



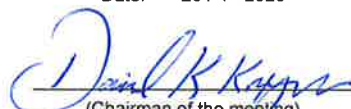
Unicon A/S  
Islands brygge 43, 2300 Copenhagen S  
CVR No 16 06 49 39

## Annual Report 2022

1 January 2022 - 31 December 2022

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

Date: 20 / 4 - 2023

  
(Chairman of the meeting)

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## 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 \*  
Flemming Grand \*

\* Elected by the employees

**Executive Board:** Søren Holm Christensen, *CEO, Nordic & Baltic*  
Henrik Jeppesen, *CFO, Aalborg Portland Holding*

**Management:** Casper Mathiasen, *Managing Director, Unicon, Denmark*  
Eric Staurset, *Managing Director, Unicon, Norway*  
Per Smidfelt, *Managing Director, Sydsten, Sweden*  
Casper Mathiasen, *Managing Director, Kudsk & Dahl, Denmark*

**Company auditors:** PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab

The Annual General Meeting adopted the annual report on 20 April 2023.

### 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.

Unicon A/S is included in the Group financial statements for Aalborg Portland Holding A/S, Denmark and Caltagirone S.p.A., Italy.

Cementir Holding N.V. has its registered head office in Amsterdam and its secondary 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	2018	2019	2020	2021	2022
<b>INCOME STATEMENT</b>					
Revenue	2,509	2,469	2,389	2,624	2,936
<b>Earnings before depreciation/amortisation, impairment, provisions, interest and tax (EBITDA)</b>	<b>262</b>	<b>295</b>	<b>307</b>	<b>369</b>	<b>368</b>
<i>EBITDA ratio</i>	10%	12%	13%	14%	13%
<b>Earnings before interest and tax (EBIT)</b>	<b>172</b>	<b>146</b>	<b>162</b>	<b>219</b>	<b>214</b>
<i>EBIT ratio</i>	7%	6%	7%	8%	7%
<b>Earnings before tax (EBT)</b>	<b>181</b>	<b>139</b>	<b>154</b>	<b>219</b>	<b>213</b>
<b>Profit for the year</b>	<b>146</b>	<b>108</b>	<b>123</b>	<b>155</b>	<b>169</b>
<b>CASH FLOW</b>					
Cash flow from operating activities (CFFO)	159	229	307	340	269
Cash flow from investing activities (CFFI) *	-40	-58	-61	-121	-63
<b>Free cash flow (FCF)</b>	<b>118</b>	<b>171</b>	<b>246</b>	<b>219</b>	<b>207</b>
* Hereof investments in property, plant and equipment	-76	-69	-64	-129	-82
<b>BALANCE SHEET</b>					
Total assets	1,312	1,523	1,512	1,563	1,643
Consolidated shareholders' equity	585	588	593	630	690
<b>Net interest-bearing debt (NIBD)</b>	<b>-130</b>	<b>74</b>	<b>-16</b>	<b>-68</b>	<b>-109</b>
<b>Working capital (WC)</b>	<b>-21</b>	<b>1</b>	<b>-17</b>	<b>-71</b>	<b>-77</b>
<b>FINANCIAL RATIOS</b>					
<b>Including minority interests' share</b>					
Return on equity	26%	18%	21%	25%	26%
Equity ratio	45%	39%	39%	40%	42%
Return on capital employed (ROCE)	22%	15%	15%	19%	22%
NIBD/EBITDA factor	-0.5	0.2	-0.1	-0.2	-0.3
<b>Number of employees at 31 December</b>	<b>664</b>	<b>659</b>	<b>644</b>	<b>678</b>	<b>688</b>

The financial ratios have been computed in accordance with the Guidelines issued by the Danish Finance Society in 2015. Cf. definitions in accounting policies.

IFRS 16 have been implemented in 2019 without restatement of comparable figures.

In 2022, the Unicon Group realised revenue of DKK 2,936m within ready-mixed concrete and aggregates, an increase of 12% compared to 2021. Operating profit (EBITDA) was DKK 368m against DKK 369m in 2021.

The profit before tax for 2022 was DKK 213m against DKK 219m in 2021, a decrease of 3%.

The return on capital employed (ROCE) was 22%, against 19% in 2021. The shareholder's equity at 31 December 2022 was DKK 690m, corresponding to an equity ratio of 42%.

The Unicon Group achieved a positive cash flow from operating activities at DKK 269m. After net investments of DKK 63m, the Group has a free cash flow of DKK 171m.

## Denmark

*In Denmark, Unicon is the market leader with 32 plants producing and supplying ready-mixed concrete to the whole country. Ready-mixed concrete is sold to both residential and business customers.*

In 2022, the company has delivered a strong performance, both financially and strategically. Financially Unicon is looking at solid results driven by strong sales in a declining market, continuous efforts to control costs in a market with high inflation. Strategically, Unicon has managed to differentiate itself from the market by taking on the role as market leader through a strong focus on the sustainability agenda within ready-mixed concrete.

2022 was a year affected by high volatility and a decreasing market. Throughout 2022, the industry encountered lower demand, mainly driven by record-high inflation. Unicon witnessed a decrease in volume, however an increase in market share compared to 2021. Going into 2023, Unicon has a scalable and robust position.

Kudsk & Dahl has delivered a lower result than anticipated due to a temporary close down of the aggregate pit in Nr. Hostrup related to a complaint. Kudsk & Dahl is compliant with all regulations but is not allowed to produce while the complaint is being handled. We expect that this case will be solved in 2023. Regardless of the complaint Kudsk & Dahl is still able to supply Unicon 100% with all needed materials in quality as well as volume for all six plants in the southern part of Jutland.

## Norway

*Unicon AS produces ready-mixed concrete at 25 plants and 2 mobile units from Mandal in the South to Steinkjer in the North.*

### *Market and sales development*

Unicon experienced a challenging market development in 2022 in terms of limited raw material availability in the first part of the year, combined with a strong cost increase on input factors. Despite this, our sales of ready-mix concrete (RMC) increased slightly compared to 2021, although with large regional differences.

Unicon has continued the supplies to major infrastructure projects, Regjeringskvartalet (the Norwegian Government Building Complex), and the new Oslo Airport City at Gardermoen and the new Hospital in Drammen. Before the summer, we completed deliveries to the infrastructure project Nordøyvegen.

During 2022, Unicon continued its focus on safety, sustainability, customer service and improved competitiveness. Safety is our priority; we believe that all accidents can be avoided and hence our target is zero lost time accidents. We have continued our efforts in keeping our employees and contractors safe from accidents and injuries by building a stronger safety culture to reach our target of zero lost time injuries.

Our customer focus continues relentlessly as we seek to satisfy our customers with quality ready-mix concrete, delivered on time and supported by leading technical service and consulting. During the year, the company undertook a major reorganisation in order to improve the customer service as well as the competitiveness.

## Sweden

*AB Sydsten produces and sells ready-mixed concrete and aggregates (granite, quartzite and gravel) to the southern part of Sweden. The company has 9 plants, 4 granite quarries, 1 quartzite quarry, 1 gravel pit, trading business in precast concrete and a recycling business.*

In 2022, Sydsten has faced a changed market landscape due to two main reasons. Firstly, the large projects that have supported high volumes during the last years have now been completed. Secondly, cost increase on input factors, weaker household economies and higher interest rates have created uncertainty and a weakening demand which the construction industry has not experienced for a very long time.

Sydsten has started to adapt to the new situation in the market. Focus areas during the year have been on adapting production capacity, cost optimization and price management. We have successfully managed to defend our market position and keep revenues and earnings on a good level while volumes have dropped.

During the year, Sydsten has noticed an increasing demand from project developers and customers for products with lower carbon emission impact. Sydsten's efforts to fulfil customer demands and win contracts have continued with electrification of production, use of biofuels and carbon reduced RMC.

Sydsten has focused its social impact on supporting FC Rosengård, a Malmö football club with a successful woman's team and a substantial social engagement in the local community targeting socially vulnerable areas in Malmö, helping kids engage in higher education and keeping them out of a growing criminal gang culture. This is one of the biggest societal challenges in Sweden today, also with a negative impact on the society in which the company operates.

## **Sustainability & Health and Safety**

Unicon A/S – Unicon Denmark, Unicon Norway, Sydsten and Kudsk & Dahl – has overall increasingly had focus on sustainability on five areas:

- CO<sub>2</sub> reduced concrete: Shift to new CO<sub>2</sub> reduced cement types in concrete products with focus on implementing Futurecem™.
- Green transport: Introduction of ready-mix trucks with electrical hybrid engines into the market.
- Sustainable production: Electrifying production in quarries and energy efficiency at concrete plants.
- Waste management: Reusing own concrete waste and concrete waste from demolition. Cleaning wastewater from production.
- Health and safety: A number of measures in order to create a stronger safety culture and reducing the number of accidents.

The sustainability efforts for Unicon A/S will continue the coming years with more initiatives to insure more sustainable products, a more sustainable production, greener transport and a more safe and healthy work environment.

## **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-residential 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 2022" from Cementir Holding, the owner of Aalborg Portland Holding. The report is available at [www.cementirholding.it](http://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 2022 Unicon has continued working to attract female candidates and strengthen our recruitment strategies to ensure that Unicon has female candidates, applying for management positions.

For 2022, the management level of Unicon A/S consists of 14 males and 3 females.

The Board of the Group's parent company has three male AGM-elected members, and therefore the goal is not met. No change of board members has been relevant during 2022. The aim of Unicon A/S is to have at least one female AGM-elected member before the end of 2024.

In accordance with the Danish rules for large companies, cf. section 99(d) of the Danish Financial Statements Act, Aalborg Portland Holding (CVR No 14244441) has issued its Policy on Data Ethics. The policy addresses the data ethics principles applied by Aalborg Portland Holding and describes the approach to data processing covering all data types. This includes e.g. use of new technologies and responsible use of data, including personal data protection (GDPR). Data Ethics is an integrated part of the compliance programme of Aalborg Portland Holding and Group Management is overall responsible for the compliance of Data Ethic Policies. Implementation of the Data Ethics Policy at an operational level is anchored with Group IT. In 2022, Aalborg Portland Holding continued the work with data ethics issues in accordance with the policy. The policy is reviewed on a yearly basis and no changes have been made during 2022. The policy is available at <https://aalborgportlandholding.com/en/data-ethics>.

### Payments to authorities

In accordance with Danish regulations governing payments to authorities in large companies, cf. Section 99(c) of the Danish Financial Statements Act, reference is made to parent company Aalborg Portland Holding A/S annual report 2022.

### 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.

In Aalborg Portland Holding A/S' consolidated financial statements for 2022, the Unicon group contributes with DKK 213m 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 2022, which is presented according to the Danish Financial Statements' Act, are:

Earnings before tax (EBT) in the Unicon consolidated financial statements	DKK 212m
Amortisation of goodwill, not deductible, cf. IFRS	<u>DKK 4m</u>
Contribution (EBT) to the Aalborg Portland Holding Group	<u>DKK 216m</u>

The total variance between Unicon A/S's financial statements for 2022 and the contribution to Aalborg Portland Holding A/S' consolidated financial statements for 2022 amounts to DKK 4m before tax.

### Expectations to 2023

Sales in 2023 are expected to increase compared to 2022, mainly due to price increases to compensate cost increases on input factors.

In Denmark, sales are expected to be at the level of 2022. In Norway, sales are expected to increase compared to 2022, whereas sales in Sweden are expected to be below 2022.

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.

Revenue is expected to be in the range of DKK 3,100 – 3,200m and overall, earnings (EBIT) for 2023 are expected to be in line with 2022.



## Financial ratios

EBITDA ratio	$\frac{\text{Earnings before depreciation/amortisation, impairment losses, provisions, interest and tax (EBITDA)}}{\text{Revenue}}$
EBIT ratio	$\frac{\text{Earnings before interest and tax (EBIT)}}{\text{Revenue}}$
ROCE	$\frac{\text{NOPAT}}{\text{Average invested capital}}$
NOPAT	Net Operating Profit After Tax $\text{Earnings before interest and tax (EBIT)} \times (1 - \text{effective tax rate})$
Capital employed	Intangible assets + tangible assets + working capital
NIBD/EBITDA factor	$\frac{\text{Net interest-bearing debt (NIBD)}}{\text{EBITDA}}$
Return on equity	$\frac{\text{Profit}}{\text{Average shareholders' equity}}$
Equity ratio	$\frac{\text{Shareholders' equity}}{\text{Total assets}}$
Net interest-bearing debt (NIBD)	Interest-bearing liabilities less interest-bearing assets
Working capital	Inventories, trade receivables and trade payables

## 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 2022.

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 2022 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 2022.

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, 9 March 2023

### Executive Board:

  
Søren Holm Christensen

  
Henrik Jeppesen

### Board of Directors:

  
Bjarne Moltke Hansen  
Chairman

  
Marco Maria Bianconi  
Vice Chairman

  
Søren Holm Christensen

  
Carsten Ottsen \*

  
Flemming Grand \*

\* Elected by the employees



## THE INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Unicon A/S

#### Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

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 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

#### Basis for Opinion

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

#### Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the 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 in Management's Review.

#### Management's Responsibilities for the 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the 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.

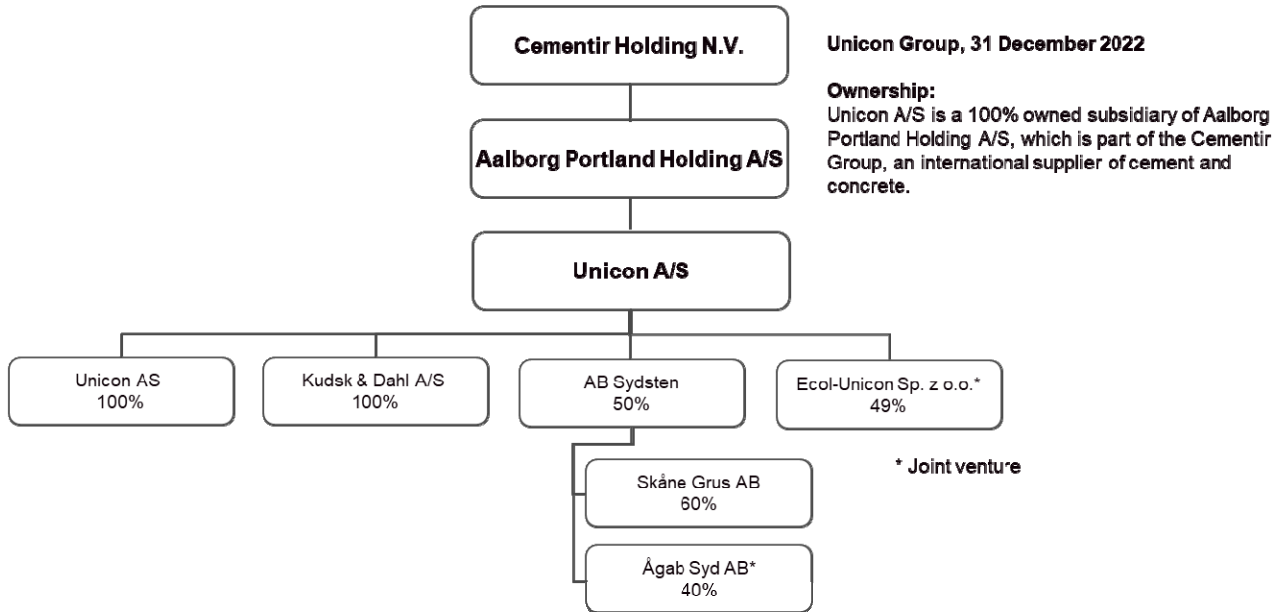
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 9 March 2023  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

  
Henrik Trangeled Kristensen  
State Authorised Public Accountant  
mne23333

  
Thyge Belter  
State Authorised Public Accountant  
mne30222

## GROUP CHART





Consolidated income statement

Notes	2022	2021
	DKK '000	DKK '000
1 Revenue	2,935,935	2,623,859
2 Cost of sales	1,909,018	1,653,592
<b>Gross profit</b>	<b>1,026,917</b>	<b>970,267</b>
2 Sales and distribution costs	682,538	631,376
2 Administrative expenses and other costs	152,522	133,287
<b>Profit from ordinary operating activities</b>	<b>191,857</b>	<b>205,604</b>
3 Other operating income	22,647	14,088
3 Other operating costs	56	921
<b>Earnings before interest and tax (EBIT)</b>	<b>214,448</b>	<b>218,771</b>
4 Share of profit after tax, joint ventures	6,676	4,636
5 Financial income	4,267	6,274
5 Financial expenses	12,819	10,377
<b>Earnings before tax (EBT)</b>	<b>212,572</b>	<b>219,304</b>
6 Tax on profit for the year	43,845	63,931
<b>Profit for the year</b>	<b>168,727</b>	<b>155,373</b>
Attributable to:		
Non-controlling interests	24,981	26,937
Shareholders in Unicon A/S	143,746	128,436



Consolidated cash flow statement

	2022 DKK '000	2021 DKK '000
<b>Profit for the period</b>	<b>168,727</b>	<b>155,373</b>
Reversal of amortisation and depreciation	149,731	147,339
Reversal of revaluation / impairment losses	350	1,563
Share of net profits of equity-accounted investees	-6,676	-4,637
Net financial income / expense	8,551	4,103
Gains/losses on disposals	-17,304	-5,939
Income taxes	43,847	63,931
Change in employee benefits	-5,275	-1,266
Change in provisions (current and non-current)	-1,830	-3,012
<b>Operating cash flows before changes in working capital</b>	<b>340,121</b>	<b>357,455</b>
Increase / decrease Inventories	6,502	-8,354
Increase / decrease Trade receivables	-31,079	-4,539
Increase / decrease Trade payables	29,018	65,869
Change in non-current/current other assets/liabilities	-4,023	-31,015
Change in current and deferred taxes	-3,963	1,130
<b>Operating cash flows</b>	<b>336,576</b>	<b>380,546</b>
Dividends received	690	318
Interests received	1,435	566
Interests paid	-6,867	-5,859
Other income collected/expenses paid	-551	1,307
Income taxes paid	-62,064	-37,241
<b>Cash flow from operating activities</b>	<b>269,219</b>	<b>339,637</b>
Investments in intangible assets	0	-650
Investments in property, plant and equipment and inv. property	-81,605	-129,041
Proceeds from sale of property, plant and equipment	19,054	8,519
Other variances investment assets	0	63
<b>Cash from investing activities</b>	<b>-62,551</b>	<b>-121,109</b>
Change in non-current financial liabilities	-2,125	1,002
Payment of lease liabilities	-63,352	-111,020
Other cash movement of financial receivables	-15,855	0
Dividend distributed	-107,270	-103,537
Other variances of equity	18,001	-5,593
<b>Cash flow from financing activities</b>	<b>-170,601</b>	<b>-219,148</b>
Net change in cash and cash equivalent	36,067	-620
Cash and cash equivalent exchange rate effect	-11,359	-2,498
Cash and cash equivalent opening balance	137,133	140,251
<b>Cash and cash equivalent closing</b>	<b>161,841</b>	<b>137,133</b>

Consolidated balance sheet

<b>ASSETS</b>		2022	2021
		DKK '000	DKK '000
<b>Notes</b>			
	<b>Fixed assets</b>		
	Goodwill	20,743	24,759
	Other intangible assets	<u>5,282</u>	<u>11,770</u>
7	<b>Intangible assets</b>	<b>26,025</b>	<b>36,529</b>
	Land and buildings	183,878	180,261
	Plant and machinery	395,116	367,534
	Other fixtures, tools and equipment	4,310	4,337
	Tangible assets in course of construction	17,460	68,317
	Right-of-use assets	<u>210,287</u>	<u>210,475</u>
8	<b>Property, plant and equipment</b>	<b>811,051</b>	<b>830,924</b>
4	Investments in joint ventures	<u>40,282</u>	<u>35,837</u>
	<b>Fixed asset investments</b>	<b>40,282</b>	<b>35,837</b>
	<b>Total fixed assets</b>	<b><u>877,358</u></b>	<b><u>903,290</u></b>
	<b>Current assets</b>		
	Raw materials and consumables	67,542	65,562
	Finished goods and goods for resale	<u>19,249</u>	<u>27,732</u>
9	<b>Inventories</b>	<b>86,791</b>	<b>93,294</b>
	Trade receivables	270,189	240,168
	Receivables from group enterprises	229,691	164,711
	Tax receivables	4,058	3,814
	Other receivables	3,397	9,220
10	Prepayments	<u>9,603</u>	<u>11,138</u>
11	<b>Receivables</b>	<b>516,938</b>	<b>429,051</b>
	<b>Cash funds</b>	<b><u>161,841</u></b>	<b><u>137,133</u></b>
	<b>Total current assets</b>	<b><u>765,570</u></b>	<b><u>659,478</u></b>
	<b>TOTAL ASSETS</b>	<b><u>1,642,928</u></b>	<b><u>1,562,768</u></b>

Consolidated balance sheet

<b>EQUITY AND LIABILITIES</b>		2022	2021
		DKK '000	DKK '000
<b>Notes</b>			
	<b>Shareholders' equity</b>		
	Share capital	150,000	150,000
	Reserve for net revaluation according to the equity method	39,222	34,774
	Retained earnings	308,416	257,812
	Proposed dividends	85,000	85,000
	<b>Unicon A/S' share of equity</b>	<b>582,638</b>	<b>527,586</b>
	<b>Non-controlling interests' share of equity</b>	<b>107,231</b>	<b>102,807</b>
	<b>Total consolidated shareholders' equity</b>	<b>689,869</b>	<b>630,393</b>
	<b>Provisions</b>		
12	Deferred tax liabilities	18,498	16,247
13	Pensions and similar commitments	49,681	75,663
14	Other provisions	34,320	36,150
	<b>Total provisions</b>	<b>102,499</b>	<b>128,060</b>
	<b>Liabilities</b>		
	Lease liabilities	154,848	154,183
15	<b>Non-current liabilities</b>	<b>154,848</b>	<b>154,183</b>
	Credit institutions, etc.	58,532	59,720
	Trade payables	370,188	392,131
	Payables to group enterprises	132,974	31,705
	Joint taxation contribution payable	29,744	49,065
	Income tax payable	5,921	6,458
16	Other payables	98,353	111,053
	<b>Current liabilities</b>	<b>695,712</b>	<b>650,132</b>
	<b>Total liabilities</b>	<b>850,560</b>	<b>804,315</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,642,928</b>	<b>1,562,768</b>
17	Charges		
18	Contingent liabilities		
19	Fee to auditors appointed at the Annual General Meeting		
20	Related party transactions		
21	Financial risks and instruments		
22	Post-balance sheet events		
23	Accounting policies		

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
<b>Shareholders' equity at 1 January 2021</b>	<b>150,000</b>	<b>223,150</b>	<b>30,991</b>	<b>85,000</b>	<b>489,141</b>	<b>103,772</b>	<b>592,913</b>
Exchange rate adjustments		-4,557	-853	0	-5,410	-9,365	-14,775
Changes in fair value of financial instruments		232	0	0	232	0	232
Other adjustments including actuarial gains/losses on defined benefit schemes		267	0	0	267	659	926
Acquisition of equity investments from non-controlling interest		-80	0	0	-80	0	-80
Profit for the year		128,436	0	0	128,436	26,937	155,373
Reserve according to equity method		-4,636	4,636	0	0	0	0
Proposed dividends for the financial year		-85,000	0	85,000	0	0	0
Paid dividends		0	0	-85,000	-85,000	-19,196	-104,196
<b>Shareholders' equity at 31 December 2021</b>	<b>150,000</b>	<b>257,812</b>	<b>34,774</b>	<b>85,000</b>	<b>527,586</b>	<b>102,807</b>	<b>630,393</b>
Exchange rate adjustments		-10,721	-2,228	0	-12,949	-7,726	-20,675
Changes in fair value of financial instruments		433	0	0	433	0	433
Other adjustments including actuarial gains/losses on defined benefit schemes		8,822	0	0	8,822	8,425	17,247
non-controlling interest		0	0	0	0	0	0
Profit for the year		143,746	0	0	143,746	24,981	168,727
Reserve according to equity method		-6,676	6,676	0	0	0	0
Proposed dividends for the financial year		-85,000	0	85,000	0	0	0
Paid dividends		0	0	-85,000	-85,000	-21,256	-106,256
<b>Shareholders' equity at 31 December 2022</b>	<b>150,000</b>	<b>308,416</b>	<b>39,222</b>	<b>85,000</b>	<b>582,638</b>	<b>107,231</b>	<b>689,869</b>

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

1 Revenue	2022			2021		
	Ready-mixed concrete DKK '000	Aggregates DKK '000	Total DKK '000	Ready-mixed concrete DKK '000	Aggregates DKK '000	Total DKK '000
Denmark	1,330,090	21,232	1,351,322	1,181,912	27,573	1,209,485
Norway	1,049,805	0	1,049,805	884,277	0	884,277
Sweden	370,903	163,905	534,808	341,772	188,325	530,097
	<b>2,750,798</b>	<b>185,137</b>	<b>2,935,935</b>	<b>2,407,961</b>	<b>215,898</b>	<b>2,623,859</b>

2 Staff costs	2022	2021
	DKK '000	DKK '000
Wages and salaries	348,269	330,078
Pension contributions	37,966	38,426
Social security contributions	27,364	27,205
	<b>413,599</b>	<b>395,709</b>

The amounts comprise: cost of sales, sales and distribution costs as well as administrative expenses and other costs.

Average number of full-time employees 700 686

Remuneration to the board of directors amounted to DKK 0.1m in 2022 and DKK 0.1 in 2021. In 2022 and 2021, remuneration to the management is paid via management fee to Aalborg Portland Holding A/S. Remuneration to the management is DKK 2.0m in 2022 and DKK 1.9m in 2021.

### 3 Other operating income and other operating costs

<b>Other operating income</b>		
Rental income	2,031	1,709
Profit from sale of fixed assets	17,360	6,470
Other income	3,256	5,909
	<b>22,647</b>	<b>14,088</b>
<b>Other operating costs</b>		
Loss on sale of assets	56	531
Other costs	0	390
	<b>56</b>	<b>921</b>

### 4 Investments in joint ventures

	Investments in joint ventures	Investments in joint ventures
Cost at 1 January	1,063	1,064
Exchange rate and other adjustments	-3	-1
<b>Cost at 31 December</b>	<b>1,060</b>	<b>1,063</b>
Adjustments at 1 January	34,774	30,991
Exchange rate adjustments	-1,538	-455
Profit shares	6,676	4,636
Dividend for the year	-690	-318
Other adjustments	0	-80
<b>Adjustments at 31 December</b>	<b>39,222</b>	<b>34,774</b>
<b>Carrying amount at 31 December</b>	<b>40,282</b>	<b>35,837</b>

	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	52,432	49	3,405	25,691
- ÅGAB Syd AB, Sweden	36,476	40	3,271	14,591
			<b>6,676</b>	<b>40,282</b>

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

	2022 DKK '000	2021 DKK '000
<b>5 Financial income and expenses</b>		
<b>Financial income</b>		
Interest and other financial income	839	564
Interest income from group enterprises	595	2
Realised exchange rate gains	2,740	5,475
Unrealised exchange rate gains	93	233
	<b>4,267</b>	<b>6,274</b>
<b>Financial expenses</b>		
Interest and other financial expenses	4,115	4,215
Interest expenses to group enterprises	3,329	2,397
Realised exchange losses	2,715	3,417
Unrealised exchange losses	2,660	348
	<b>12,819</b>	<b>10,377</b>
<b>6 Tax on profit for the year</b>		
Current tax on the profit for the year	44,093	48,955
Adjustment deferred tax	1,895	-1,987
Other adjustments, including previous years	-2,143	16,963
	<b>43,845</b>	<b>63,931</b>
<b>7 Intangible assets</b>		
	<u>Goodwill</u>	<u>Goodwill</u>
Cost at 1 January	340,550	330,038
Exchange rate adjustments	-11,557	10,512
<b>Cost at 31 December</b>	<b>328,993</b>	<b>340,550</b>
Amortisation at 1 January	315,791	299,598
Exchange rate adjustments	-11,557	10,463
Amortisation for the year	4,016	5,730
<b>Amortisation at 31 December</b>	<b>308,250</b>	<b>315,791</b>
<b>Carrying amount at 31 December</b>	<b>20,743</b>	<b>24,759</b>
Performed impairment tests have supported carrying values.		
	<u>Other intangible assets</u>	<u>Other intangible assets</u>
Cost at 1 January	107,068	106,361
Exchange rate and other adjustments	-67	57
Additions	0	650
Disposals	-7,802	0
<b>Cost at 31 December</b>	<b>99,199</b>	<b>107,068</b>
Depreciation at 1 January	95,298	88,469
Exchange rate and other adjustments	-30	10
Disposals	-7,802	0
Depreciation for the year	6,451	6,819
<b>Depreciation at 31 December</b>	<b>93,917</b>	<b>95,298</b>
<b>Carrying amount at 31 December</b>	<b>5,282</b>	<b>11,770</b>

	2022 DKK '000	2021 DKK '000
<b>8 Property, plant and equipment</b>		
	<u>Land and buildings</u>	<u>Land and buildings</u>
Cost at 1 January	565,550	549,685
Exchange rate and other adjustments	-11,772	3,008
Additions	7,616	6,774
Disposals	-14,556	-2,496
Transfer	12,137	8,579
<b>Cost at 31 December</b>	<b><u>558,975</u></b>	<b><u>565,550</u></b>
Depreciation and impairment losses at 1 January	385,289	368,970
Exchange rate and other adjustments	-7,037	1,357
Reversed depreciation on disposals	-13,939	-2,496
Depreciation for the year	10,784	11,931
Transfer	0	5,527
<b>Depreciation and impairment losses at 31 December</b>	<b><u>375,097</u></b>	<b><u>385,289</u></b>
<b>Carrying amount at 31 December</b>	<b><u>183,878</u></b>	<b><u>180,261</u></b>
	<u>Plant and machinery</u>	<u>Plant and machinery</u>
Cost at 1 January	1,220,585	1,182,707
Exchange rate and other adjustments	-49,002	11,442
Additions	57,403	55,794
Disposals	-85,346	-54,076
Transfer	53,491	24,718
<b>Cost at 31 December</b>	<b><u>1,197,131</u></b>	<b><u>1,220,585</u></b>
Depreciation and impairment losses at 1 January	853,051	832,260
Exchange rate and other adjustments	-33,680	9,713
Reversed depreciation on disposals	-84,214	-51,494
Depreciation for the year	66,858	61,676
Transfer	0	896
<b>Depreciation and impairment losses at 31 December</b>	<b><u>802,015</u></b>	<b><u>853,051</u></b>
<b>Carrying amount at 31 December</b>	<b><u>395,116</u></b>	<b><u>367,534</u></b>

	2022 DKK '000	2021 DKK '000
<b>8 Property, plant and equipment, continued</b>		
	<u>Other fixtures, tools and equipment</u>	<u>Other fixtures, tools and equipment</u>
Cost at 1 January	97,309	97,726
Exchange rate and other adjustments	-139	200
Additions	350	703
Disposals	-62,066	-1,320
Transfer	417	0
<b>Cost at 31 December</b>	<b><u>35,871</u></b>	<b><u>97,309</u></b>
Depreciation at 1 January	92,972	93,433
Exchange rate and other adjustments	-117	175
Reversed depreciation on disposals	-62,066	-1,320
Depreciation for the year	772	684
<b>Depreciation at 31 December</b>	<b><u>31,561</u></b>	<b><u>92,972</u></b>
<b>Carrying amount at 31 December</b>	<b><u>4,310</u></b>	<b><u>4,337</u></b>
	<u>Tangible assets in course of construction</u>	<u>Tangible assets in course of construction</u>
Cost at 1 January	68,317	27,986
Exchange rate and other adjustments	-1,050	1,434
Additions	16,238	65,771
Transfer	-66,045	-26,874
<b>Cost at 31 December</b>	<b><u>17,460</u></b>	<b><u>68,317</u></b>
<b>Carrying amount at 31 December</b>	<b><u>17,460</u></b>	<b><u>68,317</u></b>
	<u>Right-of-use assets</u>	<u>Right-of-use assets</u>
Cost at 1 January	365,972	322,018
Exchange rate and other adjustments	-9,041	1,461
Additions	64,828	60,692
Disposals	-14,087	-17,907
Transfer	-58	-292
<b>Cost at 31 December</b>	<b><u>407,614</u></b>	<b><u>365,972</u></b>
Depreciation and impairment losses at 1 January	155,497	106,388
Exchange rate and other adjustments	-5,456	289
Reversed depreciation on disposals	-13,710	-11,589
Depreciation for the year	60,865	60,499
Transfer	131	-90
<b>Depreciation and impairment losses at 31 December</b>	<b><u>197,327</u></b>	<b><u>155,497</u></b>
<b>Carrying amount at 31 December</b>	<b><u>210,287</u></b>	<b><u>210,475</u></b>
	<u>2022 DKK '000</u>	<u>2021 DKK '000</u>
Depreciation, Land and buildings	10,586	9,669
Depreciation, plant and machinery	50,265	50,830
Interest on lease liabilities	2,296	2,710
Short-term leases	13,180	13,940
Lease of low value assets	141	233
<b>Total amounts recognised in the income statement</b>	<b><u>76,468</u></b>	<b><u>77,382</u></b>



**9 Inventories**

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.

**10 Prepayments**

Prepayments comprise prepaid expenses concerning rent and insurance premiums etc.

**11 Receivables**

Receivables with maturity after one year amount to DKK 0.0m (2020: DKK 0.0m).

**12 Deferred tax liabilities**

	Deferred tax assets		Deferred tax liabilities	
	2022	2021	2022	2021
	DKK '000	DKK '000	DKK '000	DKK '000
<b>Deferred tax liabilities</b>				
Intangible assets	0	0	-46,197	-44,866
Property, plant and equipment	0	0	41,439	42,186
Current assets	0	0	171	-205
Provisions	0	0	23,346	19,444
Non-current and current liabilities	0	0	-261	-312
<b>Deferred tax liabilities at 31 December</b>	<b>0</b>	<b>0</b>	<b>18,498</b>	<b>16,247</b>

	Deferred tax liabilities DKK '000
<b>The year's changes in deferred tax assets/liabilities</b>	
Deferred tax assets/liabilities at 1 January 2022	16,247
Movements through the income statement	1,895
Fair value adjustments	122
Defined benefit plan	3,460
Exchange rate movements	-3,226
<b>Net deferred tax assets/liabilities at 31 December 2022</b>	<b>18,498</b>

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.

The Mutual Agreed Procedures ("MAP") covering 2008-2012 between the Danish and the Italian tax authorities regarding a transfer pricing case on royalty payments involving the Aalborg Portland Holding Group was settled in 2021. The Tax Authorities in Denmark and Italy reached a split decision, where the Italian tax authorities gave an adjustment of 64%, which means that royalties were reduced to approx. 1/3 of the original amount. With regards to the transfer case for the following years 2013-2021 a mutual agreement has been made with the Danish and the Italian tax authorities to apply a sales-based calculation of 0.25% of the net sales only, which is at the level accepted between the Danish and Italian Tax Authorities for FYs 2008-2012. For Unicon A/S, being part of the joint taxation, this has resulted in a tax adjustment of DKK 17.7m included in the Financial Statement 2021.

**13 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 50m (2021: DKK 76m) considering the assets related to the schemes.

	2022 DKK '000	2021 DKK '000
Present value of benefit-based schemes	81,273	107,739
Market value of the assets comprised by the schemes	-31,592	-32,076
	<b>49,681</b>	<b>75,663</b>
Present value of benefit-based schemes at 1 January	107,739	100,994
Adjustment to prior years	0	7,198
Exchange rate adjustment	-6,580	92
Actuarial gains/losses	-20,790	-2,282
Costs	2,490	3,814
Interest on commitment	1,607	1,146
Payments	-3,193	-3,223
Present value of benefit-based schemes at 31 December	<b>81,273</b>	<b>107,739</b>
Market value of the assets comprised by the schemes at 1 January	32,076	30,180
Exchange rate adjustment	-1,647	1,444
Actuarial gains/losses	-83	-1,125
Payments	813	1,116
Interest on assets	433	461
Market value of the assets comprised by the schemes at 31 December	<b>31,592</b>	<b>32,076</b>
<b>Stated as liability (Pension provisions)</b>	<b>49,681</b>	<b>75,663</b>
<b>Taken to the income statement</b>		
Costs (incl. actuarial adjustments)	2,490	3,814
Interest, net	1,174	685
<b>Total amount taken to the income statement</b>	<b>3,664</b>	<b>4,499</b>

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	3-4%	1-2%
Future pay increase rate	2-3%	2-3%
Expected pension increase rate	3-4%	1-2%

**14 Other provisions**

	2022 DKK '000	2021 DKK '000
Other provisions at 1 January	36,150	39,162
Exchange rate adjustments and other adjustments	-2,009	342
Additions for the year	3,285	1,166
Disposals for the year	-3,106	-4,520
<b>Other provisions at 31 December</b>	<b>34,320</b>	<b>36,150</b>

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.

**15 Non-current liabilities**

	2022 DKK '000	2021 DKK '000
Non-current liabilities falling due later than within 5 years after the end of the financial year:		
Leases	32,458	31,181
	<b>32,458</b>	<b>31,181</b>

**16 Other payables**

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

**17 Charges**

	2022		2021	
	Carrying amount of assets charged DKK '000	Assets charged DKK '000	Carrying amount of assets charged DKK '000	Assets charged DKK '000
Plant and machinery	13,737	0	16,447	0
	<u>13,737</u>	<u>0</u>	<u>16,447</u>	<u>0</u>

**18 Contingent liabilities**

	2022 DKK '000	2021 DKK '000
Guarantees	<u>10,454</u>	<u>6,214</u>

Lease expenses recognised in the income statement are in accordance with IFRS16, reference is made to note 9.

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 6.9m at 31 December 2022. Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the companies.

**19 Fee to auditors appointed at the Annual General Meeting**

	2022 DKK '000	2021 DKK '000
Total fee to auditors appointed at the Annual General Meeting to be specified as follows:		
Statutory audit	962	1,163
Other assurance engagements	-8	0
Tax and VAT advisory services	0	13
Other services	4	146
	<u>958</u>	<u>1,322</u>

**20 Related party transactions****Related parties with significant influence:**

Aalborg Portland Holding A/S, Rørdalsvej 44, 9220 Aalborg Øst, owns 100% of the shares in Unicon A/S.  
Cementir España S.L., Calle General Yagüe, Num. 13, 28020 Madrid, Spain  
Cementir Holding N.V., Zuidplein 36, 1077 XV Amsterdam, Netherlands  
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.

**Transactions with Aalborg Portland Holding A/S:**

- Intra-group management and administration agreements and royalties	7,743	5,909
- Financial items, net	-367	-322
- Financial receivables	30,887	22,149
- Financial payable	9,340	2,634
- Trade payables	1,945	198

**Transactions with other related parties:**

- Intra-Group management and administration agreements	1,967	4,179
- Cost of sales	55,934	48,277
- Trade payables	6,242	1,431

**21 Financial risks and instruments****Currency risks**

Hedging is assessed and taken out in close co-operation with the Italian parent company.

For the hedging of currency risks, the Group analyses realised and expected cash flows broken down by currencies. The Group does not hedge the currency risk between EUR/DKK due to the Danish fixed-exchange-rate policy aimed at the EUR.

**Risks relating to purchases and sales**

Revenue from the Group's activities and the purchases are denominated in several currencies. Accordingly, these activities are exposed to changes in exchange rates.

The Group's currency risks are primarily hedged by the settlement of income and costs in the same currency and by use of derivative financial instruments.

**22 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 2022 of Unicon A/S is prepared in accordance with the Danish Financial Statements Act for large companies in reporting class C, with the adoption of some IFRS standards.

The annual report 2022 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-controlling 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 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 charged on account of third party. All kinds of discounts are recognised in Revenue.

Trade receivables recognised as services delivered are invoiced to the customer and are not adjusted for any financing components as credit terms are short – typically between 20 to 45 days – and the financing component therefore insignificant.

### 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.

### **Lease assets and lease liabilities**

Unicon Group mainly leases land, trucks, vehicles and office buildings. When entering into a contract, it is assessed whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to essentially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

A right-of-use asset and a lease liability is recognised at the commencement date.

Unicon Group leases cars including a service component in the payments to the lessor. This service is separated from the lease payment when measuring the lease liability. If it is not possible to separate lease components and non-lease components, it is considered a single lease component.

Lease liabilities recognised as "Credit institutions and interest-bearing liabilities" are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, we have used the incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options, if it is reasonably certain to exercise the option and termination penalties, if the lease term reflects our exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows, if:

The value of the index or rate on which the lease payments are based is changed.

- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised in order to extend or terminate the lease.
- Estimated residual value guarantee is changed.
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

### **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.

### **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.

## Notes

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- 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	2022	2021
	DKK '000	DKK '000
Revenue	1,330,090	1,181,926
1 Cost of sales	839,485	722,777
<b>Gross profit</b>	<b>490,605</b>	<b>459,149</b>
1 Sales and distribution costs	293,999	282,522
1 Administrative expenses and other costs	74,762	59,199
<b>Profit from ordinary operating activities</b>	<b>121,844</b>	<b>117,428</b>
2 Other operating income	10,555	9,131
2 Other operating costs	0	719
<b>Earnings before interest and tax (EBIT)</b>	<b>132,399</b>	<b>125,840</b>
3 Share of profit after tax, enterprises	40,579	48,336
4 Share of profit after tax, joint ventures	3,405	2,009
5 Financial income	719	153
5 Financial expenses	3,730	2,913
<b>Earnings before tax (EBT)</b>	<b>173,372</b>	<b>173,425</b>
6 Tax on profit for the year	29,626	44,989
<b>Profit for the year</b>	<b>143,746</b>	<b>128,436</b>
<b>Proposed distribution of profit</b>		
7 Transfer to next year	21,722	35,375
Net revaluation according to the equity method	37,024	8,061
Proposed dividends for the financial year	85,000	85,000
	<b>143,746</b>	<b>128,436</b>

<b>ASSETS</b>		2022	2021
		DKK '000	DKK '000
<b>Notes</b>			
	<b>Fixed assets</b>		
	Goodwill	20,746	24,762
	Other intangible assets	3,838	9,942
<b>8</b>	<b>Intangible assets</b>	<b>24,584</b>	<b>34,704</b>
	Land and buildings	103,857	98,742
	Plant and machinery	153,195	130,468
	Fixtures, tools and equipment	3,901	3,828
	Tangible assets in course of construction	1,801	30,966
	Right-of-use assets	146,080	141,884
<b>9</b>	<b>Property, plant and equipment</b>	<b>408,834</b>	<b>405,888</b>
<b>3</b>	Investments in subsidiaries	250,863	233,867
<b>4</b>	Investments in joint ventures	25,691	23,397
	<b>Fixed asset investments</b>	<b>276,554</b>	<b>257,264</b>
	<b>Total fixed assets</b>	<b>709,972</b>	<b>697,856</b>
	<b>Current assets</b>		
	Raw materials and consumables	24,875	23,780
<b>10</b>	<b>Inventories</b>	<b>24,875</b>	<b>23,780</b>
	Trade receivables	116,439	73,697
	Receivables from group enterprises	137,539	147,290
	Other receivables	557	1,116
	Prepayments	1,354	111
<b>11</b>	<b>Receivables</b>	<b>255,889</b>	<b>222,214</b>
	<b>Cash funds</b>	<b>16,827</b>	<b>46</b>
	<b>Total current assets</b>	<b>297,591</b>	<b>246,040</b>
	<b>TOTAL ASSETS</b>	<b>1,007,563</b>	<b>943,896</b>

<b>EQUITY AND LIABILITIES</b>		2022	2021
		DKK '000	DKK '000
<b>Notes</b>			
	<b>Shareholders' equity</b>		
	Share capital	150,000	150,000
	Reserve for net revaluation according to the equity method	66,054	29,030
	Retained earnings	281,584	263,556
	Proposed dividends for the financial year	85,000	85,000
	<b>Total shareholders' equity</b>	<b>582,638</b>	<b>527,586</b>
	<b>Provisions</b>		
12	Deferred tax liabilities	10,083	8,111
13	Other provisions	2,392	2,057
	<b>Total provisions</b>	<b>12,475</b>	<b>10,168</b>
	<b>Liabilities</b>		
	Credit institutions, etc.	113,416	111,697
14	<b>Non-current liabilities</b>	<b>113,416</b>	<b>111,697</b>
	Credit institutions, etc.	34,312	31,445
	Trade payables	144,183	155,441
	Payables to group enterprises	46,408	7,871
	Joint taxation contribution payable	29,463	46,054
15	Other payables	44,668	53,634
	<b>Current liabilities</b>	<b>299,034</b>	<b>294,445</b>
	<b>Total liabilities</b>	<b>412,450</b>	<b>406,142</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,007,563</b>	<b>943,896</b>
16	Contingent liabilities		
17	Fee to the auditors appointed by the Annual General Meeting		
18	Related party transactions		
19	Financial risks and instruments		
20	Post-balance sheet events		
21	Accounting policies		

## 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
<b>Shareholders' equity 1 January 2021</b>	<b>150,000</b>	<b>20,969</b>	<b>233,172</b>	<b>85,000</b>	<b>489,141</b>
Exchange rate adjustments	0	-211	1,298	0	1,087
Equity movements in subsidiaries	0	-398	-5,680	0	-6,078
Reserve according to equity method	0	8,670	-8,670	0	0
Profit for the year	0	0	128,436	0	128,436
<b>Movement for the year at the equity</b>	<b>0</b>	<b>8,061</b>	<b>115,384</b>	<b>0</b>	<b>123,445</b>
Dividend paid	0	0	0	-85,000	-85,000
Proposed dividends for the financial year	0	0	-85,000	85,000	0
<b>Shareholders' equity at 31 December 2021</b>	<b>150,000</b>	<b>29,030</b>	<b>263,556</b>	<b>85,000</b>	<b>527,586</b>
Exchange rate adjustments	0	4,785	-17,734	0	-12,949
Equity movements in subsidiaries	0	-11,745	21,000	0	9,255
Reserve according to equity method	0	43,984	-43,984	0	0
Profit for the year	0	0	143,746	0	143,746
<b>Movement for the year at the equity</b>	<b>0</b>	<b>37,024</b>	<b>103,028</b>	<b>0</b>	<b>140,052</b>
Dividend paid	0	0	0	-85,000	-85,000
Proposed dividends for the financial year	0	0	-85,000	85,000	0
<b>Shareholders' equity at 31 December 2022</b>	<b>150,000</b>	<b>66,054</b>	<b>281,584</b>	<b>85,000</b>	<b>582,638</b>

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

	2022 DKK '000	2021 DKK '000
<b>1 Staff costs</b>		
Wages and salaries	209,968	196,009
Pension contributions	19,535	18,381
Social security contributions	3,715	4,486
	<u>233,218</u>	<u>218,876</u>
Average number of full-time employees	<u>403</u>	<u>387</u>

Remuneration to the board of directors amounted to DKK 0.9m in 2022 and DKK 0.1m in 2021. In 2022 and 2021, remuneration to the management is paid via management fee to Aalborg Portland Holding A/S. Remuneration to the management is DKK 1.9m in 2022 and DKK 1.9m in 2021.

## 2 Other operating income and other operating costs

### Other operating income

Rental income	788	786
Profit from sale of fixed assets	9,763	5,214
Other income	4	3,131
	<u>10,555</u>	<u>9,131</u>

### Other operating costs

Loss from sale of fixed assets	0	329
Other costs	0	390
	<u>0</u>	<u>719</u>

## 3 Investments in subsidiaries

	Investments in subsidiaries	Investments in subsidiaries
Cost at 1 January	227,206	220,355
Exchange rate and other adjustments	-17,734	6,851
<b>Cost at 31 December</b>	<u>209,472</u>	<u>227,206</u>
Adjustments at 1 January	6,661	-8,658
Exchange rate adjustments	5,206	-5,586
Profit after tax	40,579	48,336
Equity movements in subsidiaries	9,255	-5,998
Dividend received	-20,310	-21,433
<b>Adjustments at 31 December</b>	<u>41,391</u>	<u>6,661</u>
<b>Carrying amount at 31 December</b>	<u>250,863</u>	<u>233,867</u>

### 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	124,869	100	19,207	14,953	136,004
- AB Sydsten, Sweden	89,417	50	28,299	22,722	95,374
- Kudsk & Dahl A/S, Denmark	19,581	100	1,161	2,904	19,485
			<u>48,667</u>	<u>40,579</u>	<u>250,863</u>



			2022 DKK '000	2021 DKK '000	
<b>4 Investments in joint ventures</b>			Investments in joint ventures	Investments in joint ventures	
Cost at 1 January			1,028	1,028	
<b>Cost at 31 December</b>			<b>1,028</b>	<b>1,028</b>	
Value adjustments at 1 January			22,369	20,969	
Exchange rate adjustments			-421	-211	
Profit shares			3,405	2,009	
Dividend for the year			-690	-318	
Other adjustments			0	-80	
<b>Adjustments at 31 December</b>			<b>24,663</b>	<b>22,369</b>	
<b>Carrying amount at 31 December</b>			<b>25,691</b>	<b>23,397</b>	
	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	52,432	49	4,736	3,405	25,691
			<b>4,736</b>	<b>3,405</b>	<b>25,691</b>
The voting rights does not differ from the ownership interest held.					
<b>5 Financial income and expenses</b>			2022 DKK '000	2021 DKK '000	
<b>Financial income:</b>					
Interest and other financial income			313	152	
Interest income, Group enterprises			311	0	
Realised exchange rate gains			3	1	
Unrealised exchange rate gains			92	0	
			<b>719</b>	<b>153</b>	
<b>Financial expenses:</b>					
Interest and other financial expenses			1,228	1,356	
Interest expenses, Group enterprises			1,907	1,367	
Realised exchange rate losses			1	102	
Unrealised exchange rate losses			594	88	
			<b>3,730</b>	<b>2,913</b>	
<b>6 Tax on profit for the year</b>					
Current tax on the profit for the year			29,463	29,290	
Adjustment of deferred tax			1,972	-381	
Adjustment previous years			-1,809	16,080	
			<b>29,626</b>	<b>44,989</b>	

	2022 DKK '000	2021 DKK '000
<b>7 Proposed distribution of profit</b>		
Transfer to next year	21,722	35,375
Net revaluation according to the equity method	37,024	8,061
Proposed dividends for the financial year	85,000	85,000
	<b>143,746</b>	<b>128,436</b>
<b>8 Intangible assets</b>		
	Goodwill	Goodwill
Cost at 1 January	175,391	172,617
Exchange rate and other adjustments	-3,048	2,774
<b>Cost at 31 December</b>	<b>172,343</b>	<b>175,391</b>
Amortisation at 1 January	150,629	142,785
Exchange rate	-3,048	2,742
Amortisation for the year	4,016	5,102
<b>Amortisation at 31 December</b>	<b>151,597</b>	<b>150,629</b>
<b>Carrying amount at 31 December</b>	<b>20,746</b>	<b>24,762</b>
Performed impairment tests have supported carrying values.		
	Other intangible assets	Other intangible assets
Cost at 1 January	104,957	104,957
<b>Cost at 31 December</b>	<b>104,957</b>	<b>104,957</b>
Depreciation at 1 January	95,015	88,495
Depreciation for the year	6,104	6,520
<b>Depreciation at 31 December</b>	<b>101,119</b>	<b>95,015</b>
<b>Carrying amount at 31 December</b>	<b>3,838</b>	<b>9,942</b>
<b>9 Property, plant and equipment</b>		
	Land and buildings	Land and buildings
Cost at 1 January	370,210	368,207
Additions	1,860	3,073
Disposals	-11,031	-1,070
Transfer	9,016	0
<b>Cost at 31 December</b>	<b>370,055</b>	<b>370,210</b>
Depreciation and impairment losses at 1 January	271,468	267,457
Reversed depreciation on disposals	-10,620	-1,070
Depreciation for the year	5,350	5,081
<b>Depreciation and impairment losses at 31 December</b>	<b>266,198</b>	<b>271,468</b>
<b>Carrying amount at 31 December</b>	<b>103,857</b>	<b>98,742</b>

	2022 DKK '000	2021 DKK '000
<b>9 Property, plant and equipment, continued</b>		
	Plant and machinery	Plant and machinery
Cost at 1 January	390,990	403,428
Additions	25,903	20,409
Disposals	-40,784	-33,461
Transfer	21,536	614
<b>Cost at 31 December</b>	<b>397,645</b>	<b>390,990</b>
Depreciation and impairment losses at 1 January	260,522	270,224
Reversed depreciation on disposals	-40,377	-32,352
Depreciation for the year	24,305	22,648
Transfer	0	2
<b>Depreciation and impairment losses at 31 December</b>	<b>244,450</b>	<b>260,522</b>
<b>Carrying amount at 31 December</b>	<b>153,195</b>	<b>130,468</b>
	Other fixtures, tools and equipment	Other fixtures, tools and equipment
Cost at 1 January	92,902	93,519
Additions	350	703
Disposals	-60,007	-1,320
Transfer	417	0
<b>Cost at 31 December</b>	<b>33,662</b>	<b>92,902</b>
Depreciation at 1 January	89,074	89,786
Reversed depreciation on disposals	-60,007	-1,320
Depreciation for the year	694	608
<b>Depreciation at 31 December</b>	<b>29,761</b>	<b>89,074</b>
<b>Carrying amount at 31 December</b>	<b>3,901</b>	<b>3,828</b>
	Tangible assets in course of construction	Tangible assets in course of construction
Cost at 1 January	30,966	1,148
Additions	1,801	30,430
Transfer	-30,966	-612
<b>Cost at 31 December</b>	<b>1,801</b>	<b>30,966</b>
<b>Carrying amount at 31 December</b>	<b>1,801</b>	<b>30,966</b>
	Right-of-use assets	Right-of-use assets
Cost at 1 January	220,088	181,612
Additions	37,476	42,147
Disposals	-7,749	-3,493
Transfer	-1	-178
<b>Cost at 31 December</b>	<b>249,814</b>	<b>220,088</b>
Depreciation and impairment losses at 1 January	78,204	50,875
Reversed depreciation on disposals	-7,438	-2,908
Depreciation for the year	32,968	30,352
Transfer	0	-115
<b>Depreciation and impairment losses at 31 December</b>	<b>103,734</b>	<b>78,204</b>
<b>Carrying amount at 31 December</b>	<b>146,080</b>	<b>141,884</b>

9 Property, plant and equipment, continued	2022	2021
	DKK '000	DKK '000
Depreciation, Land and buildings	2,035	1,903
Depreciation, plant and machinery	30,933	28,449
Interest on lease liabilities	1,076	998
Short-term leases	3,175	1,844
<b>Total amounts recognised in the income statement</b>	<b>37,219</b>	<b>33,194</b>

#### 10 Inventories

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 (2021: DKK 0.0m).

#### 12 Deferred tax liabilities

	2022	2021
	DKK '000	DKK '000
<b>Deferred tax liabilities</b>		
Intangible assets	-3,473	-2,260
Property, plant and equipment	13,836	10,673
Current assets	95	73
Provisions	-375	-375
<b>Deferred tax liabilities at 31 December</b>	<b>10,083</b>	<b>8,111</b>

#### The year's changes in deferred tax liabilities

Deferred tax liabilities at 1 January 2022	8,111
Movements through the income statement	1,972
<b>Deferred tax liabilities at 31 December 2022</b>	<b>10,083</b>

Deferred  
tax  
liabilities  
DKK '000

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.

The Mutual Agreed Procedures ("MAP") covering 2008-2012 between the Danish and the Italian tax authorities regarding a transfer pricing case on royalty payments involving the Aalborg Portland Holding Group was settled in 2021. The Tax Authorities in Denmark and Italy reached a split decision, where the Italian tax authorities gave an adjustment of 64%, which means that royalties were reduced to approx. 1/3 of the original amount. With regards to the transfer case for the following years 2013-2021 a mutual agreement has been made with the Danish and the Italian tax authorities to apply a sales-based calculation of 0.25% of the net sales only, which is at the level accepted between the Danish and Italian Tax Authorities for FYs 2008-2012. For Unicon A/S, being part of the joint taxation, this has resulted in a tax adjustment of DKK 16.7m included in the Financial Statement 2021.

#### 13 Other provisions

	2022	2021
	DKK '000	DKK '000
<b>Other provisions at 1 January</b>	2,057	5,180
Additions	350	100
Disposals in the year	-15	-3,223
<b>Other provisions at 31 December</b>	<b>2,392</b>	<b>2,057</b>

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 5 years after the end of the financial year:

Credit institutions	0	0
Mortgage debt	0	0
Leases	26,635	24,187
	<b>26,635</b>	<b>24,187</b>

#### 15 Other payables

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

16 Contingent liabilities	2022 DKK '000	2021 DKK '000
Guarantees	<u>531</u>	<u>531</u>

Lease expenses recognised in the income statement are in accordance with IFRS16, reference is made to note 9.

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 6.9m at 31 December 2022. 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	539	645
Other assurance engagements	-8	0
Other services	4	4
	<u>535</u>	<u>649</u>

#### 18 Related party transactions

##### Related parties with significant influence:

Aalborg Portland Holding A/S, Rørdalsvej 44, 9220 Aalborg Øst, owns 100% of the shares in Unicon A/S.  
 Cementir España S.L., Calle General Yagüe, Num. 13, 28020 Madrid, Spain  
 Cementir Holding N.V., Zuidplein 36, 1077 XV Amsterdam, Netherlands  
 Caltagirone S.p.A., Via Barberini, 28, 00187 Rome, Italy

Related parties within Unicon A/S 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.

##### Transactions with Aalborg Portland Holding A/S:

- Intra-group management and administration agreements and royalties	4,582	3,316
- Financial items, net	-214	-184
- Financial receivables	18,446	19,778
- Financial payable	173	85
- Trade payables	1,310	0

##### Transactions with other related parties:

- Intra-Group management and administration agreements	1,408	2,624
- Cost of sales	51,237	41,438
- Other operating income	343	377
- Trade receivables	49	28
- Trade payables	4,633	974

#### 19 Financial risks and instruments

The Company has no financial instruments at 31 December 2022.

#### 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, with the adoption of some IFRS standards.

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.