JEAR HOLDING ApS
ANNUAL REPORT FOR 2022

Søndergård Alle 4, 6500 Vojens, Denmark

CVR no. 41 14 17 00

Approved at the company's annual general meeting on 28 March 2023

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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 2022.

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 2022 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2022.

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, 28 March 2023

Executive Board

Jesper Arkil

INDEPENDENT AUDITOR'S REPORT

To the shareholders of JEAR Holding ApS

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of JEAR Holding ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for opinion

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

Statement on the management's review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material un-certainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Trekantområdet, 28 March 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Jan Bunk Harbo Larsen State Authorised Public Accountant mne30224	Henrik Junker Andersen State Authorised Public Accountant mne42818

COMPANY INFORMATION

The Company	JEAR Holding ApS Søndergård Alle 4 6500 Vojens, 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	PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab
Annual general meeting	The annual general meeting will be held on 28 March 2023
Ownership	Jesper Arkil (100%)

FINANCIAL HIGHLIGHTS FOR THE GROUP

(DKK million)	2022	2021	2020	2019
INCOME STATEMENT				
Revenue	3,939.5	3,677.1	3,539.2	3,265.7
Operating profit/loss	162.1	118.4	194.5	196.3
Net financials	(47.9)	(31.2)	(63.1)	(56.9)
Profit/loss before tax	115.8	84.3	123.2	127.9
Profit/loss for the year	**80.7**	**59.1**	**77.8**	**92.0**
BALANCE SHEET				
Non-current assets	888.7	927.5	893.9	814.3
Current assets	1,182.2	1,118.9	1,147.4	1,113.8
Total assets	**2,070.9**	**2,046.4**	**2,041.3**	**1,928.1**
Total equity	**595.8**	**500.9**	**439.4**	**390.6**
Non-current liabilities	526.6	536.9	608.0	620.5
Current liabilities	948.5	1,008.6	993.9	917.0
Total liabilities	**1,475.1**	**1,545.5**	**1,601.9**	**1,537.5**
CASH FLOW STATEMENT				
Cash flow from operating activities	126.4	179.9	316.3	352.8
Cash flow from investing activities	(26.8)	(151.7)	(249.7)	(40.9)
Cash flow from financing activities	(77.7)	(120.6)	(126.7)	(361.4)
Total cash flows	**21.9**	**(92.4)**	**(60.1)**	**(49.5)**
Investments in property, plant and equipment	**(119.4)**	**(153.7)**	**(141.7)**	**(115.7)**
KEY FIGURES				
Profit margin, %	4.1	3.2	5.5	6.0
Return on invested capital, %	17.4	13.5	23.8	22.5
Current ratio	124.6	110.9	115.4	121.5
Equity ratio (solvency), %	28.8	24.5	21.5	20.3
Average number of employees	**2,052**	**2,078**	**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 38.

The Group's principal activities

JEAR Holding ApS is the ultimate parent company of the Arkil Group. Arkil is a construction group, primarily operating in Denmark, Germany and Ireland. 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, environmental engineering projects and port and hydraulic engineering projects.

Development in activities and financial matters

In 2022, the Group realised revenue of DKK 3,939.5 million compared to DKK 3,677,1 million in 2021.

The operating profit amounted DKK 162.1 million compared to DKK 118.4 million last year and is thus better realised compared to last year. Due to the war between Ukraine and Russia and the resulting price variations, it was not possible to provide a clear forecast for 2022 when presenting the report for 2021.

Profit before tax amounted to DKK 115.8 million in 2022 and DKK 84.3 million in 2021.

At the end of 2022, the total assets amounted to DKK 2,070.9 million (2021: DKK 2,046.4 million) and equity amounted to DKK 595.8 million (2021: DKK 500.9 million), while the equity ratio was 28.8 % (2021: 24.5%).

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.

The historically high increases in raw material and energy prices in 2022 have also affected the Group, which is why it has not been possible to fully hedge the prices of raw materials and energy in step with their rapid rise.

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 (§99a)

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 2022, 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 2022. In 2023, Arkil will continue to train current and new employees in company policies and guidelines relating to this and other relevant areas.

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.

Every year, we replace a number of older company cars with newer and more fuel-efficient models. The replacement and acquisition of more environmentally-friendly company cars is part of the car policy for the Group's Danish companies that we launched in 2016. In 2022, approximately 65 vehicles were replaced. Among other things, the replacement has contributed to annual future savings of around 26,463 litres of fuel, corresponding to 70 tonnes of CO_2. We anticipate that speed limiters will be installed in 450-500 yellow-plate vehicles within a six-year period.

Since 2017, the adopted policy activities have reduced fuel consumption by around 1,013,000 litres in total, corresponding to about 2,673 tonnes of CO_2.

Social and staff matters

The recruitment of employees, both skilled and unskilled, is becoming an increasing challenge in the industry and for the company. The work to brand vocational training and attract young people to these educational pathways is also becoming increasingly necessary in order to ensure that we have qualified employees for the future. We can see that there is a significant risk that our company will be unable to recruit employees with the right expertise in the future. This requires us to consider recruitment from new and different perspectives, while also ensuring that we improve the gender balance within the industry.

At Arkil, we have a clear goal of being a safe workplace with as few occupational accidents as possible. It is absolutely essential for us that employee safety, as well as the physical and psychological working environment, are at the top of our agenda.

Arkil's health and safety organisation works continuously on preventive activities, changing of habits and inappropriate and/or risky behaviour, implementation of management systems, internal training, safety rounds and targeted campaigns – all with the aim of reducing the number of occupational accidents and creating an even stronger safety culture.

Backed by our health and safety policy, we consider health and safety aspects in all processes and projects, from planning to execution, and we commit to complying with applicable laws and safety requirements. Our health and safety policy is transposed into specific goals and action plans, applicable for two years at a time, and is approved by Arkil's Main Health and Safety Committee.

In 2022, we recorded an accident rate of 12.1. This is a significant improvement over last year's result, but still higher than our target, which is below 10.

Based on analyses, we are able to conclude that the majority of occupational accidents occur among employees with less than one or only a few years of service. We will therefore continue our health and safety ambassador scheme in 2023 to look after newly hired employees and ensure that they receive the best possible introduction to our work processes.

Gender composition in Management (§ 99b)

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 2025.

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 the Executive Board consists of 1 member (male), there is no target for the underrepresented gender, cf. the Danish Business Authority's guidance on section 99b. 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.

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.

Report on data ethics (§99d)

For Arkil, the correct and satisfactory processing of data is important to us and we feel strongly about data ethics. We work on it continuously as new technological solutions and opportunities change.

Arkil has a sound and skeptical approach to all data management, ensuring that data is stored securely and only accessible to relevant persons.

We are a construction company that does not collect large amounts of data about customers, the market etc. and we only collect data that is relevant to our business. We do not use artificial intelligence or other advanced methods to analyze data. Our data ethics is therefore focused on our handling of basic customer and employee data.

Arkil will never resell data to third parties.

Data security

All data is stored on secure platforms with restricted access and monitoring of unintended access. Access to data is only given to relevant employees so that unauthorized personnel do not receive access. Access is granted automatically when an employee account is created and is removed automatically upon termination. All data retrieved from central solutions is stored on encrypted disks.

Compliance with data protection laws

Arkil complies with the General Data Protection Regulation (GDPR) and only collects relevant data. Collected data is kept for the shortest possible time and access to sensitive personal data is limited to a few authorized employees.

Working with data ethics

Overall, data processing is anchored in IT and Business Development, which cooperates with the executive board, staff and production on this issue with the correct and secure processing of data.

Events after the balance sheet date

The executive board is not aware of any events that have occurred since the end of the financial year that are of significance to the Group's economic or financial position.

Expectations for 2023

Unchanged or slightly declining activity is expected for 2023, with earnings before tax slightly below the level for 2022.

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

Parent company		Note		Group	
2021	2022	no.	(Amounts in DKK 1,000)	2022	2021
		3	Revenue	3,939,536	3,677,082
		4.5	Production costs	(3,429,833)	(3,248,901)
			Gross profit	**509,703**	**428,181**
(239)	(281)	4,5,6	Administrative expenses	(349,581)	(322,782)
		7	Other operating income	2,006	12,996
(239)	**(281)**		**Operating profit/loss**	**162,128**	**118,395**
24,953	34,271	8	Share of profit/loss after tax in subsidiaries		
		9	Share of profit/loss after tax in participating interest	1,585	(3,708)
		10	Share of profit/loss after tax in joint ventures	0	785
24,953	**34,271**		**Profit/loss from equity investments**	**1,585**	**(2,923)**
251	112	11	Financial income	1,077	2,338
(33)	(785)	12	Financial expenses	(48,995)	(33,493)
218	**(673)**		**Net financials**	**(47,918)**	**(31,155)**
24,932	**33,317**		**Profit/loss before tax**	**115,795**	**84,317**
(127)	122	13	Tax for the year	(35,120)	(25,231)
24,805	**33,439**		**Profit/loss for the year**	**80,675**	**59,086**
			Distribution of group profit/loss:		
			Shareholders in JEAR Holding ApS	33,439	24,805
			Non-controlling interests	47,236	34,281
				80,675	**59,086**

BALANCE SHEET AT 31 DECEMBER

Parent company 2021	Parent company 2022	Note no.	(Amounts in DKK 1,000)	Group 2022	Group 2021
			Assets		
			Non-current assets		
			Intangible assets		
		14	Goodwill	151,358	161,053
		15	Acquired know-how	0	0
		16	Licences and rights	11,159	11,865
			Total intangible assets	**162,517**	**172,918**
			Property, plant and equipment		
		17	Land and buildings	237,596	212,322
		18	Fixtures and fittings, tools and equipment	465,858	494,130
		19	Plants under construction and advance payments	3,246	9,982
			Total property, plant and equipment	**706,700**	**716,434**
			Other non-current assets		
244,521	288,901	8	Equity investments in subsidiaries		
		9	Equity investments in participating interest	2,977	1,041
		10	Equity investments in joint ventures	251	251
		20	Non-current receivables	13,263	12,837
		26	Deferred tax assets	2,953	23,897
244,521	**288,901**		**Total other non-current assets**	**19,444**	**38,026**
244,521	**288,901**		**Total non-current assets**	**888,661**	**927,378**
			Current assets		
		21	**Inventories**	**114,555**	**93,040**
			Receivables		
		22	Construction contracts	123,412	135,355
7,083	12,859	23	Receivables	668,548	631,911
1,129	4,344	30	Corporation tax receivable	4,344	0
8,212	**17,203**		**Total receivables**	**796,304**	**767,266**
3,551	**5,884**	24	**Securities**	**41,241**	**50,377**
415	**1,751**		**Cash**	**230,122**	**208,260**
12,178	**24,838**		**Total current assets**	**1,182,222**	**1,118,943**
256,699	**313,739**		**Total assets**	**2,070,883**	**2,046,321**

BALANCE SHEET AT 31 DECEMBER

Parent company		Note		Group	
2021	2022	no.	(Amounts in DKK 1,000)	2022	2021
			Equity and liabilities		
			Equity		
40	40		Share capital	40	40
190,437	234,817		Net revaluation according to the equity method		
			Translation reserve and hedging reserve	(142)	697
57,099	61,387		Retained earnings	296,346	246,839
114	118		Proposed dividends	118	114
247,690	**296,362**		**Shareholders in JEAR Holding's share of equity**	**296,362**	**247,690**
			Non-controlling interests	**299,456**	**253,166**
247,690	**296,362**		**Total equity**	**595,818**	**500,856**
			Liabilities		
			Non-current liabilities		
		25	Pensions and similar liabilities	105,007	157,748
		26	Deferred tax	31,814	36,389
		27	Other provisions	8,168	10,160
		28	Payables to credit institutions, etc.	324,324	276,064
		29	Other payables	57,263	56,535
			Total non-current liabilities	**526,576**	**536,896**
			Current liabilities		
		25	Pensions and similar liabilities	6,725	6,386
		27	Other provisions	5,324	18,160
		28	Payables to credit institutions, etc.	141,380	153,100
		22	Construction contracts	72,661	41,155
			Trade payables	407,381	427,596
8,345	17,254		Payables to subsidiaries		
0	0	30	Corporation tax	508	3,689
664	123	29	Other payables	314,510	358,483
9,009	**17,377**		**Total current liabilities**	**948,489**	**1,008,569**
9,009	**17,377**		**Total liabilities**	**1,475,065**	**1,545,465**
256,699	**313,739**		**Total equity and liabilities**	**2,070,883**	**2,046,321**

CASH FLOW STATEMENT

Parent company 2021	Parent company 2022	Note nr.	(Amounts in DKK 1,000)	Group 2022	Group 2021
24,932	33,317		Profit/loss before tax	115,795	84,317
			Adjustment for non-cash operating items, etc.:		
			Depreciation and amortisation	153,349	149,299
(24,953)	(34,271)		Share of profit/loss after tax in subsidiaries		
			Other operating items, net	(16,840)	(2,544)
			Provisions	(16,730)	1,634
(251)	(112)		Financial income	(1,077)	(2,338)
33	785		Financial expenses	48,995	33,493
5,671	3,619	32	Changes in working capital	(69,327)	(19,471)
5,432	**3,338**		**Cash generated from operations**	**214,165**	**244,390**
390	112		Interest income received	1,077	2,477
(33)	(71)		Interest expenses paid	(44,232)	(33,493)
5,789	**3,379**		**Cash flows from operating activities before tax**	**171,010**	**213,374**
(6,120)	(4,119)		Corporation tax paid	(44,611)	(33,495)
(331)	**(740)**		**Cash flows from operating activities**	**126,399**	**179,879**
		33	Acquisition of property, plant and equipment	(60,967)	(145,169)
			Sale of property, plant and equipment	30,567	22,789
			Acquisition of intangible assets	0	(5,111)
			Repayment of non-current receivables	(426)	(12,926)
(1,366)	(3,047)		Acquisition of securities	(3,047)	(19,858)
563			Sale of securities	7,420	3,540
			Acquisition of participating interest	(351)	12,851
			Acquisition of subsidiaries		(7,785)
1,571	5,238		Dividend from subsidiaries		
768	**2,191**		**Cash flow from investing activities**	**(26,804)**	**(151,669)**

Parent company		Note		Group	
2021	2022	nr.	(Amounts in DKK 1,000)	2022	2021
			Repayment of non-current liabilities	(119,896)	(143,216)
			Proceeds when taking out long-term loans, etc.	75,285	27,348
			Change, bank loan (overdraft)	(7,814)	27,086
(113)	(114)		Dividends paid	(114)	(113)
			Dividends paid to non-controlling interests	(20,025)	(16,553)
			Earn-out, Ireland	(4,883)	(15,199)
			Acquisition of treasury shares	0	0
			Acquisition of non-controlling interests, etc.	0	0
			Contribution of non-controlling interests	(286)	0
(113)	**(114)**		**Cash flows from financing activities**	**(77,733)**	**(120,647)**
324	**1,337**		**Cash flows for the year**	**21,862**	**(92,437)**
91	415		Cash and cash equivalents, start of year	208,260	303,860
			Liquidity acquired through corporate acquisitions	0	(2,920)
			Value adjustment of cash and cash equivalents	0	(243)
415	**1,752**		**Cash and cash equivalents, end of year**	**230,122**	**208,260**
415	1,751		Cash	230,122	208,260
415	**1,751**		**Cash and cash equivalents, end of year**	**230,122**	**208,260**

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	697	246,839	114	**247,690**	253,166	**500,856**
Profit/loss for the year			33,321	118	**33,439**	47,236	**80,675**
Foreign currency translation adjustments, foreign companies			(59)		**(59)**	(115)	**(174)**
Actuarial gains/losses, subsidiaries			22,485		**22,485**	28,016	**50,501**
Hedging instruments, subsidiaries		(1,075)			**(1,075)**	(977)	**(2,052)**
Tax on equity items, subsidiaries		236	(6,240)		**(6,004)**	(7,559)	**(13,563)**
Distributed dividends, subsidiaries					**0**	(20,025)	**(20,025)**
Distributed dividends, JEAR Holding ApS				(114)	**(114)**		**(114)**
Contribution of non-controlling interests					**0**	(286)	**(286)**
Equity at 31 December 2022	**40**	**(142)**	**296,346**	**118**	**296,362**	**299,456**	**595,818**

(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	(138)	216,507	113	**216,522**	222,927	**439,449**
Profit/loss for the year			24,691	114	**24,805**	34,281	**59,086**
Foreign currency translation adjustments, foreign companies			121		**121**	79	**200**
Actuarial gains/losses, subsidiaries			7,640		**7,640**	9,520	**17,160**
Hedging instruments, subsidiaries		1,071			**1,071**	973	**2,044**
Tax on equity items, subsidiaries		(236)	(2,120)		**(2,356)**	(2,855)	**(5,211)**
Distributed dividends, subsidiaries					**0**	(16,553)	**(16,553)**
Distributed dividends, JEAR Holding ApS				(113)	**(113)**		**(113)**
Contribution of non-controlling interests					**0**	4,794	**4,794**
Equity at 31 December 2021	**40**	**697**	**246,839**	**114**	**247,690**	**253,166**	**500,856**

(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	160,580	55,789	113	**216,522**
Profit/loss for the year		24,952	(261)	114	**24,805**
Equity transactions in subsidiaries		4,905	1,571		**6,476**
Distributed dividends				(113)	**(113)**
Equity at 31 December 2021	**40**	**190,437**	**57,099**	**114**	**247,690**
Profit/loss for the year		29,033	4,288	118	**33,439**
Equity transactions in subsidiaries		15,347			**15,347**
Distributed dividends				(114)	**(114)**
Equity at 31 December 2022	**40**	**234,817**	**61,387**	**118**	**296,362**

OVERVIEW OF NOTES

NOTES Note 1 Accounting policies

The annual report of JEAR Holding ApS for 2022 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.

A few reclassifications are made in the comparative figures. The reclassifications have had no effect on profit, equity or balance sheet.

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 participating interests (which exclusively includes 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.

Utilization of exemption provisions

In the 2022 financial year, the following fully consolidated German Group companies made use of the exemption provisions of Section 264 (3) HGB and Section 264b HGB:

- Arkil Holding GmbH, Schleswig
- SAW Schleswiger Asphaltsplitt-Werke GmbH & Co KG, Schleswig

A group chart can be seen on page 51.

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 intragroup income and costs, shareholdings, intercompany balances, dividends and realised and unrealised gains on transactions between the consolidated companies. Unrealised gains on transactions with participating interests (which exclusively includes 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 participating interests (which exclusively includes 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 participating interests 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 participating interests 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 participating interests are recognised directly in equity.

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, participating interests 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, participating interests (which exclusively includes 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 participating interests 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.

NOTES Note 1 Accounting policies (continued)

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.

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, participating interests and joint ventures

Equity investments in subsidiaries, participating interests (which exclusively includes 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, participating interests 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, participating interests 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, participating interests (which exclusively includes 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 participating interests (which exclusively includes 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 will be provided on geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management. The Group has therefore omitted information on the distribution of net revenue across business segments, as the business segments do not differ from each other.

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 2022, deferred tax assets of DKK 3 million can largely be attributed to pension obligations and construction contracts in Germany.

NOTES Notes 3 - 5

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Note 3 Revenue		
		Sale of goods	286,465	242,898
		Selling price of the year's production under construction contracts	3,653,071	3,434,184
			3,939,536	**3,677,082**
		Geographical segment		
		Domestic	2,388,704	2,225,764
		International	1,550,832	1,451,318
			3,939,536	**3,677,082**
		Note 4 Depreciation and amortisation		
		Amortisation, intangible assets	10,406	12,653
		Depreciation, property, plant and equipment	142,943	136,652
			153,349	**149,305**
		Depreciation and amortisation are included as follows:		
		Production costs	148,496	143,812
		Administrative expenses	4,853	5,493
			153,349	**149,305**
		Note 5 Staff costs		
		Salaries and wages	939,440	914,577
		Contribution to pension schemes	58,624	57,767
		Other staff costs	85,754	78,480
			1,083,818	**1,050,824**
		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	832,522	815,596
		Administrative expenses	251,296	235,228
			1,083,818	**1,050,824**
		Average number of employees	**2,052**	**2,078**

NOTES Notes 6 – 7

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		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:		
		PricewaterhouseCoopers		
31	27	Statutory audit	1,867	1,627
0	0	Other assurance engagements	14	0
0	0	Tax and VAT consulting	369	12
0	17	Non-audit services	141	3
31	**44**		**2,391**	**1,642**
		Other auditors		
6	0	Statutory audit	178	322
0	0	Other assurance engagements	11	231
0	0	Tax and VAT consulting	54	137
17	0	Non-audit services	193	269
23	**0**		**436**	**959**

Note 7 Other operating income

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

In 2022, the Group received compensation relating to COVID-19 from the authorities in Ireland. The compensation amounts to DKK 2,006 thousand (2021: DKK 12,996 thousand) and is included in the item "Other operating income".

NOTES Note 8 Equity investments in subsidiaries

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
54,084	54,084	Cost, start of year		
54,084	**54,084**	**Cost, 31 December**		
160,580	190,437	Value adjustment, 1 January		
6,475	15,347	Equity adjustments in equity investments		
(1,571)	(5,238)	Dividend paid		
24,953	34,271	Share of profit/loss for the year		
190,437	**234,817**	**Value adjustment, 31 December**		
244,521	**288,901**	**Carrying amount, 31 December**		

Ownership interest (%)		
2021	2022	
		Subsidiaries comprise the following:
52.38	52.38	J2A Holding ApS, Haderslev (voting share of 58.44%)

In the 2022 financial year, the following fully consolidated German Group companies made use of the exemption provisions of Section 264 (3) HGB and Section 264b HGB:

- Arkil Holding GmbH, Schleswig
- SAW Schleswiger Asphaltsplitt-Werke GmbH & Co KG, Schleswig

Information about equity interests, names and domiciles of the Group's subsidiaries can be found in the group chart, etc., on page 51.

NOTES Note 9 Equity investments in participating interests

Parent company 2021	Parent company 2022	(Amounts in DKK 1,000)	Group 2022	Group 2021
		Cost, 1 January	13,743	25,091
		Foreign currency translation adjustments	0	(8)
		Additions for the year	351	0
		Disposals for the year	0	(11,340)
		Cost, 31 December	**14,094**	**13,743**
		Value adjustment, 1 January	(12,702)	(11,007)
		Foreign currency translation adjustments	0	4
		Disposals for the year	0	2,137
		Distribution	0	(128)
		Share of profit/loss for the year	1,585	(3,708)
		Value adjustment, 31 December	**(11,117)**	**(12,702)**
		Carrying amount, 31 December	**2,977**	**1,041**

	Ownership interest (%) 2022	Ownership interest (%) 2021
Participating interests comprise the following:		
HANSE Asphaltmischwerke GmbH, Berlin, Germany	45	45
GAM Greifswalder Asphaltmischwerke Verwaltungs GmbH, Rostock, Germany	46	46
Flüssigboden S-H GmbH & Co. KG, Büdelsdorf, Tyskland	25	0
Durapor A/S, Danmark	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	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Cost, 1 January	2,800	19,551
		Additions for the year	0	0
		Disposals for the year	0	(16,751)
		Cost, 31 December	**2,800**	**2,800**
		Value adjustment, 1 January	(2,549)	(19,335)
		Disposals for the year	0	16,835
		Distribution	0	(834)
		Share of profit/loss for the year	0	785
		Value adjustment, 31 December	**(2,549)**	**(2,549)**
		Carrying amount, 31 December	**251**	**251**

	Ownership interest (%)	
	2022	2021
The Group's participation in joint ventures comprises the following:		
Arkil-CJ Anlæg 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 the joint venture, decisions concerning relevant activities require unanimity among the participating parties.

In accordance with section 5 (1) of the Danish Financial Statements Act. 1, partnerships where Arkil A/S is the pen holder have not prepared an annual report, as partnerships are included in consolidated accounts for JEAR Holding ApS.

NOTES Notes 11 - 13

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Note 11 Financial income		
251	112	Other financial income	1,077	2,338
251	**112**	**Total financial income**	**1,077**	**2,338**
		Note 12 Financial expenses		
0	49	Financial expenses, group companies	0	0
33	736	Other financial expenses	48,995	33,493
33	**785**	**Total financial expenses**	**48,995**	**33,493**
		Note 13 Tax		
		Tax for the year can be specified as follows:		
127	(122)	Tax for the year	35,120	25,231
0	0	Tax on changes in equity	13,564	5,212
127	**(122)**		**48,684**	**30,443**
		Tax for the year comprises:		
8	(122)	Current tax	27,436	24,377
		Deferred tax	7,488	(641)
		Deferred tax regarding previous years	(5,170)	0
119	0	Current tax regarding previous years	5,366	1,495
127	**(122)**		**35,120**	**25,231**

NOTES Notes 14 - 16

Parent company 2021	Parent company 2022	(Amounts in DKK 1,000)	Group 2022	Group 2021
		Note 14 Goodwill		
		Cost, 1 January	199,621	197,751
		Foreign currency translation adjustments	2	(27)
		Additions for the year	0	1,897
		Cost, 31 December	**199,623**	**199,621**
		Amortisation and impairment losses, 1 January	(38,568)	(26,977)
		Foreign currency translation adjustments	0	3
		Amortisation for the year	(9,697)	(11,594)
		Amortisation and impairment losses, 31 December	**(48,265)**	**(38,568)**
		Carrying amount, 31 December	**151,358**	**161,053**
		Note 15 Acquired know-how		
		Cost, 1 January	2,477	2,477
		Additions for the year	0	0
		Cost, 31 December	**2,477**	**2,477**
		Amortisation and impairment losses, 1 January	(2,477)	(2,477)
		Amortisation for the year	0	0
		Amortisation and impairment losses, 31 December	**(2,477)**	**(2,477)**
		Carrying amount, 31 December	**0**	**0**
		Note 16 Licences and rights		
		Cost, 1 January	18,594	17,026
		Foreign currency translation adjustments	0	(33)
		Additions for the year	0	5,111
		Disposals for the year	0	(3,510)
		Cost, 31 December	**18,594**	**18,594**
		Amortisation and impairment losses, 1 January	(6,729)	(5,876)
		Foreign currency translation adjustments	0	5
		Disposals for the year	0	200
		Amortisation for the year	(706)	(1,058)
		Amortisation and impairment losses, 31 December	**(7,435)**	**(6,729)**
		Carrying amount, 31 December	**11,159**	**11,865**

NOTES Note 17 Land and buildings

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Cost, 1 January	285,889	242,146
		Foreign currency translation adjustments	2	(82)
		Increase in connection with the acquisition of companies	0	16,517
		Additions for the year	31,577	33,015
		Disposals for the year	0	(5,707)
		Cost, 31 December	**317,468**	**285,889**
		Depreciation and impairment losses, 1 January	(73,567)	(69,715)
		Foreign currency translation adjustments	(1)	56
		Increase in connection with the acquisition of companies	0	(1,465)
		Depreciation	(6,304)	(5,305)
		Disposals for the year	0	2,862
		Depreciation and impairment losses, 31 December	**(79,872)**	**(73,567)**
		Carrying amount, 31 December	**237,596**	**212,322**
		Amount relating to assets held under a finance lease	**0**	**0**

Parent company 2021	2022	(Amounts in DKK 1,000)	Group 2022	2021
		Note 18 Fixtures and fittings, tools and equipment		
		Cost, 1 January	1,550,957	1,474,003
		Foreign currency translation adjustments	15	(522)
		Increase in connection with the acquisition of companies	0	5,772
		Additions	124,122	171,387
		Disposals	(96,373)	(99,683)
		Cost, 31 December	**1,578,721**	**1,550,957**
		Depreciation and impairment losses, 1 January	(1,056,827)	(985,470)
		Foreign currency translation adjustments	(11)	444
		Increase in connection with the acquisition of companies	0	(3,214)
		Depreciation	(136,636)	(131,342)
		Disposals	80,611	62,755
		Depreciation and impairment losses, 31 December	**(1,112,863)**	**(1,056,827)**
		Carrying amount, 31 December	**465,858**	**494,130**
		Amount relating to assets held under a finance lease	**189,384**	**172,896**
		Note 19 Plants under construction and advance payments		
		Cost, 1 January	9,982	9,610
		Foreign currency translation adjustments	0	(3)
		Additions	22,373	9,515
		Transferred	(28,273)	(9,140)
		Disposals	(836)	0
		Cost, 31 December	**3,246**	**9,982**
		Carrying amount, 31 December	**3,246**	**9,982**

NOTES Notes 20 - 24

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Note 20 Non-current receivables		
		Cost, 1 January	12,837	0
		Increase	2,455	12,837
		Instalments	(2,029)	0
		Cost, 31 December	**13,263**	**12,837**
		Carrying amount, 31 December	**13,263**	**12,837**
		Note 21 Inventories		
		Raw materials and consumables	101,450	82,571
		Work in progress	0	0
		Finished goods	13,105	10,469
			114,555	**93,040**
		Note 22 Construction contracts		
		Selling price of construction contracts	1,944,598	1,990,298
		Progress billings	(1,893,847)	(1,896,098)
			50,751	**94,200**
		Recognised as follows:		
		Construction contracts (assets)	123,412	135,355
		Construction contracts (liabilities)	(72,661)	(41,155)
			50,751	**94,200**
		Note 23 Receivables		
		Trade receivables	651,866	615,124
7,082	12,858	Receivables from subsidiaries	0	0
		Receivables from participating interests	3,711	0
		Receivables from joint ventures	0	0
1	1	Other receivables	12,971	16,787
7,083	**12,859**		**668,548**	**631,911**
		Note 24 Securities		
		The group has the following assets, which are measured at fair value		
(140)	(714)	Value adjustments in the income statement	(4,764)	(325)
3,551	5,884	Fair value	41,241	50,377

NOTES Note 25 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 GmbH. 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)	2022	2021
Discount rate	3.8%	1.0%
Mortality rate table based on anticipated lifespans for working age population in Germany	G2018	G2018
Net obligation, 1 January	164,134	183,325
Foreign currency translation adjustments	4	(74)
Pensions paid	(6,508)	(6,369)
Pension costs for the current financial year	4,603	4,523
Actuarial loss (gain), changed demographics	2,353	190
Actuarial loss (gain), changed financial conditions	(52,854)	(17,461)
Net obligation, 31 December	**111,732**	**164,134**
The maturity dates of pensions and similar liabilities are expected to be:		
0-1 year	6,725	6,386
1-5 years	26,917	26,342
> 5 years	78,090	131,406
Pensions and similar liabilities, 31 December	**111,732**	**164,134**

NOTES Note 26 Deferred tax

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Deferred tax, 1 January	12.492	8.587
		Foreign currency translation adjustments	(1)	11
		Deferred tax for the year recognised in profit/loss for the year	2.525	(641)
		Deferred tax for the year recognised in equity	14.014	4.762
		Other	(169)	(227)
		Deferred tax, 31 December	**28.861**	**12.492**
		Deferred tax is recognised in the balance sheet as follows:		
		Deferred tax (assets)	(2.953)	(23.897)
		Deferred tax (liabilities)	31.814	36.389
		Deferred tax, 31 December, net	**28.861**	**12.492**
		Deferred tax relates to:		
		Intangible assets	4.982	5.306
		Property, plant and equipment	57.675	54.294
		Financial assets	0	(2.970)
		Current assets	17.997	16.661
		Provisions	(55.807)	(48.824)
		Liabilities	4.014	(11.975)
		Deferred tax, 31 December, net	**28.861**	**12.492**

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 5,589 thousand (2021: DKK 5,589 thousand).

NOTES Note 27 Provisions

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Warranty commitments, 1 January	24,839	14,343
		Foreign currency translation adjustments	1	(9)
		Used in the year	(4,600)	(1,385)
		Reversed	(12,734)	(4,404)
		Provided for in the year	3,228	16,294
		Warranty commitments, 31 December	**10,734**	**24,839**
		Other liabilities, 1 January	3,481	10,884
		Foreign currency translation adjustments	0	(4)
		Used in the year	(84)	(7,735)
		Reversed	(1,143)	70
		Provided for in the year	504	266
		Other liabilities, 31 December	**2,758**	**3,481**
		Provisions, 31 December	**13,492**	**28,320**
		The maturity dates of provisions are expected to be:		
		Current liabilities	5,324	18,160
		Non-current liabilities	8,168	10,160
		Provisions, 31 December	**13,492**	**28,320**

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 28 Payables to credit institutions, etc.

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Loans to credit institutions, etc.	2,280	3,747
		Lease liabilities	209,514	179,824
		Bank loans (overdraft facility)	65,431	38,245
		Other loans	188,479	207,348
		Carrying amount	**465,704**	**429,164**
		The liabilities are specified as follows:		
		Loans to credit institutions, etc., other loans, and bank loans		
		0-1 year	73,611	91,481
		1-5 years	89,670	52,859
		> 5 years	92,909	105,000
			256,190	**249,340**
		Lease liabilities		
		0-1 year	67,769	61,619
		1-5 years	124,835	113,447
		> 5 years	16,910	4,758
			209,514	**179,824**
		Total payables	**465,704**	**429,164**
		Non-current liabilities, credit institutions, etc.	141,380	276,064
		Current liabilities, credit institutions, etc.	324,324	153,100
			465,704	**429,164**

NOTES Note 29 Other payables

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
664	123	0-1 year	314,510	358,483
0	0	1-5 years	114	6,260
0	0	> 5 years	57,149	50,275
664	**123**		**371,773**	**415,018**
0	0	Non-current liabilities, other payables	57,263	56,535
664	123	Current liabilities, other payables	314,510	358,483
664	**123**		**371,773**	**415,018**

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Note 30 Corporation tax		
4,865	(1,129)	Corporation tax payable, 1 January	3,689	11,278
		Foreign currency translation adjustments	0	(1)
8	(4,336)	Current tax for the year, including jointly taxed subsidiaries	32,973	25,789
(5,249)	5,240	Other adjustments	0	0
(753)	(4,119)	Corporation tax paid for the year	(40,498)	(33,377)
(1,129)	**(4,344)**	**Corporation tax payable, 31 December**	**(3,836)**	**3,689**
		Note 31 Contingent liabilities and collateral		
		Guarantees provided to entrepreneurs by third parties	810,013	718,965
		The Group participates in consortia with joint and several liability in which the total debt amounts to	48	110
		Mortgage and mortgage deeds on land and buildings	7,758	7,758
		Carrying amount of mortgaged land and properties	6,546	6,987

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 and diesel oil. The contracts are in force until December 2023, and the market value was DKK 434 thousand at 31 December 2022. (2021: DKK 2,485 thousand).

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.

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Note 32 Changes in working capital		
		Changes to inventories	(21,515)	(13,018)
3,083	(5,775)	Changes to receivables and contract assets	(24,694)	(47,289)
2,588	9,394	Changes to trade payables and other payables	(23,118)	40,836
5,671	**3,619**		**(69,327)**	**(19,471)**
		Note 33 Acquisition of property, plant and equipment, net		
		Acquisition of property, plant and equipment	(149,932)	(176,507)
		Assumption of lease liabilities	88,965	31,338
			(60,967)	**(145,169)**

The actuarial value of pension obligations to related parties with a significant influence amounts to DKK 19,112 thousand (2021: DKK 27,211 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 participating interests (which exclusively includes associates), cf. notes 8 and 9, in which the Parent Company has control or substantial influence.

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

Subsidiaries, participating interests and joint ventures

Transactions with subsidiaries, participating interests and joint ventures included the following:

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Purchase of goods and services from participating interests	22,761	34,107
		Sale of goods and services to joint ventures	0	26
		Sale of goods and services to participating interests	3,040	2,754
7,082	12,858	Receivables from subsidiaries		
8,345	17,254	Payables to subsidiaries		
625	84	Debt to shareholders		
111	113	Dividends paid	20,139	16,666
1,571	5,238	Dividends received		

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

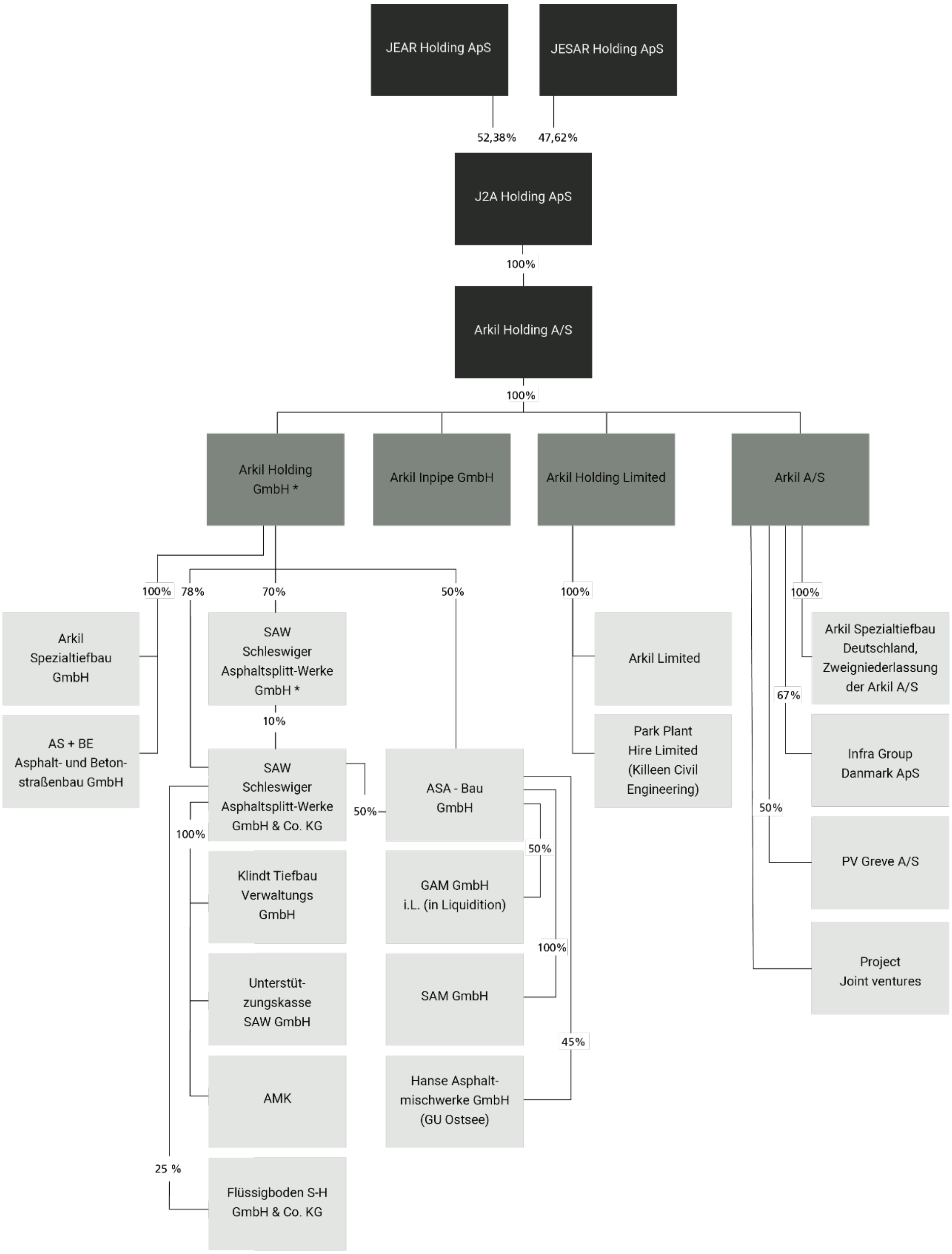
NOTES Notes 35 – 37

Parent company			Group	
2021	2022	(Amounts in DKK 1,000)	2022	2021
		Note 35 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	15,468	18,135
		1-5 years	28,280	30,852
		> 5 years	6,142	10,902
			49,890	**59,889**
		Note 36 Subsequent events		
		Direktionen er ikke bekendt med, at der efter regnskabsårets afslutning er indtruffet begivenheder med betydning for koncernens økonomiske eller finansielle stilling.		
		Note 37 Distribution of profit/loss		
		Proposed distribution of profit/loss:		
114	118	Proposed dividends		
24,691	33,320	Retained earnings		
24,805	**33,438**			

NOTES Note 38 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



FURTHER INFORMATION

Arkil Holding A/S owns Royal Oak Golf A/S (80 %) og Durapor A/S (33 %)
JESAR Holding ApS owns Fulglehøj ApS (100 %)

Project joint ventures: Arkil-CJ Anlæg I/S (50 %), Konsortiet Arkil-Meyer&John I/S (100 %), Arkil-JV I/S (100 %)

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

* **Utilization of exemption provisions:** In the 2022 financial year, these fully consolidated German Group companies made use of the exemption provisions of Section 264 (3) HGB and Section 264b HGB.