations

We refer to the Executive Board report of Strukton Groep N.V. for the risks and risk management procedures.

In our audit we have obtained an understanding of the entity and its environment, the components of the internal control system, including the process for identifying risks and how the executive board responds to the risks of fraud and monitors the internal control system, as well as the outcomes hereof. As part of our process to identify risks of risks of material misstatement in the financial statements due to fraud, we identified fraud risk factors with respect to financial reporting fraud, misappropriation of assets and corruption. We evaluated if those factors may indicate a risk of material misstatement due to fraud.

As a result of our fraud risk assessment we identified the following fraud risks and performed the following specific procedures:

The risk of management override of controls

Fraud risk	Our specific audit response
Management is ordinarily in an unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. In this context, we paid attention to: • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements including manual journal entries related to operational cycles; • potential biases in accounting areas with high level of estimation that are based on management judgments and assumptions, such as the valuation of the contract assets and the recognition of revenue; • significant transactions, if any, outside the normal course of business.	Amongst others we have performed the following audit procedures: • with regard to the Executive Board's key accounting estimates, we have evaluated judgements and decisions for bias by the Executive Board for key accounting estimates with respect to the cost-to-complete, the progress and loss provisions on the significant projects of the Group, see also the fraud risk Cut-off of Revenue and valuation of contract assets. We have performed the following specific audit procedures: • we evaluated of the design and implementation of relevant internal controls in the financial statement and consolidation process, such as segregation of duties and systems of authorisations; • we reviewed a selection of journal entries and other adjustments made in the preparation of the financial statements, such as manual journal entries, consolidating adjustments and reclassifications; and other adjustments during the course of preparing the financial statements.; • we tested the appropriateness for these journal entries and other adjustments with the underlying audit documentation. • we made inquiries with individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments; • we performed analyses of high risk journals within the consolidation with a pre assessed risk of material misstatements, as part of our audit approach to address fraud risks which could have a risk of material misstatement on the financial statements; • we performed audit procedures on journal entries in the various processes, amongst other the closing and consolidation, based on fraud selection criteria in which at least the following criteria have been applied: > Material adjustments made during the course of preparing the financial statements; > Manual journal entries on the operational related revenue ledgers and relating to the contract assets and contract liabilities; > Adjustments made on group level which relate to regular activities on component level. Our procedures did not result in material findings with respect to the risk of management override.

Cut-off of Revenue and valuation of contract assets

Fraud risk	Our specific audit response
We refer to the accounting principles for revenue recognition as included in "Summary of significant accounting policies" under "Revenue" in the Notes to the consolidated financial statements. The valuation and revenue recognition of the contract assets is largely influenced by subjective elements, such as the estimate of costs yet to be incurred, expected increases and decreases in revenue, technical progress, (potential) claims and penalties, as well as project-related liabilities and provisions. This is partly driven by the nature of the activities, which may involve large and complex projects. In addition, we note that the Executive Board has created expectations towards the market by publishing budgeted revenue and profit-before-tax benchmarks. As a result of the above, we identified a fraud risk that Executive Board recognizes revenue in the incorrect financial period and misstates the valuation of the contract assets by making incorrect assumptions of the percentage of completion and the estimation of the costs to complete for the significant projects.	We evaluated the design and implementation of internal controls. Based on pre-defined risk criteria, we have selected and tested the costs incurred, invoiced instalments, trade debtors and revenue of completed projects by means of total reconciliations and samples. For the valuation and revenue recognition of the contract assets, we selected and tested different contracts on the following risk criteria: size, complexity, fluxes against prior years and the overall risk profile. We paid specific attention to the key-projects as identified by the Executive Board. These projects concern MEET RIVM project, Hoofdstation Groningen, A-Pier and A15 Mava and M CO, Maintenance contracts Sweden and Avenue2 as key-projects, as further disclosed in the "Accounting conside-ration on key projects" paragraph. For the key projects and the selected contract assets based on the risk criteria, we performed, amongst others, the following procedures: • enquiries with the Executive Board and project controllers on the judgements and assumptions underlying the estimation of the completion of projects; • an assessment and reconciliation of the key-data of the projects with underlying documentation, such as contracts, change orders, calculations, quotations in order to test the assumptions made in determining the forecasted project result; • a verification of the cost-to-complete and revenue recognition; • detailed testing on recognized project expenses; • an analysis of the forecasted project results, identifying the different performance obligations of the projects, to confirm consistency of valuations; • a retrospective review of project results estimated in the previous year.

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Laws and regulations (Corruption, bribery and non-compliance with laws and regulations)

Fraud risk	Our specific audit response
Due to the nature of the business activities (construction company) and the characteristics of the related transactions, we identified an increased risk of non-compliance with legal and regulatory requirements regarding project acquisition. This was mainly identified due to the risk of bribes to potential clients (government and non-government). Failure to comply with legal tendering procedures and/or corruption may harm the company, for example through fines and/or exclusion from tender procedures. Such bribery could take place or be concealed in various ways, e.g., through subcontractors, (consultancy) services or sponsorship without sufficient identifiable quid pro quo.	We obtained insights in the applicable laws and regulations with regard to the tender procedures and have performed an analysis of contracts, based on risk factors such as size, margin and the type of tender. We have assessed whether there are any transactions in relation to these tender procedures and performed the following audit procedures: • evaluation of the design and implementation of internal controls surrounding the corruption, bribery and non-compliance with laws and regulation risks. • evaluation of the internal control measures to ensure compliance. • investigation of the manner in which supplier selection took place and whether any applicable (legal or internal) procurement regulations and/or quotation procedures were adhered to. • analysis of a selection (based on risk factors such as size, margin, type of tender, and client) of tenders won or initiated in the fiscal year. As part of this analysis, we assessed, for example, whether a business rationale was identified for the award, the business nature of (tender) costs, the performance and background of consultants or subcontractors used (if any), or a deviating forecasted margin compared to regular margins. • detailed testing on specific types of costs following risk identification, including travel and accommodation expenses, representation expenses, and sponsorship. • data analysis to flag journal entries with an increased risk based on specific search terms related to fraud risk, thereby identifying and investigating unusual transactions.

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In addition, we also performed the following more general procedures in relation to the fraud risk:
- we have incorporated an element of unpredictability in the selection of the nature, timing and extent of our audit procedures by extensively testing balances that were below our performance materiality and also by interviewing multiple individuals within the company not directly associated with the financial closing processes.
- we have obtained written and oral confirmations of the Executive Board, Supervisory Board and legal council within the company on the fraud risks and any potential fraud cases that have occurred during and after the financial year;
- we evaluated whether transactions, both usual and unusual, with related parties have been identified and appropriately disclosed;
- we have reviewed the minutes of the Executive Board and Supervisory Board with specific attention to fraud.
- We evaluated whether the selection and application of accounting principles could potentially indicate fraudulent financial reporting. If such indications were present, we re-evaluated our assessment of the risk of fraud and its implications for our audit procedures. We also assessed the outcomes of other audit procedures, considering whether there are findings that could suggest fraud or non-compliance with laws and regulations.

Our audit procedures did not reveal any specific indications of fraud or suspicions of fraud in respect to management override and the cut-off of revenue (or valuation of contract assets/liabilities), potentially resulting in material misstatements.

Non-compliance with laws and regulations
In section Operational risks and compliance risks and section Compliance in the Executive Board Report, the Executive Board describes the procedures regarding the risks of non-compliance with laws and regulations.

We have obtained an understanding of the relevant laws and regulations. We have identified that the regulatory framework with regard to tenders may have an indirect effect on the financial statements. We held enquiries with, amongst others, the Executive Board and the Supervisory board if the entity is compliant with laws and regulations which directly or indirectly have a material impact on the financial statements. Our work also included assessing the Company's code of conduct, whistle blower procedure, general compliance guidelines and procedures. We also inspected lawyers' letters and remained alert to indications of (suspected) non-compliance throughout the audit, held enquiries with legal counsel, and obtained a written representation from the Executive Board that all known instances of (suspected) non-compliance with laws and regulations were disclosed to us.

Our observations
The aforementioned audit procedures have been performed in the context of the audit of the financial statements. Consequently they are not planned and performed as a specific investigation regarding fraud and non-compliance with laws and regulations. Our audit procedures have not led to any findings.

Our audit response related to going concern
The Executive Board has prepared the financial statements on a going concern basis. When preparing the financial statements, the group executive board made an assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

Our audit of the financial statements requires us to determine that the going concern assumption used by the Executive Board is acceptable. In doing so, based on the audit evidence obtained, we must determine whether there are any events or circumstances that might cast reasonable doubt on whether the company can continue as a going concern. We discussed and evaluated the specific assessment with the Executive Board exercising professional judgment and maintaining professional scepticism. We considered whether the going concern assessment made by the Executive Board, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

As part of our audit procedures, we analysed the current financial position and assessed the reasonableness of the assumptions in respect of projected future cashflow forecasts including expected future cash flows from operating, financing and investing activities as prepared by the Executive Board and the company's ability to safeguard the financing of the company's operational activities.

A liquidity forecast was prepared by the Executive Board which no longer indicated a funding requirement. As such the main focus of our further audit procedures related to obtaining sufficient audit information on the fact whether the assumptions in the cashflow forecast were accurate and complete in terms of both timing and quantum. Our procedures, amongst others, compromised the following procedures:

- Analysing and discussing the cash flow, profit and other relevant forecasts with the Executive Board;
- Analysing whether the measures as identified by the Executive Board are accurate and complete in terms of quantum and timing;
- Performing audit procedures regarding subsequent events to identify those that either mitigate or otherwise affect the entity's ability to continue as a going concern;

Our observations
The group executive board, in its judgement, has concluded that given the outcome of the going concern assessment, there are no longer a material uncertainties that may cast significant doubt on the company's ability to continue as a going concern. Therefore, it is appropriate to prepare the financial statements based on the going concern assumption. The aforementioned procedures have been performed in the context of the audit of the financial statements. Consequently they are not planned and performed as a specific investigation regarding going concern. Our audit procedures did not lead to any findings. This observation is based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

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Report on the other information included in the Annual Report 2023

In addition to the financial statements and our auditor's report thereon, the Annual Report 2023 contains other information that consists of:

- the Executive Board report including
  - > Message from the Executive Board;
  - > Strukton Groep;
  - > Our strategy and results;
  - > Governance;
  - > Financial Results 2023;
  - > Message from the Supervisory Board.
- the Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the Executive Board report and the other information as required by Part 9 Book 2 of the Dutch Civil Code.

We were engaged to read the other information and, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of other information, including the Report of the Group Executive Board in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the Group Executive Board and the Supervisory Board for the financial statements
The Group Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS-EU and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Group Executive Board is responsible for such internal controls as the Executive Board determines are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Group's and the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Group Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Group Executive Board should disclose events and circumstances that may impact the Group's and the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- concluding on the appropriateness of the Executive Board's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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 findings in internal control that we identify during our audit.

Rotterdam, 17 December 2024

Forvis Mazars Accountants N.V.

Original signed by: O. Opzitter RA

9. Glossary

Foto: Stefan Verkerk

24Safe	The safety policy within Strukton is set out in a programme entitled 24Safe. Its mission is: Focusing on safety together.
CBG	College ter Beoordeling van Geneesmiddelen (Medicines Evaluation Board)
Compliance	Fulfilling the minimum requirements of the applicable legislation and regulations; observing or implementing the standards.
D&C	Design & Construct
Dbmo	Design, Build, Maintain & Operate
Dbfmo	Design, Build, Finance, Maintain & Operate
EBIT (operating result)	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation (operational result)
ERTMS	The train safety system developed by the European Union (European Rail Traffic Management System), with the aim of simplifying trains running between different countries without changing to different safety systems.
Esco	Energy service company, a company that guarantees certain energy savings for a building owner based on applying various measures, usually based on a performance contract.
EUR	Euros
IF	Injury Frequency index. The number of accidents resulting in sick leave divided by the number of contractual working hours.
IFRS	International Financial Reporting Standards, the standard international accounting principles for preparing financial statements for all listed companies within the European Union.
Lmra	Last Minute Risk Analysis, a quick risk assessment completed just before starting the work. This serves to check if all risks are recognised and if the control measures in place will be sufficient.
Order book	Works awarded but not yet completed
Pmb	Polymer Modified Bitumen
PPP (Pps)	Public-Private Partnership
PPP concession project	Public-private partnership, where a government body awards a long-term contract to a private consortium for the design, realisation, financing, management and maintenance and often also facilities services for a project.
RIVM	Rijksinstituut voor Volksgezondheid en Milieu (National Institute for Public Health and the Environment)

Strukton All Right	Strukton All Right is the title of Strukton's policy of acting with integrity.
SPC	Special Purpose Company, a special purpose vehicle specifically incorporated for the management of a PPP project.
Working capital	Current assets excluding available cash and cash equivalents, minus non-interest bearing current liabilities.

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