unicon

CEMENTIR HOLDING

Islands brygge 43, 2300 Copenhagen S
CVR No 16 06 49 39

Annual Report 2018

The present Annual Report is presented and approved at the Annual General Meeting

Date: 12 / 4 2019

(Chairman of the meeting)

CONTENTS

COMPANY DETAILS

Company

Name:	Unicon A/S Islands Brygge 43 2300 Copenhagen S
CVR No:	16 06 49 39
Registered in:	Copenhagen, Denmark
Board of Directors:	Bjarne Moltke Hansen, *Chairman* Marco Maria Bianconi, *Vice Chairman* Søren Holm Christensen Carsten Ottsen * Niels Erik Olsen * * Elected by the employees
Executive Board:	Søren Holm Christensen, *CEO, Nordic & Baltic* Henning Bæk, *Executive Vice President, CFO*
Management:	Jan Søndergaard Hansen, *Managing Director, Unicon, Denmark* Knut L. Tiseth, *Managing Director, Unicon, Norway* Peter Camnert, *Managing Director, Sydsten, Sweden* Jan Søndergaard Hansen, *Managing Director, Kudsk & Dahl, Denmark*
Company auditors:	KPMG Statsautoriseret Revisionspartnerselskab

The Annual General Meeting adopted the annual report on 12 April 2019.

Part of the Aalborg Portland Holding Group

Unicon A/S, Denmark is part of the Aalborg Portland Holding Group, which is part of the Cementir Group, an international supplier of cement and concrete.

Cementir Holding S.p.A. has its head office in Rome, is listed on the Italian Stock Exchange in Milan (code CEM) and is part of the listed Caltagirone Group.

MANAGEMENT'S REVIEW

Main activity

Unicon develops, produces and distributes ready-mixed concrete in Denmark, Norway and Sweden. Unicon is one of the Nordic region's leading suppliers of ready-mixed concrete.

Group financial highlights

DKKm	2014	2015	2016	2017	2018
INCOME STATEMENT					
Revenue	2,219	2,297	2,377	2,605	2,509
Earnings before depreciation/amortisation, impairment, provisions, interest and tax (EBITDA)	**224**	**236**	**240**	**257**	**262**
EBITDA ratio	*10%*	*10%*	*10%*	*10%*	*10%*
Earnings before interest and tax (EBIT)	**113**	**136**	**144**	**166**	**172**
EBIT ratio	*5%*	*6%*	*6%*	*6%*	*7%*
Earnings before tax (EBT)	**113**	**135**	**133**	**157**	**181**
Profit for the year	**82**	**103**	**101**	**119**	**146**
CASH FLOW					
Cash flow from operating activities (CFFO)	195	164	223	300	159
Cash flow from investing activities (CFFI) *	-55	-40	-69	-95	-40
Free cash flow (FCF)	**140**	**124**	**154**	**205**	**118**
* Hereof investments in property, plant and equipment	-56	-60	-81	-101	-76
BALANCE SHEET					
Total assets	1,338	1,288	1,200	1,204	1,312
Consolidated shareholders' equity	753	733	529	560	585
Net interest-bearing debt (NIBD)	**-147**	**-164**	**-3**	**-123**	**-130**
Working capital (WC)	**49**	**54**	**26**	**-54**	**-21**
FINANCIAL RATIOS					
Including minority interests' share					
Return on equity	11%	14%	16%	22%	26%
Equity ratio	56%	57%	44%	47%	45%
Return on capital employed (ROCE)	10%	12%	15%	19%	22%
NIBD/EBITDA factor	-0.7	-0.7	0.0	-0.5	-0.5
Number of employees at 31 December	**640**	**672**	**663**	**670**	**664**

The financial ratios have been computed in accordance with the Guidelines issued by the Danish Finance Society in 2015. Cf. definitions in accounting policies.
In accordance with the Danish Financial Statements Act Section 101 (3), the company has omitted to restate the comparative figures for 2012 and 2013.

Overall, in 2018 the Unicon Group experienced a small decline in revenue within ready-mixed concrete of 4% compared to 2017, but with large differences between markets. Norway experienced a decline of 4%, mainly due to general decrease in the construction activity partly offset by a higher volume in Sweden. Denmark was on a par with 2017. Compared with 2017, revenue and EBITDA expressed in DKK were down by DKK 77m and DKK 7m, respectively, due to the weakening of the Norwegian and Swedish krone.

In 2018, the Unicon Group realised revenue of DKK 2,509m, 4% lower than in 2017. Operating profit (EBITDA) was DKK 262m against DKK 257m in 2017. The operating profit was in line with expectations.

The profit before tax for 2018 was DKK 181m against DKK 157m in 2017, an increase of 15%. The increase is mainly due to improved results in Sweden. Furthermore, improvement in results from the joint venture in Poland and sale of a joint venture in Norway have impacted results positively.

The return on capital employed (ROCE) increased from 19% in 2017 to 22% in 2018. The shareholder's equity at 31 December 2018 was DKK 585m, corresponding to an equity ratio of 45%.

Similar to past years, the Unicon Group achieved a positive cash flow from operating activities at DKK 159m. After net investments of DKK 40m, the Group has a free cash flow of DKK 118m.

Denmark

In Denmark, Unicon is the market leader with 35 plants producing and supplying ready-mixed concrete to the whole country. Ready-mixed concrete is sold to both residential and business customers.

In 2018, the market for ready-mixed concrete decreased compared to the previous year, mainly as a result of lower mass of infrastructure projects. On the other hand building activity in residential sector has increased.

In 2018, the company has consolidated its position as market leader opening a new high-capacity plant in Odense. Unicon has supplied ready-mixed concrete for a variety of high-profile projects during the year, including Soundport in Copenhagen, Carlsberg City in Copenhagen, Thomas B. Thriges Gade in Odense, as well as a number of hospitals, data centres, sport arenas, harbour projects, and many more small and larger projects. Additionally, Unicon has been the exclusive supplier to the Metro City Circle Line as well as the North extension, all being long-term construction projects in its final stages, which together comprised more than 600,000 m3 of ready-mixed concrete.

Unicon is an active participant in the trade association Danish Concrete and contributes thereby to expose the knowledge of the many possibilities of using concrete. This effort strengthens the development of the industry into the future.

Unicon is also engaged in 'Grøn Beton II' – a research and development project supported by the Innovation Foundation. The objective of the project is to secure continuous sustainable development of cement and concrete production in Denmark. In 2018, Unicon delivered recycled concrete to a high-profile project by world famous architect Bjarke Ingels, Sydhavn Genbrugscenter, where 100% recycled concrete aggregates was used.

Gravel activities, which are administered by the subsidiary Kudsk & Dahl A/S, increased by 2% compared to volumes in 2017.

Norway

Unicon AS produces ready-mixed concrete at 25 plants and 2 mobile units and supplies the central and southern parts of Norway.

The residential and non-residential market declined in 2018, while the infrastructure market continued to grow. Unicon supplied concrete to a number of very high-profile construction projects, e.g. the railway project Follobanen in Oslo, Power House in Trondheim and Varoddbrua in Kristiansand. In the mobile sector, Unicon has supplied to the FV17 Aldersundet project and to a road project on E134 at Kongsberg.

In 2018, special focus was on environment and sustainability, customer service and improved competitiveness. Unicon has several improvement projects with environmental focus within areas like product development, greener transportation and waste management. Unicon received its environmental certification according to ISO 14001 in 2013.

The construction of a new ready-mixed concrete plant in Larvik was completed in Q1 2018.

Unicon is an active member of Fabeko, the Norwegian ready-mixed concrete-association, and is also involved in Byggutengrenser. Fabeko and Byggutengrenser work to increase the market share of ready-mixed concrete as a building material through fact-based information to politicians, builders, architects and people in general about the advantages and possibilities with ready-mixed concrete.

Sweden

AB Sydsten produces and sells ready-mixed concrete and aggregates (granite and gravel) to the southern part of Sweden. The company has 9 plants, 5 granite quarries, 2 gravel pits, trading business in precast concrete and a recycling business.

In 2018, Sydsten increased its market position in terms of volumes, revenue and earnings compared to 2017. Sales during 2018 were stable and high in all business streams, primarily due to a good residential market, higher activity in the infrastructure market there Sydsten during the year, become the selected supplier of concrete and aggregate for the huge project 4-track railway between Malmö and Lund.

During the year, Sydsten has been successful in both keeping and developing the business with existing customers and finding new customers in the market for both aggregates and concrete. During the year Sydsten have invested in four ready mix trucks with electrical hybrid engine and converted the heating system in all our concrete plants into Bio-fuels.

Group exposures

Business risks

The company is sensitive to the conditions usually affecting sale of ready-mixed concrete. This exposure can be split into four main areas:

- Private new construction
- Multi-storey houses and multi-family houses
- Non-residual construction
- Public-sector construction and infrastructure

The Unicon Group's focus of business is on the Scandinavian countries. Efforts are made to achieve a proper mix of variable and fixed costs to be able to counter temporary changes in demand.

Currency exposure

The Group's products are usually not sold to other countries, for which reason its currency exposure is limited mainly to balance sheet items which for individual subsidiaries are in local currency.

Interest rate exposure

It is Group policy to have a proper mix of short-term and medium-term interest exposure. Long-term interest agreements are concluded seldom.

Cash flow risk

It is Group policy always to be able to pay its debts, and periodic cash management and reporting therefore takes place on a systematic basis to ensure this.

Credit risks

The Group's credit risk primarily relates to trade receivables from sale to customers. The Group's receivables are assessed on a current and individual basis and provisions are made currently if there is any doubt about a customer's ability to pay. Basically, sale to customers with an estimated low ability to pay is made against prepayment or a bank guarantee.

The maximum credit risk on trade receivables corresponds to the value at which they are included in the balance sheet. No individual customer poses any material risk to the Group.

Environment and energy

Environmental respect and energy consumption are focal issues for the entire Nordic ready-mixed concrete business area. A number of environmental projects are therefore currently under way, including one relating to the recycling of large volumes of water used in company processes.

Concrete is an environment-friendly building material pre-dominantly produced from natural resources.

Environmental impacts from Unicon's concrete production are continuously being reduced, and Unicon has established an internal Environmental Management System based on ISO 14001 that has been implemented in the Group's production plants. The system ensures ongoing improvements to environmental conditions at company plants.

Sustainability and social responsibility

Unicon is part of the annual report of the Aalborg Portland Holding Group, which is part of the annual report of the Cementir Group, in which social responsibility has been described.

Unicon's Statutory Report on Corporate Social Responsibility, cf. Section 99(a) of the Danish Financial Statements Act, can be found in "Sustainability Report 2018" from Cementir Holding, the owner of Aalborg Portland Holding. The report is available at www.cementirholding.it.

In accordance with Danish regulations governing the gender composition of management in large companies, cf. Section 139(a) of the Danish Companies Act and Section 99(b) of the Financial Statements Act, the Group's policy on gender equality is being extended to recruitment and promotion, the decisive consideration being to find the best qualified people for all company positions. Focus is placed on increasing the number of female managers to provide for a balanced gender composition.

Increasing the female representatives in the management level remains a priority for Unicon A/S and during 2018 we will continue working to attract female candidates and strengthen our recruitment strategies to ensure that we have female candidates, applying for management positions.

For 2018, the management level of Unicon A/S consists of 14 males and 1 female.

In the beginning of 2018, Unicon A/S had one female and three male AGM-elected members. During the year the female member resigned. The aim of Unicon A/S is to have at least one female AGM-elected member before the end of 2021.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Other issues

In Aalborg Portland Holding A/S' consolidated financial statements for 2018, the Unicon group contributes with DKK 198m before tax and minority interests. Aalborg Portland Holding A/S' consolidated financial statements are presented according to IFRS. The variances to the Group accounts of Unicon A/S for 2018, which is presented according to the Danish Financial Statements' Act, are:

Earnings before tax (EBT) in the Unicon consolidated financial statements	DKK 181m
Amortisation of goodwill, not deductible, cf. IFRS	DKK 17m
Contribution (EBT) to the Aalborg Portland Holding Group	DKK 198m

The total variance between Unicon A/S's financial statements for 2018 and the contribution to Aalborg Portland Holding A/S' consolidated financial statements for 2018 amounts to DKK 17m before tax.

Expectations to 2019

Sales in 2019 are generally expected to be in line with 2018.

In Denmark, sales are expected to increase slightly compared to 2018.

In Norway, sales are expected at the same level as in 2018, whereas sales in Sweden are expected to be slightly below 2018.

Investments in a new plant in Odense is completed and the plant was commissioned in 2018. New investment in North Zealand will be completed in 2019. Also in the Norwegian market, the capacity has been expanded by the construction of a new plant in Larvik. Furthermore, a new plant in Lunner, north of Oslo, and upgrading of the plant in Drammen will secure and expand our position as market leader in Denmark and Norway.

Efforts will still be focused on maintaining a strong market position and - based on the business units' close customer relations - constantly keep focus on customer needs and product development.

Overall, earnings for 2019 are expected to be in line with 2018.

Financial ratios

EBITDA ratio	<u>Earnings before depreciation/amortisation, impairment losses, provisions, interest and tax (EBITDA)</u> Revenue
EBIT ratio	<u>Earnings before interest and tax (EBIT)</u> Revenue
ROCE	<u>NOPAT</u> Average invested capital
NOPAT	Net Operating Profit After Tax Earnings before interest and tax (EBIT) x (1 – effective tax rate)
Capital employed	Intangible assets + tangible assets + working capital
NIBD/EBITDA factor	<u>Net interest-bearing debt (NIBD)</u> EBITDA
Return on equity	<u>Profit</u> Average shareholders' equity
Equity ratio	<u>Shareholders' equity</u> Total assets
Net interest-bearing debt (NIBD)	Interest-bearing liabilities less interest-bearing assets
Working capital	Inventories, receivables and debt to suppliers.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and approved the annual report of Unicon A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 6 March 2019

Executive Board:

Søren Holm Christensen	Henning Bæk

Board of Directors:

Bjarne Moltke Hansen *Chairman*	Marco Maria Bianconi *Vice Chairman*
Søren Holm Christensen	Carsten Ottsen *
Niels Erik Olsen *	

* Elected by the employees

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Unicon A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Unicon A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 and the parent company 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 Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

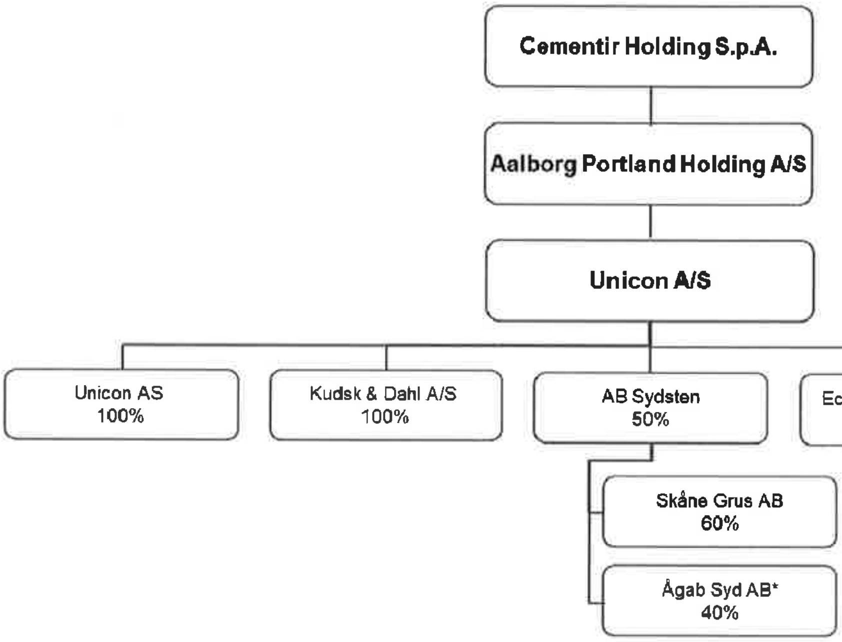
Copenhagen, 6 March 2019

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik O. Larsen
State Authorised Public Accountant
MNE-NO. 15839

Steffen S. Hansen
State Authorised Public Accountant
MNE-NO. 32737

GROUP CHART



Unicon Group, 31 December 2018

Ownership:
Unicon A/S is a 100% owned subsidiary of Aalborg Portland Holding A/S, which is part of the Cementir Group, an international supplier of cement and concrete.

* Joint venture

Consolidated income statement

Notes		2018 DKK '000	2017 DKK '000
	Net sales	2,508,992	2,605,361
1	Cost of sales	1,554,136	1,634,379
	Gross profit	**954,856**	**970,982**
1	Sales and distribution costs	618,300	634,173
1	Administrative expenses and other costs	178,587	180,599
	Profit or loss from ordinary operating activities	**157,969**	**156,210**
2	Other operating income	15,193	9,441
2	Other operating costs	800	0
	Earnings before interest and tax (EBIT)	**172,362**	**165,651**
3	Share of profit after tax, joint ventures	18,527	-3,420
4	Financial income	4,990	7,378
4	Financial expenses	14,865	12,944
	Earnings before tax (EBT)	**181,014**	**156,665**
5	Tax on profit for the year	34,778	37,784
	Profit for the year	**146,236**	**118,881**
	Attributable to:		
	Non-controlling interests	19,671	13,625
	Shareholders in Unicon A/S	126,565	105,256

	2018 DKK '000	2017 DKK '000
Profit / loss for the period	**146,236**	**118,881**
Reversal of amortisation and depreciation	86,939	89,776
Reversal of revaluation / impairment losses	504	301
Share of net profits of equity-accounted investees	-18,527	3,420
Net financial income / expense	9,876	5,565
Gains/losses on disposals	-9,978	-5,415
Income taxes	34,778	37,784
Change in employee benefits	-2,322	-1,939
Change in provisions (current and non-current)	-2,793	-1,577
Operating cash flows before changes in working capital	**244,713**	**246,796**
Increase / decrease Inventories	-2,171	12,715
Increase / decrease Trade receivables	-32,642	39,345
Increase / decrease Trade payables	583	27,643
Change in non-current/current other assets/liabilities	-1,716	11,987
Change in current and deferred taxes	-572	-4,556
Operating cash flows	**208,195**	**333,930**
Dividends collected	798	1,603
Interests collected	2,712	2,408
Interests paid	-8,297	-5,159
Other income collected/expenses paid	-3,801	202
Income taxes paid	-40,873	-32,887
Cash flow from operating activities	**158,734**	**300,097**
Investments intangible assets	0	-4,282
Investments property, plant and equipment and inv. property	-75,934	-101,311
Proceeds from sale of property, plant and equipment	16,266	10,586
Proceeds from sale of equity investments and other non-current securities	19,414	0
Cash from investing activities	**-40,254**	**-95,007**
Change in non-current financial liabilities	0	-6,065
Change in current financial liabilities	26,344	-104,884
Dividend distributed	-113,781	-84,631
Other variances of equity	5,686	12,753
Cash flow from financing activities	**-81,751**	**-182,827**
Net change in cash and cash equivalent	36,729	22,263
Cash and cash equivalent exchange rate effect	-2,974	-4,288
Cash and cash equivalent opening balance	98,582	80,607
Cash and cash equivalent closing	**132,337**	**98,582**

ASSETS

Notes		2018 DKK '000	2017 DKK '000
	Fixed assets		
	Goodwill	53,231	66,921
	Other intangible assets	34,136	43,065
	Intangible assets in development	0	0
6	**Intangible assets**	**87,367**	**109,986**
	Land and buildings	190,560	186,859
	Plant and machinery	366,274	324,778
	Other fixtures, tools and equipment	3,312	2,767
	Tangible assets in course of construction	21,808	68,477
7	**Property, plant and equipment**	**581,954**	**582,881**
3	Investments in joint ventures	26,536	29,524
	Fixed asset investments	**26,536**	**29,524**
	Total fixed assets	**695,857**	**722,391**
	Current assets		
	Raw materials and consumables	52,780	52,676
	Finished goods and goods for resale	24,999	22,933
8	**Inventories**	**77,779**	**75,609**
	Trade receivables	268,960	236,902
	Receivables from group enterprises	113,857	43,650
	Joint taxation contribution	4,336	1,469
	Other receivables	9,002	15,218
9	Prepayments	9,968	10,657
10	**Receivables**	**406,123**	**307,896**
	Cash funds	**132,337**	**98,582**
	Total current assets	**616,239**	**482,087**
	TOTAL ASSETS	**1,312,096**	**1,204,478**

EQUITY AND LIABILITIES

Notes		2018 DKK '000	2017 DKK '000
	Shareholders' equity		
	Share capital	150,000	150,000
	Reserve for net revaluation according to the equity method	25,472	19,172
	Retained earnings	233,596	199,018
	Proposed dividends	80,000	100,000
	Unicon A/S' share of equity	**489,068**	**468,190**
	Non-controlling interests' share of equity	**95,629**	**92,079**
	Total consolidated shareholders' equity	**584,697**	**560,269**
	Provisions		
11	Deferred tax liabilities	20,096	21,303
12	Pensions and similar commitments	56,284	54,434
13	Other provisions	38,767	40,544
	Total provisions	**115,147**	**116,281**
	Liabilities		
	Credit institutions, etc.	0	12,970
14	**Non-current liabilities**	**0**	**12,970**
	Credit institutions, etc.	14,768	6,067
	Trade payables	325,123	325,397
	Payables to group enterprises	143,195	41,101
	Joint taxation contribution payable	16,842	19,488
	Income tax payable	11,254	12,632
15	Other payables and deferred income	101,070	110,273
	Current liabilities	**612,252**	**514,958**
	Total liabilities	**612,252**	**527,928**
	TOTAL EQUITY AND LIABILITIES	**1,312,096**	**1,204,478**

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Consolidated shareholders' equity

DKK '000	Share capital	Retained earnings	Reserve for net revaluation according to the equity method	Proposed dividends for the financial year	Unicon's total share	Non-controlling interests' total share	Total equity
Shareholders' equity at 1 January 2017	**150,000**	**192,992**	**22,674**	**75,000**	**440,666**	**88,781**	**529,447**
Exchange rate adjustments		-1,402	1,521	0	119	-620	-501
Other adjustments including actuarial gains/losses on defined benefit schemes		-2,851			-2,851	-1,058	-3,909
Acquisition of equity investments from non-controlling interest		0			0	0	0
Profit for the year		105,256			105,256	13,625	118,881
Reserve according to equity method		5,023	-5,023		0		0
Proposed dividends for the financial year		-100,000		100,000	0		0
Paid dividends				-75,000	-75,000	-8,649	-83,649
Shareholders' equity at 31 December 2017	**150,000**	**199,018**	**19,172**	**100,000**	**468,190**	**92,079**	**560,269**
Exchange rate adjustments		-2,854	-713	0	-3,567	-2,704	-6,271
Other adjustments including actuarial gains/losses on defined benefit schemes		-2,120			-2,120	-1,065	-3,185
Acquisition of equity investments from non-controlling interest		0			0	0	0
Profit for the year		126,565			126,565	19,671	146,236
Reserve according to equity method		-7,013	7,013		0	0	0
Proposed dividends for the financial year		-80,000		80,000	0	0	0
Paid dividends				-100,000	-100,000	-12,352	-112,352
Shareholders' equity at 31 December 2018	**150,000**	**233,596**	**25,472**	**80,000**	**489,068**	**95,629**	**584,697**

The consolidated share capital consists of shares of nominal DKK 1,000 or multiples of these.

		2018 DKK '000	2017 DKK '000
1	**Staff costs**		
	Wages and salaries	331,756	336,645
	Pension contributions	37,942	38,332
	Social security contributions	24,820	23,580
		394,518	**398,557**

The amounts comprise: Cost of sales, Sales and distribution costs, as well as Administrative expenses and other costs.

	2018	2017
Average number of full-time employees	669	673

Remuneration to the board of directors amounted to DKK 0.1m in 2018 and 2017. In 2018 and 2017, remuneration to the management is paid via management fee to Aalborg Portland Holding A/S. It is not possible to specify the remuneration to the management. Thus no salaries are paid to the management by Unicon A/S in 2018 and 2017.

2 Other operating income and other operating costs

	2018	2017
Other operating income		
Rental income	913	831
Profit from sale of fixed assets	10,778	5,415
Other income	3,502	3,195
	15,193	**9,441**
Other operating costs		
Loss on sale of assets	800	0
	800	**0**

3 Investments in joint ventures

	Investments in joint ventures	Investments in joint ventures
Cost at 1 January	10,352	11,639
Exchange rate and other adjustments	244	-1,287
Disposals	-9,532	0
Cost at 31 December	**1,064**	**10,352**
Adjustments at 1 January	19,172	22,674
Exchange rate adjustments	-713	1,521
Profit shares	2,337	-3,420
Dividend for the year	-798	-1,603
Other adjustments	5,474	0
Adjustments at 31 December	**25,472**	**19,172**
Carrying amount at 31 December	**26,536**	**29,524**

	Shareholders' equity DKK '000	Ownership interest %	Unicon's share of profit after tax DKK '000	Unicon's share of shareholders' equity DKK '000
- Ecol-Unicon Sp. z o.o., Poland	40,628	49	-123	19,909
- Sola Betong AS, Norway	0	0	1,327	0
- ÅGAB Syd AB, Sweden	16,567	40	1,133	6,627
			2,337	**26,536**

The proportion of voting rights does not differ from the ownership interest held.

In the income statement a profit from sale of Sola Betong AS has been included with DKK 12,236k.

4 Financial income and expenses

	2018	2017
Financial income		
Interest and other financial income	2,480	2,259
Interest income from group enterprises	232	149
Realised exchange rate gains	2,153	4,810
Unrealised exchange rate gains	125	160
	4,990	**7,378**
Financial expenses		
Interest and other financial expenses	3,746	3,266
Interest expenses to group enterprises	5,977	3,578
Realised exchange losses	4,528	2,924
Unrealised exchange losses	614	3,176
	14,865	**12,944**

		2018 DKK '000	2017 DKK '000
5	**Tax on profit for the year**		
	Current tax on the profit/loss for the year	35,430	40,241
	Adjustment deferred tax	789	-1,225
	Other adjustments, including previous years	-1,441	-1,232
		34,778	**37,784**

6	**Intangible assets**	Goodwill	Goodwill
	Cost at 1 January	337,920	357,260
	Exchange rate adjustments	-2,091	-19,340
	Disposals	0	0
	Other	6,630	0
	Cost at 31 December	**342,459**	**337,920**
	Amortisation at 1 January	270,999	284,104
	Exchange rate adjustments	-2,245	-27,690
	Amortisation for the year	14,678	14,585
	Reversed amortisations on disposals	5,796	0
	Amortisation at 31 December	**289,228**	**270,999**
	Carrying amount at 31 December	**53,231**	**66,921**

Performed impairment tests have supported carrying values.

	Other intangible assets	Other intangible assets
Cost at 1 January	117,127	112,819
Exchange rate and other adjustments	-388	-440
Additions	0	4,282
Transfer	0	466
Cost at 31 December	**116,739**	**117,127**
Depreciation at 1 January	74,062	63,789
Exchange rate and other adjustments	-362	-407
Depreciation for the year	8,903	10,680
Depreciation at 31 December	**82,603**	**74,062**
Carrying amount at 31 December	**34,136**	**43,065**

	Intangible assets in development	Intangible assets in development
Cost at 1 January	0	475
Transfer	0	-475
Cost at 31 December	**0**	**0**
Carrying amount at 31 December	**0**	**0**

		2018 DKK '000	2017 DKK '000
7	**Property, plant and equipment**	Land and buildings	Land and buildings
	Cost at 1 January	536,439	539,683
	Exchange rate and other adjustments	-4,049	-9,719
	Additions	6,818	6,492
	Disposals	-9,740	-140
	Transfer	15,751	123
	Cost at 31 December	545,219	536,439
	Depreciation and impairment losses at 1 January	349,580	340,817
	Exchange rate and other adjustments	-2,255	-4,900
	Reversed depreciation on disposals	-4,773	0
	Depreciation for the year	12,107	13,663
	Depreciation and impairment losses at 31 December	354,659	349,580
	Carrying amount at 31 December	190,560	186,859

	Plant and machinery	Plant and machinery
Cost at 1 January	1,199,785	1,292,486
Exchange rate and other adjustments	-15,699	-42,028
Additions	46,298	37,713
Disposals	-79,427	-95,386
Transfer	52,685	7,000
Cost at 31 December	1,203,642	1,199,785
Depreciation and impairment losses at 1 January	875,007	946,174
Exchange rate and other adjustments	-10,383	-31,420
Reversed depreciation on disposals	-78,105	-90,355
Depreciation for the year	50,849	50,608
Depreciation and impairment losses at 31 December	837,368	875,007
Carrying amount at 31 December	366,274	324,778
Hereof assets held under a finance lease	14,597	18,699

7 Property, plant and equipment, continued

	2018 DKK '000	2017 DKK '000
	Other fixtures, tools and equipment	Other fixtures, tools and equipment
Cost at 1 January	101,595	102,420
Exchange rate and other adjustments	-6	-391
Additions	948	2,606
Disposals	-4,680	-3,040
Cost at 31 December	**97,857**	**101,595**
Depreciation at 1 January	98,828	102,003
Exchange rate and other adjustments	-5	-374
Reversed depreciation on disposals	-4,680	-3,040
Depreciation for the year	402	239
Depreciation at 31 December	**94,545**	**98,828**
Carrying amount at 31 December	**3,312**	**2,767**

	Tangible assets in course of construction	Tangible assets in course of construction
Cost at 1 January	68,477	22,180
Exchange rate and other adjustments	-103	-1,090
Additions	21,870	54,500
Transfer	-68,436	-7,113
Cost at 31 December	**21,808**	**68,477**
Carrying amount at 31 December	**21,808**	**68,477**

8 Inventories

Cost of goods sold is included in cost of sales.

No material impairment has been made during the year and no material inventories are measured at a net realisable value under the actual cost price.

9 Prepayments

Prepayments comprise prepaid expenses concerning rent and insurance premiums etc.

10 Receivables

Receivables with maturity after one year amount to DKK 0.0m (2017: DKK 0.0m).

11 Deferred tax liabilities

	Deferred tax assets		Deferred tax liabilities	
	2018	2017	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000
Deferred tax liabilities				
Intangible assets	0	0	-38,311	-34,317
Property, plant and equipment	0	0	38,923	36,893
Other non-current assets	0	0	318	377
Current assets	0	0	698	620
Provisions	0	0	18,468	17,730
Deferred tax liabilities at 31 December	**0**	**0**	**20,096**	**21,303**

	Deferred tax liabilities DKK '000
The year's changes in deferred tax assets/liabilities	
Deferred tax assets/liabilities at 1 January 2018	21,303
Movements through the income statement	2,199
Hereof effect of change in tax rates	-1,410
Defined benefit plan	-990
Exchange rate movements	-1,006
Net deferred tax assets/liabilities at 31 December 2018	**20,096**

The group's basis for deferred tax reflects the differences between the carrying amount and the tax value of the group's assets and liabilities.

The group's aggregate net deferred tax stated above is broken down by assets and liabilities. Where a legal entity or jurisdiction has both tax assets and liabilities, these have been set off.

The group's valued tax assets are essentially not subject to time limits.

12 Pensions and similar commitments

The pension commitments incumbent on the Danish enterprises are funded through insurance schemes. The pension commitments of certain foreign enterprises are also funded through insurance schemes. Foreign enterprises whose pension commitments are not - or only partly - funded through insurance schemes (benefit-based) state the uncovered pension commitments at the actuarial present value at the balance sheet date. These pension schemes are backed by pension funds. Moreover, the Unicon Group has made provisions of DKK 56m (2017: DKK 54m) considering the assets related to the schemes.

	2018 DKK '000	2017 DKK '000
Present value of benefit-based schemes	84,589	80,586
Market value of the assets comprised by the schemes	-28,305	-26,152
	56,284	**54,434**
Present value of benefit-based schemes at 1 January	80,586	78,511
Exchange rate adjustment	-2,196	-3,632
Actuarial gains/losses	4,032	3,556
Costs	3,020	3,148
Interest on commitment	1,835	1,653
Payments	-2,688	-2,650
Present value of benefit-based schemes at 31 December	**84,589**	**80,586**
Market value of the assets comprised by the schemes at 1 January	26,152	27,210
Exchange rate adjustment	-285	-2,049
Actuarial gains/losses	-141	-1,340
Payments	1,986	1,904
Interest on assets	593	427
Market value of the assets comprised by the schemes at 31 December	**28,305**	**26,152**
Stated as liability (Pension provisions)	**56,284**	**54,434**
Taken to the income statement		
Costs (incl. actuarial adjustments)	3,020	3,148
Income (incl. actuarial adjustments)	0	0
Interest, net	1,242	1,226
Total amount taken to the income statement	**4,262**	**4,374**

All assets comprised by the schemes are managed and controlled by pension providers in collective pool schemes.

The assumptions on which the actuarial computations are based at the balance sheet date are as follows, on average:

Average discounting rate applied	2-3%	2-3%
Future pay increase rate	2-3%	2-3%
Expected pension increase rate	2-3%	2-3%

13 Other provisions

	2018 DKK '000	2017 DKK '000
Other provisions at 1 January	40,544	42,121
Exchange rate adjustments and other adjustments	453	-1,783
Additions for the year	2,985	887
Disposals/applications for the year	-5,215	-681
Other provisions at 31 December	**38,767**	**40,544**

The provisions are mainly attributable to re-establishment costs in connection with the Group's gravel and stone activities and demolition liabilities for buildings etc. Additions for the year are mainly attributable to reassessment hereof.

14 Non-current liabilities

	2018 DKK '000	2017 DKK '000
Non-current liabilities falling due later than within 5 years after the end of the financial year:		
Credit institutions	0	0
	0	**0**

15 Other payables and deferred income

Other payables and deferred income include due holiday pay, taxes, public duties and interest payable.

16 Charges

	2018		2017	
	Carrying amount of assets charged DKK '000	Assets charged DKK '000	Carrying amount of assets charged DKK '000	Assets charged DKK '000
Other fixtures, tools and equipments	34,631	0	18,004	0
Real estate	1,235	1,456	642	1,436
	35,866	**1,456**	**18,646**	**1,436**

17 Contingent liabilities

	2018 DKK '000	2017 DKK '000
Guarantees	19,436	18,177
	19,436	18,177
Minimum lease commitments on operating leases:		
Maturity within one year	41,470	36,943
Maturity between one and five years	116,973	78,459
Maturity after more than five years	41,559	30,865
	200,002	146,267
Other commitments	21,720	25,878
	241,158	**190,322**

Unicon A/S and Kudsk & Dahl A/S are taxed jointly with other Danish companies in the Aalborg Portland Holding Group. As 100% owned subsidiaries, the companies are jointly and unlimited liable with the other companies in the joint taxation of Danish corporate taxes within the joint taxation group. Payable corporate taxes in the joint taxation group amounted to DKK 8.5m at 31 December 2018. Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the companies.

18 Fee to auditors appointed at the Annual General Meeting

	2018 DKK '000	2017 DKK '000
Total fee to auditors appointed at the Annual General Meeting to be specified as follows:		
Statutory audit	1,042	1,072
Tax and VAT advisory services	34	35
Other services	97	38
	1,173	**1,145**

19 Related party transactions

Related parties with significant influence:
Aalborg Portland Holding A/S, Rørdalsvej 44, 9100 Aalborg, owns 100% of the shares in Unicon A/S.
Cementir España S.L., Calle General Yagüe, Num. 13, 28020 Madrid, Spain
Cementir Holding S.p.A., Corso di Francia, 200, 00191 Rome, Italy
Caltagirone S.p.A., Via Barberini, 28, 00187 Rome, Italy

Related parties within Unicon Group comprise the enterprises' Board of Directors and Management together with family related to these persons.
Furthermore, related parties comprise enterprises in which the above-mentioned persons have significant interests.

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

20 Financial risks and instruments

The Company has no financial instruments at 31 December 2018.

21 Post-balance sheet events

There have been no post-balance sheet events material to this Annual Report which have not been recognised or mentioned.

23 Accounting policies

General

The Annual Report 2018 of Unicon A/S is prepared in accordance with the Danish Financial Statements Act for large companies in reporting class C.

The annual report 2018 is presented in thousand Danish kroner.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

Recognition and measurement in general

The financial statements have been prepared under the historical cost convention.

Income is recognised in the income statement as it is earned, including recognised value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, costs incurred to achieve year earnings are recognised in the income statement, including depreciation, impairment losses and provisions as well as reversals due to changes in accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will accrue to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the liability value can be reliably measured.

On initial recognition assets and liabilities are measured at cost. Subsequent measurement of assets and liabilities are made as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost, which includes a constant effective interest rate over the term. Amortised cost is calculated as original cost less depreciation and allowance / deduction of accumulated depreciation of the difference between cost and the nominal amount. Hereby exchange rate gains and losses are allocated according to the life of the asset or liability.

Recognition and measurement take into account predictable losses and risks, which appear before the annual report is presented, and which confirm or deny the conditions that existed at the balance sheet date.

DKK is used as functional currency. All other currencies are considered foreign currency.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Unicon A/S, and all enterprises in which the Parent Company exercises a controlling influence of their financial and operating policies. Control is obtained when the company directly or indirectly holds more than 50% of the voting rights in the enterprise or which it, in some other way, controls.

Enterprises, in which the Parent Company exercises significant influence, but not a controlling influence, are considered as joint ventures. Significant influence is generally achieved by direct or indirect ownership or control of more than 20% and less than 50% of the voting rights.

Joint arrangements are activities or enterprises, in which the Group through cooperation agreements with one or more parties have joint control, where major decisions require unanimity. Joint arrangements are classified as joint ventures or joint operations. Joint operations are where participants have direct rights of assets and direct liability for obligations, whereas, joint ventures are activities where participants alone have rights over the net assets.

The consolidated financial statements are based on the financial statements of the Parent Company and the individual enterprises which are prepared in accordance with the Unicon Group accounting policies. All items of a uniform nature are combined. Intra-group income, costs and intra-group financial statements, shareholdings and dividends are eliminated. Furthermore, unrealised gains and losses on transactions between the consolidated companies are eliminated. Unrealised gains on transactions with joint ventures are eliminated in relation to the Group's ownership in the enterprise.

Non-cotrolling interests
Subsidiaries' items are recognised in the consolidated financial statement by 100%. Non-controlling interests' share of equity is stated separately.

Business combinations
Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions and disposals.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise.

Any negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets. Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in depreciation already made.

The booked value method is applied to transfers between Group companies (common controlled transactions), according to which assets and liabilities are transferred at their carrying amount plus Group goodwill and negative goodwill, which is restated in equity.

When enterprises are sold, the difference between the selling price and the net assets plus cumulative translation differences and unamortised goodwill is recognised in the income statement as a separate item.

Foreign currency translation
Transactions in foreign currencies are translated at the exchange rate of the date of transaction. Any foreign exchange variances between the rates at the transaction date and the payment date are stated in the income statement as financial items.

Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the balance sheet date. Any foreign exchange variances between the rates at the transaction date and the payment date or the balance sheet date, respectively, are stated in the income statement as financial items.

Non-monetary assets and liabilities in foreign currencies are stated at the rate of exchange at the date of transaction.

Income statements of foreign subsidiaries and joint ventures that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

On full or partial disposal of a foreign operation or on repayment of balances which constitute part of the net investment in the foreign operation, the share of the cumulative amount of the exchange differences recognised directly in equity relating to that foreign operation is recognised in the income statement when the gain or loss on disposal is recognised.

An average exchange rate is used if it does not significantly deviate from the exchange rate ruling at the transaction date.

The assets and liabilities of a foreign company acquired are translated at the exchange rate at the date of transaction (acquisition date).

Income statement

The annual report is classified by function.

Revenue
Revenue is recognised in the income statement on delivery and passing of the risk to the buyer, when a binding sales agreement has been entered into, and when the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the consideration agreed excl. VAT and levies charged on account of third party. All kinds of discounts are recognised in Revenue. For competitive reasons segment information is not stated.

Cost of sales
Cost of sales comprises of raw materials, consumables, direct labour costs and indirect production costs such as maintenance, depreciation and operation of production plant as well as administration and plant management.

Sales and distribution costs
Sales and distribution costs comprise direct distribution and marketing costs, salaries for the sales and marketing functions, depreciation as well as other indirect costs.

Administrative expenses
Administrative costs comprise the costs of the year for management and administration of the company, including costs for administrative staff and management, offices, office expenses and depreciation.

Other operating income and costs
Other operating income and costs comprise items of a secondary nature in relation to the activities of the Group, including certain grants, rentals, fees, etc.

Other operating income and costs also comprise profit on disposal of individual assets, land and buildings which are not related to a total disposal of an activity.

Profit/loss from investments in subsidiaries
The proportionate share of the profit/loss after tax of subsidiaries is recognised in the income statement and the financial statements of the Parent Company and after elimination of the proportionate share of intra-group unrealised profits/losses, and deduction of impairment and depreciation of group goodwill.

Profit/loss from investments in joint ventures
The proportionate share of the profit/loss after tax of joint ventures is recognised in the consolidated income statement and after elimination of the proportionate share of intra-group unrealised profits/losses, and deduction of impairment and depreciation of group goodwill. Profit/loss on disposal of joint ventures are presented in the income statement. Costs related to the disposal are recognised in the statement of profit/loss.

Financial items
Interest income and expenses comprise interest, exchange rate gains and losses on securities, debt and transactions in foreign currency and depreciation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Realised and unrealised gains and losses on derivative financial instruments that are not qualified as hedge accounting are also included.

Tax
Tax for the year comprises current tax and changes in deferred tax.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the applicable tax rates for the financial year and any adjustment of tax for previous years.

Tax related to changes in shareholders' equity is restated on equity.

Deferred tax is recognised and measured according to the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to goodwill not deductible for tax purposes.

Deferred tax is calculated based on the applicable tax rates for the individual financial years. The effect of changes in the tax rates is stated in the income statement unless it relates to items previously entered directly in Shareholders' equity.

Deferred tax assets, including the value of tax loss carry-forwards, are recognised under other fixed assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Tax assets are presented under other fixed assets as a separate item.

Unicon A/S is jointly taxed with the parent company Aalborg Portland Holding A/S and all Danish enterprises. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income.

Balance sheet

Intangible assets
Goodwill
On initial recognition, goodwill is recognised in the balance sheet at cost as described under "Business combinations". Subsequently goodwill is measured at cost less accumulated impairment and depreciation.

Goodwill is amortised over its estimated useful life, which is determined on the basis of management experience in the individual business areas.

- Goodwill. The amortisation period is up to 20 years.

Development projects, patents and other intangible assets
Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities in the Company is demonstrated, and where the Company intends to complete, market and use the individual project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover production costs, selling and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Intangible assets are measured at cost less accumulated amortisation and impairment.

Cost comprises wages and salaries, depreciation and other costs attributable to the Group's development activities.

Specifically developed software applications with a high degree of company-specific adjustments are considered to have an economic life of up to 15 years.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life from the date when the asset is available for use. The depreciation period is:

- Development costs, up to 5 years.
- Software applications, up to 15 years.
- Licences and other rights, up to 20 years.

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

The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries

Deemed costs for dismantling and disposal of the asset and re-establishment are added to cost if the deemed costs are recognised as a provision. The cost of total assets is split into separate components, which are depreciated separately if the useful lives of the individual components differ.

Financing costs on loans to finance manufacture of property, plant and equipment are included in the cost price if related to the manufacturing period. All other financing costs are recognised in the income statement.

Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the Group. The carrying amount of the replaced components are derecognised in the balance sheet and recognised as an expense in the income statement. All costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Depreciation is charged on a straight-line basis during the estimated useful life of the asset concerned until it reaches the estimated scrap value.

Estimated useful lives are as follows:

- Buildings, 20 - 40 years
- Plant and machinery, 5 - 25 years
- Other fixtures, tools and equipment, 3 - 10 years
- Leasehold improvements, up to 5 years.

Newly acquired assets and assets of own construction are depreciated from the time they are available for use. Land is not depreciated, unless it is used for raw material extraction after individual assessment.

The basis of depreciation is calculated on the basis of the scrap value less impairment losses. The scrap value is determined at the acquisition date and reassessed annually. If the scrap value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the scrap value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Impairment of assets
Goodwill and intangible assets with an indefinite useful life are subject to an annual impairment test. The first test is carried out before the end of the acquisition year.

The carrying amount of goodwill is impairment tested at least once a year together with the other non-current assets in the cash-generating unit to which the goodwill is allocated, and an impairment to the recoverable amount is made in the income statement if the carrying amount is higher. The recoverable amount is calculated as the higher of selling price less expected disposal costs and the value in use. The value in use is computed as the present value of the expected future cash flows from the entity of activity (cash-generating unit) to which the goodwill is allocated.

The carrying amount of non-current assets, except for goodwill, intangible assets with an indefinite useful life, deferred tax assets and financial assets, is reviewed each year to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. The recoverable amount is the higher value of the asset's selling price less expected disposal costs and its value in use.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit.

Impairment of Intangible assets and Property, plant and equipment is charged to the same items as the related depreciation.

Investments in joint ventures
Investments in joint ventures are measured according to the equity method.

Investments in joint ventures are recognised in the balance sheet as the proportionate share of the equity value of the entities stated in accordance with the Group's accounting policies, adding or deducting the proportionate share of unrealised intra-group profits and losses.

The total net revaluation of investments in joint ventures is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in joint ventures.

Joint ventures with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories
Raw materials and consumables are measured at cost. Cost is computed according to the weighted average cost method.

The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery costs.

The cost of work in progress and finished goods comprise direct production costs with addition of indirect production costs. Indirect production costs include operating costs, maintenance and depreciation of production plant and plant management.

If the net realisable value is lower than cost, write-down is made to this lower value.

Receivables
Receivables are measured at the lower of amortised cost and net realisable value, which corresponds to nominal value less net of impairment losses after individual assessment.

Prepaid expenses
Prepaid expenses are measured at amortised cost.

Equity

Dividends
Dividends are recognised as debt at the time of approval at the annual general meeting (time of declaration). Dividends which are proposed for distribution are therefore stated separately in the shareholders' equity.

Interim dividends are recognised as debt at the time of decision.

Net revaluation reserve according to the equity method
Net revaluation reserve according to the equity method comprises net revaluation of equity investments in associates in proportion to cost.

Dividends that are expected to be received before the balance sheet date are not tied to the reserve.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates.

Reserves cannot be recognised at a negative amount.

Pensions, defined contribution schemes
In contribution pension schemes the employer is obliged to pay a specific contribution (e.g. a fixed sum or a fixed percentage of the pay). In a contribution scheme the risk in respect of future developments in interest rate, inflation, mortality and invalidity is not borne by the Group. Payments by the Group into defined contribution schemes are stated in the income statement for the period to which they apply and any outstanding payments are stated in the balance sheet as Other payables.

Pensions, defined benefit schemes
In benefit pension schemes the employer is obliged to pay a specific benefit (e.g. a retirement pension as a fixed sum or a fixed percentage of final pay). In a benefit scheme the Group bears the risk with regard to future development in interest rate, inflation, mortality and invalidity.

An annual actuarial valuation is carried out to determine the present value of the future benefits to be paid under defined benefit schemes. The present value is calculated on the basis of assumptions for future developments in wage/salary level, interest rates, inflation and mortality. The present value is calculated only for benefits to which the employees have already earned the right during their employment with the Group. The actuarial present value less the fair value of any plan assets is recognised in the balance sheet under retirement benefit obligations.

Differences between the expected growth in pension assets and liabilities and the realised values are classified as actuarial gains or losses. Such gains and losses are recognised in the balance sheet with an offsetting entry on equity.

If a pension plan constitutes a net asset, the asset is only recognised if it represents future refunds from the plan or will lead to reduced future payments to the plan.

Similarly, other long-term employee benefits are recognised based on an actuarial calculation. However, actuarial gains and losses are recognised in the income statement immediately. Other long-term employee benefits include jubilee benefits.

Provisions
Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

When measuring provisions, deemed costs are discounted. When the Group has a legal obligation to dismantle or remove an asset or restore the site on which the asset is located, a provision is recognised corresponding to the present value of expected future costs.

Provisions relating to obligations relate to guarantee work, severance costs, re-establishment of gravel pits, demolition liabilities for buildings and silos on rented land, etc.

Provisions are measured as the best estimate of the expenses required to settle the obligation at the balance sheet date.

On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability. A pre-tax discount factor is used that reflects the current market interest rate level plus risks specific to the liability. Changes in present values during the year are recognised as financial expenses.

To the extent that at the end of the year further minor supplies etc. for completion of an order are outstanding, accounting provisions are made. Outstanding supplies, for which price and volumes have been agreed upon, are recognised as liabilities. The rest of the reserved amount is allocated to provisions. The provision covers the expected cost of its own completion, subsequent warranty supplies and unsettled claims from customers or sub-suppliers.

Financial liabilities
Amounts owed to credit institutions are recognised when raising the loan at the proceeds received less transaction costs. Subsequent measurement is made at amortised cost so that the difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other payables consist of holiday pay obligations, supplementary holiday pay, taxes and levies and interest payable. Other payables are recognised at amortised cost prices, usually corresponding to the nominal value.

Leases
Lease commitments are classified as finance or operating leases.

Leases where the company has all substantial risks and opportunities linked to the ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the asset and the present value of the lease payments, calculated by using the lease interest rate or an approximation hereof as the discount rate. Assets under finance leases are depreciated and written down according to the same policies as the company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the financial charge is charged to the income statement.

All other leases are classified as operating leases. Payments made under operating leases are recognised in the income statement over the lease period.

Cash flow statement

The cash flow statement for the Group is presented according to the indirect method and shows the composition of the cash flow divided into operating, investing and financing activities, respectively, and the cash funds at the beginning and end of the year.

The cash flow statement is based on earnings before depreciation, impairment, provisions, interest and tax (EBITDA).

In the statement of working capital/loans a distinction is made between interest-bearing and non-interest-bearing items plus cash funds.

- Cash funds consist of cash in hand and bank deposits.
- Loans represent total interest-bearing debt items less interest-bearing receivables.
- All other non-interest-bearing receivables and debt items are regarded as working capital.

Cash flows from operating activities are stated as the year's profit adjusted for non-cash operating items, changes in working capital, financial items and paid tax.

Cash flows from investing activities comprise payments made in connection with the acquisition and disposal of property, plant and equipment.

To the extent that enterprises or joint ventures buy-back treasury shares, this is regarded as disposal of securities and is thus included as a reduction of cash flows from investing activities, and not as the dividends as cash flows from operating activities.

Cash flows from financing activities comprise payments to and contributions from owners as well as the raising and repayment of loans.

Notes		2018 DKK '000	2017 DKK '000
	Net sales	1,015,574	1,034,159
1	Cost of sales	622,386	635,405
	Gross profit	**393,188**	**398,754**
1	Sales and distribution costs	252,140	249,593
1	Administrative expenses and other costs	77,151	80,222
	Profit or loss from ordinary operating activities	**63,897**	**68,939**
2	Other operating income	7,244	2,935
2	Other operating costs	277	0
	Earnings before interest and tax (EBIT)	**70,864**	**71,874**
3	Share of profit after tax, enterprises	76,412	55,941
4	Share of profit after tax, joint ventures	-123	-2,499
5	Financial income	586	3,825
5	Financial expenses	4,476	5,989
	Earnings before tax (EBT)	**143,263**	**123,152**
6	Tax on profit for the year	16,698	17,896
	Profit for the year	**126,565**	**105,256**
	Proposed distribution of profit		
7	Transfer to next year	46,688	7,755
	Net revaluation according to the equity method	-123	-2,499
	Proposed dividends for the financial year	80,000	100,000
		126,565	105,256

Notes	ASSETS	2018 DKK '000	2017 DKK '000
	Fixed assets		
	Goodwill	45,191	53,257
	Other intangible assets	33,278	41,759
8	**Intangible assets**	**78,469**	**95,016**
	Land and buildings	111,394	101,721
	Plant and machinery	135,956	108,418
	Fixtures, tools and equipment	3,184	2,589
	Tangible assets in course of construction	4,843	50,194
9	**Property, plant and equipment**	**255,377**	**262,922**
3	Investments in subsidiaries	214,717	207,501
4	Investments in joint ventures	19,909	20,565
	Fixed asset investments	**234,626**	**228,066**
	Total fixed assets	**568,472**	**586,004**
	Current assets		
	Raw materials and consumables	20,155	21,901
10	**Inventories**	**20,155**	**21,901**
	Trade receivables	89,628	81,968
	Receivables from group enterprises	98,244	8,172
	Other receivables	211	295
	Prepayments	603	0
11	**Receivables**	**188,686**	**90,435**
	Cash funds	**10,947**	**70**
	Total current assets	**219,788**	**112,406**
	TOTAL ASSETS	**788,260**	**698,410**

Notes	EQUITY AND LIABILITIES	2018 DKK '000	2017 DKK '000
	Shareholders' equity		
	Share capital	150,000	150,000
	Reserve for net revaluation according to the equity method	18,881	19,537
		-150,000	-150,000
		-18,881	-19,537
		-80,000	-100,000
	Shareholders equity, GR	489,068	468,190
	Retained earnings	240,187	198,653
	Proposed dividends for the financial year	80,000	100,000
	Total shareholders' equity	**489,068**	**468,190**
	Provisions		
12	Deferred tax liabilities	6,374	4,078
13	Other provisions	4,896	6,501
	Total provisions	**11,270**	**10,579**
	Liabilities		
	Credit institutions, etc.	0	12,970
14	**Non-current liabilities**	**0**	**12,970**
	Credit institutions, etc.	14,767	6,065
	Trade payables	101,151	115,803
	Payables to group enterprises	115,156	24,325
	Joint taxation contribution payable	15,843	18,507
15	Other payables and deferred income	41,005	41,971
	Current liabilities	**287,922**	**206,671**
	Total liabilities	**287,922**	**219,641**
	TOTAL EQUITY AND LIABILITIES	**788,260**	**698,410**

16 Contingent liabilities
17 Fee to the auditors appointed by the Annual General Meeting
18 Related party transactions
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Shareholders' equity / Parent Company

DKK '000	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividends for the financial year	**Total**
Shareholders' equity 1 January 2017	**150,000**	**20,832**	**194,834**	**75,000**	**440,666**
Exchange rate adjustments		1,204	-3,936		-2,732
Reserve according to equity method		-2,499	2,499		0
Profit for the year			105,256		105,256
Movement for the year at the equity	**0**	**-1,295**	**103,819**	**0**	**102,524**
Dividend paid				-75,000	-75,000
Proposed dividends for the financial year			-100,000	100,000	0
Shareholders' equity at 31 December 2017	**150,000**	**19,537**	**198,653**	**100,000**	**468,190**
Exchange rate adjustments		-533	-3,034		-3,567
Equity movements in subsidiaries			-2,120		-2,120
Reserve according to equity method		-123	123		0
Profit/loss for the year			126,565		126,565
Movement for the year at the equity	**0**	**-656**	**121,534**	**0**	**120,878**
Dividend paid				-100,000	-100,000
Proposed dividends for the financial year			-80,000	80,000	0
Shareholders' equity at 31 December 2018	**150,000**	**18,881**	**240,187**	**80,000**	**489,068**

The consolidated share capital consists of shares of nominal DKK 1,000 or multiples of these.

		2018 DKK '000	2017 DKK '000
1	**Staff costs**		
	Wages and salaries	195,901	196,744
	Pension contributions	17,513	17,430
	Social security contributions	4,474	4,414
		217,888	**218,588**
	Average number of full-time employees	375	376

Remuneration to the board of directors amounted to DKK 0.1m in 2018 and 2017. In 2018 and 2017, remuneration to the management is paid via management fee to Aalborg Portland Holding A/S. It is not possible to specify the remuneration to the management. Thus no salaries are paid to the management by Unicon A/S in 2018 and 2017.

2 **Other operating income and other operating costs**

	2018	2017
Other operating income		
Rental income	641	550
Profit from sale of fixed assets	5,089	2,223
Other Income	1,514	162
	7,244	**2,935**
Other operating costs		
Loss from sale of fixed assets	277	0
	277	**0**

3	**Investments in subsidiaries**	Investments in subsidiaries	Investments in subsidiaries
	Cost at 1 January	232,938	253,912
	Exchange rate and other adjustments	-4,506	-20,974
	Cost at 31 December	**228,432**	**232,938**
	Adjustments at 1 January	-25,437	-40,492
	Exchange rate adjustments	1,434	14,078
	Profit after tax	76,412	55,941
	Equity movements in subsidiaries	-2,120	0
	Dividend received	-64,004	-54,964
	Adjustments at 31 December	**-13,715**	**-25,437**
	Carrying amount at 31 December	**214,717**	**207,501**

Investments in subsidiaries

	Shareholders' equity DKK '000	Ownership interest %	Unicon's share of profit before tax DKK '000	Unicon's share of profit after tax DKK '000	Unicon's share of shareholders' equity DKK '000
- Unicon AS, Norway	109,089	100	67,266	60,605	109,089
- AB Sydsten, Sweden	183,781	50	22,705	18,639	86,611
- Kudsk & Dahl A/S, Denmark	19,017	100	3,264	2,549	19,017
Amortisation, goodwill			-5,381	-5,381	
			87,854	**76,412**	**214,717**

		2018 DKK '000	2017 DKK '000
4	**Investments in joint ventures**	Investments in joint ventures	Investments in joint ventures
	Cost at 1 January	1,028	1,028
	Disposals	0	0
	Cost at 31 December	**1,028**	**1,028**
	Value adjustments at 1 January	19,537	20,832
	Exchange rate adjustments	-533	1,204
	Reversed impairment on disposals	0	0
	Profit shares	-123	-2,499
	Adjustments at 31 December	**18,881**	**19,537**
	Carrying amount at 31 December	**19,909**	**20,565**

	Shareholders' equity DKK '000	Ownership interest %	Unicon's share of profit before tax DKK '000	Unicon's share of profit after tax DKK '000	Unicon's share of shareholders' equity DKK '000
- Ecol-Unicon Sp. z o.o., Poland	40,628	49	-123	-123	19,909
			-123	**-123**	**19,909**

The voting rights does not differ from the ownership interest held.

		2018 DKK '000	2017 DKK '000
5	**Financial income and expenses**		
	Financial income:		
	Interest and other financial income	272	325
	Interest income, Group enterprises	184	111
	Realised exchange rate gains	6	3,348
	Unrealised exchange rate gains	124	41
		586	**3,825**
	Financial expenses:		
	Interest and other financial expenses	539	508
	Interest expenses, Group enterprises	3,419	2,277
	Realised exchange rate losses	11	26
	Unrealised exchange rate losses	507	3,178
		4,476	**5,989**
6	**Tax on profit for the year**		
	Current tax on the profit/loss for the year	15,843	18,507
	Adjustment of deferred tax	2,296	623
	Adjustment previous years	-1,441	-1,234
		16,698	**17,896**

		2018 DKK '000	2017 DKK '000
7	**Proposed distribution of profit**		
	Transfer to next year	46,688	7,755
	Net revaluation according to the equity method	-123	-2,499
	Proposed dividends for the financial year	80,000	100,000
		126,565	105,256

		Goodwill	Goodwill
8	**Intangible assets**		
	Cost at 1 January	176,382	181,438
	Exchange rate and other adjustments	-488	-5,056
	Cost at 31 December	175,894	176,382
	Amortisation at 1 January	123,125	122,809
	Exchange rate	-526	-8,015
	Amortisation for the year	8,104	8,331
	Amortisation at 31 December	130,703	123,125
	Carrying amount at 31 December	45,191	53,257

Performed impairment tests have supported carrying values.

	Other intangible assets	Other intangible assets
Cost at 1 January	104,957	100,830
Additions	0	4,127
Transfer	0	0
Cost at 31 December	104,957	104,957
Depreciation at 1 January	63,198	53,373
Depreciation for the year	8,481	9,825
Depreciation at 31 December	71,679	63,198
Carrying amount at 31 December	33,278	41,759

	2018 DKK '000	2017 DKK '000
9 Property, plant and equipment	Land and buildings	Land and buildings
Cost at 1 January	355,939	352,244
Additions	446	3,695
Disposals	-3,113	0
Transfer	15,751	0
Cost at 31 December	**369,023**	**355,939**
Depreciation and impairment losses at 1 January	254,218	247,864
Reversed depreciation on disposals	-2,937	0
Depreciation for the year	6,348	6,354
Depreciation and impairment losses at 31 December	**257,629**	**254,218**
Carrying amount at 31 December	**111,394**	**101,721**
	Plant and machinery	Plant and machinery
Cost at 1 January	407,461	417,730
Additions	12,877	11,800
Disposals	-45,964	-25,130
Transfer	34,443	3,061
Cost at 31 December	**408,817**	**407,461**
Depreciation and impairment losses at 1 January	299,043	305,470
Reversed depreciation on disposals	-45,843	-24,959
Depreciation for the year	19,661	18,532
Depreciation and impairment losses at 31 December	**272,861**	**299,043**
Carrying amount at 31 December	**135,956**	**108,418**
Hereof assets held under a finance lease	**14,597**	**18,699**
	Other fixtures, tools and equipment	Other fixtures, tools and equipment
Cost at 1 January	96,789	97,223
Additions	948	2,606
Disposals	-3,697	-3,040
Cost at 31 December	**94,040**	**96,789**
Depreciation at 1 January	94,200	97,115
Reversed depreciations on disposals	-3,697	-3,040
Depreciation for the year	353	125
Depreciation at 31 December	**90,856**	**94,200**
Carrying amount at 31 December	**3,184**	**2,589**
	Tangible assets in course of construction	Tangible assets in course of construction
Cost at 1 January	50,194	18,029
Additions	4,843	35,226
Transfer	-50,194	-3,061
Cost at 31 December	**4,843**	**50,194**
Carrying amount at 31 December	**4,843**	**50,194**

10 Inventories

Cost of goods sold is included in cost of sales.

No material impairment has been made during the year and no material inventories are measured at a net realisable value under the actual cost price.

11 Receivables

Receivables with maturity after one year amount to DKK 0.0m (2017: DKK 0.0m).

12 Deferred tax liabilities

	2018 DKK '000	2017 DKK '000
Deferred tax liabilities		
Intangible assets	2,485	4,221
Property, plant and equipment	4,776	1,038
Current assets	76	102
Provisions	-963	-1,283
Deferred tax liabilities at 31 December	**6,374**	**4,078**

	Deferred tax liabilities DKK '000
The year's changes in deferred tax liabilities	
Deferred tax liabilities at 1 January 2018	4,078
Movements through the income statement	2,296
Deferred tax liabilities at 31 December 2018	**6,374**

The Parent Company's basis for deferred tax reflects the differences between the carrying amount and the tax value of the Parent Company's assets and liabilities.

The Parent Company's valued tax assets are essentially not subject to time limits.

13 Other provisions

	2018 DKK '000	2017 DKK '000
Other provisions at 1 January	6,501	6,963
Disposals/application in the year	-1,605	-462
Other provisions at 31 December	**4,896**	**6,501**

The provisions are mainly related to guarantee work and demolition liabilities for buildings etc.

14 Non-current liabilities

Non-current liabilities falling due later than within 5 years after the end of the financial year:

Credit institutions	0	0
	0	**0**

15 Other payables and deferred income

Other payables and deferred income include due holiday pay, taxes, public duties and interest payable.

16 Contingent liabilities

	2018 DKK '000	2017 DKK '000
Guarantees	**531**	**515**
Minimum lease commitments on operating leases:		
Maturity within one year	23,267	15,199
Maturity between one and five years	71,519	44,103
Maturity after more than five years	27,249	19,166
	122,035	**78,468**
	122,566	**78,983**

Unicon A/S is taxed jointly with other Danish companies in the Aalborg Portland Holding Group. As a 100% owned subsidiary, the company is jointly and unlimited liable with the other companies in the joint taxation of Danish corporate taxes within the joint taxation group. Payable corporate taxes in the joint taxation group amounted to DKK 8.5m at 31 December 2018. Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the company.

17 Fee to the auditors appointed at the Annual General Meeting

Total fee to auditors appointed at the Annual General Meeting to be specified as follows:

Statutory audit	453	444
Other services	4	4
	457	**448**

18 Related party transactions

Related parties with significant influence:
Aalborg Portland Holding A/S, Rørdalsvej 44, 9100 Aalborg, owns 100% of the shares in Unicon A/S.
Cementir España S.L., Calle General Yagüe, Num. 13, 28020 Madrid, Spain
Cementir Holding S.p.A., Corso di Francia, 200, 00191 Rome, Italy
Caltagirone S.p.A., Via Barberini, 28, 00187 Rome, Italy

Unicon A/S' related parties comprise group companies, joint ventures as well as their board and management and other managing employees as well as the related members of their families.

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

Transaction with other related parties:
Enterprises in the Cementir Group.

Unicon A/S is included in the consolidated financial statements of Aalborg Portland Holding A/S.

19 Financial risks and instruments

The Company has no financial instruments at 31 December 2018.

20 Post-balance sheet events

There have been no post-balance sheet events material to this Annual Report which have not been recognised or mentioned.

21 Accounting policies

Parent Company

The Parent Company's financial statements are prepared in accordance with the Danish Financial Statements Act for large companies in reporting class C.

Compared to the accounting policies applied in the consolidated financial statement (see Note 23 to the consolidated financial statements) the Parent Company's accounting policies only deviate in the following items:

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are recognised in the balance sheet as the proportionate share of the equity value of the entities stated in accordance with the Group's accounting policies, adding or deducting the proportionate share of unrealised intra-group profits and losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.