Registration number: 05403001

A.L.E. UK HOLDINGS LIMITED

Annual Report and Financial Statements

for the Year Ended 31 December 2022

A.L.E. UK Holdings Limited

Contents

A.L.E. UK Holdings Limited

Company Information

Directors	P V Gelder T Tieleman
Registered office	New Road Hixon Staffordshire ST18 0PE
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

A.L.E. UK Holdings Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activity
The principal activity of the company is a UK corporate head office entity for the wider Mammoet Group, principally a heavylift and transport specialist delivering innovative engineering solutions to a multi-sector, multi-service, multi-national market. The principal activities of the wider company include the engineering and execution of the weighing, transportation, handling, lifting, jacking installation and skidding of heavy individual items.

A.L.E. UK Holdings Limited has no revenue external to the Mammoet Group and the only revenue source is recharging corporate overheads at a mark up to Mammoet Group companies (based on an agreed allocation methodology) and dividend income from subsidiary undertakings.

Objectives and strategies

Post-Acquisition Reorganisation of A.L.E. UK Holdings Limited
Following the conclusion of A.L.E. UK Holdings acquisition by Mammoet BV, an integration process began to maximise the return in the larger group.

The integration plan is still in progress and the following are taking place:

- Dissolve A.L.E. UK holdings Limited entity transferring the required current operations investment entities into the Mammoet entity ownerships structure

- Synergize the operational footprint based on the following methodology
A. Dominant country A.L.E./Mammoet entity continues in operation with the other dissolved
B. Singular country presence survives
C. Equal country presence requires further business review of local drivers to confirm optimum location

As at December 2022 there were 49 of A.L.E. UK Holdings investment entities which had been formally dissolved.

Governance
The board and shareholders receive regular updates including reports on health, safety, quality and environmental "HSQE" issues, operating and financial performance, commercial matters and product development.

The directors monitor the key performance indicators developed to report on delivery of our strategy and monitor significant risks that may impact the business, including those reflecting HSQE standards, personnel capability sales pipeline including sector review and equipment utilisation. The directors assess the need for further key performance indicators as required.

Health, Safety, Quality and Environment "HSQE"
The Board recognises the importance of its HSQE responsibilities and continues to invest in the development of systems and personnel which support the implementation of initiatives that would minimise risks within this area.

A.L.E. UK Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Liquidity
The Board monitor the financial strength of the business and the company is a wholly owned subsidiary of Mammoet BV and is supported financially by Mammoet BV. Mammoet BV's objective is to build a growing, sustainable and cash generative business which consistently provides returns on capital employed significantly ahead of its cost of capital, delivered through its core values of; Safety, Integrity, Partnership and Excellence.

Approved and authorised for issue by the Board on 19 February 2024 and signed on its behalf by:

DocuSigned by:
Timotheus Tieleman
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T Tieleman
Director

A.L.E. UK Holdings Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends
The profit for the year amounts to £28,386,000 (2021: loss of £4,071,000).

No dividends were paid in the period (2021: £nil), none were proposed at the year-end (2021: £nil).

Directors of the company
The directors who held office during the year were as follows:

P V Gelder
T Tieleman

Going concern
The company has generated a profit of £28,386,000, has net assets of £22,311,000 and cash of £5,598,000. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate.

During the year ended 31 December 2022, the company's principal activity was a central overhead holding company recharging out to Mammoet group operational companies. However, the directors of Mammoet Holding B.V. (intermediary holding entity) have implemented an integration plan including merging and closing all of A.L.E. UK Holding Limited's subsidiaries. This process will take a number of years and up until the point of completion the company will be reliant on support from Mammoet Finance B.V..

The directors assessment is dependent on Mammoet Finance B.V. providing additional financial support during the going concern assessment period. Mammoet Finance B.V. has not indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. However, as Mammoet Finance B.V. has not indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period, this represents a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. These financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Disclosure of information to the auditor
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditor

KPMG LLP resigned as auditor during the year and the directors appointed Azets Audit Services Limited (trading as Azets Audit Services) to fill the vacancy arising.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved and authorised for issue by the Board on 19.February.2024 and signed on its behalf by:

DocuSigned by:

Timotheus Tieleman

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T Tieleman
Director

A.L.E. UK Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A.L.E. UK Holdings Limited

Independent Auditor's Report to the Members of A.L.E. UK Holdings Limited

Opinion

We have audited the financial statements of A.L.E. UK Holdings Limited (the 'company') for the year ended 31 December 2022, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial statements, which indicates that, due to the nature of the company being an intermediary holding company, it is dependent on support from Mammoet Finance B.V.. Mammoet Finance B.V. has not indicated its intent to support the company. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

A.L.E. UK Holdings Limited

Independent Auditor's Report to the Members of A.L.E. UK Holdings Limited (continued)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;

Independent Auditor's Report to the Members of A.L.E. UK Holdings Limited (continued)

- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Employment law (including the Working Time Directive) and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services
....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 19/02/24

Azets Audit Services is a trading name of Azets Audit Services Limited

A.L.E. UK Holdings Limited

Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Turnover	3	27,764	3,217
Administrative expenses		(524)	(7,171)
Operating profit/(loss)	4	27,240	(3,954)
Other interest receivable and similar income	5	1,146	-
Interest payable and similar expenses	6	-	(117)
Profit/(loss) before tax		28,386	(4,071)
Taxation	9	-	-
Profit/(loss) for the financial year		28,386	(4,071)

The above results were derived from continuing operations.

The notes on pages 14 to 26 form an integral part of these financial statements.

A.L.E. UK Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022 £ 000	2021 £ 000
Profit/(loss) for the year	28,386	(4,071)
Foreign currency translation gains/(losses)	1,381	(4,904)
Total comprehensive income for the year	29,767	(8,975)

The notes on pages 14 to 26 form an integral part of these financial statements.

A.L.E. UK Holdings Limited

(Registration number: 05403001)
Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Current assets			
Debtors	11	19,149	23,057
Cash at bank and in hand		5,598	1,688
		24,747	24,745
Creditors: Amounts falling due within one year	13	(2,436)	(32,201)
Net assets/(liabilities)		22,311	(7,456)
Capital and reserves			
Called up share capital	16	85	85
Share premium reserve		21,876	21,876
Other reserves		5,559	4,178
Profit and loss account		(5,209)	(33,595)
Total equity		22,311	(7,456)

Approved and authorised for issue by the Board on 19 February 2024 and signed on its behalf by:

DocuSigned by:

Timotheus Tieleman

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T Tieleman
Director

The notes on pages 14 to 26 form an integral part of these financial statements.

A.L.E. UK Holdings Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Share premium £ 000	Foreign currency translation £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	85	21,876	9,082	(29,524)	1,519
Loss for the year	-	-	-	(4,071)	(4,071)
Other comprehensive income	-	-	(4,904)	-	(4,904)
Total comprehensive income	-	-	(4,904)	(4,071)	(8,975)
At 31 December 2021	85	21,876	4,178	(33,595)	(7,456)

	Share capital £ 000	Share premium £ 000	Foreign currency translation £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2022	85	21,876	4,178	(33,595)	(7,456)
Profit for the year	-	-	-	28,386	28,386
Other comprehensive income	-	-	1,381	-	1,381
Total comprehensive income	-	-	1,381	28,386	29,767
At 31 December 2022	85	21,876	5,559	(5,209)	22,311

The notes on pages 14 to 26 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is New Road, Hixon, Staffordshire, ST18 0PE.

Due to a change in group structure and group reporting lines, the company has moved from reporting under FRS 101 to FRS 102, this has not caused any changes to the results of the business or presentation of those results within these financial statements.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

Summary of disclosure exemptions
The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) Disclosures in respect of each class of share capital have not been presented.
(b) No cash flow statement has been presented for the company.
(c) Disclosures in respect of financial instruments have not been presented.
(d) Disclosures in respect of share-based payments have not been presented.
(e) No disclosure has been given for the aggregate remuneration of key management personnel.

The company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 and does not disclose related party transactions with members of the same group that are wholly owned.

2 Accounting policies (continued)

Going concern

The company has generated a profit of £28,386,000, has net assets of £22,311,000 and cash of £5,598,000. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate.

During the year ended 31 December 2022, the company's principal activity was a central overhead holding company recharging out to Mammoet group operational companies. However, the directors of Mammoet Holding B.V. (intermediary holding entity) have implemented an integration plan including merging and closing all of A.L.E. UK Holding Limited's subsidiaries. This process will take a number of years and up until the point of completion the company will be reliant on support from Mammoet Finance B.V..

The directors assessment is dependent on Mammoet Finance B.V. providing additional financial support during the going concern assessment period. Mammoet Finance B.V. has not indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. However, as Mammoet Finance B.V. has not indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period, this represents a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. These financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Exemption from preparing group accounts

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The company's ultimate parent undertaking, SHV Holdings BV includes the company in its consolidated financial statements. The consolidated financial statements of SHV Holdings BV are prepared in accordance with Dutch GAAP and are available to the public and may be obtained from Mammoet Holding BV, Karel Doormenweg 47,Haven 580, 3115 JD, PO Box 570, 3100 AN Schiedam.

2 Accounting policies (continued)

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of debtors - The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtor, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2 Accounting policies (continued)

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

A.L.E. UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2022 £ 000	2021 £ 000
Management charges	27,764	3,217

The analysis of the company's Turnover for the year by market is as follows:

	2022 £ 000	2021 £ 000
UK & North America	-	39
Europe	264	862
Dividend received	27,500	2,316
	27,764	3,217

4 Operating profit/(loss)

Arrived at after charging

	2022 £ 000	2021 £ 000
Impairment charge	-	(5,688)

5 Other interest receivable and similar income

	2022 £ 000	2021 £ 000
Other finance income	1,146	-

6 Interest payable and similar expenses

	2022 £ 000	2021 £ 000
Interest expense on other finance liabilities	-	117

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £ 000	2021 £ 000
Wages and salaries	258	816
Social security costs	35	96
Pension costs, defined contribution scheme	10	38
	303	950

A.L.E. UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Auditor's remuneration

	2022 £ 000	2021 £ 000
Audit of the financial statements	26	35

9 Taxation

Tax charged/(credited) in the income statement

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit/(loss) before tax	28,386	(4,071)
Corporation tax at standard rate	5,393	(773)
Effect of revenues exempt from taxation	(5,225)	(440)
Effect of expense not deductible in determining taxable profit (tax loss)	-	1,106
Other tax effects for reconciliation between accounting profit and tax expense (income)	(168)	107
Total tax charge/(credit)	-	-

A.L.E. UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2022	5,668
At 31 December 2022	5,668
Provision	
At 1 January 2022	5,668
At 31 December 2022	5,668
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-

Details of undertakings

The principal activities of the companies are transportation, handling and installation of heavy industrial plant, unless otherwise stated.

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2022	2021
Subsidiary undertakings				
Mammoet Offshore Services Limited	New Road, Hixon, Staffordshire, ST18 0PE England and Wales	Ordinary	100%	100%
ALE Heavylift (Thailand) Limited	248 Moo 4, 3376 Road, Tambol Makhamkoo, Thailand	Ordinary	100%	100%
ALE Heavylift and Transport (Thailand) Co Limited	248 Moo 4, 3376 Road, Tambol Makhamkoo, Thailand	Ordinary	100%	100%
Heavylift Holdings (M) Sdn Bhd	Room 702 Wisma Hangsam, Jalan Hang Lekir, 50000 Kuala Lumpur, Malaysia	Ordinary	100%	100%
ALE Heavylift (M) Sdn Bhd	Room 702 Wisma Hangsam, Jalan Hang Lekir, 50000 Kuala Lumpur, Malaysia	Ordinary	30%	30%

A.L.E. UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Investments (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
ALE Heavylift de Mexico SA de CV	Hidalgo # 100 Colonia, Santa Elena, Panuco, Veracruz, Mexico	Ordinary	100%	100%
ALE Heavylift Austral SA	Av. Bartolome Mitre 1249, (1604) Florida Oeste, Buenos Aires, Argentina	Ordinary	100%	100%
ALE Heavylift (Singapore) PTE Ltd	Park Crescent Road, 600 North Bridge Road, #05-01 Parkview Square, Singapore 188778	Ordinary	100%	100%
ALE Heavylift (South Africa) (PTY) Limited	4th Floor Tha Strand, 37 Strand Street, Cape Town, Western Cape, 8000 South Africa	Ordinary	100%	100%
ALE Heavylift (Nigeria) Ltd	Plot 252E Muri Okunola Street, Victoria Island, P.O. Box 2419, Lagos, Nigeria	Ordinary	100%	100%
ALE Heavylift (Columbia) S.A.	Chico Norte, Calle 90 # 11-44, Building Santorini, Oficina 506, Bogota, Columbia	Ordinary	100%	100%
Mammoet Heavylift (Vietnam) LLC	65A 30/4 Street, Thang Nhat Ward, Vung Tua City, Ba Ria-Vung Tau Province, Vietnam	Ordinary	49%	49%
ALE Heavylift Indonesia	Komp, First City Lt.2 Blok 2 No B2-23, Teluk Tering, Batam Kota, Batam, Indonesia	Ordinary	95%	95%
ALE HL Carga Extrapesada Venezolana CA	Av. Eugenio Mendoza, Edif IASA, piso 8, Ofic. 802-B La Castellana, Caracas, Venezuela	Ordinary	52%	52%
ALE Caspian LLC	AGA Business Center, Xatay District, 55 Khojali Avenue, Baku AZ1025, Azerbaijan	Ordinary	100%	100%
ALE Holdings (Kazakhstan) LLP	Atyrau, Kulmanova 1A, 060011, Kazakhstan	Ordinary	100%	100%
ALE Mozambique Limitada	Bairro Central, Av. Martire de Inhaminga, recinto Portuaria, Portao No 4, Maputo, Mozambique	Ordinary	100%	100%

10 Investments (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
ALE Barbados Limited	The Phoenix Centre, Geroge Street, Belleville, St Michael, Barbados	Ordinary	52%	52%
Mammoet Heavylift (Tianjin) Co. Ltd	16A-1 Minhe Road, Jianfu Industrial Park, Xiqing Econcomic Development Area, Tianjin, P.R. China	Ordinary	100%	100%
ALE Heavylift (Philippines) Inc	Unit 601 Common Goal Tower, Finance St. Madrigal Business Park, Alang Muntinlupa City, 1780, Philippines	Ordinary	100%	100%
ALE Holdings SA (Pty) Limited	4th Floor The Strand, 37 Strand Street, Cape Town, Western Cape, 8000 South Africa	Ordinary	100%	100%
ALE Wind Services Limited	New Road, Hixon, Staffordshire, ST18 0PE England and Wales	Ordinary	100%	100%
ALE Econofreight Limited	New Road, Hixon, Staffordshire, St18 0PE England and Wales	Ordinary	100%	100%
ALE Finance Limited	New Road, Hixon, Staffordshire, ST18 0PE England and Wales	Ordinary	100%	100%
ALE Heavylift Chile SPA	Camino Interior, Santa Isabel, 1400 Lote 3, Lampa, Santiago, Chile	Ordinary	100%	100%
ALE Heavylift Egypt LLC	Green Tower, Plot Number 305, 90th Street, Zone 2, New Cairo, Egypt	Ordinary	99%	99%
Mammoet Iberica S.A.	P.L. Los Frailes, Nave 101-106, Ctra. Alcala de Henares a Daganzo, km. 9. 28814, Daganzo, Madrid, Spain	Ordinary	100%	100%
Mammoet Mauritania Sarl	E-Nord 504 palais des congrés, Nouakchott, BP 40034, Mauritania	Ordinary	100%	100%

10 Investments (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
ALE Heavylift (Australia) Pty Limited	Aver Group, Suite 92, Ground floor Mont Clare, 190 Hay Street, East Perth WA 6400, Australia	Ordinary	100%	100%
ALE Heavylift (Djibouti) EURL	3 rue Galleini, Croix de Lorraine, Heron, BP: 1740, Djibouti	Ordinary	100%	100%
Mammoet Heavylift (Hong Kong) Limited	15 / F Tower One Lippo Ctr 89, Queensway Admirality, Hong Kong	Ordinary	100%	100%
ALE NA Assets Limited	New Road, Hixon, Staffordshire, ST18 0PE England and Wales	Ordinary	100%	100%
Joint ventures				
SARL ALE Algerie	Cooperative Immobiliere El Saada, No. 5 Ouled Fayet, Algiers, Algeria	Ordinary	49%	49%
ALE Ventures (Pty) Limited	4th Floor The Strand, 37 Strand Street, Cape Town, Western Cape, 8000 South Africa	Ordinary	49%	49%
KZF - Mammoet JV LLP	Kulmanov street 1A, Atyrau, 060011, Kazakhstan	Ordinary	49%	49%
A.C.N 609 289 170 Pty Limited	Aver Group, Suite 92, Ground floor Mont Clare, 190 Hay Street, East Perth WA 6400, Australia	Ordinary	44%	44%

10 Investments (continued)

Subsidiary undertakings

ALE Holdings (Kazakhstan) LLP

The principal activity of ALE Holdings (Kazakhstan) LLP is a holding company.

ALE Holdings SA (Pty) Limited

The principal activity of ALE Holdings SA (Pty) Limited is a holding company.

ALE Wind Services Limited

The principal activity of ALE Wind Services Limited is a dormant company.

ALE Finance Limited

The principal activity of ALE Finance Limited is a dormant company.

A.L.E. UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Debtors

Current	2022 £ 000	2021 £ 000
Trade debtors	-	45
Amounts owed by group undertakings	18,735	23,012
Other debtors	410	-
Prepayments	4	-
	19,149	23,057

Interest on company undertakings is charged at 2% above the respective local currency base rate.

12 Cash and cash equivalents

	2022 £ 000	2021 £ 000
Cash at bank	5,284	1,688
Other cash and cash equivalents	313	-
	5,598	1,688
Bank overdrafts	(1,051)	-
Cash and cash equivalents	4,546	1,688

13 Creditors

	Note	2022 £ 000	2021 £ 000
Due within one year			
Loans and borrowings	14	1,051	-
Trade creditors		131	366
Amounts owed to group undertakings		845	31,080
Amounts owed to related parties		-	43
Social security and other taxes		-	26
Other creditors		74	73
Accrued expenses		334	614
		2,436	32,201

A.L.E. UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Loans and borrowings

	2022 £ 000	2021 £ 000
Current loans and borrowings		
Bank overdrafts	1,051	-

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £10,191 (2021 - £37,744).

16 Share capital

Allotted, called up and fully paid shares

	2022 No. 000	2022 £ 000	2021 No. 000	2021 £ 000
Ordinary shares of £1 each	85	85	85	85

17 Parent and ultimate parent undertaking

The company's immediate parent is Abnormal Load Engineering Holdings Limited, incorporated in England and Wales.

The ultimate parent is SHV Holdings NV, incorporated in Netherlands.

The most senior parent entity producing publicly available financial statements is SHV Holdings NV. These financial statements are available upon request from SHV Holdings NV, Rijnkade 1, 3511LC Utrecht, The Netherlands

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2022 ANNUAL REPORT

MAMMOET

MAMMOET HOLDING B.V.
ANNUAL REPORT 2022

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The Netherlands

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Entered in the Trade Register of the Rotterdam Chamber of Commerce under number 30105738.

Content

Profile

ENGINEERED HEAVY LIFTING AND TRANSPORT

Mammoet provides solutions to any heavy lifting or transport challenge. By combining local experience with global expertise, we deliver a service tailored to every project – regardless of its location, length or size.

We aim to develop long-term relationships with our customers in order to understand their businesses and challenges. By working closely with our partners, we realize the most efficient and cost-effective approaches.

We have a unique global network and an unparalleled fleet of equipment. Our extensive engineering expertise and high quality and safety standards deliver value to a wide breadth of industry sectors and projects. Customers trust us to help them achieve feats that were once considered impossible, and we have often broken records in doing so.

Some dream about a future that is Smarter, Safer and Stronger. We actually build it.

PURPOSE AND VALUES

At Mammoet our strength is the team. We serve our customers by moving large and heavy objects. We love the challenge of pushing boundaries and creating new possibilities. But it's not just the power of our equipment or our smart thinking that makes us so strong. It's the contribution of each and every member of the team, a group of dynamic and diverse individuals from different countries, cultures and backgrounds.

Together, we move the world towards a brighter future.

Our team shares a bond built on trust. This shared culture creates the space in which we achieve exceptional things. We drive our industry forward with our smarter ways of working and strive to make the world a better place by operating more safely and sustainably. We do this by working according to our five values:

Love the work

Working at Mammoet is not just any other job. Here we have a deep commitment to the work we do and a desire to excel. We use our craftsmanship and talents to continuously improve. We love the challenges of the industry and the equipment that comes with it. Across all disciplines, ages and cultures, one common theme is that together we all feel we are part of something bigger and stronger than ourselves. We share a love for our work.

Results count

We are willing to take on tremendous challenges. Our desire is to achieve things that nobody believes to be possible. For us, it is not just about accepting the challenge, but about delivering the desired results. We go the extra mile, and then the extra inch. Whether in safety performance, reducing environmental impacts, building teams getting a contract, executing the job or in making a profit. At Mammoet our results count.

Take care

We care about people, the planet and our performance. Safety is our top priority: after a day's work we want everybody to return home safely. We are fair with people, we work with integrity, provide clear feedback and recognize results. We contribute to the communities that we work in and lead our industry with our approach to sustainability. We care about our results and the way in which we achieve them.

Be responsible

Mammoet is an international company with a long-established reputation. We set standards and drive development. Each of us has specific responsibilities and must stand for our work. Jointly, we are responsible for the sustainable future of our company, and for meeting legal, industry and Mammoet standards. We are honest and speak up when it is for the benefit of the company. We listen and act if required. We all step up and take responsibility.

Perform as a team

Our customers demand excellent performance; and so do we. We believe this can only be achieved through team effort, when we all take an active role in the team and contribute our best. In a team, diversity drives performance; people build on each other's strengths and step up to compensate shortcomings. We welcome people into our team, look out for one another, speak honestly to each other and work together with integrity and trust. Our strength is the team.

GOVERNANCE STRUCTURE

Mammoet Holding B.V. is a private company with limited liability under Dutch law with a two-tier board structure. The company is fully owned (indirectly) by SHV Holdings N.V. The Executive Board of Management has ultimate responsibility for the overall management of Mammoet. The Executive Board of Management is supervised and advised by a Supervisory Board. The Executive Board of Management and the Supervisory Board are accountable to Mammoet's shareholders.

The company is structured to effectively execute its strategy and to balance local, regional and global decision-making. It is comprised of Mammoet head office and three core regions. A list of significant subsidiaries, joint ventures, associated companies and branches is included in Note 29 to the consolidated financial statements.

CORPORATE GOVERNANCE

International Responsible Business Conduct, sound business practices, integrity, respect, supervision, transparent reporting and accountability are the pillars of Mammoet's corporate governance policy. For Mammoet, corporate governance is determined by legislation and codes of best practice in the countries in which it operates.

Key figures

	2022	2021*	2020	2019	2018
Results, in millions of euros					
Total turnover	1,552	1,279	1,127	988	981
Net sales (Total turnover less subcontracted work)	1,041	888	794	718	701
Operating result	(14)	48	(21)	36	44
Net result	(58)	4	(54)	7	17
Investments tangible fixed assets	144	119	86	86	102
Depreciation and amortization	142	130	150	111	116
Interest expenses, net	16	15	18	15	13
Financial position, in millions of euros					
Group equity	570	608	567	559	538
Total assets	1,959	1,867	1,677	1,515	1,541
Average Capital Employed[1]	1,256	1,296	1,220	1,162	1,197
Ratios					
Operating margin[2]	(1%)	4%	(2%)	4%	5%
Return on Average Capital Employed (ROACE)[3]	(1%)	4%	(2%)	3%	4%
Group equity as percentage of total assets	29%	33%	34%	36%	35%
Debt/equity[4]	1.12	1.14	1.28	1.09	1.17
Employees, at December 31					
Full time equivalents (FTE)	6,192	6,184	6,214	5,073	4,548

* Comparative figures have been adjusted to align with current year's presentation. Refer to chapter 5a for details.

[1] Capital Employed is the sum of (In)Tangible Fixed Assets and Working Capital

[2] Operating result/Total turnover

[3] Calculated by Operating Result divided by Average Capital Employed

[4] Measured as net interest-bearing debt divided by group equity

Report of the Executive Board of Management

A copy of the Report of the Executive Board of Management is available at the visiting address of the Company.

Financial Statements

Consolidated balance sheet

Before appropriation of net result (Amounts in thousands of euros)

		31 Dec 2022	31 Dec 2021*
Assets			
Fixed assets			
Intangible fixed assets	(6)	73,111	75,429
Tangible fixed assets	(7)	1,043,277	1,104,062
Financial fixed assets	(8)	101,491	108,264
Total fixed assets		1,217,879	1,287,755
Current assets			
Inventories	(9)	8,828	4,342
Construction contracts	(10)	106,101	88,851
Accounts receivable and other current assets	(11)	459,154	408,843
Cash and cash equivalents	(12)	167,381	77,569
Total current assets		741,464	579,605
		1,959,343	1,867,360
Shareholder's equity and liabilities			
Group equity			
Shareholder's equity	(13)	568,330	607,173
Minority interests	(14)	1,315	504
		569,645	607,677
Provisions			
	(15)	111,385	100,884
Non-current liabilities			
	(16)	627,102	631,811
Current liabilities			
	(17)	525,881	438,244
Construction contracts			
	(10)	125,330	88,744
Total shareholder's equity and liabilities		1,959,343	1,867,360

*Comparative figures have been adjusted to align with current year's presentation. Refer to chapter 5a for details.

Consolidated statement of income

(Amounts in thousands of euros)

		2022	2021
Total turnover			
Net turnover	(20)	1,539,403	1,268,227
Other operating income	(21)	12,226	11,262
		1,551,629	1,279,489
Operating costs			
Subcontracted work		510,170	391,911
Cost of equipment	(22)	121,738	99,965
Labor costs	(23)	577,739	471,182
Amortization of intangible fixed assets	(6)	14,923	9,449
Depreciation of tangible fixed assets	(7)	126,967	120,821
Impairment of fixed assets	(6) (7)	45,630	1,621
Other operating expenses	(21)	168,037	136,215
		(1,565,204)	(1,231,164)
Operating result		(13,575)	48,325
Financial income and expense	(24)		
Interest income		4,476	1,697
Interest expense		(20,633)	(16,652)
		(16,157)	(14,955)
Income from ordinary activities before taxation		(29,732)	33,370
Taxation	(25)	(25,836)	(29,505)
Share of result from participating interest		1,884	714
Income from ordinary activities after taxation		(53,684)	4,579
Result from sale of participating interest	(26)	(3,440)	-
Minority interests after tax and foreign exchange differences	(14)	(862)	(362)
Net result		(57,986)	4,217

Notes to the consolidated financial statements

(Amounts in thousands of euros, unless otherwise stated)

1. General

Mammoet Holding B.V., having its legal seat in Utrecht, The Netherlands, is a private limited liability company engaged in the international heavy transport and lifting industry. All of the company's shares are held by Beheermaatschappij Trajectum B.V., Utrecht. Ultimately SHV Holdings N.V. holds 100% of the shares of Beheermaatschappij Trajectum B.V. and will consolidate the financial data of Mammoet Holding B.V.
In conformity with RJ 360.104 no cash flow statement is included in the consolidated and company financial statements as it is included in the financial statements of SHV Holdings N.V. These consolidated financial statements are filed with the Chamber of Commerce in Utrecht under number 30065974.

2. Financial Reporting period

These financial statements cover the year 2022 which ended at the balance sheet date of 31 December 2022.

3. Basis of preparation

The financial statements are prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). Historical cost convention is used as the measurement basis unless indicated otherwise. In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. .

GOING CONCERN

These financial statements have been prepared on the basis of the going concern assumption.

4. Application of Section 402, Book 2 of the Netherlands Civil Cod

The financial information of the company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Netherlands Civil Code, the separate profit and loss account of the company exclusively states the share of the result of participating interests after tax and the general result after tax.

5. Accounting policies

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial data of the company and its group companies and other companies controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Group companies are participating interests in which the company has a direct or indirect controlling interest. In assessing whether controlling interest exits, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The significant companies have been listed in Note 29. Intra-group balances and transactions, and any other unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Also, the results on transactions between the group companies are eliminated to the extent that the results are not realized through transactions with third parties outside the group. For a transaction whereby the company has a less than 100% interest in the selling group company, the elimination from the group result is allocated pro rata to the minority interest based on the interest of the minority in the selling group company. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies. The group companies are consolidated in full, with minority interests presented within group equity separate from parent's equity. Accounting policies specifically applicable to the stand-alone financial statements of Mammoet Holding B.V. are part of the company financial statements.

COMPARISON WITH PREVIOUS YEAR

The valuation principles and the method of determining the result are the same as in the previous year, except for the presentation and disclosure of the construction contract balances due to a policy change, which are now presented both the debit as credit side of the balance sheet, rather than a combined amount. The comparative figures have been adjusted to align with current year's presentation.

GENERAL

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability. Income is recognized in the statement of income when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability. If a transaction results in a transfer of future economic benefits and/or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable or cannot be measured with sufficient reliability. The operating income and expenses are allocated to the period to which they relate. A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset. The financial statements are presented in euros, the company's functional currency. All financial information in euros has been rounded to the nearest thousand.

FOREIGN CURRENCIES

Foreign currency transactions concluded prior to the balance sheet date are recognized at the transaction rate. Receivables and payables resulting from transactions not yet settled are included in the balance sheet at the rates ruling on the balance sheet date. Assets and liabilities of foreign group companies are translated at exchange rates ruling on the balance sheet date. Exchange differences are recognized in the statement of income in the period in which they arise. This is also the case for exchange differences resulting from receivables from and payables to foreign group companies insofar that these receivables and payables represent an expansion or reduction, respectively, of the net investment in the foreign group companies. Exchange differences on foreign currency loans that have been taken up to hedge the net investment in foreign group companies are also directly recognized in shareholder's equity, insofar as the hedge is effective. The non-effective part is taken to the profit and loss account as expenditure.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

Translation gains and losses on foreign operations are taken to currency translation reserve. If a foreign operation is fully or partially sold, the respective amount is transferred from the reserve for translation difference to the other reserves.

THE USE OF ESTIMATES

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. This includes estimates with regard to the valuation of amongst others, intangible fixed assets, construction contracts, accounts receivables and financial fixed assets. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences. The most critical assumption for the purpose of presenting the financial position is the expected costs and herewith the profitability of projects, as mentioned in Net turnover in Note 20.

DETERMINATION FAIR VALUE

The fair value is the amount for which an asset could be exchanged, or a liability can be settled between knowledgeable parties that are willing to trade and are independent from each other. The fair value of unlisted financial instruments is determined by discounting the expected cash flows using a discount rate equal to the prevailing risk-free market rate for remaining term plus credit and liquidity spreads.

LEASE

Finance lease

The company leases certain property, plants and equipment, of which it has substantially all the risks and rewards incidental to the ownership. These assets are capitalized and recognized in the balance sheet at the commencement of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments, each determined at the inception of the lease. The interest rate used in calculating the present value is the interest rate implicit in the lease. If it is not practically possible to determine this interest rate, then the marginal interest rate is used. The initial direct costs are included in the initial measurement of the leased property. Each lease payment is allocated between the redemption of the liability and finance charges on annuity basis. The lease obligations are included in other long-term payables without the interest charges. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plants and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the contractual term.

Operating lease

Operating leases are all leases that are not finance leases, as defined above. Obligations under operating leases are recognized on a straight-line basis in the income statement over the term of the contract, taking into account reimbursements received from the lessor.

FINANCIAL INSTRUMENTS

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

These financial statements contain the following financial instruments: loans granted, trade and other receivables, cash items, loans received, trade and other payables and derivatives.

Financial instruments also include (embedded) derivative financial instruments (derivatives). Derivatives embedded in contracts shall be separated from the host contract and accounted for as a separate financial instrument if:

- the economic characteristics and risks of the host contract and the embedded derivative are not closely related;
- a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative; and
- the combined instrument is not measured at fair value with changes in fair value recognized through profit and loss.

Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognized in the profit and loss account at the initial recognition.

Financial instruments embedded in contracts that are not accounted for separately from the host contract are recognized in accordance with the host contract. Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

After initial recognition, financial instruments are valued in the manner described below.

Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Loans granted, trade and other receivables

Loans granted, trade and other receivables are carried at amortized cost on the basis of the effective interest method, less impairment losses.

Loans received, trade and other payables

Loans received and trade and other payables are carried at amortized cost on the basis of the effective interest method. Redemption payments regarding long-term liabilities due next year are presented in the balance sheet as current liabilities.

Derivatives

Derivatives are carried at the lower of cost or realizable value, except if the cost model for hedge accounting is applied.
If forward exchange contracts are concluded to hedge monetary assets and liabilities, cost hedge accounting is applied. Hedge accounting is applied to ensure that the gains or losses arising from the translation of the monetary items recognized in the statement of income are offset by the changes in the value of forward exchange contracts arising from the difference between their forward and spot rates as at reporting date. The difference between the spot rate agreed at the inception of the forward exchange contract and the forward rate is amortized over the term of the contract.
If cost hedge accounting is applied, derivatives are measured at fair value upon initial recognition. As long as a derivative hedges a specific risk in connection with an expected future transaction, it is not revalued. As soon as an expected transaction leads to the recognition of a financial asset or financial liability, the gains or losses associated with the derivative are recognized in the statement of income in the same period in which the asset or liability affects profit or loss. If a hedged position in respect of an expected future transaction leads to the recognition in the balance sheet of a non-financial asset, the company adjusts the cost price of this asset in line with the hedging results that have not yet been recognized in the statement of income.
Any loss incurred in respect of the percentage by which the amount of the derivative exceeds the hedged position is recognized directly in the statement of income at the lower of cost or realizable value.

Hedging relationships are terminated upon the expiry or sale of the respective derivatives. The cumulative gain or loss that has not yet been included in the statement of income is recognized as a deferred item in the balance sheet until the hedged transactions have taken place. If the transactions are no longer expected to take place, the cumulative gain or loss is accounted for in the statement of income.

Impairment

At the end of each reporting year, the recoverable amount of intangible assets "that are not yet put into use / are amortized over a useful life of more than twenty years" is assessed for impairment, even if there is no indication of impairment. The accounting principles for the recognition of an impairment are included under the section J. Impairments of fixed assets.

IMPAIRMENT OF NON-FINANCIAL FIXED ASSETS

The carrying amount of non-financial fixed assets is reviewed on each balance sheet date to determine whether there is any indication of impairment. If any such indication exists an impairment test is performed. The impairment test is performed to assess the asset's recoverable amount. The recoverable amount is calculated as the highest of fair value less cost to sell or the present value of estimated future cash flows. When it is not possible to determine the fair value less cost to sell or the present value of an individual asset, for the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the carrying value of an asset exceeds the recoverable amount, an impairment loss is recognized in the profit and loss account equal to the difference between the carrying amount and the recoverable amount.
If it is established that a previously recognized impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognized.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably. Intangible fixed assets are stated at acquisition cost, less accumulated amortization and impairment losses.

Goodwill represents the excess of the cost of the acquisition of the participating interest (including transaction costs directly related to the acquisition) over the company's interest in the net realisable value of the assets acquired and the liabilities assumed of the acquired entity, less cumulative amortisation and impairment losses. Internally generated goodwill is not capitalised.

Goodwill paid upon the acquisition of foreign group companies and subsidiaries is translated at the exchange rates at the date of acquisition. The capitalized positive goodwill is amortized on a straight-line basis over the estimated useful life.

In case of a full or partial sale of a participating interest, the positive goodwill that can be allocated to the sold part is written off proportionally. In case of a buy-out of a minority shareholder, payments in excess of the minority interest on the balance sheet, are charged to equity.

TANGIBLE FIXED ASSETS

Tangible fixed assets are recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of that asset can be measured reliably.
Investment grants are deducted from the cost of the assets to which the grants relate.

Land and buildings are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated useful lives and impairment losses. Land is not depreciated.

Other tangible fixed assets are stated at cost of acquisition or manufacturing, less straight-line depreciation and impairment losses. Depreciation is calculated on the basis of cost less residual value and the estimated useful life of the related asset. The company revisits the elected useful live when new circumstances or events arise.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, such as production cost and production overhead cost during the period of construction or manufacturing. Maintenance overhaul expenditures are capitalized applying the component approach.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, starting the period the asset is available for service. Assets under construction are not depreciated. Impairment losses are taken into account.

Tangible fixed assets operated by the company under financial lease agreements are capitalized. The related financial lease commitments are stated at their net present value. Improvements to tangible fixed assets are capitalized and depreciated as stated above.

FINANCIAL FIXED ASSETS

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of net asset value less impairment losses. The net asset value is calculated on the basis of the company's accounting policies. Participating interests with a negative net asset value are valued at nil unless the company has an obligation to or has made payments on behalf of the participating interest. Participating interests where no significant influence is exercised are stated at cost less impairment losses. Dividends are accounted for in the period in which they are declared. Dividends from participating interests that are carried at cost, are recognised as income from participating interests (under financial income) in the period in which the dividends become payable.

If and insofar as Mammoet Holding B.V. can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this. When the sale or disposal of a participating interest results in a profit or a los, the company recognizes this as a separate line in the income statement.

Receivables disclosed under financial assets are recognized initially at fair value of the amount owed net of any provisions considered necessary. These receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses.

Joint arrangements

Participating interests where the company exercises control along with other participants, such as in joint ventures, are valued according to the equity method on the basis of net asset value.

In case of contribution in or sale of assets by the company to a joint venture, the company recognizes the part of the result in the profit and loss account that corresponds to the relative share of the other participants in the joint venture. No result is recognized if the non-monetary assets contributed by the participants approximately equal each other in terms of type, use (same business activity) and fair value. Any unrecognized results are charged to the net asset value of the joint venture. Any losses on current assets or impairments of fixed assets are recognized immediately and in full.

In case of sale of assets by the joint venture to the company, the company recognizes its share in the profit or loss of the joint venture on that sale in its profit and loss account only when the asset is (re)sold to a third party. However, the company immediately recognizes its share in losses on current assets or impairments of fixed assets.

IMPAIRMENT OF FINANCIAL ASSETS

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.
Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security.
The entity considers evidence of impairment for financial assets measured at amortized cost (loans granted, trade and other receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those individually significant assets found not to be specifically impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.
In assessing collective impairment, the company uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.
An impairment loss in respect of a financial asset stated at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
Losses are recognized in the profit and loss account and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognized by using the asset's original effective interest rate.
When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Cost includes the expenses for acquisition or manufacture, plus other expenditure to bring the inventories to their present location and condition, such as import duties, transport and other costs directly attributable to the acquisition of inventory. Net realisable value is based on the most reliable estimate of the amount the inventories will generate, less estimated costs of completion and selling.

Goods available for sale are measured at cost. The costs of purchase include the purchase price and additional expenditure, such as import duties, transport and other costs directly attributable to the acquisition of inventory.

Finished products are measured at cost on the basis of weighted average prices comprising cost of used raw materials and consumables and the other costs directly attributable to manufacture.

Trade discounts, rebates and indemnities (to be) received in connection with purchasing are deducted from the costs of purchase.

CONSTRUCTION CONTRACTS

A construction contract is a contract agreed with a third party to construct an asset or a combination of assets for which the performance normally extends over more than one accounting period. Construction contracts are stated at cost plus profit recognized to date (see accounting policy t. Net turnover) less provisions for foreseeable losses and less progress billings. Cost includes all expenditures related directly to specific projects and an allocation of overheads. Projects in progress are split between the current assets and current liabilities. In case the value of work done exceeds the progress payments the project is put in current assets. In case the progress payments exceeds the the value of work done the project is put in current current liabilities.
Revenues, costs and profit taking in respect of construction contracts are recognised with respect to the performance obligation performed to complete the project as at balance sheet date (percentage of completion method). The level of activities performed for a construction project is determined on the basis of contract costs incurred to the balance sheet date in relation to estimated total contract costs.
The result of a fixed price contract can be estimated reliably when total contract revenue, the required contract costs to complete the project and the extent to which the construction contract is completed can be reliably measured, it is probable that the economic benefits will flow to the Company and the contract costs are clearly and reliable attributable to the construction contract.
The result of a cost plus contract can be estimated reliably when it is probable that the economic benefits will flow to the Company and the contract costs are clearly and reliable attributable to the construction contract.
When the outcome of a construction contract cannot be reliably estimated, revenues are recognised in the profit and loss account to the extent of the contract costs incurred which are likely to be recovered. Contract costs are recognised in the profit and loss account in the period in which they are incurred.
Project revenues reflect the revenues agreed in the contract plus any revenues from contract variations, claims and compensation. The proceeds are recognized on the basis of the determined transaction price, which is the amount to which the Company expects to be entitled in exchange for the services rendered. In the case of variable transaction price, the Company estimates the size in such a way that there is little chance that the project proceeds will have to be reversed at a later date.

Expenses related to contract costs which will lead to activities to be performed after the balance sheet date are recognised as part of construction contracts or prepayments/accrued income if it is probable that they will lead to revenue in a subsequent period.

Expected losses on construction contracts are immediately recognized in the profit and loss account. Losses are determined regardless whether the project has already been started, the stage of realization of the project or the amount of profit which is expected on other, non-related projects.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value at group reporting currency. Mammoet is part of a joint cash pool arrangement with its shareholder. The cash pool conditions meet the criteria for presenting this position as cash and cash equivalents.

MINORITY INTERESTS

Minority interests are initially measured at net fair value of the acquirer's share in identifiable assets, liabilities and contingent liabilities according to the company's valuation principles. If the third-party shareholder has no obligation to finance their share of the negative equity, this amount will be written off against the other reserves. If losses to be allocated to the minority interest exceed the minority interest within equity of the consolidated entity, the difference, including any further losses, is fully charged to the majority shareholder. The minority interest in the result is deducted from the group result on a separate line item in the consolidated profit and loss account.

PROVISIONS

Provisions are valued at the net present value of the best estimate of the expected expenditures. A provision is recognized if the following applies:

- the company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably; and
- it is probable that an outflow of economic benefits will be required to settle the obligation.

Provision for claims, disputes and lawsuits

A provision for claims, disputes and lawsuits is established when it is expected that the company will be sentenced in legal proceedings. The provision represents the best estimate of the amount for which the claim can be settled, including the costs of litigation.

EMPLOYEE BENEFITS

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company. The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account.

Salaries and wages and social charges

This includes:

- All components which make up the gross income of the employees on companies' payroll, after deduction of refunds for sickness received or to be received and other legal compensations for incapability of work. In addition, all related social security charges and bonuses for jubilees of staff members are included.
- All payments to staff members in connection with a reorganization of the company, in so far as such staff members are still employed by the reporting company and are also included in the average number of staff members.
- Bonuses depending on the annual profits, including bonuses due for the current year, regardless of whether or not they have been officially approved.
- Remuneration for persons, who have a part-time labour agreement with a company under conditions which may be different from full-time labour agreements.

Salaries, wages and social charges are taken to the income statement based on the terms of employment, where they are due to employees.

Pension costs

Pension costs include all pension contributions for current staff members, which also include additions to pension provisions. Pension premiums paid throughout the year are taken to the income statement based on the terms of employment. Changes in the pension provision are charged to the income statement in the year of occurrence. The company participates in various multi-employer pension funds, state plans or defined contribution schemes. Obligations for contributions to these plans are recognized as an expense.
A yearly assessment is performed to verify whether any of the company pension funds are in a deficit situation. When the situation requires the company to do so, a provision or accrual will be formed appropriately.

Dutch pension plans

The main principle is that the pension charge to be recognized for the reporting period should be equal to the pension contributions payable to the pension fund or insurance company over the period. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognized. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognized to account for any repayment by the fund or insurance company or a settlement with contributions payable in the future.
If, on the basis of an administration agreement with respect to a plan, there is an obligation at balance sheet date, a provision is recognized when it is probable that the measures, which are necessary for the recovery of the existing funding ratio at balance sheet date, will result in an outflow of resources and the amount thereof can be estimated reliably.

If there are adjustments to rights accrued as at the balance sheet date arising from future salary increases that are already committed to at the balance sheet date and which shall be paid by the company, a provision is recognized.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is probable that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the employees and other (explicit or implicit) commitments to the employees.

For any surplus at the pension provider as at balance sheet date, a receivable is recognized if the company has the power to withdraw this surplus, if it is likely that the surplus will flow to the company and if the receivable can be reliably determined.

Foreign pension plans

Pension plans that are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (company, fund and members) are recognized and measured in accordance with Dutch pension plans. For foreign pension plans that are not comparable in design and functioning to the Dutch pension system, a best estimate is made of the commitment as at balance sheet date.

(NON-)CURRENT LIABILITIES

The valuation of (non-)current liabilities is explained under the heading 'Financial Instruments'.

NET TURNOVER

Net turnover represents the value (excluding taxes) of projects executed and services rendered. The Company usually recognizes net turnover at the level of separate contracts. The company recognizes net turnover per separate performance obligation. A performance obligation is a commitment in a contract to supply:

- a distinct good or service or a combination of goods or services which are collectively distinguishable from other commitments in the contract; or
- a range of distinct services that are largely the same.

No turnover is recognized for all amounts received to which the Company does not expect to be entitled. The Company treats these received amounts in these cases as a repayment obligation. For the goods that are expected to be returned, the Company recognises a return asset, which is presented as an accrual.
Amounts that the Company receives for its own account (as principal) are recognized as net turnover. Amounts that the Company receives for third parties (as an agent) are not recognized as net turnover. Net turnover only include the gross increases in economic potential that the Company has received or has receivable for its own account.

Revenues from construction contracts

Construction contracts revenues include the contract amount agreed per performance obligation, plus (or minus) revenues from change orders, plus claims towards the customer and incentive payments per performance obligation, insofar as and to the extent that it is probable that these revenues will be realized and can be reliably determined. Project income is presented in the income statement as 'Net turnover'.

Change orders are included in the project revenues only when:

- It is considered 'probable' that the customer will approve the change order and the amount arising from the change; and
- The amount of revenues can be reliably measured.

Claims towards the customer include the costs of delays caused by the customer, errors in specifications and design and disputed variation orders that are submitted for reimbursement. Revenues from customer claims are not taken into account until the negotiations with the customer have reached an advanced stage and it is highly probable that the customer will accept the claim.

Turnover from incentives is included in contract revenue per performance obligation when the extent of the work completed is such that it is highly probable that the incentive will be received.

If the outcome of a construction contract can be estimated reliably the 'percentage of completion' method is applied. This method recognizes revenues and costs in proportion to the stage of completion of a project. The progress is measured for each project on the proportion of total cost incurred to date compared to the expected total cost for the project. To be able to estimate the outcome of a project reliably, it must be possible to make a reliable estimate of total project revenue, the stage of completion, and the costs to complete the project.

If the outcome cannot be estimated reliably the completed contract method is applied. In this case the outcome cannot be estimated reliably and revenues must be recognized only to the extent of contract costs incurred, for which it is 'probable' that they will be recoverable.

Revenues from (capacity) services

Revenues from (capacity) services consist of the fair value of the compensation to be received in return for the service provided. In practice this is the amount Mammoet receives for the service provided, or the amounts Mammoet will receive at a later moment in time. Turnover from capacity services are realized over the period in which the services are provided or after the service has been provided. Depending on the type of service rendered, this takes place based on:

- Taxi services and bare rentals (day market) – revenues are recognized in the period the actual services are provided.
- Long-term rental – revenues are recognized equally over the contract period of the long-term rental.
- Master Service Agreements – revenues are recognized in the actual period the services are provided.

Valuation

Turnoverare measured at the fair value of the consideration received or receivable. Revenues are only recorded when it is probable that the economic benefits associated with the transaction will flow to the entity and that the revenue and costs can be measured reliably. In addition, the stage of completion at the balance sheet date needs to be measured reliably.

Revenues are recorded net of sales tax or discounts and sales bonuses granted to customers. These discounts are directly deducted from the gross sales price at the moment of revenue recognition.

The result of a fixed price contract can be estimated reliably when total project revenue, the required project costs to complete the project and the extent to which the construction contract is completed can be reliably measured, it is probable that the economic benefits will flow to the company and the project costs are clearly and reliable attributable to the construction contract. The result of a cost-plus contract can be estimated reliably when it is probable that the economic benefits will flow to the company and the contract costs are clearly and reliable attributable to the construction contract.

Expected losses on projects in progress are recognized as an expense as soon as the loss is 'probable'. Losses are determined regardless whether the project has already been started, the stage of realization of the project or the amount of profit which is expected on other, non-related projects. In this respect expected losses are determined at overall project level (not at individual entity level).

COSTS OF SUBCONTRACTED WORK AND OTHER EXTERNAL EXPENSES

This concerns costs that are directly attributable to net turnover and relate to amounts (to be) paid as compensation for elements of project scope not performed by the contracting party (Mammoet).

INTEREST INCOME AND EXPENSE

Interest income and expenses is recognized on a time-weighted basis, taking into account the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

INCOME FROM PARTICIPATING INTERESTS

The share in the result of participating interests consists of the share of the group in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between the group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognized to the extent of the company's share in the non-consolidated participating interest. The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

TAXATION

Income tax expense comprises current and deferred tax. Corporate income tax is recognized in the profit and loss account.
Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

Income tax is calculated on the profit/(loss) before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items and non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts using enacted or substantially enacted tax rates as at the balance sheet date. Deferred tax assets, including assets arising from loss carry forwards, are recognized if it is probable that future taxable profits will be available for set-off or compensation. For taxable temporary differences related to group companies, foreign branches, associates and interests in joint ventures, a deferred tax liability is recognized, unless the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary differences regarding group companies, foreign branches, associates and interests in joint ventures, a deferred tax asset is only recognized insofar as it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available to offset the temporary difference can be utilized.

Deferred taxes are valued at nominal value.

RELATED PARTIES

Transactions with related parties are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions. Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

SUBSEQUENT EVENTS

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

6. Intangible fixed assets

Intangible fixed assets relate to goodwill and other intangible assets, mainly consisting of software.

Intangible fixed assets as at 1 January 2022 can be broken down as follows:

	Goodwill	Other intangible fixed assets	Intangible Assets Under Development	Total
Cost	106,723	9,036	-	115,759
Accumulated amortization and impairments	(31,294)	(3,479)	-	(34,773)
Book value	75,429	5,557	-	80,986

The movements in intangible fixed assets can be broken down as follows:

	Goodwill	Other intangible fixed assets	Intangible Assets Under Development	Total
Book value as at 1 January 2022	75,429	5,557	-	80,986
Additions	-	813	7,756	8,569
Disposals	-	-	-	-
Amortization	(9,495)	(1,655)	-	(11,150)
Impairments	(5,428)	-	-	(5,428)
Currency translation diff.	134	-	-	134
Transfer and other movements	-	-	-	-
Book value as at 31 December	60,640	4,715	7,756	73,111

The book value of the intangible fixed assets as at 31 December 2022 can be broken down as follows:

	Goodwill	Other intangible fixed assets	Intangible Assets Under Development	Total
Cost	107,031	23,996	7,756	138,783
Accumulated amortization and impairments	(46,391)	(19,281)	-	(65,672)
Book value	60,640	4,715	7,756	73,111

The amortization period of the goodwill is 10 years. The amortization period of other intangible fixed assets is 3 – 5 years. The recognized goodwill fully relates to the acquisition of ALE Holdings Limited (refer to Note 4).

IMPAIRMENT LOSS

An impairment loss of EUR 5.4 million has been recognized (2021: EUR nil) with respect to the goodwill recorded as part of the acquisition of ALE Holdings Limited. The impairment loss is related to the cash generating unit Russia. The recoverable amounts of all cash generating units with triggers were estimated. The estimate of the recoverable amount at year-end 2022 was based on a discount rates of 11.2%. The cash flow forecasts are based on the most recent forecasts, which have been approved internally by management. These forecasts cover a period of five years (years 2023 to 2027). For the period thereafter the forecasted cash flows are based on extrapolation of the cash flows for the first five years, applying a 2% annual growth rate.

7. Tangible fixed assets

Tangible fixed assets as at 1 January 2022 can be broken down as follows:

	Land & buildings	Cranes & other equipment	Transport equipment	Other tangible fixed assets	Assets under construction	Total
Cost	148,012	1,277,484	389,270	31,788	18,948	1,865,502
Accumulated depreciation and impairments	(52,348)	(524,615)	(159,400)	(30,634)	-	(766,997)
Book value	95,664	752,869	229,870	1,154	18,948	1,098,505

The movements in tangible fixed assets can be broken down as follows:

	Land & buildings	Cranes & other equipment	Transport equipment	Other tangible fixed assets	Assets under construction	Total
Book value as at 1 January 2022	95,664	752,869	229,870	1,154	18,948	1,098,505
Additions	297	79,433	14,928	99	40,743	135,500
Disposals	(2,866)	(30,377)	(10,078)	(8)	-	(43,329)
Depreciation	(4,803)	(98,638)	(26,424)	(875)	-	(130,740)
Impairments	(93)	(28,483)	(11,626)	-	-	(40,202)
Currency translation diff.	439	16,230	5,541	33	453	22,696
Transfer and other movements	2,774	39,718	9,667	641	(51,953)	847
Book value as at 31 December	91,412	730,752	211,878	1,044	8,191	1,043,277

Tangible fixed assets as at 31 December 2022 can be broken down as follows:

	Land & buildings	Cranes & other equipment	Transport equipment	Other tangible fixed assets	Assets under construction	Total
Cost	149,332	1,366,888	381,986	17,771	8,191	1,924,168
Accumulated depreciation and impairments	(57,920)	(636,136)	(170,108)	(16,727)	-	(880,891)
Book value	91,412	730,752	211,878	1,044	8,191	1,043,277

The estimated useful lives as at 31 December 2022 are as follows:
Buildings .... 25-35 years
Cranes and other equipment .... 3-25 years
Transport equipment .... 3-20 years
Other tangible fixed assets .... 3-5 years
Residual value ranges from 0% to 25%.

In 2022 Mammoet recorded an impairment of EUR 40.2 million (2021: EUR 0.0 million) in tangible fixed assets in relation to the expected equity divestment of Mammoet Russia. The impairment amount is calculated as the difference between expected fair value and book value of specific assets that are in scope of the expected divestment. Fair value is determined by subtracting the expected transaction price from the book value of in-scope assets. Assets not in scope of the assumed transaction are not impaired. Mammoet expects that the potential divestments of Russian assets not in scope of the deal will be separately sold above book-value.

As at 31 December 2022, the book value of tangible fixed assets includes an amount of EUR 44.5 million (2021: EUR 43.1 million) relating to leased assets (of which the company is not the legal owner). Of this amount EUR 36.5 million (2021: EUR 36.5 million) relates to Cranes & other equipment and EUR 8.0 million (2021: EUR 6.6 million) to Transport equipment.

The breakdown of the payment term of the financial leases is as follows:.

	2022
Due within one year	7,661
Due between two and five years	36,839
Due after five years	-
	44,500

The total amount of contractual investment obligations with regard to tangible fixed assets at 31 December 2022 is EUR 42.0 million (2021: EUR 29.0 million).

8. Financial fixed assets

The breakdown of the financial fixed assets is as follows:

	2022	2021
Investments in participating interests	22,834	21,986
Loans to participating interests	2,887	3,614
Other long-term receivables	68	1,110
Deferred tax assets	75,702	81,555
Total financial fixed assets	101,491	108,264

The movements in financial fixed assets can be broken down as follows:

Investments in participating interests

At 1 January	21,986	18,983
Reclassification regarding provision for negative equity in participations	-	-
	21,986	18,983
Acquisitions	-	37
Disposals	(91)	(3)
Impairments	(40)	-
Dividends received	(1,529)	(336)
Income/(loss) from investments	1,884	714
Change in consolidation	-	1,763
Currency translation differences	624	828
	22,834	21,986
Reclassification regarding provision for negative equity in participations	-	-
At 31 December	22,834	21,986

In accordance with Article 407.1a of the Netherlands Civil Code it has been decided to cease consolidation of Mammoet Merchandise with effective date of 1 January 2021. The participating interest has been included in line-item 'change in consolidation'.

Loans to participating interests

At 1 January	3,614	2,311
Acquisitions	-	-
Change in consolidation	(10)	697
Redemptions	-	-
Loans provided	-	483
Currency translation differences	(715)	123
At 31 December	2,889	3,614

As at 31 December 2022 the accumulated impairment on loans to participating interests and third parties amounts to EUR 1,203 (2021: EUR 1,203).No movements occurred in this position. Details regarding significant participating interests have been listed in Note 29.

	2022	2021
Deferred tax assets		
At 1 January	81,555	66,015
Acquisitions	-	(116)
Additions/(releases)	(9,750)	14,997
Utilization and other changes	1,903	(2,058)
Currency difference	1,994	2,717
At 31 December	75,702	81,555

The net deferred tax assets of the Group relate for EUR 35.2 million (2021: EUR 32.6 million) to tax loss carry forwards (refer to Note 15). The deferred tax assets of each entity are recognized to the extent that an entity expects probable taxable profits in the future. The recognition implies that in each case there is sufficient qualifying taxable temporary differences and the likelihood of other future taxable profits. Future taxable profits from 2027 onwards are generally not taken into consideration in the valuation of deferred tax assets. The valuation allowance for tax loss carry forwards amounts to EUR 75.7 million (2021: 64.9 million).

The valuation allowance for other items amounts to EUR 4.4 million as at 31 December 2022 (2021: EUR 4.9 million).

There are no temporary differences relating to investments in group companies, foreign branches, subsidiaries and joint ventures for which no deferred tax liabilities have been recognized.

	Expected recovery 2023	Expected recovery after 2023	Total
Deferred tax assets	24,830	50,872	75,702

9. Inventories

The carrying amount of inventories that are valued at net realizable value at the balance sheet date amounts to EUR nil (2021: EUR nil)

	2022	2021
Inventories		
Raw materials and consumables	-	-
Work in progress	-	-
Finished products and goods for resale	8,828	4,342
Prepayments on inventories	-	-
At 31 December	8,828	4,342

The valuation of inventories on the basis of the fair value does not materially differ from the carrying amount.

10. Construction contracts

The breakdown of construction contracts is as follows:

	2022	2021
Realized project costs	1,028,825	678,383
Allocated profits	104,097	93,729
Provision loss making projects	(60,363)	(66,210)
Revenue on projects in progress recognized in the statement of income	1,072,559	705,902
Less: Progress payments	(1,091,788)	(705,795)
Total projects in progress	(19,229)	107
Value of work done < Progress payments	(125,330)	(88,744)
Value of work done > Progress payments	106,101	88,851
	(19,229)	107

The balance of projects in progress as at 31 December 2022 is split over other current assets for the amount of EUR 106.1 million (included in Note 11) and current liabilities for the amount of EUR 125.3 million (included in Note 17).
As at 31 December 2021 it was included in Note 11 regarding Accounts receivable and other current assets.

11. Accounts receivable and other current assets

The breakdown of the accounts receivable and other current assets is as follows:

	2022	2021*
Trade receivables	322,986	293,491
Taxes and social security contributions	45,502	19,437
Accrued income	26,815	42,842
Prepaid expenses	17,006	18,236
Withholding tax Creditable/Refundable	4,814	3,187
Other participating interests	5,290	3,089
Other receivables	36,741	28,561
	459,154	408,843

* Comparative figures have been adjusted to align with current year's presentation.
Refer to chapter 5a for details.

Accounts receivable as presented under current assets mature within one year.

An amount of EUR 56.2 million (2021: EUR 49.0 million) is deducted for an allowance for doubtful receivables.
No interest conditions apply to receivables from participating interests.
Accrued income relates to recognized but not yet invoiced revenues on crane rental projects.

The taxes and social security contributions include EUR 27.4 million for current income tax receivables (2021: EUR 5.9 million) and EUR 18.1 million for VAT receivables (2021: EUR 13.5 million).

12. Cash and cash equivalents

An amount of EUR 28.9 million is part of a cash pool arrangement within the SHV group (2021: EUR 2.6 million). The cash and cash equivalents are fully at Mammoet's free disposal.

13. Shareholder's equity

Movements in shareholder's equity can be broken down as follows (reference is made to Note 34):

	2022	2021
At 1 January	607,173	567,088
Paid in Capital	-	-
Dividend paid	(4,217)	-
	602,956	567,088
Net result of the year	(57,986)	4,217
Total other comprehensive income:		
Translation differences	23,360	35,868
Total result:	(34,626)	40,085
At 31 December	568,330	607,173

14. Minority interests

Movements in the minority interests can be broken down as follows:

	2022	2021
At 1 January	504	204
Additions/(releases)	-	(22)
Dividend	(15)	(163)
Result for the year	862	362
Exchange differences	(36)	123
At 31 December	1,315	504

15. Provisions

Movements in provisions can be broken down as follows:

	Deferred taxation	Other	Total
At 1 January	94,315	6,569	100,884
Acquisitions	-	-	-
Additions/(releases)	5,577	14,016	19,593
Utilization	(1,197)	(9,429)	(10,626)
Other changes	6	-	6
Currency translation differences	1,344	184	1,528
At 31 December	100,045	11,340	111,385

The other provisions include EUR 4.5 million (2021: EUR 4.7 million) for retirement obligations, EUR 0.3 million (2021: EUR 1.1 million) for earn-out obligations, EUR 2.9 million (2021: EUR 0.5 million) for expected lawyer costs on currently ongoing court cases and EUR 3.6 (2021: EUR nil) for committed reorganization obligations.

The provision for deferred tax liabilities comprises the tax effect of the taxable temporary differences between the carrying amounts and the tax bases of each balance sheet item.

The nature of the tax bases of the deferred tax assets and liabilities for 2022 are as follows:

	Assets	Provisions	Net
Tangible fixed assets	12,128	(73,830)	(61,702)
Tax loss carry forwards	35,286	-	35,286
Provisions and accrued expenses	9,846	(6,944)	2,902
Projects in Progress	731	(8,394)	(7,663)
Other items	17,711	(10,877)	6,834
Deferred tax assets/(provisions)	75,702	(100,045)	(24,343)

Other items are mainly related to interest carry forwards and R&D Credits for the deferred tax asset base and long term debts for the tax provision base.

The tax bases of the deferred tax assets and liabilities for 2021 were as follows:

	Assets	Provisions	Net
Tangible fixed assets	12,494	(67,359)	(54,865)
Tax loss carry forwards	32,618	-	32,618
Provisions and accrued expenses	10,689	(5,049)	5,640
Projects in Progress	463	(8,944)	(8,481)
Other items	25,291	(12,963)	12,328
Deferred tax assets/(provisions)	81,555	(94,315)	(12,760)

During 2022 there was a decrease in DTA and a increase in DTL which can be attributed to increased DTL on the tangible fixed assets due to depreciaton on tangible fixed assets. The decrease in the "Other Items" of the DTA is mainly due to recording of a valuation allowance.

The companies of the Group do not have temporary differences in relation to other group companies, participating interests and joint ventures which arise from withholding tax on the recorded share in result of participating interests.

	Due 2023	Due after 2023	Total
Deferred taxation	(16,767)	(83,278)	(100,045)
Other provisions	(3,612)	(7,728)	(11,340)
	(20,379)	(91,006)	(111,385)

16. Non-current liabilities

Of the non-current liabilities, a portion amounting to EUR 5,397 falls due within one year (2021: EUR 6,909). This current portion is presented under current liabilities.

Liabilities with a remaining period of more than one year and less than five years can be broken down as follows:

	2022	2021
Loans from SHV-group companies	600,000	600,000
Financial leases	26,653	31,687
Loans from participating interests	449	124
	627,102	631;811

The company has a credit facility of EUR 850 million with SHV Nederland B.V. having it's maturity date on 27 December 2024. The facility consist of three long term loans amounting to EUR 600 million, all bearing fixed interest rates of 1.95%. Furthermore, the facility provides a revolving credit facility of EUR 250 million with an average interest rate of 1.95% based on Libor/Euribor spread.
As at 31 December 2022 EUR 161 million of the revolving credit facility has been drawn down (2021: EUR 124 million) consisting of USD 140 million (2021: USD 140 million). The amount drawn under the revolving credit facility is presented as current liability.

SHV Nederland B.V. furthermore provided certain companies of the group with a credit facility of EUR 150 million. Companies can draw amounts in EUR or USD. The interest rates are based on EONIA or LIBOR (with a minimum of 0%) plus a margin of 1.4%.
As at 31 December 2022 EUR 62 million have been drawn down (2021: EUR 74 million). The amounts drawn under the credit facility are included in the line-item 'Payable to shareholder' in Note 17 Current liabilities.

Certain covenants with respect to a minimum consolidated net worth and a minimum solvency ratio need to be met under the facilities. The company was in compliance with the covenants as at 31 December 2022. Restrictions are imposed on the level of any other secured indebtedness; the company may not pledge a substantial part of its assets. The facility contains a change of control clause. Early redemption may be required in case of a material adverse event.

Interest included in lease contracts is fixed at the time the contract is concluded. Average interest on the financial leases amounted to 1.7% (2021: 1.7%).

17. Current liabilities

The breakdown of the current liabilities is as follows:

	2022	2021*
Revolving credit facility from SHV-group companies	161,381	123,708
Current portion of/short term financial leases	5,397	6,909
Current portion of loans	6,189	5,441
Bank overdrafts	5,206	4,900
Suppliers	117,293	93,312
Other participating interests	3,845	2,625
Taxes and social security contributions	52,776	10,047
Pensions	2,692	2,536
Payable to shareholder	52,739	81,385
Accrued expenses and deferred income	72,796	69,202
Other liabilities	45,567	38,179
Total current liabilities	525,881	438,244

* Comparative figures have been adjusted to align with current year's presentation. Refer to chapter 5a for details.

All short-term payables have a remaining maturity of less than 1 year.

The accrued expenses and other liabilities contain liabilities to employees for an amount of EUR 34.9 million (2021: EUR 31.5 million) including days off payables, holiday allowance and bonuses payable. The taxes and social security contributions contain income tax payable for an amount of EUR 29.2 million, VAT and WHT payable for an amount of 13.6 million, and wage taxes and social security liabilities for an amount of EUR 9.9 million.

18. Assets and commitments not included in the balance sheet

PURCHASE COMMITMENTS
Purchase commitments as at 31 December 2022 amount to EUR 43.8 million (31 December 2021: EUR 29.2 million) and are all related to tangible fixed assets

OPERATING LEASES
Long-term commitments in connection with rent and other operating lease agreements mainly consists of equipment hire that is utilized on projects. The agreements contain purchase options with a value of EUR 8.4 million, contain no renewal options and are not subleased. The operating leases can be specified as follows:

	2022	2021
Due within one year	27,591	25,071
Due between two and five years	32,559	31,187
Due after five years	4,909	6,588
	65,059	62,846

Payments in respect of all short-term and long-term rent and operating lease agreements amounted to EUR 34.3 million in 2022 (2021: EUR 31.0 million).

GUARANTEES
Guarantees consist primarily of performance bonds for contracts and amount to EUR 190.6 million (2021: EUR 262.0 million).

CONTINGENT LIABILITIES
The Company and certain of its group companies are or may become involved as a party in legal proceedings, including regulatory and other governmental proceedings, as well as in disputes with (tax) authorities in several jurisdictions.

When no estimate can be made of the financial consequences, if any, or if the risk of a future cash outflow is less than probable, no provisions have been recognized in the balance sheet for the potential financial consequences resulting from these proceedings. The Company believes that it has made adequate provisions to cover the financial consequences, if a reliable estimate can be made.

CONTINGENT ASSETS
Subsequent to the acquisition of ALE Holdings Limited the financial results of the former ALE group have been worse than expected. Assessments have been conducted with the assistance of external advisors to identify whether the information provided by the former shareholder was accurate and complete. As a result of its preliminary findings claim notices have been submitted to the warranty and indemnity insurance company. The company did not recognize these outgoing claims as per 31 December 2022.

FISCAL UNITY
Mammoet Holding B.V. forms a fiscal unity with its (ultimate) shareholder and the majority of its Dutch subsidiaries and is therefore jointly and severally liable for the corporate income tax (ultimate shareholder) and value added tax (shareholder) due by this fiscal unity (including the shareholder). Each of the companies recognizes the portion of corporate income tax that the relevant company would owe as an independent taxpayer, taking into account the tax facilities applicable to the company.

19. Financial instruments and risks

Currency fluctuations may impact the results of the Mammoet group. Furthermore, the group is exposed to interest rate risk and credit risk. Mammoet does not purchase or hold derivatives for purposes other than hedging.

CURRENCY RISK

The Mammoet group is operating on a worldwide basis and is therefore exposed to currency risks. The major risks relate to translation exposure of the group's investment in foreign group companies. The translation exposure of its foreign currency based subsidiaries is partly mitigated by loans from SHV-group companies drawn in US dollars (balance as at 31 December 2022: USD 140 million, 2021: USD 140 million). In order to protect Mammoet from the risk that functional currency net cash flows are adversely affected by changes in exchange rate, Mammoet does not currently make use of derivatives but instead seeks to mitigate such risk by, amongst others, identifying currency risks during the tender phase of a project, agreeing contracts in stable currencies and closely monitoring cash flow projections on long term projects.

INTEREST RATE RISK

Mammoet is partly financed with debt, mainly from SHV. The specification of the debt is disclosed in note 16 – non-current liabilities. As at 31 December 2022 the long-term loans with SHV and the financial leases have fixed interest rates. Given that the long-term debt is all carrying fixed interest rates, Mammoet has low exposure to a cash flow interest rate risk.

CREDIT RISK

Credit risk arises principally from Mammoets loans and receivables presented under the financial fixed assets, trade and other receivables and cash and cash equivalents. Credit risk encompasses both the direct risk of default and the risk that the creditworthiness of the counterparty will deteriorate, and the concentration of risks. Mammoets exposure to credit risk is mainly influenced by the individual characteristics of each customer. The composition of the customer base, including the industry and country in which customers operate may have an impact on credit risk. As Mammoet operates in a number of industries there is no concentration of transactions with a single customer and geographically there is no concentration of credit risk. Credit risks are mitigated as contracts have been concluded with financially solid parties with credit checks being performed whereby each new (and existing) customer is analyzed individually for creditworthiness before payment and delivery terms and conditions are offered. This review includes external credit ratings. In addition purchase limits are established for customers which are regularly reviewed. As at 31 December 2022 the amount exposed to credit risk amounts to EUR 532 million (2021: EUR 403 million).

LIQUIDITY RISK

The primary objective of liquidity management is providing sufficient cash and cash equivalents at all times to enable Mammoet to meet its payment obligations and stay within the limitis of it's loan covenants. The cash position is monitored using cash flow forecasts. In the cashflow forecasts, developments in the oil prices, the effect of the conflict between Ukraine and Russia is closely monitored and timely remediated.

Mammoet has multiple facilities with SHV. The facilities consist of three long term loans amounting to EUR 600 million, a revolving credit facility of EUR 250 million, and a a credit facility of EUR 150 million. A total of EUR 823 million is used. None of the facilities mature within one year.

FAIR VALUE ON BALANCE FINANCIAL INSTRUMENTS

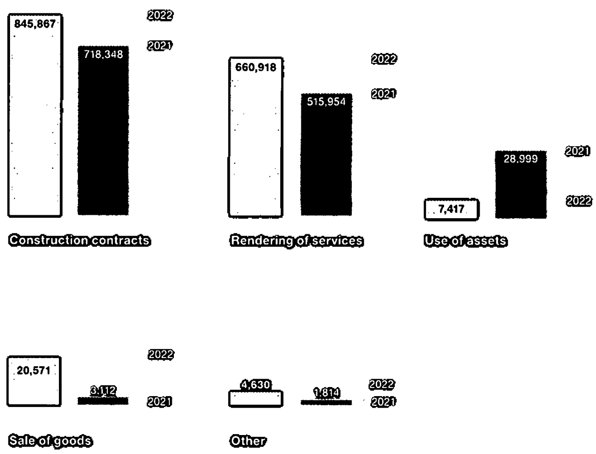
The fair value of the long-term financial lease liabilities has not been quantified but is estimated to be lower than the book value. The fair value of these liabilities is unlikely to deviate from their book value by more than 10%. The fair value of the other monetary assets and liabilities included in the balance sheet approximate their book values.

20. Net turnover

Net turnover can be specified per region as follows:

	2022	2021
Europe	462,470	447,231
Russia	95,284	92,458
Americas	681,793	426,276
Asia Pacific	171,419	163,670
Middle East and Africa	120,656	93,549
Other	7,781	45,043
	1,539,403	1,268,227

Net turnover can furthermore be specified per type of revenue:



The group is active in one industry: (heavy) lifting and (heavy) transport.

21. Other operating income and expenses

Other operating income relates to book profits on the sale of tangible fixed assets. The other operating expenses include a currency loss of EUR 27.7 million (2021 profit: EUR 5.5 million), additions to provision bad debts of EUR 1.08 million (2021: EUR 23.0 million) and furthermore includes costs for rent, insurance premiums, external advisors and travel for the amount of EUR 139.2 million (2021: EUR 118.8 million).

Other operating expense can be broken down as follows:

	2022	2021
Other Operational Expenses	139,282	118,782
Foreign Exchange Results	27,675	(5,539)
Additions To Prov Bad Debts (Including Claims Paid)	1,080	22,972
	168,037	136,215

According to Article 382a.3 of the Netherlands Civil Code the auditor's fees have not been disclosed.

22. Cost of equipment

The cost of equipment mainly consists of repair, maintenance, fuel and insurances related to core equipment. Costs are presented as cost of equipment based on directly attributable costs though the cost object, which do not meet the criterion for recognition of an asset.

23. Personnel

Labor costs can be broken down as follows:

	2022	2021
Salaries and wages	472,384	388,357
Other social security contributions	85,315	64,160
Pension costs	20,040	18,665
	577,739	471,182

As at 31 December 2022 the number of full-time equivalents was 6,192 (2021: 6,184) of which 1,287 were employed in the Netherlands (2021: 1,325) and 4,905 (2021: 4,859) outside the Netherlands. The average number of personnel (FTE) during the year was 6,569 (2021: 6,217).

The average number of personnel (FTE) per region can be specified as follows:

	2022	2021
Europe and Russia	2,809	2,688
Americas	1,982	1,781
Asia Pacific	929	890
Middle East and Africa	708	709
Others	141	149
	6,569	6,217

The employees of the group companies in the Netherlands have a standard pension scheme which is administered by pension fund Vervoer. The scheme is a conditionally indexed average-salary scheme. Entitlements and rights that have been granted are only indexed (adjusted in line with rising prices) if and to the extent that the pension fund has sufficient resources and has decided accordingly. The pension fund may decide to reduce the entitlements if the pension fund's position so dictates.

The pension scheme is classified as a defined-benefit agreement under the Pensions Act. The administration agreement with the pension fund runs for an indefinite period. The main arrangements in the agreement are:

- indexation does not result in a change in contributions; and
- the maximum contribution is 30% of pensionable earnings.

The coverage of the pension fund Vervoer amounts to 111.1% at the end of 2022 (end of 2021: 111.0%). The pension fund has written a recovery plan that was submitted to the Dutch National Bank. The aim of these measures is to achieve the required coverage of 120%. If there is a deficit for a longer time, pensions will be decreased.

The employees in the USA (664 employees as at 31 December 2022; 2021: 596 employees) have a standard defined contribution pension scheme for which the company pays 6% contribution to each individual's own retirement plan, administered by several administration funds.
The employees in Canada (949 employees as at 31 December 2022; 2021: 808 employees) have a standard defined contribution pension scheme for which the company pays contributions, matching up to 6% of each individual employee's contribution, to a third-party financial institution, both from the company and on behalf of the employee.

The majority of the employees in other countries have defined contribution pension schemes.

24. Financial income and expense

Interest on loans and the Inhouse bank from the shareholder are included in the interest expenses for an amount of EUR 16.2 million (2021: EUR 14.7 million).

25. Taxation

	2022	2021
Current income tax	7,294	33,199
Changes in deferred income taxes	12,887	(7,002)
Withholding and dividend tax	5,655	3,308
Total taxes	25,836	29,505

Mammoet's operations are subject to income taxes in various foreign jurisdictions. The statutory income tax rates vary from 0% to 34%. The Netherlands' statutory income tax rate for 2022 is 25.8% (2021: 25%).

The applicable weighted average tax rate is 21.9% (2021: 25.9%), calculated based on the results before taxes in the various tax jurisdictions. The effective tax rate of 2022 is (80.4)% (2021: 87.7%), mainly related to non-recognition of tax benefits on losses in countries with a limited future order book, resulting in limited expected future fiscal results.

The numerical reconciliation between the applicable and the effective tax rate is as follows:

	2022	2021
Result before tax	(32,150)	33,722
Income tax using the applicable tax rate in the Netherlands	8,295	(8,431)
Tax effect of:		
Other applicable tax rates abroad (incl. local withholding tax and BEAT tax in the USA)	(2,316)	(4,544)
Non-deductible income/(expenses)	(11,946)	(12,833)
The changes in the tax rate	(2,772)	(1,209)
Changes in valuations (tax losses)	(13,947)	1,354
Adjustments or prior periods	1,524	(285)
Tax related to dividends and undistributed reserves	(2,781)	(4,466)
Uncertain tax provisions	(1,437)	644
Other	(456)	265
Tax liability	(25,836)	(29,505)

26. Sale of participating interests

During 2022 Conbit Holding B.V. was disinvested resulting in a loss of EUR 3.4 million.

27. Transaction with related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

There have been no transactions with related parties that were not on a commercial basis.

28. Subsequent events

The process of the expected equity sale of Mammoet's businesses in Russia continued in 2023 and resulted in a signed Share Purchase Agreement in February 2023. Although Mammoet expects to effectuate the sale of equity of our Russian business, Mammoet's operations are still impacted by sanctions and restrictions and these continue to hamper the operations. It is expected that the presence in Russia continues to negatively impact Mammoet's financial performance in 2023 untill closing of the Share Purchase Agreement. The closing of the equity sale of Mammoet's business in Russia is expected later in 2023.

In March 2023 a settlement was reached with the insurance companies on Mammoets claim under the warranties of the acquisition of ALE. As per the balance sheet date Mammoet did not recognize a receivable nor a provision as the outcome of the claim was less than probable.

In March 2023, Mammoet's shareholder decided to explore a potential divestment of Mammoet as a result of a strategy update. We do not foresee that this announcement has an impact on the ability of Mammoet to continue as a going concern.

29. List of group companies and participating interests

A. GROUP COMPANIES

The financial information of the group companies is included in the consolidated financial statements.

Mammoet has the following significant group companies:

Name	Legal seat	Interest
Mammoet Europe Holding B.V.	Amsterdam, The Netherlands	100%
Mammoet Asia Holding B.V.	Amsterdam, The Netherlands	100%
Mammoet Nederland B.V.	Breda, The Netherlands	100%
Mammoet America North Holding B.V.	Breda, The Netherlands	100%
Mammoet Middle East B.V.	Schiedam, The Netherlands	100%
ALE Holdings (Netherlands) B.V.	Breda, The Netherlands	100%
Mammoet Heavylift B.V.	Breda, The Netherlands	100%
Mammoet Finance B.V.	De Meern, The Netherlands	100%
Mammoet Maritime B.V.	Delfzijl, The Netherlands	100%
Mammoet Europe B.V.	Rotterdam, The Netherlands	100%
Mammoet Global Assets B.V.	Utrecht, The Netherlands	100%
Gigantic Heavy Lifting B.V.	Utrecht, The Netherlands	100%
ALE Heavylift Austral SA	Buenos Aires, Argentina	100%
Mammoet Australia Pty Ltd.	Perth, Australia	100%
ALE Heavylift (Australia) Pty Ltd.	Brisbane, Australia	100%
Mammoet (Belgium) N.V.	Gent, Belgium	100%
Mammoet Canada Holdings Inc.	Cambridge, Canada	100%
Mammoet Canada Western Ltd.	Edmonton, Canada	100%
Mammoet Eastern Ltd.	Guelph, Canada	100%
Mammoet Crane (Assets) Inc.	Guelph, Canada	100%
Mammoet Denmark A/S	Norresunby, Denmark	100%
Mammoet Denmark Brande A/S	Brande, Denmark	100%
Mammoet Deutschland G.m.b.H.	Leuna, Germany	100%
Mammoet (Kazakhstan) LLP	Atyrau city, Kazakhstan	100%
Mammoet Norge S/A	Skien, Norway	100%
Mammoet LLC	Muscat, Oman	100%
Mammoet Middle East W.L.L.	Doha, Qatar	100%
Mammoet Rus LLC	Moscow, Russia	100%
Mammoet Pte Ltd.	Singapore	100%
Mammoet Iberica s.a.	Madrid, Spain	100%
Mammoet Heavylift (Taiwan) Ltd.	Hsinchu County, Taiwan	100%
Mammoet (Thailand) Ltd.	Banchang, Thailand	49%
ALE Middle East LLC	Abu Dhabi, United Arab Emirates	49%

Mammoet has the following significant group companies:

Name	Legal seat	Interest
Mammoet UK Ltd.	Newcastle, United Kingdom	100%
ALE UK Holdings Ltd.	Staffordshire, United Kingdom	100%
Mammoet Offshore Services Ltd.	Staffordshire, United Kingdom	100%
Mammoet USA South Inc.	Wilmington, USA	100%
Mammoet Americas Holding Inc.	Rosharon, USA	100%
Mammoet Southern Africa (Pty) Ltd.	Pretoria, South Africa	100%
ALE Heavylift (South Africa) Pty Ltd.	Pretoria, South Africa	100%

B. PARTICIPATING INTERESTS

The participating interests are recorded using the equity method or at cost.

The company and subsidiaries have the following significant participating interests:

Name	Legal seat	Interest
Mammoet Merchandise	Schiedam, The Netherlands	100%
Pirson Montage Hainaut S.A.	Frameries, Belgium	50%
CCVS Ltd	Beirut, Lebanon	50%
Sankyu Mammoet Pte. Ltd.	Singapore	50%
M&H Cranes B.V.	Rotterdam, The Netherlands	50%
Mammoet (B) Co Sdn Bhd	Darussalam, Brunei	50%
Porto di Carrara Mammoet s.r.l	Carrara, Italy	50%
XY Masterclass B.V.	Schiedam, The Netherlands	50%
Mammoet Al Shariff W.L.L.	Manama, Bahrein	50%
Mammoet Logistics Algerie S.A.R.L	Alger, Algeria	49%
Petrosectco-ALE Joint Stock company	Ho Chi Minh City, Vietnam	49%
ALE Algeria S.A.R.L.	Ouled Fayet, Algeria	49%
Mammoet Giant Taiwan Ltd.	Hsinchu county, Taiwan	49%
A.C.N. 609 289 170 Pty Ltd.	Brisbane, Australia	44%
Frier Havn AS	Skien, Norway	33%
Mammoet Road Cargo Holding B.V.	Breda, The Netherlands	10%
Mammoet Road Cargo B.V.	Breda, The Netherlands	10%
CV Happy Rover	Amsterdam, The Netherlands	9%
CV Happy Ranger	Amsterdam, The Netherlands	9%

As disclosed in Note 8 consolidation of Mammoet Merchandise ceased as from 1 January 2021. Mammoet Merchandise is included as participating interest and the net result for the year is included in the Result from participating interest.

C. BRANCHES

The group has branches in Trinidad and Tobago, Domincan Republic, Dubai, Azerbaijan, Republic of Korea, India, New Zealand, Kazakhstan, Japan, Colombia and Iraq.

Company balance sheet

Before appropriation of net result (Amounts in thousands of euros)

		31 Dec 2022	31 Dec 2021
Assets			
Fixed assets			
Intangible fixed assets	(32)	22	44
Tangible fixed assets	(33)	12,365	13,088
Financial fixed assets	(34)	893,153	920,929
Total fixed assets		905,540	934,061
Current assets			
Accounts receivable and other current assets	(35)	59,683	47,771
Cash and cash equivalents		36	52
Total current assets		59,719	47,823
Total assets		965,259	981,884

Shareholder's equity and liabilities			
Shareholder's equity	(36)		
Issued and paid-in capital		2,754	2,754
Share premium		189,315	189,315
Currency translation reserve		(38,293)	(61,653)
Legal reserve		18,052	9,045
Other reserves		454,488	463,495
Net result for the year		(57,986)	4,217
		568,330	607,173
Provisions			
	(37)	6,913	8,228
Current liabilities			
	(38)	390,016	366,483
Total shareholder's equity and liabilities		965,259	981,884

Company statement of income

(Amounts in thousands of euros)

		2022	2021
Result from subsidiaries and participating interests, after tax	(34)	(39,260)	16,614
Balance of other income and expenses, after tax		(18,726)	(12,397)
Net result		(57,986)	4,217

Notes to the company financial statements

(Amounts in thousands of euros unless otherwise stated)

30. General

The company financial statements are part of the 2022 financial statements of the group. For the company profit and loss account, use has been made of the exemption pursuant to Section 2:402 of the Netherlands Civil Code.

Insofar as no further explanation is provided of items in the company balance sheet and the company profit and loss account, please refer to the notes on the consolidated balance sheet and profit and loss account.

31. Accounting policies

The accounting policies as described in the notes to the consolidated financial statements also apply to the company financial statements, with the exception of the following:

FINANCIAL INSTRUMENTS

In the company balance sheet, financial instruments are presented on the basis of their legal form.

PARTICIPATING INTERESTS IN GROUP COMPANIES

Participating interests in group companies are accounted for in the company financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

SHARE OF RESULT OF PARTICIPATING INTERESTS

This item concerns the company's share of the profit or loss of these participating interests. Insofar as gains or losses on transactions involving the transfer of assets and liabilities between the company and its participating interests themselves can be considered unrealized; they have not been recognized.

32. Intangible fixed assets

Intangible fixed assets relate to other intangible assets, mainly consisting of software.

Intangible fixed assets as at 1 January 2022 can be broken down as follows:

	Other Tangible Fixed Assets	Total
Cost	6,037	6,037
Accumulated amortization	(5,993)	(5,993)
Book value	44	44

The movements in intangible fixed assets can be broken down as follows:

2022		
Book value as at 1 January	44	13,132
Additions	-	-
Amortization	(22)	(22)
Book value as at 31 December	22	22

Intangible fixed assets as at 31 December 2022 can be broken down as follows:

Cost	6,037	6,037
Accumulated amortization	(6,015)	(6,015)
Book value	22	22

33. Tangible fixed assets

Tangible fixed assets as at 1 January 2022 can be broken down as follows:

	Land & buildings	Total
Cost	33,211	33,211
Accumulated depreciation	(20,123)	(20,123)
Book value	13,088	13,088

The movements in tangible fixed assets can be broken down as follows:

2022		
Book value as at 1 January	13,088	13,088
Additions	-	-
Depreciation	(723)	(723)
Book value as at 31 December	12,365	12,365

Tangible fixed assets as at 31 December 2022 can be broken down as follows:

Cost	33,211	33,211
Accumulated depreciation	(20,846)	(20,846)
Book value	12,365	12,365

The estimated useful lives as at 31 December 2022 are as follows:
Buildings : 25 - 35 years

As at 31 December 2022, the company has no leased tangible fixed assets (2021: nil), of which the company is not the legal owner. No tangible fixed assets have been secured by mortgages (2021: EUR nil).

34. Financial fixed assets

The breakdown of the financial fixed assets is as follows:

	2022	2021
Investments in participating interests	887,147	914,428
Loans to participating interests	5,175	5,182
Deferred tax assets	831	1,317
	893,153	920,927

Movements in financial fixed assets can be broken down as follows:

Investments in participating interests		
At 1 January	914,428	833,450
Additions	-	-
Transfer from/to group companies	(7,468)	30,068
Income/(loss) from investments	(39,260)	16,614
Dividends received	-	(178)
Currency translation differences	19,447	34,474
At 31 December	887,147	914,428

Details regarding significant participating interests have been listed in Note 29. The 'transfer from/to group companies' of EUR 7,468 relates to the transfer of a central deferred tax position for the dutch fiscal units to the stand-alone participations of the fiscal unity within Mammoet.

Loans to participating interests	2022	2021
At 1 January	5,182	5,539
Additions	556	-
Disposals	(158)	(200)
Currency translation differences	(405)	(157)
At 31 December	5,175	5,182

Deferred tax assets	2022	2021
At 1 January	1,317	7,857
Addition	449	721
Release	-	-
Utilization	(935)	(7,261)
Other change	-	-
At 31 December	831	1,317

35. Accounts receivable and other current assets

The breakdown of the accounts receivable and other current assets is as follows:

	2022	2021
Group companies	55,709	41,117
Participating interests	14	163
Receivable from Shareholder	1,417	3,216
Accrued income	-	1,636
Prepaid expenses	969	46
Other receivables	1,574	1,593
	59,683	47,771

In respect of receivables towards group companies such as Mammoet Finance B.V. and, Mammoet Global Support B.V., all transactions have been made under normal market condition.

All receivables have a remaining maturity of less than 1 year. The fair value of the accounts receivable is close to the carrying amount, given the current nature of the accounts receivable and the fact that, where necessary, provisions for bad debt have been recognised.

36. Shareholder's equity

Movements in shareholder's equity can be broken down as follows:

	Issued and paid-in capital	Share premium	Currency translation reserve	Legal reserve	Other reserves	Net Result for the year	Total
2021							
At 1 January	2,754	189,315	(97,521)	9,376	516,712	(53,548)	567,088
Appropriation of Net result 2020	-	-	-	-	(53,548)	53,548	-
	2,754	189,315	(97,521)	9,376	463,164	-	567,088
Net result 2021	-	-	-	-	-	4,217	4,217
Translation differences	-	-	35,868	-	-	-	35,868
Other movements	-	-	-	(331)	331	-	-
Total result 2021	-	-	35,868	(331)	331	4,217	40,085
At 31 December	2,754	189,315	(61,653)	9,045	463,495	4,217	607,173
2022							
At 1 January	2,754	189,315	(61,653)	9,045	463,495	4,217	607,173
Appropriation of Net result 2021	-	-	-	-	4,217	(4,217)	-
	2,754	189,315	(61,653)	9,045	467,712	-	607,173
Net result 2022	-	-	-	-	-	(57,986)	(57,986)
Translation differences	-	-	23,360	-	-	-	23,360
Dividend paid	-	-	-	-	(4,217)	-	(4,217)
Other movements	-	-	-	9,007	(9,007)	-	-
Total result 2022	-	-	23,360	9,007	(13,224)	(57,986)	(38,843)
At 31 December	2,754	189,315	(38,293)	18,052	454,488	(57,986)	568,330

The authorized share capital as at 31 December 2022 was EUR 10 million (2021: EUR 10 million), divided into 20 million ordinary shares with a nominal value of EUR 0.50 per share (2021: EUR 0.50). The issued and paid-in capital as at 31 December 2022 was EUR 2,754 (2021: EUR 2,754) divided into 5,507,474 (2021: 5,507,474) ordinary shares.

The share premium can entirely be considered as a free share premium in the sense of the Dutch Income Tax Act.

The currency translation reserve relates to the accumulated foreign exchange differences that arise when translating the net investment in foreign group companies and foreign associates. When a foreign group company or associate is sold, the accumulated exchange difference is transferred to the profit and loss account.

The legal reserve for participating interests, which amounts to EUR 10.3 million (2021: EUR 9.0 million), pertains to participating interests that are accounted for according to the equity accounting method and to equity of group companies that is not distributable. The legal reserve for capitalized development costs amounts to EUR 7.8 million (2021: nil).
The reserve pertaining to participating interests that are accounted for according to the equity accounting method represents the difference between the participating interests' retained profit and direct changes in equity, as determined on the basis of the parent company's accounting policies, and the share thereof that the parent company may distribute. As to the latter share, this takes into account any profits that may not be distributable by participating interests that are Dutch limited companies based on the distribution tests to be performed by the management of those companies. The statutory reserve is determined on an individual basis.

PROPOSAL FOR PROFIT APPROPRIATION 2022

It is proposed to the general meeting of shareholders that the total loss of EUR 57,986 is deducted from the other reserves. This proposal has not been recognized in the financial statements.

APPROPRIATION OF PROFIT OF 2021

The financial statements for the reporting year 2021 have been adopted by the General Meeting on 17 April 2022. The General Meeting has adopted the distribution of dividend of the profit after tax as proposed by the Board of Management.

37. Provisions

The movements in provisions can be broken down as follows:

	Deferred taxation
At 1 January	8,228
Reclassification	-
Additions/Releases	(1,060)
Utilization	(255)
At 31 December	6,913

38. Current liabilities

The breakdown of the current liabilities is as follows:

	2022	2021*
Bank overdrafts	1,290	1,029
Payable to shareholder	-	-
Payable to group companies	368,295	348,930
Suppliers	7,484	5,864
Withholding Tax	-	-
Taxes and social security contributions	2,180	1,707
Pensions	158	-
Accruals and deferred income	7,422	6,681
Other liabilities	3,187	2,272
	390,016	366,483

In respect of payables to group companies such as Mammoet Finance B.V. and, Mammoet Global Support B.V., all transactions have been made under normal market condition.

All short-term payables have a remaining maturity of less than 1 year.

39. Personnel

Labour costs can be broken down as follows:

	2022	2021
Salaries and wages	8,725	9,585
Pension costs	587	649
Other social security contributions	810	511
	10,122	10,745

As at 31 December 2022 the number of full-time equivalents in Mammoet Holding B.V. was 52 (2021: 55). The average number of personnel (FTE) during the year was 51 (2021: 52).

40. Financial Instruments and risks

With reference to the financial instruments and risks disclosed in Note 19, the following information is in regards to financial instruments and risks in the company financial statements.

CREDIT RISK

Credit risk arises principally from the loans to participating interests presented under the financial fixed assets, trade and other receivables. Credit risk encompasses both the direct risk of default and the risk that the creditworthiness of the subsidiaries will deteriorate, and the concentration of risks. Mammoet's exposure to credit risk is mainly influenced by the individual characteristics of each subsidiary.

The Company does not consider the fair value of amounts receivable from group companies to be significantly different from their carrying values prior to recording the provision for impairment, which is computed based on a measurement mechanism. The historical experience of collecting these balances supported by the level of default confirms that the credit risk is low.

41. Remuneration of statutory directors

The remuneration, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, charged in the financial year to the company and group companies amounted to EUR 1,245 (2021: EUR 1,682) for statutory directors and former statutory directors. The remuneration of the supervisory directors (chargeable to the company) amounts to nil.

42. Commitments not included in the balance sheet

A. PURCHASE COMMITMENTS

The company has not committed itself to purchase any fixed assets as at 31 December 2022. Other outstanding commitments amount to EUR 1.1 million (2021: 1.1 million).

B. OPERATING LEASES

Long-term commitments in connection with rent and operating lease agreements can be specified as follows:

	2022	2021
Due within one year	2,571	2,407
Due between one and five years	3,943	2,271
Due after five years	-	-
	6,514	4,678

Payments in respect of rent and operating lease agreements amounted to EUR 0.2 million in 2022 (2021: EUR 0.3 million).

C. GUARANTEES AND OTHER COMMITMENTS

Mammoet Holding B.V. no longer is committed through certain letters in which it undertakes to provide financial support to subsidiaries (2021: EUR 10.2 million).

An overdraft facility of DKK 30 million from Danske Bank to a group company is guaranteed by Mammoet Holding B.V. for which DKK 30.0 million has been drawn as at 31 December 2022 (2021: DKK 28.6 million).

A parent guarantee has been given for Citibank by Mammoet Holding B.V. to secure different banking facilities around the world of USD 70 million (2021: USD 70 million). USD 25.0 million was used of these facilities as at 31 December 2022 (2021: USD 15 million).

Other financing guarantees have been undertaken by Mammoet Holding B.V. for an amount of EUR 10.0 million.

D. FISCAL UNITY

The company forms a fiscal unity with its (ultimate) shareholder and the majority of its Dutch subsidiaries and is therefore jointly and severally liable for the income tax and Value Added Tax due by this fiscal unity (including the shareholder). Each company recognizes the portion of corporate income tax that the relevant company would owe as an independent taxpayer, considering the tax facilities applicable to the company.

E. GUARANTEES FOR GROUP COMPANIES

Under Article 403, book 2 of the Netherlands Civil Code, Mammoet Holding B.V. has issued a declaration of joint and several liability for Mammoet Europe B.V., Mammoet Finance B.V., Mammoet Global Assets B.V., Mammoet Global Projects B.V., Mammoet Global Support B.V., Mammoet Heavylift B.V. and Mammoet Nederland B.V.

Utrecht, 31 May 2023

Supervisory Board of Management of Mammoet Holding B.V.

J.P. Drost
R. Kandelman
F.F.J. de Ryck van der Gracht
E.M. Hoekstra

Executive Board of Management of Mammoet Holding B.V.

P.C. van Gelder - President and CEO
T.H. Tieleman - CFO
J.A. Kleijn - COO*
S. Houwers - CHRO*

* Non- statutory director

Other information

PROVISIONS OF THE ARTICLES OF ASSOCIATION ON THE APPROPRIATION OF PROFIT

Article 28 of the articles of association contains the following provisions on the appropriation of profit:

- Distribution of profits by virtue of the provisions of this article shall be effected after approval of the financial statements, which show they are justified;
- The general meeting shall be free to dispose of the profits;
- The company may only make payments of profits to the extent that its shareholder's equity exceeds the amount of the issued capital plus the reserves to be maintained pursuant to the law.

BRANCHES

A list of branches is included in Note 29 to the consolidated financial statements.

AUDITOR'S REPORT

The auditor's report is set forth on page 64.

Independent auditor's report

To: the General Meeting and the Supervisory Board of Management of Mammoet Holding B.V.

REPORT ON THE AUDIT OF THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

We have audited the consolidated financial statements for the year ended as at 31 December 2022 of Mammoet Holding B.V., based in Utrecht.

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of Mammoet Holding B.V. as at 31 December 2022 and of its result for the year 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2022;
2. the consolidated and company statement of income for the year 2022; and
3. the notes comprising a summary of the 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 consolidated financial statements' section of our report.

We are independent of Mammoet Holding B.V. in accordance with 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).

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 information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

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

In the paragraph 'Risk Management' of the report of the Executive Board of Management, the Executive Board of Management describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance.

Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures and internal audit reports to investigate indications of possible fraud and non-compliance.

Furthermore, we performed relevant inquiries with the Executive Board of Management and other relevant functions. As part of our audit procedures, we:

- obtained an understanding of how the company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
- assessed other positions held by Executive Board of Management members and paid special attention to procedures and governance/compliance in view of possible conflicts of interest; and
- evaluated possible correspondence with supervisory authorities and regulators.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements: trade sanctions and export controls, anti-bribery and corruption laws and regulations.

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

MANAGEMENT OVERRIDE OF CONTROLS (A PRESUMED RISK)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

The fraud risk relates to non-routine high-risk journal entries and significant accounts with a high amount of judgment involved for which management may rationalize unrealistic or unreliable assumptions in developing an estimate.

Responses:

- we evaluated the design and the implementation of internal controls that mitigate fraud risks, such as internal control measures related to non-routine journal entries and significant accounting estimates;
- we performed a data analysis of high-risk journal entries related to post closing entries. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional procedures to address each identified risk, including testing of transactions back to source information;
- we evaluated key estimates and judgements for bias by management, including retrospective reviews of prior year's estimates in which respect to the identified accounting estimates which, amongst others, include valuation of goodwill, measurement of construction contacts (percentage of completion) and valuation of deferred tax assets;
- we evaluated the appropriateness of the accounting for significant transaction that are outside the component's normal course of business, or are otherwise unusual; and
- we incorporated an element of unpredictability in our audit.

REVENUE RECOGNITION OF PROJECTS (A PRESUMED RISK)

Risk:

Based on our evaluation of fraud risk factors, we identified a risk of (possible) fraudulent revenue recognition resulting from projects per year-end (cut-off).

Responses:

- we determined and evaluated the design and implementation of the process level controls (including anti-fraud controls) as implemented by management with respect to revenue recognition and cut-off of revenue;
- we performed substantive audit procedures over the cut-off of revenues at year-end by determining the fulfilment of performance obligations (revenue recognition) by assessing the terms and conditions, percentage of completion and vouching revenues recorded to the underlying sales transactions, agreements and supporting documentation;
- we performed testing over the appropriate recognition of costs and allocated revenue on projects, in particular in the last period of the year. Furthermore we performed testing over credit notes issued after period end; and
- we performed journal entry testing, specifically taking into account high-risk criteria in relation to revenues and journal entries that increase revenue.

We communicated our risk assessment, audit responses and results to the Executive Board of Management and Supervisory Board of Management.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Executive Board of Management performed its going concern assessment and has not identified any going concern risks. To assess the Executive Board of Management's assessment, we have performed, inter alia, the following procedures:

- we considered whether the Executive Board of Management's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit and we inquired the Executive Board of Management on the key assumptions and principles underlying the Executive Board of Management's assessment of the going concern risks;
- we analysed the Company's financial position as at year-end and compared it to the previous financial year, developments in the business and any information of which we are aware as a result of our audit;
- we inspected the financing agreement in terms of conditions that could lead to going concern risks, including the term of the agreement and any covenants; and
- we have inspected the confirmation obtained from the parent regarding the extension of the financing agreements that will mature in 2025.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the consolidated financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the consolidated financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the management report and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the consolidated financial statements or otherwise, we have considered 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 less than the scope of those performed in our audit of the consolidated financial statements.

Executive Board of Management is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF THE RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Responsibilities of the Executive Board of Management and the Supervisory Board of Management for the consolidated financial statements

The Executive Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board of Management is responsible for such internal control as the Executive Board of Management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to errors or fraud.

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

Supervisory Board of Management is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the consolidated 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 have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the consolidated 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 among others:

- identifying and assessing the risks of material misstatement of the consolidated financial statements, whether due to errors or fraud, 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 errors, 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 of Management;
- concluding on the appropriateness of management'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the consolidated financial statements, including the disclosures; and
- evaluating whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

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.

Amstelveen, 31 May 2023

KPMG Accountants N.V.

R.C. de Boer RA