JEAR HOLDING ApS
ANNUAL REPORT FOR 2020

Søndergård Allé 4, 6500 Vojens, Denmark

CVR no. 41 14 17 00

Approved at the company's annual general meeting on 25 March 2021

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Jesper Arkil, Chairman

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STATEMENT BY MANAGEMENT

The Executive Board has today discussed and approved the annual report of JEAR Holding ApS for the financial year 1 January – 31 December 2020.

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

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group and the Parent Company's financial position at 31 December 2020 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2020.

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

I recommend that the annual report and the proposed distribution of profit/loss be approved at the annual general meeting.

Haderslev, 25 March 2021

Executive Board

Jesper Arkil

INDEPENDENT AUDITOR'S REPORT

To the shareholders of JEAR Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of JEAR Holding ApS for the financial year 1 January – 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 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 2020 in accordance with the Danish Financial Statements Act

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 as to 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 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the 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 note 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.

Statement on the management’s review

Management is responsible for the Management's review.

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

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

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

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

Haderslev, 25 March 2021

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Gath State Authorised Public Accountant mne19718	Lasse Poulsen State Authorised Public Accountant mne45891

COMPANY INFORMATION

The Company	JEAR Holding ApS Søndergård Alle 4 6100 Haderslev, Denmark
Telephone	+45 73 22 50 50
Website	www.arkil.dk
E-mail	arkil@arkil.dk
CVR no.	41 14 17 00
Registered office:	Haderslev
Financial year	1 January – 31 December
Formation date	9 December 2019
Executive Board	Jesper Arkil
Auditor	EY Godkendt Revisionspartnerselskab
Annual general meeting	The annual general meeting will be held on 25 March 2021
Ownership	Jesper Arkil (100%)

FINANCIAL HIGHLIGHTS FOR THE GROUP

(DKK million)	2020	2019
INCOME STATEMENT		
Revenue	3,539.2	3,265.7
Operating profit/loss	194.5	196.3
Net financials	(63.1)	(56.9)
Profit/loss before tax	123.2	127.9
Profit/loss for the year	**77.8**	**92.0**
BALANCE SHEET		
Non-current assets	894.0	814.4
Current assets	1,147.4	1,113.8
Total assets	**2,041.4**	**1,928.2**
Total equity	**439.4**	**390.6**
Non-current liabilities	608.0	620.5
Current liabilities	993.9	917.0
Total liabilities	**1,601.9**	**1,537.5**
CASH FLOW STATEMENT		
Cash flow from operating activities	316.3	352.8
Cash flow from investing activities	(249.7)	(40.9)
Cash flow from financing activities	(126.7)	(361.4)
Total cash flows	**(60.1)**	**(49.5)**
Investments in property, plant and equipment	**(141.7)**	**(115.7)**
KEY FIGURES		
Profit margin, %	5.5	6.0
Return on invested capital, %	23.8	22.5
Current ratio	115.4	121.5
Equity ratio (solvency), %	21.5	20.3
Average number of employees	**2,025**	**1,932**

The key figures have been calculated in accordance with CFA Society Denmark's recommendations. Please refer to the definitions and calculations in note 36.

The Group's principal activities

As from 2019, JEAR Holding ApS is the ultimate parent company of the Arkil Group. Arkil is a construction group, primarily operating in Denmark, Germany, Ireland and Sweden. The Group performs construction work, bridge and concrete projects, excavations, shell constructions, asphalt production, asphalt paving, railway work, renovation, operation and maintenance of sewage systems and road infrastructure, including municipal park and road projects as well as foundation works, groundwater lowering, tunnelling, environmental engineering projects and port and hydraulic engineering projects.

Development in activities and financial matters

In 2020, the Group realised revenue of DKK 3,539.2 million compared to DKK 3,265.7 million in 2019. Revenue therefore exceeds the expectations announced in April 2020.

The operating profit amounted DKK 194.5 million compared to DKK 196.3 million last year and meets the expectations announced.

Profit before tax amounted to DKK 123.2 million in 2020 and DKK 127.9 million in 2019.

At the end of 2020, the total assets amounted to DKK 2,041.4 million (2019: DKK 1,928.2 million) and equity amounted to DKK 439.4 million (2019: DKK 390.6 million), while the equity ratio was 21.5% (2019: 20.3%).

In 2020, the Group expanded its presence in Ireland by acquiring the Irish construction company Park Plant Hire Limited.

Risk management

Management annually evaluates and approves the strategic plans for the Group and the individual business segments. The Group's activities, which relate to the construction industry, involve a number of commercial and financial risks.

Risk management is predominantly aimed at hedging risks in the Group's most crucial business process; project management. Project management covers the phases from invitation to tender to implementation. Based on the scope and complexity of each assignment, a systematic assessment of project risks in all phases is made, and various parts of the organisation are involved in the process at different times. In Denmark, the risk committee is tasked with ensuring that significant risks are identified and managed in advance and always receive the necessary attention within the implementing organisation and line management. The risk management process contributes to ensuring that the Group only engages in projects with an acceptable risk profile within the Group's core competences.

Commercial risks

The Group's strategy is to minimise and hedge commercial and financial risks through established risk management.

The Group's principal activities are predominantly routine tasks with known risks that can be minimised through risk management. The most significant operating risk of the Group depends on the ability to be flexible where the possibility of rapid adjustment to current market conditions within the Group's business areas is a key factor.

Major specialist projects are often carried out as joint ventures with experienced subcontractors as well as in collaboration with specialists, ensuring that risks are reduced. Collaborations based on partnering and early tendering, in which contractors are involved in the projects before initiation of the design and planning phases, strengthen risk hedging in projects.

The Group's insurance strategy is to hedge significant risks that the Group does not have direct influence on and that may pose a threat to the Group's financial position and existence.

Factors that may result in the realised results deviating substantially from expectations include, but are not limited to, developments in economic trends and financial markets, losses arising from large stand-alone projects, technological developments, changes to laws and regulations in the Group's markets, competition, the supply of assignments within the Group's business areas, weather and climate conditions in the Group's markets as well as the acquisition and sale of activities and companies.

It is inherent in the nature of its business that the Group is a party to various disputes as well as legal and arbitration cases. A realistic assessment of the possible outcomes has been sought in the financial valuations, but whatever the outcome of the cases, there could be both a positive and a negative impact on the financial statements.

Raw material risks

Based on a risk assessment, the Group's policy is to hedge financial risks relating to future fluctuations in the price of raw materials included in the Group's services.

Such risks are generally hedged by entering into fixed price agreements with suppliers concerning the supply to projects. To the extent that fixed price agreements are not entered into, the risk will be hedged selectively based on a risk assessment in accordance with the Group's policy using financial instruments in the form of raw material swaps.

Financial risks

Due to its operations, investments and financing, the Group is exposed to changes in exchange rates and interest rate levels. The Group's policy is not to engage in active speculation involving financial risks. The Group's financial management is therefore aimed only at the management of risks that form a natural part of the operations. The Group's financial risks are predominantly hedged through the allocation of income and expenses in the same currency and the use of derivative financial instruments in accordance with policies approved by Management.

Currency risks

The Group's policy is to limit the impact of exchange rate fluctuations on the Group's results and financial position. Revenue in foreign currencies is not indicative of the Group's currency risks as the majority of costs relating to foreign revenue are in the same currency.

The Group's foreign currency position is managed centrally, and hedging is made on a selective basis. Only positions based on business conditions will be taken. The Group has substantial transactions/exposure in EUR, but in Management's opinion, they are not subject to any significant currency risks. The Group does not have any other substantial currency exposure.

Interest rate risks

The Group's cash and cash equivalents are invested on demand or as time deposits with a maturity of up to three months in highly-rated financial institutions and in listed debt securities and shares.

The interest-bearing holding and debt carry variable interest. A 1% increase or decrease in the interest rate level compared to the balance sheet date would have only insignificant impact on the Group's results and equity.

Liquidity risks

The Group's policy in connection with borrowing is to ensure the greatest possible flexibility through diversification of borrowing at maturity/renegotiation dates and counterparties with regard to pricing. The Group's cash resources consist of cash and cash equivalents, securities and undrawn credit facilities. The Group's aim is to have sufficient cash resources to continue to act appropriately in the event of large seasonal fluctuations in liquidity as is characteristic of the construction industry.

Credit risks

The vast majority of the Group's customers are public and semi-public clients for which the risk of financial loss is considered minimal. The Group's trade receivables from other customers are exposed to ordinary credit risk.

A critical credit rating of customers is carried out before construction contracts are entered into. Furthermore, trade receivables from other customers are covered to the extent appropriate and possible through payment guarantees in the form of bank guarantees and credit insurance. The Group does not have any significant risks relating to individual customers or business partners.

Impact on the external environment

As a construction company, we are conscious of the fact that our activities impact the environment. On the basis of our environmental and climate policy, we therefore have a continual focus on minimising our negative impact on both the local and the global climate and environment to the greatest extent possible. The most significant risks relating to climate and the environment are linked to our energy consumption and the use of materials. To minimise these risks, we are working to reduce energy consumption and develop new, environmentally friendly materials and workflows. We also stay abreast of development possibilities in the industry that could have a positive impact on the area of climate and environment.

IT security

The Group's activities are highly dependent upon the use of established IT systems and the security relating to these. Any prolonged downtime or other system weaknesses could be very detrimental to the Group.

Management has drafted an IT policy, which is discussed and updated by Management on an ongoing basis. The purpose of the policy is to protect the Group's data, systems and intellectual property. Specific data security systems have been established in the form of e-mail filters, anti-virus software, firewalls and monitoring programmes.

Corporate social responsibility

JEAR Holding ApS is the Parent Company of the Arkil Group and has assessed that the main impacts on social and environmental conditions are related to the business activities of the subsidiary Arkil A/S, and consequently, the Group's reporting on corporate social responsibility, cf. the statutory requirements of section 99a of the Danish Financial Statements Act, focuses on Arkil A/S' efforts within the area of corporate social responsibility.

Business model

Arkil carries out various construction projects in Denmark, and we handle local and national construction work, construction of port facilities, foundation work, tunnelling, and large-scale cable projects. We handle all kinds of contamination clean-ups and pave both municipal and state roads.

Human rights and anti-corruption

Arkil supports the UN Global Compact, which means that respect for human rights, labour rights and zero tolerance in relation to corruption and bribery are fully integrated parts of our business principles. The primary risk to the Company relates to the potential engagement of suppliers who do not comply with national laws and internationally recognised standards and conventions. For 2020, Arkil did not have any new efforts planned in this area but was often in contact with representatives of public developers. No breaches of the Company's business principles were found in 2020.

Environment and climate

Arkil wants to prevent pollution as much as possible, reduce the carbon footprint in our Company and contribute to the goal of the Danish Climate Act to reduce carbon emissions by 70% by 2030. The main risks in relation to the environment and climate relate to our energy consumption and use of materials. To minimise these risks, we continuously work to reduce energy consumption and develop new, environmentally friendly materials and workflows. In 2020, we can among other things report a decrease of 1.1 kWh per kilo asphalt produced in Arkil's Danish asphalt departments.

Social and staff matters

Arkil has developed a separate health and safety policy, and based on this, we undertake to comply with applicable laws and safety requirements, just as we consider health and safety aspects in all processes and projects from planning to execution. In the work to achieve a safe working environment, the main risks relate to our employees being injured while at work. At the beginning of 2020, we set new health and safety objectives, and at the same time, six action plans were drawn up to support the objectives. The target for 2020 was an accident rate of 10, which unfortunately we did not achieve, as it ended at 14.5. The COVID-19 pandemic has not gone unnoticed in Arkil. The safety and security of our employees are also here a top priority, and we follow the authorities' guidelines in our instructions to the organisation. Our employees' great efforts to comply with the guidelines have contributed greatly to the fact that Arkil has experienced only a few sporadic cases of infection among our employees so far.

Gender composition in Management

For the Executive Board, a target of 25% female board members has been set. The Company aims to achieve this target by the annual general meeting in 2024.

The Executive Board of JEAR Holding ApS comprises the owners of the Company at any given time. JEAR Holding ApS was formed in 2019, and a male candidate was found to be most suitable. Since the Company was formed, there have been no newly elected executive board members. As such, the Executive Board of JEAR Holding ApS still consists of one male board member, and on this basis, the target has not yet been achieved.

The Company will strive to achieve the target by increasing the proportion of females on the Executive Board in connection with the recommendation and election of new board members, taking into account the overall expertise of the Board and individual qualifications.

JEAR Holding ApS has less than 50 employees and has not established policies and targets for the gender composition of the JEAR Holding ApS Group. The Company therefore reports on the gender composition of the Executive Board, as described above.

Events after the balance sheet date

At the time of submitting the annual report, the global outbreak of the COVID-19 pandemic is still ongoing. The Group is managing and adapting to the situation on an ongoing basis in accordance with government recommendations and also with consideration for the health and safety of employees and society. In 2020, the Group was subject to the direct and indirect impact of COVID-19, and this will remain the case in 2021. Until now, the outbreak has not had a substantial impact on the Group's economic and financial position, and this is expected to remain the case in 2021.

Expectations for 2021

Notwithstanding the COVID-19 pandemic, there were prospects at the start of 2021 of a market comparable to 2020, albeit with continued low activity levels in large government infrastructure projects. The Group has strong financial contingency, and there are possibilities for profitable growth. At the start of 2021, there was a sound volume of orders, meaning that the expectations for activity levels can be met. For 2021, revenue is expected to be in line with or slightly above 2020, and profit before tax is expected to be slightly below the level for 2020.

INCOME STATEMENT
FOR THE FINANCIAL YEAR
1. JANUARY TO 31 DECEMBER

Parent company		Note		Group	
2019	2020	no.	(Amounts in DKK 1,000)	2020	2019
		3	Revenue	3,539,238	3,265,678
		4.5	Production costs	(3,025,424)	(2,763,573)
			Gross profit	**513,814**	**502,105**
(25)	(49)	4,5,6	Administrative expenses	(324,676)	(305,842)
		7	Other operating income	5,364	0
(25)	**(49)**		**Operating profit/loss**	**194,502**	**196,263**
42,354	32,418	8	Share of profit/loss after tax in subsidiaries		
		9	Share of profit/loss after tax in associated companies	(8,174)	55
		10	Share of profit/loss after tax in joint ventures	(55)	(11,500)
42,354	**32,418**		**Profit/loss from equity investments**	**(8,229)**	**(11,445)**
0	612	11	Financial income	2,836	3,341
0	(145)	12	Financial expenses	(65,892)	(60,255)
0	**467**		**Net financials**	**(63,056)**	**(56,914)**
42,329	**32,836**		**Profit/loss before tax**	**123,217**	**127,904**
6	(1)	13	Tax for the year	(45,439)	(35,946)
42,335	**32,835**		**Profit/loss for the year**	**77,778**	**91,958**
			Distribution of group profit/loss:		
			Shareholders in JEAR Holding ApS	32,835	42,335
			Non-controlling interests	44,943	49,623
				77,778	**91,958**

BALANCE SHEET AT 31 DECEMBER

Parent company 2019	Parent company 2020	Note no.	(Amounts in DKK 1,000)	Group 2020	Group 2019
			Assets		
			Non-current assets		
			Intangible assets		
		14	Goodwill	170,774	125,562
		15	Acquired know-how	0	0
		16	Licences and rights	11,150	7,557
			Total intangible assets	**181,924**	**133,119**
			Property, plant and equipment		
		17	Land and buildings	172,431	176,557
		18	Fixtures and fittings, tools and equipment	488,533	461,598
		19	Plants under construction and advance payments	9,610	227
			Total property, plant and equipment	**670,574**	**638,382**
			Other non-current assets		
188,779	214,664	8	Equity investments in subsidiaries		
		9	Equity investments in associates	14,084	8,759
		10	Equity investments in joint ventures	216	3,721
		20	Non-current receivables	0	330
		25	Deferred tax assets	27,086	30,039
188,779	**214,664**		**Total other non-current assets**	**41,386**	**42,849**
188,779	**214,664**		**Total non-current assets**	**893,884**	**814,350**
			Current assets		
		21	**Inventories**	**86,533**	**80,069**
			Receivables		
		22	Construction contracts	90,944	134,670
12,235	10,166	23	Receivables	631,889	599,877
3,526	0	28	Corporation tax receivable	0	0
15,761	**10,166**		**Total receivables**	**722,833**	**734,547**
0	**2,888**		**Securities**	**34,211**	**24,925**
0	**91**		**Cash**	**303,860**	**274,266**
15,761	**13,145**		**Total current assets**	**1,147,437**	**1,113,807**
204,540	**227,809**		**Total assets**	**2,041,321**	**1,928,157**

BALANCE SHEET AT 31 DECEMBER

Parent company 2019	Parent company 2020	Note no.	(Amounts in DKK 1,000)	Group 2020	Group 2019
			Equity and liabilities		
			Equity		
40	40		Share capital	40	40
134,695	160,580		Net revaluation according to the equity method		
			Translation reserve and hedging reserve	(138)	(338)
53,914	55,789		Retained earnings	216,507	188,947
111	113		Proposed dividends	113	111
188,760	**216,522**		**Shareholders in JEAR Holding's share of equity**	**216,522**	**188,760**
			Non-controlling interests	**222,927**	**201,863**
188,760	**216,522**		**Total equity**	**439,449**	**390,623**
			Liabilities		
			Non-current liabilities		
		24	Pensions and similar liabilities	176,832	166,299
		25	Deferred tax	35,673	45,954
		26	Other provisions	65,322	32,149
		27	Payables to credit institutions, etc.	330,176	376,132
			Total non-current liabilities	**608,003**	**620,534**
			Current liabilities		
		24	Pensions and similar liabilities	6,493	6,407
		26	Other provisions	17,243	9,648
		27	Payables to credit institutions, etc.	155,592	163,112
		22	Construction contracts	90,839	55,361
			Trade payables	284,372	346,013
15,755	5,420		Payables to subsidiaries		
0	4,865	28	Corporation tax	11,278	24,747
25	1,002		Other payables	428,052	311,712
15,780	**11,287**		**Total current liabilities**	**993,869**	**917,000**
15,780	**11,287**		**Total liabilities**	**1,601,872**	**1,537,534**
204,540	**227,809**		**Total equity and liabilities**	**2,041,321**	**1,928,157**

CASH FLOW STATEMENT

Parent company		Note		Group	
2019	2020	nr.	(Amounts in DKK 1,000)	2020	2019
42,329	32,836		Profit/loss before tax	123,217	127,904
			Adjustment for non-cash operating items, etc.:		
			Depreciation and amortisation	144,264	142,371
(42,354)	(30,847)		Share of profit/loss after tax in subsidiaries		
			Other operating items, net	(670)	1,694
			Provisions	44,735	19,041
0	(612)		Financial income	(2,836)	(3,341)
0	145		Financial expenses	65,892	60,255
25	1,101	30	Changes in working capital	65,479	92,399
0	**2,623**		**Cash generated from operations**	**440,081**	**440,323**
0	73		Interest income received	1,945	1,912
0	(145)		Interest expenses paid	(65,892)	(60,166)
0	**2,551**		**Cash flows from operating activities before tax**	**376,134**	**382,069**
0	0		Corporation tax paid	(59,830)	(29,263)
0	**2,551**		**Cash flows from operating activities**	**316,304**	**352,806**
		31	Acquisition of property, plant and equipment	(105,997)	(57,084)
			Sale of property, plant and equipment	14,514	18,518
			Acquisition of intangible assets	(4,884)	(384)
			Repayment of non-current receivables	330	1,122
0	(3,094)		Acquisition of securities	(10,363)	(2,173)
0	745		Sale of securities	1,867	3,535
			Acquisition of associates	(13,927)	(4,481)
		35	Acquisition of subsidiaries	(131,212)	0
0	**(2,349)**		**Cash flow from investing activities**	**(249,672)**	**(40,947)**

Parent company		Note		Group	
2019	2020	nr.	(Amounts in DKK 1,000)	2020	2019
			Repayment of non-current liabilities	(99,842)	(70,981)
			Proceeds when taking out long-term loans, etc.	0	278,154
			Change, bank loan (overdraft)	(9,178)	20,337
0	(111)		Dividends paid	(111)	(5,451)
			Dividends paid to non-controlling interests	(17,454)	(12,853)
			Acquisition of treasury shares	0	(2,799)
			Acquisition of non-controlling interests, etc.	0	(568,003)
			Contribution of non-controlling interests	(122)	225
0	**(111)**		**Cash flows from financing activities**	**(126,707)**	**(361,371)**
0	**91**		**Cash flows for the year**	**(60,075)**	**(49,512)**
			Cash and cash equivalents, start of year	274,266	323,785
			Liquidity acquired through corporate acquisitions	89,669	0
			Value adjustment of cash and cash equivalents	0	(7)
0	**91**		**Cash and cash equivalents, end of year**	**303,860**	**274,266**
0	91		Cash	303,860	274,266
0	**91**		**Cash and cash equivalents, end of year**	**303,860**	**274,266**

STATEMENT OF CHANGES IN EQUITY

(Amounts in DKK 1,000)

Group	Share capital	Translation reserve and hedging reserve	Retained earnings	Proposed dividends	Total	Non-controlling interests	Total
Equity, start of year	40	(338)	188,947	111	**188,760**	201,863	**390,623**
Profit/loss for the year			32,722	113	**32,835**	44,943	**77,778**
Foreign currency translation adjustments, foreign companies		21			**21**	(36)	**(15)**
Actuarial gains/losses, subsidiaries			(7,144)		**(7,144)**	(8,901)	**(16,045)**
Hedging instruments, subsidiaries		230			**230**	210	**440**
Tax on equity items, subsidiaries		(51)	1,982		**1,931**	2,424	**4,355**
Distributed dividends, subsidiaries					**0**	(17,454)	**(17,454)**
Distributed dividends, JEAR Holding ApS				(111)	**(111)**		**(111)**
Contribution of non-controlling interests					**0**	(122)	**(122)**
Equity at 31 December 2020	**40**	**(138)**	**216,507**	**113**	**216,522**	**222,927**	**439,449**

(Amounts in DKK 1,000)

Group	Share capital	Translation reserve and hedging reserve	Retained earnings	Proposed dividends	Total	Non-controlling interests	Total
Equity, start of year	40	(212)	54,256	0	**54,084**	78,135	**132,219**
Formation of company, balance			47,129		**47,129**	42,844	**89,973**
Acquisition of minority shares, difference			68,640		**68,640**	48,138	**116,778**
Acquisition of non-controlling interests, transaction costs			(2,528)		**(2,528)**	(2,298)	**(4,826)**
Equity after acquisitions	**40**	**(212)**	**167,497**	**0**	**167,325**	**166,819**	**334,144**
Profit/loss for the year			42,224	111	**42,335**	49,623	**91,958**
Foreign currency translation adjustments, foreign companies		(338)			**(338)**	252	**(86)**
Actuarial gains/losses, subsidiaries			(17,828)		**(17,828)**	(3,146)	**(20,974)**
Hedging instruments, subsidiaries		272			**272**		**272**
Tax on equity items, subsidiaries		(60)	5,304		**5,244**	944	**6,188**
Distributed dividends, share buy-back, etc., subsidiaries			(8,250)		**(8,250)**	(12,629)	**(20,879)**
Distributed dividends, JEAR Holding ApS					**0**		**0**
Equity at 31 December 2019	**40**	**(338)**	**188,947**	**111**	**188,760**	**201,863**	**390,623**

(Amounts in DKK 1,000)

Parent company	Share capital	Net revaluation according to the equity method	Retained earnings	Proposed dividends	Total
Equity, start of year	40	0	54,044	0	**54,084**
Profit/loss for the year		42,354	(130)	111	**42,335**
Equity transactions in subsidiaries		92,341			**92,341**
Distributed dividends			0		**0**
Equity at 31 December 2019	**40**	**134,695**	**53,914**	**111**	**188,760**
Profit/loss for the year		32,418	304	113	**32,835**
Equity transactions in subsidiaries		(6,533)	1,571		**(4,962)**
Distributed dividends			0	(111)	**(111)**
Equity at 31 December 2020	**40**	**160,580**	**55,789**	**113**	**216,522**

OVERVIEW OF NOTES

NOTES Note 1 Accounting policies

The annual report of JEAR Holding ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large reporting class C companies.

The financial statements have been prepared in accordance with the same accounting policies as last year.

The annual report is presented in Danish kroner rounded to the nearest DKK 1,000.

Parentheses are used around losses and deductions.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when they are probable and can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Assets and liabilities will subsequently be measured as described for each individual accounting item below.

Certain financial assets and liabilities are measured at amortised cost, whereby a constant effective interest rate is recognised over the maturity period. Amortised cost is calculated as initial cost less any instalments plus/minus the accumulated amortisation of the difference between the cost and the nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks that occur before the presentation of the annual report and that evidence conditions existing at the balance sheet date are taken into account.

Revenue is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, costs incurred to generate the year's earnings are also recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts previously recognised in the income statement.

Consolidated accounts

Control

The consolidated financial statements include the Parent Company JEAR Holding ApS and subsidiaries which JEAR Holding ApS controls.

Control means the power to control the financial and operational decisions of a subsidiary. In addition, requirements apply concerning the possibility of achieving financial returns on the investment. In assessing whether a parent company has control, de facto control is also taken into account.

The existence of potential voting rights that may be used or converted to further voting rights are included in the assessment of whether a company can obtain the power to control the financial and operational decisions of another company.

Significant influence

Companies in which the Group can exercise significant influence on financial and operational decisions are classified as associates. Significant influence is deemed to exist when the Parent Company directly or indirectly holds or controls more than 20% of the voting rights but does not control it.

The existence of potential voting rights that may be used or converted into voting rights is considered when assessing whether significant influence exists.

Joint arrangements

Joint arrangements are activities or companies jointly controlled by the Group and one or more other parties through cooperation agreements. Joint control implies that decisions on relevant activities require unanimous consent among the parties jointly controlling the arrangement.

Joint arrangements are classified as either joint operations or joint ventures. Joint operations are activities where the participants have direct rights over assets and are subject to direct liability, whereas joint ventures are activities where the participants solely have rights over net assets.

A group chart can be seen on page 49.

NOTES Note 1 Accounting policies (continued)

Preparation of the consolidated financial statements

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements in accordance with the Group's accounting policies with the elimination of intra-group income and costs, shareholdings, intercompany balances, dividends and realised and unrealised gains on transactions between the consolidated companies. Unrealised gains on transactions with associates are eliminated in proportion to the Group's equity investment in the company. Unrealised losses are eliminated in the same way as unrealised gains unless they do not indicate impairment.

Subsidiaries' financial statement items are recognised in the consolidated financial statements in full. The non-controlling interests' share of profit/loss for the year and equity in subsidiaries not wholly owned is included in the Group's consolidated profit/loss and equity but are presented separately.

The acquisition and sale of non-controlling interests under continued control are recognised directly in equity as transactions between shareholders.

Equity in associates and joint ventures is recognised in the consolidated financial statements in accordance with the equity method.

The Group's activities in joint operations are recognised line by line in the consolidated financial statements.

Mergers

Newly acquired or newly established companies are included in the consolidated financial statements from the acquisition date. Sold or liquidated companies are included in the consolidated income statement until the disposal date. Comparative figures are not restated for newly acquired, sold or liquidated companies. Nevertheless, discontinued activities are presented separately, cf. below.

When acquiring new companies where control is obtained, the acquisition method is used. The identifiable assets, liabilities and contingent liabilities of the acquired companies are measured at fair value at the acquisition date. Identifiable intangible assets are recognised provided they are separable or arise from contractual rights and the fair value can be reliably measured. Deferred tax on the revaluations made is recognised.

The acquisition date is the date on which JEAR Holding ApS actually obtained control of the acquired company.

Positive differences (goodwill) between the acquisition cost, the value of non-controlling interests in the acquired company and the fair value of any previously acquired equity on the one hand and the fair value of the acquired identifiable assets, liabilities and contingent liabilities on the other are recognised as goodwill under intangible assets. Goodwill is amortised on a straight-line basis in the income statement following an individual assessment of the economic life.

Negative differences (negative goodwill) are recognised in the income statement on the acquisition date.

Upon acquisition, goodwill is allocated to cash-generating units that subsequently form the basis of the impairment test. Goodwill and fair value adjustments in connection with the acquisition of foreign entities with a functional currency other than the Group's presentation currency are treated as assets and liabilities of the foreign entity and converted to the foreign entity's functional currency on initial recognition at the transaction date.

The consideration paid for a company consists of the fair value of the agreed consideration in the form of assets acquired, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed conditions, such part of the consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent considerations are recognised in the income statement. Costs attributable to business combinations are recognised directly in the income statement as incurred.

If uncertainties concerning the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration exist, at the acquisition date, initial recognition will take place based on provisional values. If it turns out subsequently that the identification or measurement of the consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Goodwill is not subsequently adjusted. Changes in estimates of contingent considerations are recognised directly in the income statement.

Gains and losses from the disposal or liquidation of subsidiaries and associates are calculated as the difference between the selling price or settlement price and the carrying amount of net assets, including goodwill, at the disposal date and costs for disposal or liquidation.

Non-controlling interests

On initial recognition, non-controlling interests are measured either at fair value or at the proportional share of the fair value of the acquired company's identifiable assets, liabilities and contingent liabilities. In the first scenario, goodwill relating to the non-controlling interests' share in the acquired company is also recognised, while, in the latter scenario, goodwill relating to non-controlling interests is not recognised. Measurement of non-controlling interests is selected for each transaction and disclosed in the notes in connection with the specification of acquired companies.

Intra-group business combinations

The book value method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, transfer of assets and share exchange, etc., in connection with the participation of companies under the Parent Company's control, provided that the combination is considered completed at the acquisition time without restatement of comparative figures. Differences between the agreed consideration and the acquired company's carrying amount are recognised directly in equity.

Foreign currency translation

On initial recognition, transactions in foreign currencies are translated at the exchange rates applicable at the transaction date. Foreign exchange differences that arise between the exchange rates at the transaction date and the exchange rate at the payment date are recognised in the income statement.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates applicable at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are separate entities, the income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates applicable at the balance sheet date.

Foreign exchange differences arising on the translation of foreign subsidiaries' equity at the start of the year at the exchange rates at the balance sheet date and on translation of income statement items from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding balances with foreign subsidiaries that are considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, exchange rate gains and losses on loans and derivative financial instruments used to hedge foreign subsidiaries are recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently measured in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Fair value adjustments of derivative financial instruments that are designated and qualify as hedging of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as other receivables or other payables and also in equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged asset or liability affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised on an ongoing basis in the income statement.

Fair value adjustments of derivative financial instruments held to hedge net investments in foreign subsidiaries or associates are recognised directly in equity.

NOTES Note 1 Accounting policies (continued)

Income statement
Revenue

The company has chosen IAS 11/IAS 18 as interpretation revenue recognition.

When entering into sales contracts comprising multiple separate sales transactions, the contract price is split up into the individual sales transactions in accordance with the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods, services or construction contracts are met.

A contract is split up into individual transactions when the fair value of the individual sales transactions can be estimated reliably and when each sales transaction represents a stand-alone value for the buyer. Sales transactions are deemed to have a stand-alone value for the buyer when the transaction is individually identifiable and usually sold separately.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All forms of discounts are recognised in revenue.

Revenue from the sale of goods

Income from the sale of finished goods and goods for resale includes the sale of finished goods, asphalt, road equipment, other construction materials, etc., and is recognised in revenue when the control of each individual identifiable performance obligation in the sales contract has been transferred to the customer, which, according to the sales conditions, takes place at the time of delivery. Even though a sales contract concerning the sale of finished goods often includes several performance obligations, they will be treated as one overall performance obligation when delivery takes place at the same time.

Revenue from construction contracts

Construction contracts are recognised in revenue by reference to the stage of completion, which means that revenue corresponds to the selling price of the work performed in the year (the percentage of completion method). When income and expenses of a construction contract cannot be estimated reliably, revenue is recognised solely at the costs incurred in so far as they are likely to be recovered.

The stage of completion is determined on the basis of costs incurred relative to the latest cost estimate.

Production costs

Production costs include costs, including depreciation, amortisation and wages incurred to generate the revenue for the year. Commercial companies recognise their cost of sales, and production companies recognise production costs incurred to generate the revenue for the year. This includes direct and indirect costs of raw materials and consumables, salaries and wages, rent and leases as well as depreciation of production facilities. Production costs also include development costs that do not qualify for capitalisation.

Furthermore, provisions for expected losses on construction contracts are recognised.

Administrative expenses

Administrative expenses include costs incurred in the year for management and administration, including costs related to administrative staff, office premises, office expenses and depreciation and amortisation. Impairment losses on trade receivables are also included.

Other operating income and costs

Other operating income and costs include financial statement items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Profit/loss from equity investments in subsidiaries, associates and joint ventures

Under the equity method, a proportionate share of profit/loss after tax in subsidiaries is recognised in the income statement. Shares of profit/loss after tax in subsidiaries, associates and joint ventures are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

For equity investments in associates and joint ventures, only proportionate elimination of intra-group gains/losses is made. The proportionate share of each subsidiary's profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses.

Financial income and expenses

Financial income and expenses comprise interest, capital gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities and surcharges and refunds under the on-account tax scheme, as well as realised and unrealised currency exchange gains and losses on receivables and payables in foreign currencies. Interest rates can be variable based on underlying factors.

Tax for the year

The Company is subject to the Danish rules on compulsory joint taxation of Arkil's Danish companies. Subsidiaries are included in the joint taxation from the date on which they are included in the consolidated financial statements and until the date on which they are excluded from the consolidation.

The Parent Company, JEAR Holding ApS, Haderslev, acts as the administration company for joint taxation and therefore settles all payments of corporation tax with the tax authorities.

The applicable Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable incomes. In this connection, companies with tax losses receive joint taxation contributions from companies that have been able to utilise these losses to reduce their own taxable income.

Tax for the year comprises joint taxation contributions for the year and changes to deferred tax, including due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Balance sheet
Intangible assets

Goodwill

Goodwill is initially recognised in the balance sheet at cost as described under "business combinations". Subsequently, goodwill is measured at cost less accumulated amortisation and impairment losses or at the recoverable amount if this is lower.

Goodwill is amortised over the estimated economic life determined based on Management's experience within each business area. Goodwill is amortised on a straight-line basis over the amortisation period, which has been determined to be 20 years. The amortisation period has been determined based on an anticipated repayment period of 20 years, as it relates to strategically acquired companies with a strong market position and a long-term earnings profile.

Acquired know-how

Acquired know-how is measured at cost less accumulated amortisation and impairment losses or at the recoverable amount if this is lower. The cost includes all direct and indirect costs relating to the acquisition.

Acquired know-how is amortised on a straight-line basis over the useful life. The amortisation period is five years.

Gains and losses on the disposal of know-how are determined as the selling price less selling costs and the carrying amout at the disposal date. Gains or losses are recognised in the income statement under other operating income and other operating costs, respectively.

Development projects, licences and rights

Development costs include wages, amortisation and other costs attributable to the Company's development activities. Development projects that are clearly defined and identifiable for which the technical feasibility, sufficient resources and a potential future market or potential for use in the company can be demonstrated and where the intention is to manufacture, market or otherwise use the project are recognised as intangible assets provided that the cost can be measured reliably and there is sufficient assurance that future earnings or net selling price can cover production costs, selling costs and administrative expenses as well as development costs. Other development costs are recognised in the income statement as incurred.

Recognised development costs are measured at cost less accumulated amortisation and impairment losses. The cost includes wages, amortisation and other costs attributable to the Group's development activities and borrowing costs from specific and general borrowing that directly affect the development of development projects.

NOTES Note 1 Accounting policies (continued)

Upon completion of development work, the development project is amortised on a straight-line basis over the estimated useful life. The amortisation period is a maximum of five years. The basis for amortisation is reduced by impairment losses, if any. Amortisation is included in production costs.

Licences and rights are measured at cost less accumulated amortisation and impairment losses. Licences and rights are amortised on a straight-line basis over the remaining agreement period or useful life if this is shorter. The basis for amortisation is reduced by impairment losses, if any.

Other intangible assets, including intangible assets acquired in connection with business combinations, are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over the expected useful life.

Property, plant and equipment

Land and buildings and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

When measuring land and buildings classified as investment properties, the cost method is used.

Cost includes the acquisition price and costs directly attributable to the acquisition up to the date when the asset is ready for use. For self-constructed assets, cost includes direct and indirect costs for materials, components, subcontractors and wages as well as borrowing costs from specific and general borrowing that directly affects the construction of each asset. The cost includes the present value of estimated liabilities for the dismantling and removal of the asset and restoration of the site on which the asset was used.

The cost of a total asset is divided into separate components that are depreciated separately if the useful lives of the individual components are different.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	10-50 years
Plant	10-15 years
Fixtures and fittings, tools and equipment	3-7 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation will cease.

In the event of changes to the depreciation period or the residual value, the effect is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are recognised as the selling price less selling costs and the carrying amount at the disposal date.

Equity investments in subsidiaries, associates and joint ventures

Equity investments in subsidiaries, associates and joint ventures are measured using the equity method in the parent company financial statements. The Company has chosen to consider the equity method a consolidation method.

On initial recognition, equity investments in subsidiaries, associates and joint ventures are measured at cost, i.e. with a mark-up for transaction costs. The cost is allocated in accordance with the acquisition method, cf. the aforementioned accounting policies applicable to the consolidated financial statements.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in values and goodwill, if any, compared to the underlying company's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividends received are deducted from carrying amount.

Equity investments in subsidiaries, associates and joint ventures measured at net asset value are subject to impairment test requirements if there is an indication of impairment.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment as well as equity investments in subsidiaries, associates and joint ventures is tested annually for indications of impairment other than the decrease in value reflected by amortisation and depreciation.

When there are indications of impairment, an impairment test is conducted on each individual asset and group of assets. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of the net selling price and the value in use. The value in use is calculated as the present value of the expected cash flows from the use of the asset or the group of assets and anticipated net cash flows from the disposal of the asset or group of assets at the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are be reversed.

Inventories

Inventories are measured at cost using the FIFO method. If the net realisable value is lower than cost, inventories are written down to this lower value. The cost of goods for resale as well as raw materials and consumables includes the purchase price plus delivery costs. The net realisable value of inventories is determined as the selling price less completion costs and costs incurred to make the sale, taking into account marketability, obsolescence and developments in the anticipated selling price.

Receivables

Receivables are measured at amortised cost and evaluated individually. Provisions have been made for anticipated losses. For write-down of financial assets, IAS 39 is used as interpretation of the Danish Financial Statements Act.

Construction contracts

Construction contracts are measured at the selling price for the work performed. The selling price is measured based on the stage of completion at the balance sheet date and the total expected income for each work in progress.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of the costs incurred and the net realisable value.

Individual construction contracts are recognised in the balance sheet as receivables or payables. Net assets comprise the amount of the construction contracts for which the selling price of the work performed exceeds progress billings. Net liabilities comprise the amount of the construction contracts for which progress billings exceed the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Securities and equity investments

Securities and equity investments comprising listed shares and bonds are measured at fair value (market price) at the balance sheet date.

Equity

Translation reserve

The translation reserve includes foreign exchange differences arising on translation of financial statements of entities with functional currencies other than Danish kroner, foreign exchange adjustments of assets and liabilities that form part of the Group's net investments in such entities and foreign exchange adjustments concerning hedging transactions that hedge the Group's net investments in such entities.

Hedging reserve

The hedging reserve includes the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and for which the hedged transaction has not yet been realised.

Net revaluation reserve according to the equity method

The net revaluation reserve according to the equity method includes net revaluation of equity investments in subsidiaries and associates as well as joint ventures relative to cost.

The reserve can be eliminated in the event of a loss, realisation of equity investments or changes to accounting estimates.

The reserve cannot be recognised at a negative amount.

Dividends

Proposed dividends are recognised as a liability at the date of adoption at the annual general meeting (declaration date). Dividends that are expected to be distributed for the year are presented as a separate line item in equity.

Current tax and deferred tax

According to the joint taxation rules, the subsidiaries' liabilities to the tax authorities for their own corporation tax are settled concurrently with the payment of joint taxation contributions to the administration company.

Joint taxation contributions payable and receivable are recognised in the balance sheet as outstanding balances with group companies.

Deferred tax is measured using the balance-sheet liability method on all temporary differences between carrying amounts and tax values of assets and liabilities. Deferred tax is not recognised on temporary differences relating to goodwill that is not deductible for tax purposes and office premises and other items where temporary differences, except for corporate acquisitions, have arisen at the acquisition date without affecting either profit/loss or taxable income. In cases where the tax value can be settled according to different taxation rules, deferred tax will be measured based on the management's planned use of the asset or settlement of the liability respectively.

Deferred tax assets, including the tax value on tax loss carryforwards, are recognised in the balance sheet 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.

Adjustments are made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured on the basis of the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Pension obligations and similar non-current liabilities

The Group has entered into pension plans and similar agreements with the majority of the Group's employees.

Contributions to defined contribution plans are recognised in the income statement in the period in which they are accrued, and contributions payable are recognised in the balance sheet as other payables.

For defined benefit plans, annual actuarial calculation (the projected unit credit method) are performed on the value in use of future benefits payable under the plan. The value in use is calculated based on assumptions about future developments in e.g. salary levels, interest rates, inflation and mortality. The value in use is determined only for benefits to which employees have accrued rights through their employment with the Group. The actuarial calculation of the value in use less the fair value of any assets linked to the plan are recognised in the balance sheet as pension obligations.

Pension costs for the year are recognised in the income statement based on actuarial estimates and financial expectations at the start of the year. Differences between estimated performance of pension assets and liabilities and realised values are referred to as actuarial gains or losses and are recognised in equity.

In the event of changes to benefits relating to employees' employment in the Company, there will be a change in the actuarially calculated value in use recognised as a historical cost. Historical costs are charged to the income statement immediately if employees have already accrued a right to the changed benefit. They will otherwise be recognised in the income statement over the period in which employees accrue the right to the changed benefit.

If a pension plan is a net asset, the asset will only be recognised to the extent it corresponds to unrecognised actuarial losses, future repayments from the plane or will lead to reduced future payments to the plan.

Provisions

Provisions are recognised when the Group, as a result of an event arising before or at the balance sheet date, has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at Management's best estimate of the amount at which the obligation is expected to be settled.

When measuring provisions for liabilities, the costs necessary to settle the liability is discounted to net present value if this has a significant effect on the measurement of the liability. A pre-tax discount rate reflecting the current market interest rate level plus the specific risks that are estimated to apply to the provision is used. The financial year's changes in present values are recognised in financial expenses.

Warranty commitments are recognised as the contracts are performed. Provisions are made for onerous contracts when the anticipated benefits to the Group from a contract are lower than the unavoidable costs under the contract (onerous contracts).

Financial liabilities

Payables to credit institutions, etc., are recognised at the date of borrowing at the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the "effective interest method" so that the difference between the proceeds and the nominal value is recognised in the income statement as financial expenses over the borrowing period.

The capitalised residual lease liability on finance leases is also recognised in financial liabilities, measured at amortised cost.

Non-financial liabilities

Non-financial liabilities are measured at net realisable value.

Leases

IAS 17 is used as interpretation for the classification and recognition of leases.

For accounting purposes, lease liabilities are divided into finance and operating leases. Leases for assets that transfer substantially all the significant risks and rewards incident to ownership to the Company (finance leases) are initially measured in the balance sheet at the lower of the fair value and the present value of future lease payments. The interest rate implicit in the lease or the incremental borrowing rate is used as the discount rate when calculating the present value. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments in connection with operating leases and other rental agreements are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and rental agreements are disclosed under contingent liabilities in the notes.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities for the year changes in cash and cash equivalents for the year and cash and cash equivalents at the beginning and end of the year.

Cash flows from acquisitions and disposals of companies are disclosed separately under cash flows from investing activities. Cash flows relating to acquired companies are recognised in the cash flow statement from the acquisition date and cash flows relating to companies disposed of are recognised until the disposal date.

Cash flows from operating activities

Cash flows from operating activities are calculated as profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flow from investing activities includes payments in connection with the acquisition and disposals of companies and activities as well as acquisitions and disposals of intangible assets, property, plant and equipment and financial assets.

Cash flows from financing activities

Cash flows from financing activities include changes to the size or composition of the Company's share capital and related costs as well as borrowing, repayment of interest and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term marketable securities with a maturity of less than three months at the acquisition date that are subject to only minor risks of changes in value.

Segment information

Information is provided concerning activities and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

NOTES Note 2 Significant accounting estimates, assumptions and assessments

Estimation uncertainty

Calculation of the carrying amount of certain assets and liabilities requires assessments, estimates and assumptions about future events.

Estimates that are significant to the financial reporting are made, for example, in connection with the calculation of depreciation, amortisation and impairment losses, selling price of construction contracts, pensions and similar liabilities, provisions and contingent liabilities and assets.

It may be necessary to change previous estimates as a result of changes to the circumstances that formed the basis for the previous estimates or due to new knowledge or subsequent events.

Construction contracts

The main estimates include stages of completion for construction contracts calculated on the basis of progress reports.

The stage of completion for construction contracts is recognised for each contract as the ratio of the realised progress measured by the value of produced units and the anticipated end value of the construction contracts, including the outcome of disputes.

Assessments of disputes regarding additional works, deadline extensions, daily penalty fine demands, etc., are generally made based on the nature of the circumstances, relationship with the entrepreneur, stage of negotiation, previous experience and thus also an assessment of the probable outcome of each case. For significant disputes, external legal reviews are included in the basis for the assessment.

Estimates related to the future performance of residual work depend on a number of factors, as the assumptions for a project may change as the work progresses. Similarly, the assessment of disputes may change as the cases progress.

The actual results could therefore deviate from the anticipated results.

Estimates and assumptions are made based on historical experience and other factors that Management considers reasonable under the circumstances but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the Company is exposed to risks and uncertainties that may result in the actual outcomes deviating from these estimates. Risks for the Group are described in the Management's review.

Pension obligations

Some of the Group's foreign companies have defined benefit obligations that are not covered by insurance. Significant estimates used in the recognition of the pension obligations in these companies are the discount rate and life expectancy.

Impairment test of goodwill

Impairment tests of goodwill include an estimate of how the parts of the Company (cash-generating units) to which goodwill relates will be able to generate sufficient positive net cash flows in future to support the value of goodwill and other net assets in the part of the Company concerned.

Estimates of future unrestricted net cash flows are based on budgets and business plans for the next five years and projections for subsequent years. Key parameters are revenue developments, operating margin, profit margin, future capital investments and growth expectations for the years beyond the next five years. Budgets and business plans for the next five years are based on specific future business initiatives for which the risks in key parameters have been assessed and incorporated in expected unrestricted future cash flows. Projections beyond the next five years are based on general expectations and risks.

The discount rates used to calculate the recoverable amount are before tax and reflect the risk-free interest plus specific risks in individual cash--generating units. The effect on future risks has been incorporated in the cash flows used, and such risks are not included in the discount rates used.

Due to the nature of the business, estimates of future cash flows many years into the future must be made, and this inherently leads to some uncertainties. These uncertainties are reflected in the discount rate chosen.

Recovery of deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent it is considered probable that taxable profits can be realised in the foreseeable future and the losses can thereby be offset.

At 31 December 2020, deferred tax assets of DKK 27 million can largely be attributed to pension obligations.

NOTES Notes 3 - 5

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Note 3 Revenue		
		Sale of goods	185,300	267,886
		Selling price of the year's production under construction contracts	3,353,938	2,997,792
			3,539,238	**3,265,678**
		Geographical segment		
		Domestic	2,135,560	2,014,542
		International	1,403,678	1,251,136
			3,539,238	**3,265,678**
		Note 4 Depreciation and amortisation		
		Amortisation, intangible assets	12,737	9,094
		Depreciation, property, plant and equipment	131,586	133,238
			144,323	**142,332**
		Depreciation and amortisation are included as follows:		
		Production costs	138,856	136,620
		Administrative expenses	5,467	5,712
			144,323	**142,332**
		Note 5 Staff costs		
		Salaries and wages	854,874	810,216
		Contribution to pension schemes	79,960	77,201
		Other staff costs	80,252	76,288
			1,015,086	**963,705**
		The Company's Executive Board consists of one person and reference is therefore made to section 98b(3) of the Danish Financial Statements Act.		
		Staff costs are included as follows:		
		Production costs	773,731	734,017
		Administrative expenses	241,355	229,688
			1,015,086	**963,705**
		Average number of employees	**2,025**	**1,932**

NOTES Notes 6 – 7

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Note 6 Fees to the auditor appointed at the annual general meeting		
		The total fees to the auditor appointed at the annual general meeting can be specified as follows:		
25	25	Statutory audit	2,069	1,814
0	0	Other assurance engagements	79	147
0	0	Tax and VAT consulting	101	324
0	11	Non-audit services	437	894
25	**36**		**2,686**	**3,179**

Note 7 Other operating income

Other operating income covers financial statement items of a secondary nature to the Company's principal activities.

In 2020, the Group received compensation relating to COVID-19 from the authorities in Ireland and Sweden. The compensation amounts to DKK 5,364 thousand and is included in the item "Other operating income".

NOTES Note 8 Equity investments in subsidiaries

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
54.084	54.084	Cost, start of year, at formation		
54.084	**54.084**	**Cost, 31 December**		
0	134.695	Value adjustment, 1 January		
92.341	(4.962)	Equity adjustments in equity investments		
0	(1.571)	Dividend paid		
42.354	32.418	Share of profit/loss for the year		
134.695	**160.580**	**Value adjustment, 31 December**		
188.779	**214.664**	**Carrying amount, 31 December**		

Ownership interest (%)		
2019	2020	
		Subsidiaries comprise the following:
52,38	52,38	J2A Holding ApS, Haderslev (voting share of 58.44%)
		Information about equity interests, names and domiciles of the Group's subsidiaries can be found in the group chart, etc., on page 49.

NOTES Note 9 Equity investments in associates

Parent company		(Amounts in DKK 1,000)	Group	
2019	2020		2020	2019
		Cost, 1 January	11.210	6.729
		Foreign currency translation adjustments	(46)	0
		Additions for the year	15.043	4.481
		Disposals for the year	(1.116)	0
		Cost, 31 December	**25.091**	**11.210**
		Value adjustment, 1 January	(2.451)	(2.505)
		Foreign currency translation adjustments	10	(1)
		Disposals for the year	0	0
		Distribution	(407)	0
		Share of profit/loss for the year	(8.159)	55
		Value adjustment, 31 December	**(11.007)**	**(2.451)**
		Carrying amount, 31 December	**14.084**	**8.759**

	Ownership interest (%)	
	2020	2019
Associates comprise the following:		
HANSE Asphaltmischwerke GmbH, Berlin, Germany	45	45
Hanse Asphalt GmbH, Rostock, Germany	46	46
GAM Greifswalder Asphaltmischwerke GmbH & Co. KG, Rostock, Germany	46	46
GAM Greifswalder Asphaltmischwerke Verwaltungs GmbH, Rostock, Germany	46	46
Royal Oak Golf A/S, Jels, Denmark	33	0

Subsidiaries with equity interest of 50%

The Group has a 50% equity interest in PV Greve A/S. The Group is entitled to appoint the chair of the company, who has the decisive vote in the event of a tie in board resolutions. On this basis, it has been determined that the Group has control of the company's activities and the company is therefore recognised as a subsidiary in the consolidated financial statements.

NOTES Note 10 Equity investments in joint ventures

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Cost, 1 January	19,551	36,562
		Additions for the year	0	0
		Disposals for the year	0	(17,011)
		Cost, 31 December	**19,551**	**19,551**
		Value adjustment, 1 January	(15,830)	(21,184)
		Disposals for the year	0	17,011
		Distribution	(3,450)	(157)
		Share of profit/loss for the year	(55)	(11,500)
		Value adjustment, 31 December	**(19,335)**	**(15,830)**
		Carrying amount, 31 December	**216**	**3,721**

			Ownership interest (%)	
			2020	2019
		The Group's participation in joint ventures comprises the following:		
		Arkil-CJ Anlæg I/S, Haderslev, Denmark	50	50
		Konsortiet Arkil-Bilfinger I/S, Randers, Denmark	87	87
		Strukton - Arkil JV I/S, Haderslev, Denmark	50	50

The contractual conditions mean that the parties to the arrangements only have rights to the net assets, and they are therefore classified as equity investments in joint ventures.

For all of the above joint ventures, decisions concerning relevant activities require unanimity among the participating parties.

NOTES Notes 11 - 13

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Note 11 Financial income		
0	612	Other financial income	2,836	3,341
0	**612**	**Total financial income**	**2,836**	**3,341**
		Note 12 Financial expenses		
0	145	Other financial expenses	65,892	60,255
0	**145**	**Total financial expenses**	**65,892**	**60,255**
		Note 13 Tax		
		Tax for the year can be specified as follows:		
(6)	1	Tax for the year	45,439	35,946
0	0	Tax on changes in equity	(4,355)	(6,185)
(6)	**1**		**41,084**	**29,761**
		Tax for the year comprises:		
(6)	1	Current tax	43,623	35,314
		Deferred tax	(2,595)	293
		Deferred tax regarding previous years	(2,621)	85
		Current tax regarding previous years	7,032	254
(6)	**1**		**45,439**	**35,946**

NOTES Notes 14 - 16

Parent company 2019	Parent company 2020	(Amounts in DKK 1,000)	Group 2020	Group 2019
		Note 14 Goodwill		
		Cost, 1 January	141,095	141,086
		Foreign currency translation adjustments	(46)	9
		Additions	56,702	0
		Cost, 31 December	**197,751**	**141,095**
		Amortisation and impairment losses, 1 January	(15,533)	(7,026)
		Foreign currency translation adjustments	10	0
		Amortisation for the year	(11,454)	(8,507)
		Amortisation and impairment losses, 31 December	**(26,977)**	**(15,533)**
		Carrying amount, 31 December	**170,774**	**125,562**
		Note 15 Acquired know-how		
		Cost, 1 January	2,477	2,477
		Additions	0	0
		Cost, 31 December	**2,477**	**2,477**
		Amortisation and impairment losses, 1 January	(2,477)	(2,228)
		Amortisation for the year	0	(249)
		Amortisation and impairment losses, 31 December	**(2,477)**	**(2,477)**
		Carrying amount, 31 December	**0**	**0**
		Note 16 Licences and rights		
		Cost, 1 January	12,182	11,796
		Foreign currency translation adjustments	(40)	2
		Additions	4,884	384
		Cost, 31 December	**17,026**	**12,182**
		Amortisation and impairment losses, 1 January	(4,625)	(4,283)
		Foreign currency translation adjustments	28	(2)
		Amortisation for the year	(1,279)	(340)
		Amortisation and impairment losses, 31 December	**(5,876)**	**(4,625)**
		Carrying amount, 31 December	**11,150**	**7,557**

NOTES Note 17 Land and buildings

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Cost, 1 January	244,063	222,525
		Foreign currency translation adjustments	(142)	(61)
		Additions	3,744	28,257
		Disposals	(5,519)	(6,658)
		Cost, 31 December	**242,146**	**244,063**
		Depreciation and impairment losses, 1 January	(67,506)	(67,371)
		Foreign currency translation adjustments	31	49
		Depreciation	(6,532)	(4,961)
		Disposals	4,292	4,777
		Depreciation and impairment losses, 31 December	**(69,715)**	**(67,506)**
		Carrying amount, 31 December	**172,431**	**176,557**
		Amount relating to assets held under a finance lease	**0**	**0**

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Note 18 Fixtures and fittings, tools and equipment		
		Cost, 1 January	1,387,555	1,324,726
		Foreign currency translation adjustments	(1,615)	(362)
		Acquisition of subsidiaries	20,086	0
		Additions	143,986	126,149
		Disposals	(76,009)	(62,958)
		Cost, 31 December	**1,474,003**	**1,387,555**
		Depreciation and impairment losses, 1 January	(925,957)	(855,544)
		Foreign currency translation adjustments	425	359
		Depreciation	(124,999)	(128,314)
		Disposals	65,061	57,542
		Depreciation and impairment losses, 31 December	**(985,470)**	**(925,957)**
		Carrying amount, 31 December	**488,533**	**461,598**
		Amount relating to assets held under a finance lease	**237,283**	**232,692**
		Note 19 Plants under construction and advance payments		
		Cost, 1 January	227	20,919
		Foreign currency translation adjustments	0	1
		Additions	9,608	226
		Transferred	(225)	(20,919)
		Cost, 31 December	**9,610**	**227**
		Carrying amount, 31 December	**9,610**	**227**

NOTES Notes 20 - 23

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Note 20 Non-current receivables		
		Cost, 1 January	330	1,452
		Instalments	(330)	(1,122)
		Cost, 31 December	**0**	**330**
		Carrying amount, 31 December	**0**	**330**
		Note 21 Inventories		
		Raw materials and consumables	74,247	67,955
		Work in progress	158	156
		Finished goods	12,128	11,958
			86,533	**80,069**
		Note 22 Construction contracts		
		Selling price of construction contracts	1,767,226	1,636,984
		Progress billings	(1,767,121)	(1,557,675)
			105	**79,309**
		Recognised as follows:		
		Construction contracts (assets)	90,944	134,670
		Construction contracts (liabilities)	(90,839)	(55,361)
			105	**79,309**
		Note 23 Receivables		
		Trade receivables	618,199	585,358
12,235	10,165	Receivables from associates		
		Receivables from joint ventures	1,301	177
0	1	Other receivables	12,389	14,342
12,235	**10,166**		**631,889**	**599,877**

NOTES Note 24 Pensions and similar liabilities

In defined contribution plans, the employer is obliged to pay a defined contribution (e.g. a fixed amount or fixed percentage of the salary). In a defined contribution plan, the Group does not bear the risks relating to future developments in interest rates, inflation, mortality and incapacity for work.

In defined benefit plans, the employer is obliged to pay a defined benefit (e.g. a retirement pension as a fixed amount or fixed percentage of the final salary). In a defined benefit plan, the Group bears the risks relating to future developments in interest rates, inflation, mortality and incapacity for work.

The pension obligations of Danish companies are covered by insurance. Certain foreign companies are also covered by insurance. Foreign companies that are not or are only partly covered by insurance (defined benefit plans) recognise the actuarial liability at present value at the balance sheet date. Defined benefit plans are used in some of the Group's German companies. The Parent Company only has contribution plans.

The risks associated with defined benefit plans can generally be classified as risks relating to mortality and interest rate level.

The latest actuarial assessment of pension obligations has been performed by Uhlmann, Ludewig & Menzel. The present value of the obligations of the plan and associated pension costs concerning current and previous financial years has been recognised using the projected unit credit method.

The key assumptions for the actuarial calculations at the balance sheet date can, on average, be specified as follows:

	Group	
(Amounts in DKK 1,000)	2020	2019
Discount rate	0.4%	0.9%
Mortality rate table based on anticipated lifespans for working age population in Germany	G2018	G2018
Net obligation, 1 January	172,706	152,192
Foreign currency translation adjustments	(703)	47
Pensions paid	(6,254)	(6,144)
Pension costs for the current financial year	4,979	5,358
Actuarial loss (gain), changed demographics	(1,063)	(163)
Actuarial loss (gain), changed financial conditions	13,660	21,416
Net obligation, 31 December	**183,325**	**172,706**
The maturity dates of pensions and similar liabilities are expected to be:		
0-1 year	6,493	6,407
1-5 years	26,711	26,941
> 5 years	150,121	139,358
Pensions and similar liabilities, 31 December	**183,325**	**172,706**

NOTES Note 25 Deferred tax

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Deferred tax, 1 January	15,915	21,562
		Foreign currency translation adjustments	90	(4)
		Deferred tax for the year recognised in profit/loss for the year	(2,588)	545
		Deferred tax for the year recognised in equity	(4,453)	(6,188)
		Other	(377)	0
		Deferred tax, 31 December	**8,587**	**15,915**
		Deferred tax is recognised in the balance sheet as follows:		
		Deferred tax (assets)	(27,086)	(30,039)
		Deferred tax (liabilities)	35,673	45,954
		Deferred tax, 31 December, net	**8,587**	**15,915**
		Deferred tax relates to:		
		Intangible assets	5,631	5,932
		Property, plant and equipment	60,872	63,332
		Financial assets	(2,488)	(5,427)
		Current assets	17,364	33,511
		Provisions	(53,755)	(32,619)
		Other liabilities	(19,037)	(48,814)
		Deferred tax, 31 December, net	**8,587**	**15,915**

The tax value of the recapture of tax loss for Inpipe Sweden AB, which left the joint taxation at 1 January 2005, is not included in the statement of deferred tax. The tax value thereof constitutes DKK 3,447 thousand (2019: DKK 3,731 thousand).

NOTES Note 26 Provisions

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Warranty commitments, 1 January	14,149	15,276
		Foreign currency translation adjustments	(44)	(1)
		Used in the year	(1,826)	(1,811)
		Reversed	(1,304)	(4,868)
		Provided for in the year	3,368	5,553
		Warranty commitments, 31 December	**14,343**	**14,149**
		Other liabilities, 1 January	27,648	6,993
		Foreign currency translation adjustments	(26)	2
		Used in the year	(30)	(514)
		Reversed	(495)	(985)
		Provided for in the year	41,125	22,152
		Other liabilities, 31 December	**68,222**	**27,648**
		Provisions, 31 December	**82,565**	**41,797**
		The maturity dates of provisions are expected to be:		
		Non-current liabilities	17,243	9,648
		Current liabilities	65,322	32,149
		Provisions, 31 December	**82,565**	**41,797**

Warranty commitments concern completed contracts performed against a guarantee of normally up to 5 years.

Other liabilities concern the restoration of quarries and known liabilities for completed contracts. The liabilities have been calculated based on Management's specific expectations for future costs.

NOTES Note 27 Payables to credit institutions, etc.

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Loans to credit institutions, etc.	8,193	8,663
		Lease liabilities	212,183	232,090
		Bank loans (overdraft facility)	11,160	20,337
		Other payables	254,232	278,154
		Carrying amount	**485,768**	**539,244**
		The liabilities are specified as follows:		
		Loans to credit institutions, other payables, etc., and bank loans		
		0-1 year	87,491	98,088
		1-5 years	60,376	95,463
		> 5 years	125,718	113,603
			273,585	**307,154**
		Lease liabilities		
		0-1 year	68,101	65,024
		1-5 years	136,291	151,864
		> 5 years	7,791	15,202
			212,183	**232,090**
		Total payables	**485,768**	**539,244**
		Non-current liabilities, credit institutions, etc.	330,176	376,132
		Current liabilities, credit institutions, etc.	155,592	163,112
			485,768	**539,244**

NOTES Notes 28 - 29

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Note 28 Corporation tax		
0	(3,526)	Corporation tax payable, 1 January	24,747	18,025
		Foreign currency translation adjustments	(112)	6
(6)	1	Current tax for the year, including jointly taxed subsidiaries	43,944	35,417
0	6,222	Other adjustments	0	0
(3,520)	2,168	Corporation tax paid for the year	(57,301)	(28,701)
(3,526)	**4,865**	**Corporation tax payable, 31 December**	**11,278**	**24,747**
		Note 29 Contingent liabilities and collateral		
		Guarantees provided to entrepreneurs by third parties	745,216	746,104
		The Group participates in consortia with joint and several liability in which the total debt amounts to	1,955	25,079
		As security for the Group's debt, collateral has been provided through shareholdings in Arkil Holding A/S		
		Mortgage and mortgage deeds on land and buildings	7,759	7,756
		Carrying amount of mortgaged land and properties	7,427	7,882

Pending disputes and litigation

Due to the nature of its business, the Group is involved in various disputes and legal and arbitration proceedings, the outcome of which Management does not expect will have any significant negative impact on the Group's financial position.

Hedging instruments

The Group has entered into contracts to ensure future deliveries of bitumen. The contracts are in force until May 2023, and the market value was DKK 440,000 at 31 December 2020. (2019: DKK 0).

Raw material swaps are measured using generally accepted valuation methods based on relevant observable swap curves. Externally estimated market values based on discounted future cash flows are used.

Joint taxation

As administration company, the Company is jointly taxed with other Danish consolidated companies. The Company is jointly and severally liable with other jointly taxed companies for the payment of corporation tax as well as interest, royalties and dividends.

NOTES Notes 30 - 31

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Note 30 Changes in working capital		
		Changes to inventories	(6,150)	(3,771)
(12,235)	2,069	Changes to receivables and contract assets	56,893	93,379
12,260	(968)	Changes to trade payables and other payables	14,736	2,791
25	**1,101**		**65,479**	**92,399**
		Note 31 Acquisition of property, plant and equipment, net		
		Acquisition of property, plant and equipment	(156,259)	(134,217)
		Assumption of lease liabilities	50,262	77,133
			(105,997)	**(57,084)**

NOTES Note 32 Related parties

The actuarial value of pension obligations to related parties with a significant influence amounts to DKK 27,222 thousand (2019: DKK 27,208 thousand). The pension obligations incurred through the acquisition of companies in 2004 were established through SAW Schleswiger Asphaltsplitt-Werke GmbH & Co. KG in 1974.

JEAR Holding ApS' other related parties with significant influence include the Company's Executive Board, executive management as well as these parties' immediate family members. Related parties also include companies in which the aforementioned people have substantial interests. Remuneration for the Executive Board is specified in note 5.

Furthermore, the Parent Company's related parties include subsidiaries and associates, cf. notes 8 and 9, in which the Parent Company has control or substantial influence.

The Group's related parties also include associates and joint ventures in which the Group has a substantial influence or joint control. Associates are listed in note 9, and joint ventures are listed in note 10.

Subsidiaries, associates and joint ventures

Transactions with subsidiaries, associates and joint ventures included the following:

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Purchase of goods and services from associates	4,102	11,973
		Sale of goods and services to joint ventures	0	1,771
		Sale of goods and services to associates	1,669	427
12,235	10,165	Receivables from associates		
15,755	5,420	Payables to associates		
0	977	Debt to shareholders		
0	111	Dividends paid	17,565	20,879
0	1,571	Dividends received		

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

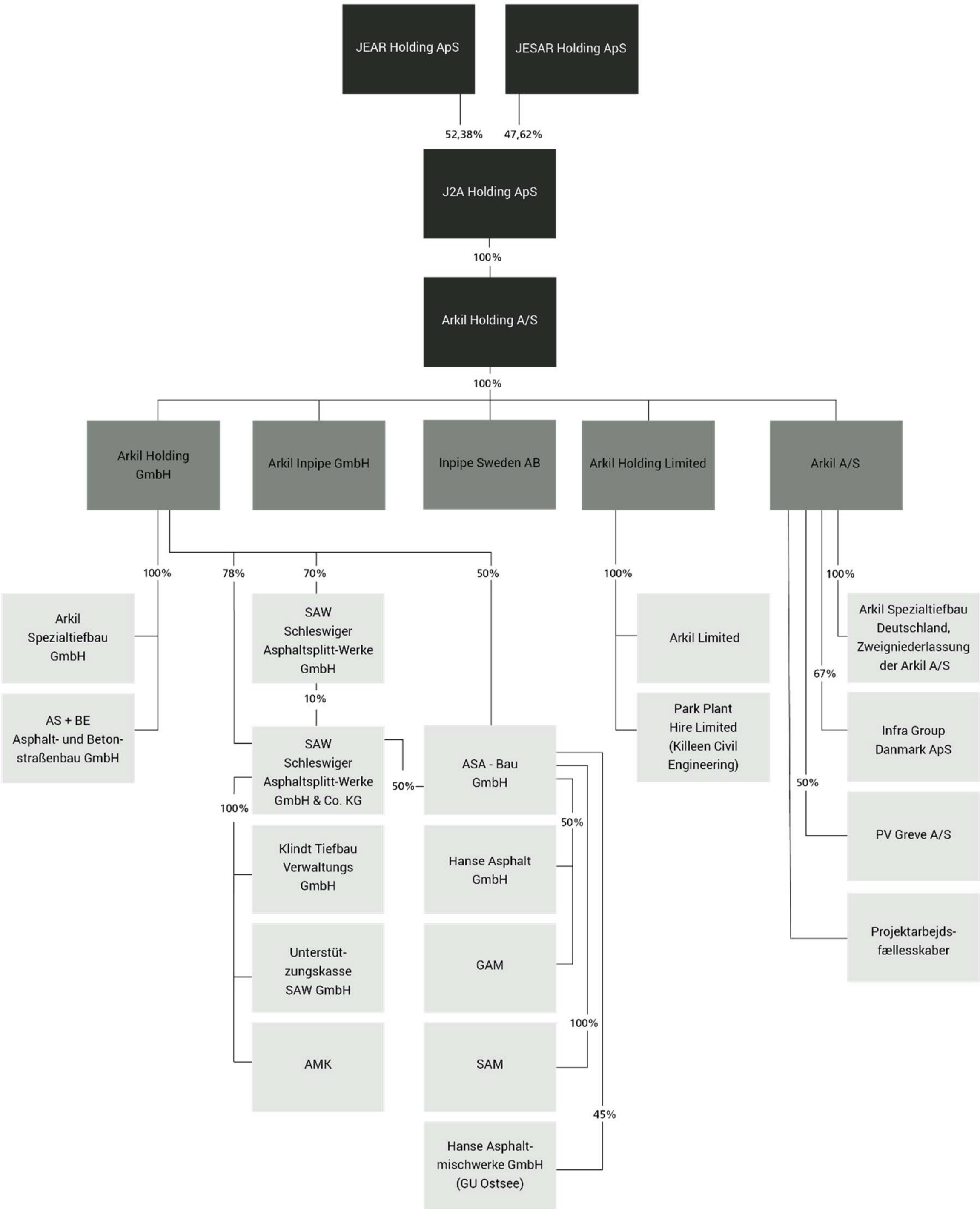
NOTES Notes 33 - 35

Parent company			Group	
2019	2020	(Amounts in DKK 1,000)	2020	2019
		Note 33 Operating lease liabilities and rental obligations		
		The Group leases the properties and operating equipment on operating lease terms. The lease period will typically be a period between 2 and 20 years with the option to extend upon expiration of the period.		
		Non-cancellable operating lease payments and rental obligations, etc., are as follows:		
		0-1 years	18,071	16,850
		1-5 years	30,067	28,813
		> 5 years	16,678	21,022
			64,816	**66,685**
		Note 34 Subsequent events		
		At the time of submitting the annual report, the global outbreak of COVID-19 is still ongoing. In 2020, the Group was subject to the direct and indirect impact of COVID-19, and this will remain the case in 2021. Until now, the outbreak has not had a substantial impact on the Group's economic and financial position, and this is expected to remain the case in 2021.		
		Note 35 Distribution of profit/loss		
		Proposed distribution of profit/loss:		
111	113	Proposed dividends		
42,224	32,722	Retained earnings		
42,335	**32,835**			

NOTES Note 36 Financial ration definitions

Profit margin	$\dfrac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Current ratio	$\dfrac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio (solvency)	$\dfrac{\text{The Group's equity x 100}}{\text{Total assets}}$
Return on invested capital	$\dfrac{\text{Operating profit/loss x 100}}{\text{Average invested capital, including goodwill}}$

GROUP CHART



SUPPLERENDE INFORMATION

J2A Holding ApS ejer Royal Oak Golf A/S (33,33%)
JESAR Holding ApS ejer Fulglehøj ApS (100%)

Projektarbejdsfællesskaber: Arkil-CJ Anlæg I/S (50%), Konsortiet Arkil-Meyer&John I/S (100%), Konsortiet Arkil-Bilfinger I/S (86,8%), Arkil-JV I/S (100%), Strukton-Arkil JV I/S (50%)

AMK: AMK Asphaltmischwerke Kiel Verwaltungs GmbH, AMK Asphaltmischwerke Kiel GmbH & Co. KG

GAM: GAM Greifswalder Asphaltmischwerke GmbH & Co. KG, GAM Greifswalder Asphaltmischwerke Verwaltungs GmbH

SAM: SAM Stralsund Asphaltmischwerke Verwaltungs GmbH, SAM Stralsund Asphaltmischwerke GmbH & Co. KG