



# ARKIL A/S **ANNUAL REPORT** 2021

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# 2,241.7

Arkil's net revenue is realised  
with 2,241.7 DKK million.

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## ARKIL IN BRIEF

**T**his is the annual report for Arkil A/S, which is a subsidiary of the Arkil Group and primarily comprises the Group's Danish activities.

The Arkil Group was founded in 1941 by civil engineer Ove Arkil and has developed into an international construction company with activities in Germany, Ireland and Sweden, as well as Denmark. The Group has been family-owned for three generations.

The company's nationwide activities are carried out by local and regional branch offices and production sites. The head office is located in Haderslev.

Arkil places great emphasis on its values, with responsibility, integrity and reliability being the key parameters for the company's future growth in all business areas and locations.

Arkil doesn't only carry out construction projects. We give back to the local communities we are part of, for example through local engagement and employment, education of apprentices and placement students, as well as participation in initiatives that benefit society and not only our own interests. Arkil is committed to the shared development of the industry through active participation in organisational work and strives to ensure a safe and healthy construction and civil engineering sector that paves the way for others and creates value for all. Arkil is aware of its other social responsibility, including in relation to diversity, sustainability, the environment and climate.

Today, Arkil performs traditional construction work on behalf of local authorities, utility companies and private sector clients and also designs and implements major complex infrastructure projects on behalf of government agencies within the road, rail and port sectors. Our knowledge and core expertise are constantly being strengthened and developed through a targeted focus on specialisation and consistent project management.

There is a continuous focus on integrating specialist construction expertise across the various business areas. These include construction work, bridge and concrete projects, excavations, shell constructions, asphalt production, asphalt spreading, railway work, renovation, operation and maintenance of sewage systems and road infrastructure including municipal park and road projects as well as foundation works, groundwater lowering, tunnelling, environmental engineering projects and port and hydraulic engineering projects.

Arkil is currently a substantial player in the Danish market with nearly 1,200 employees in Denmark and a revenue of DKK 2.2 billion in 2021.

At Group level, turnover amounts to approximately DKK 3.7 billion, distributed among a little more than 2,000 employees.

### ■ ARKIL STRIVES TO:

- Be a safe workplace and continuously work to improve the safety of all employees.
- Be considered a company with professional talent and a positive attitude as part of a close collaboration with high levels of trust and integrity.
- Be a decentralised organisation with the delegation of responsibilities, great flexibility and interdisciplinary collaboration.
- Further educate the Group's employees to retain and increase professional expertise at all levels.
- Maintain a strong professional sense of community between employees, with open and well-functioning communication.
- Display care, consideration and awareness of risk in our activities.
- Maintain highly centralised financial control.
- Remain an independent business.
- Be involved in the local communities that we are part of through social awareness, technological development and a limited impact on the climate and environment.

# PRINCIPAL AND KEY FIGURES FOR ARKIL A/S

(DKK million)	2021	2020	2019	2018	2017
<b>INCOME STATEMENT</b>					
Revenue	2,241.7	2,129.6	1,958.8	1,938.4	1,897.5
Operating profit/loss	12.9	65.3	78.5	3.9	73.6
Profit/loss from equity investments	6.5	5.6	26.7	18.8	2.9
Net financials	(1.1)	(1.3)	(2.3)	(2.3)	(3.7)
Net profit before taxes	18.3	69.5	102.9	20.6	72.8
<b>Profit/loss for the year</b>	<b>14.0</b>	<b>53.8</b>	<b>88.2</b>	<b>19.6</b>	<b>57.0</b>
<b>BALANCE SHEET</b>					
Total long-term assets	566.2	596.1	580.4	424.5	417.2
Total short-term assets	627.5	565.2	538.3	661.1	677.0
<b>Total assets</b>	<b>1,193.7</b>	<b>1,161.3</b>	<b>1,118.7</b>	<b>1,085.6</b>	<b>1,094.2</b>
Share capital	33.0	33.0	33.0	31.0	31.0
<b>Total equity</b>	<b>350.4</b>	<b>354.8</b>	<b>374.6</b>	<b>389.5</b>	<b>409.9</b>
Long-term liabilities	194.2	213.6	188.9	136.7	150.7
Short-term liabilities	649.1	593.0	555.2	559.4	533.6
<b>Total liabilities</b>	<b>843.3</b>	<b>806.6</b>	<b>744.1</b>	<b>696.1</b>	<b>684.3</b>
<b>Investments in tangible assets</b>	<b>73.6</b>	<b>66.2</b>	<b>63.1</b>	<b>58.2</b>	<b>65.2</b>
<b>KEY FIGURES</b>					
Profit margin, %	0.6	3.1	4.0	0.2	3.9
Return on invested capital, %	1.3	6.6	7.9	0.8	8.2
Liquidity ratio	96.7	95.3	97.0	118.2	126.9
Equity ratio (solvency), %	29.4	30.6	33.5	35.9	37.5
Return on equity (RoE), %	4.0	14.8	23.1	4.9	15.0
<b>Average number of employees</b>	<b>1,211</b>	<b>1,175</b>	<b>1,147</b>	<b>1,071</b>	<b>1,033</b>

IFRS 15 has been implemented for the 2018 financial year and later. Comparative figures for 2017 have not been adjusted for the effect of the implementation of IFRS 15.

During the 2019 financial year there has been two simplifications in the Group: merger and injection of assets. These have been implemented in accordance with the book value method and therefore exclusively affect the 2019 financial figures.

Key figures have been defined and prepared in accordance with the CFA Society Denmark's recommendations.

Please refer to note 30 in which the key figure definitions can be found.

# FINANCIAL PERFORMANCE IN 2021

**T**he company's revenue increased by 5.3% to DKK 2,241.7 million in 2021, compared to DKK 2,129.6 million in 2020.

The primary operating result for 2021 amounts to a profit of DKK 12.9 million, compared to a profit of DKK 65.3 million in 2020, corresponding to a profit margin of 0.6% compared to 3.1% in 2020.

The primary operating result and profit margin for the year have been realised at a somewhat lower level than the previous year and with previously announced expectations at the start of 2021.

The lower earnings can be attributed to a lower gross profit, which is primarily affected by two negative conditions. Increases in raw material and energy prices, particularly for asphalt, where the prices of bitumen, gas and electricity have risen significantly. In addition, some projects have been realised significantly below budget.

The company's result before tax in 2021 was a profit of DKK 18.3 million compared to a profit of DKK 69.5 million in 2020. After tax, the company's result was a profit of DKK 14.0 million compared to a profit of DKK 53.8 million in 2020.

The overall result for the company is considered unsatisfactory compared to the expectations at the start of 2021.

At the end of 2021, the equity ratio constituted 29.4% compared to 30.6% at the end of 2020, and net interest-bearing debt constituted DKK 158.0 million compared to DKK 154.7 million at the end of 2020.

## Events after the end of the period

At the end of February 2022, war broke out between Russia and Ukraine, which, in addition to major human consequences for the parties involved and local areas, has resulted in historically high fuel and energy price increases for gas, diesel, bitumen and electricity, etc.

At the time of the presentation of the annual report, it was found that price increases have affected the existing order backlog for execution in 2022. On the basis of such uncertainty, it is not possible to present a clear forecast for what the cumulative impact will be for 2022.



# OBJECTIVES, STRATEGY AND EXPECTATIONS

**A**rkil is a stable and quality-conscious partner that generally operates with a risk-aware strategy and conducts its business with a broad distribution of tasks and customers spanning government infrastructure through regional and local authorities as well as numerous semi-public and private sector parties.

## **Mission**

Arkil's mission is to run the best construction business possible and build the projects required by society at that time.

We build the infrastructure of the future with up-to-date solutions, and with our regional and local presence we are active in most of Denmark.

We create accessibility and connection, pave the way forward, build from the ground up and construct the foundation, erect the shell, safeguard against climate change and clean up.

Through innovative and value-creating collaborations and partnerships, we deliver quality on time.

## **Focus on a meaningful workplace**

Arkil is dependent, including in the coming years, on being able to attract and retain talented, committed and well-qualified workers. Arkil constantly ensures that the organisation focuses on its expertise and makes substantial investments in employee training. In spite of the coronavirus pandemic, Arkil has been able to maintain its stride, so that training has been completed, ongoing training has been continued and new ones have begun. The focus areas include group project managers, engineering interns, trainee chairmanships and academic management programmes, while trainees and apprentices are continually in sharp focus.

Arkil is focused on how the UN's 17 Sustainable Development Goals can be supported through Arkil's business. Relevant SDGs are addressed in the 2021 CSR report and the systematic work on these will continue in 2022.

## **Expectations for 2022**

At the start of 2022, the order backlog for execution in 2022 was quite robust, and there were also prospects of a stable market, with a certain expectation that the first investments from the recently adopted infrastructure plan 2035 will be initiated during the year.

As mentioned in the section on events after the end of the period, war between Ukraine and Russia broke out at the end of February 2022.

At the time of the presentation of the annual report, it was found that price increases have had a negative effect on the existing order backlog for execution in 2022. On the basis of such uncertainty, it is not possible to present a clear forecast for what the cumulative impact will be for 2022.

## **Long-term goals for growth and profit margin will be maintained**

The earning level in 2021 was somewhat lower than the long-term goal of a profit margin of 3.5%. The Group still anticipates that long-term average earnings will be around 3.5% over the economic cycles and that this will be higher in some periods and lower in others. Long-term growth in activity is still expected to be in the region of 5% per annum and earnings are still prioritised over revenue.

## THE COMPANY'S DEVELOPMENT IN 2021

**S**ales in Denmark amounted to DKK 2,140.6 million, increasing 4.1% from 2020, when revenue amounted to DKK 2,057.0 million. Arkil is thus the largest subsidiary in the Group, for which revenue has been realised at a level of DKK 3.7 billion in 2021.

The combination of a robust order backlog at the start of the year and another mild winter in 2020/2021 resulted in good activity and turnover in Q1 2021.

Arkil has a strong focus on the regional and local construction market, where large construction and commercial enterprises, municipalities, utilities and energy companies are our primary customers. Here, the year offered a sensible and stable influx of orders, which helped to eliminate any potential negative impact from a lack of government investments in both new roads and the railway.

The Danish asphalt market continues to be characterised by intense competition and price pressure due to high production capacity in the market. The year's production measured in tonnage was as expected at the start of the year, while the results, especially in Q4, were challenged by significantly increasing costs for the production of asphalt at the plants. In particular, gas and bitumen costs increased significantly in the last few months of the year.

In 2021, Arkil Asfalt completed surfacing work for the first part of the new bypass south of Aarhus between Bering and Beder. The most significant share of the asphalt activity however involved municipal maintenance along with the generally lively construction and civil engineering activity in Denmark.

After BSM asphalt was introduced in 2019/2020, a number of test stretches were made with very good technical results. A number of new municipalities across Denmark then wanted their asphaltting carried out using the technology in 2021. In addition to the obvious savings in time and money, this solution also reduces CO<sub>2</sub> emissions by up to 90% compared to traditional hot mix asphalt from plants. Rising costs of energy, a desire to reuse more resources and a necessary need to reduce the CO<sub>2</sub> impact all bode well for the future application of BSM asphalt.

In connection with the electrification of the railway track between Fredericia and Aalborg, we delivered three new bridges to Banedanmark over the course of the year. The largest and most significant of these was in the centre of Randers. This is a significant project that will improve transport to the south of the railway and also provide new parking areas in the city centre.

The renovation of the Sallingsund Bridge is proceeding according to plan, but in consideration for the transport between Salling and Mors and the necessary stage division

this requires, the renovation is not expected to be completed until 2023.

A multi-year partnership with Aarhus Vand was renewed during the year following a lengthy tender process. The agreement ensures that in the next six years we will have the opportunity to participate in the work of renovating and renewing the sewer network, primarily in the southern part of Aarhus. The developer prioritises innovation, sustainability and a cooperation model that ensures good solutions for the projects while also serving as inspiration for both Arkil and the industry in general.

In order to strengthen local public transport, Aalborg Municipality has been working for a number of years on establishing fast bus lanes through the city centre. In connection with this, during 2020 and 2021 we carried out several major construction projects, in which larger traffic arteries in the city have been significantly rebuilt. Work on the high-speed bus lanes is also ongoing in 2022 at new stages.

In an internal cooperation between our concrete department and the construction department on Zealand, we are carrying out a new pre-treatment of wastewater for Fors Forsyning A/S at Bjergmarkens Renseanlæg in Roskilde.

In Esbjerg, Din Forsyning A/S is establishing a new heating plant to replace the coal-fired power plant, which will be finally closed in 2023. The new heating plant will be a combination of several elements that together shall ensure greener heat in Esbjerg, including a woodchip-fired plant and a seawater heat pump. Since October 2020, we have been working on ground maturation of the large area and the new pipes for the sea water intake.

In a consortium between Krüger A/S and Arkil A/S, a new waterworks with softening plant is being planned and constructed for Frederiksberg Forsyning. The waterworks will be based on the latest technical solutions, which will allow the city to be supplied with drinking water in an environmentally and economically sustainable way well into the future.

The projects in Roskilde, Esbjerg and Frederiksberg are just three of many projects in 2021, supported by a need to improve the environmental and climate impacts of society's consumption of water, heat and the necessary disposal of waste products. The projects support Arkil's desire to contribute to the UN's 17 Sustainable Development Goals, including "Clean Water and Sanitation" and "Climate Action".

At the end of the year, we were able to regain the ongoing operating agreement on the road network for Tønder Municipality. This agreement now ensures that we will take care of the municipality's green areas and the side areas along the road network for at least four more years. We are very satisfied with this. On the other hand, we were unable

to regain similar contracts along the state's roads, so Q4 in particular has been used to ensure that we could transfer the roads back to the Danish Road Directorate in a state that all parties would be satisfied with.

Activities in road operations are still challenged by a certain restraint from many municipalities in their will to outsource this work to private individuals, and despite the obvious advantages of continuously putting procurement out to tender for the public sector.

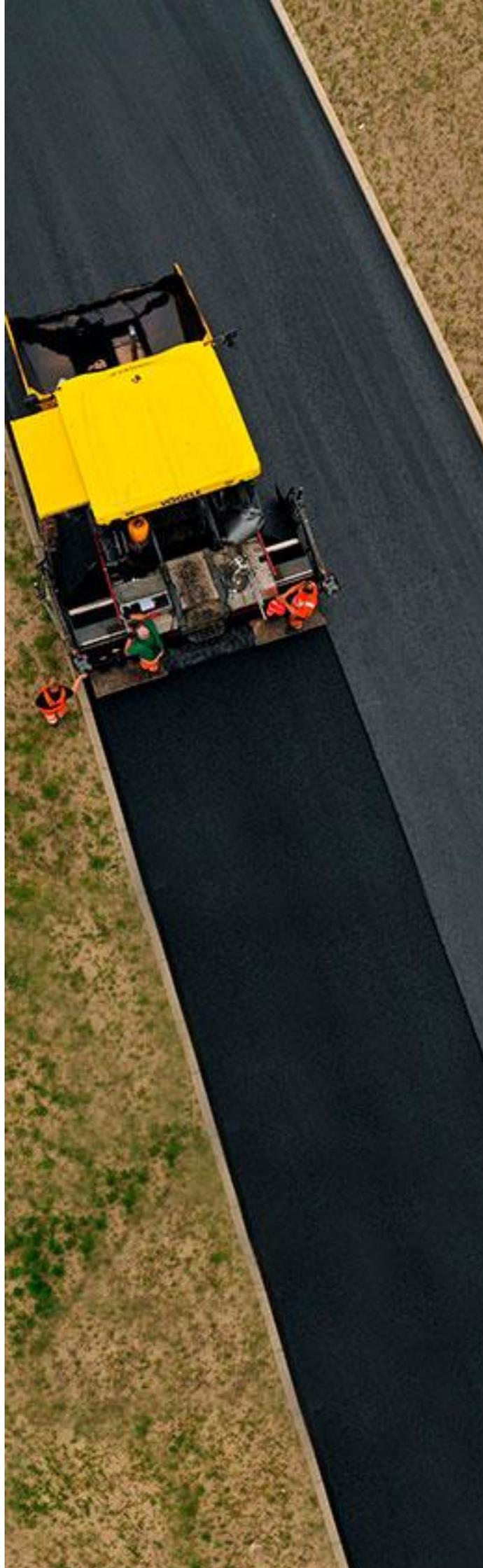
Construction activities in Denmark have been reasonably busy in the past year. This level of activity has also affected our projects in establishing excavations and frames or drilling reinforced concrete piles. Despite the sudden rise in prices of steel for sheet piling and tough price competition for driving reinforced concrete piles, the activities have been satisfactorily completed overall.

As part of the existing foundation and tunnelling activities, the company maintains a branch in Germany which is engaged in this work south of the border. Turnover developed positively in Germany in 2021, while a stagnant turnover is expected for 2022.

After many years of relatively calm price developments for most products, in 2021 we experienced several areas with sudden increases in costs. The price hikes appear to be due to a lack of stability in the supply chains due to the coronavirus pandemic, as well as the increasing energy prices in the world market. To a certain extent, the costs can be passed on to the developers, but a certain part of the price increase is a contractor risk and has therefore had a negative impact on the profit for the year.

At the end of the year, the order backlog for execution in 2022 was quite robust, and there were also prospects of a stable market, with a certain expectation that the first investments from the recently adopted infrastructure plan 2035 will be initiated during the year.

Russia's invasion in Ukraine at the end of February 2022 has brought significant uncertainty to this situation. Initially, all energy prices have risen dramatically and will, at least in the short term, create increased costs for virtually all types of building and construction projects. The longer-term effects on activity and prices are naturally unknown and are also difficult to predict.



## RISK MANAGEMENT

The Board of Directors of Arkil annually evaluates and approves the strategic plans for the company and the individual business segments. Arkil's activities that fall within the construction industry involve a number of commercial and financial risks.

Risk management is predominantly aimed at hedging risks in the company'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 will be carried out on project risks in all phases, and various parts of the organisation may be involved at different times in the process.

A permanent risk committee has been established, which is tasked with ensuring that significant risks are highlighted 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 company only engages in projects with an acceptable risk profile within the company's areas of expertise.

### Commercial risks

Arkil's activities involve a number of commercial and financial risks. The company's strategy is to minimise and hedge commercial and financial risks through established risk management.

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

Major specialist projects are often carried out 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 coverage in projects.

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

Factors that may result in the realised profits 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 development, changes to laws and regula-



tions in Arkil's markets, competition, the supply of assignments within the company's business areas, weather and climate conditions in the company's markets, and the acquisition and sale of activities and companies.

As an inherent part of the nature of the business, the company 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 accounts.

### **Raw material risks**

Based on a risk assessment, the company's policy is to cover financial risks in future fluctuations in raw material prices included in the company's services.

Such risks are generally covered 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 covered selectively based on a risk assessment in accordance with the company's policy using financial instruments in the form of raw material swaps.

The historically high increases in raw material and energy prices in 2021 have also affected Arkil, which is why it has not been possible to fully hedge the prices of raw materials and energy in step with their rapid rise. The present Russia-Ukraine conflict may mean that the same conditions apply in 2022.

### **Financial risks**

As a result of operations, investments and financing, the company is exposed to changes in exchange rates and interest levels. The company's policy is to not carry out active

speculation involving financial risks. The company's financial management is therefore aimed only at the management of risks that form a natural part of the operations. The company's financial risks are predominantly covered through the allocation of revenue and costs in the same currency, as well as through the use of derivative financial instruments in accordance with policies approved by the Board of Directors.

#### *Foreign exchange risk*

The company's policy is to limit the impact of currency exchange fluctuations on the company's returns and financial position. Revenue in foreign currency is not indicative of the company's foreign exchange risk as the majority of costs relating to foreign revenue are in the same currency.

The company's foreign exchange position is centrally managed and coverage is selective. Only positions based on business conditions will be taken. The company has transactions/exposure in EUR and SEK, but the management does not consider there to be any significant currency exchange risks in relation to this. The company does not otherwise have any substantial currency exposure.

#### *Interest risk*

Interest on interest-bearing holdings is variable. The company's interest-bearing net debts, recognised as debt to credit institutions less cash, amounted to DKK 158.0 million at the end of 2021 compared to DKK 154.7 million at the end of 2020. A 1% rise or drop in the interest level compared to the balance sheet day would have only insignificant impact on the company's returns and equity.



### Cash flow risks

The company's policy in connection with borrowing is to ensure the greatest possible flexibility through diversification of borrowing on maturity/renewal dates and counterparties with regard to pricing. The company's cash reserves consist of cash and cash equivalents, securities and unused credit facilities. The company's aim is to have a sufficient cash position to continue to act effectively in the event of large seasonal fluctuations in cash flow, as is characteristic of the construction industry.

### Credit risks

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

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

### Impact on the external environment

As a construction company, we are conscious of the fact that our activities influence 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 undertaking work 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. This area is also described in the CSR report.

### IT Security

The company'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 substantially damaging to the company.

The management has created an IT policy that is discussed and updated by management on an ongoing basis. The purpose of the policy is to protect the company's data, systems and intellectual property. Specific data security systems have been established in the form of email filters, anti-virus software, firewalls and monitoring programmes.



## CORPORATE SOCIAL RESPONSIBILITY AND GENDER COMPOSITION MANAGEMENT

**C**orporate social responsibility, including the gender composition of management, is an integrated part of Arkil's business strategy.

The company has a desire to act responsibly and to create value in relation to customers, employees, business partners and society as a whole. Arkil has chosen to include mandatory corporate social responsibility reporting, cf. Sections 99a, 99b and 99d on social responsibility in the Danish Financial Statements Act, as part of its CSR report. This is available on the company's website, see [www.arkil.dk/csr-rapport](http://www.arkil.dk/csr-rapport).



## COMPANY INFORMATION

### Arkil A/S

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Website: [www.arkil.dk](http://www.arkil.dk)

E-mail: [arkil@arkil.dk](mailto:arkil@arkil.dk)

CVR-nr.: 15 07 05 44

**Founded:** 1991

**Head office:** Haderslev

### Ownership

The entire share capital of the company is owned by Arkil Holding A/S, Søndergård Alle 4, 6500 Vojens, Denmark.

The company is included in the consolidated accounts for JEAR Holding ApS, Søndergård Alle 4, 6500 Vojens, Denmark.

### Board of Directors

Director, Business Development, Jens Skjøt-Arkil (Chairman)

Chief Executive Officer Jesper Arkil

Chief Executive Officer Jørgen Søndergaard

### Board of directors

Chief Executive Officer Jørgen Søndergaard

Chief Technology Officer Jan Schmidt

CFO Anders Blaavand

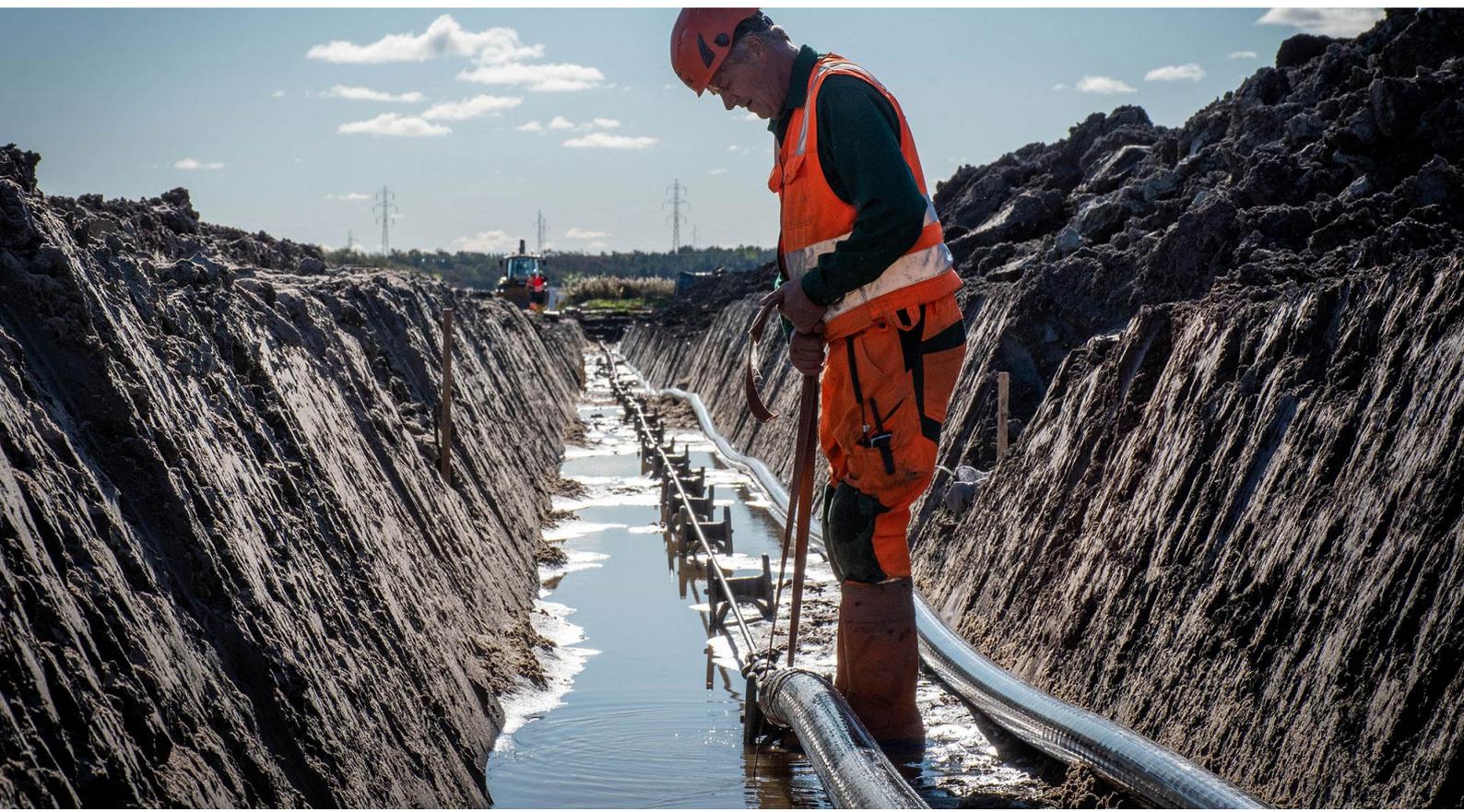
### Auditor

PricewaterhouseCoopers

State Authorised Public Accountants

### Annual General Meeting

The annual general meeting will be held on 23 March 2022



## MANAGEMENT REVIEW

The Board of Directors and Corporate Management have today discussed and approved the 2021 annual report for Arkil A/S.

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

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position as of 31 December 2021, as well as of the results of the company's activities and cash flows for the financial year 1 January – 31 December 2021.

In our opinion, the management review gives a true and fair review of the development of the company's activities and financial matters, the year's results and the company's financial position.

The annual report will be presented at the annual general meeting for approval.

Haderslev, Denmark - 18 March 2022

### EXECUTIVE BOARDS



Jørgen Søndergaard

Chief Executive Officer



Jan Schmidt

Chief Technology Officer



Anders Blaavand

CFO

### BOARD OF DIRECTORS



Jens Skjot-Arkil

Foreman



Jesper Arkil



Jørgen Søndergaard

# THE INDEPENDENT AUDITOR'S REPORT

**To the shareholders of  
Arkil A/S**

## Conclusion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position as of 31 December 2021, as well as of the results of the company's activities and cash flow for the financial year 1 January – 31 December 2021 under the Danish Financial Statements Act.

We have audited the annual accounts for Arkil A/S for the financial year 1 January - 31 December 2021, including profit and loss statement, balance sheet, statement of changes in equity, cash flow statement and notes and the applicable accounting policies ('the accounts').

## Basis for the conclusion

We have conducted our audit in accordance with international auditing standards and additional requirements applicable in Denmark. Our responsibilities under these standards and requirements have been described in more detail in the section of the auditor's report on the Auditor's responsibility for the auditing of the annual accounts. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' international guidelines for the ethical behaviour of professional accountants and auditors (IESBA Code) and additional ethical requirements applicable in Denmark, and we have met our other ethical obligations under these requirements and according to the IESBA Code. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on the management report

The management is responsible for the management report.

Our opinion on the accounts does not include the management report and we do not express any form of opinion with any certainty with regard to the management report.

In connection with our audit of the accounts, it is our responsibility to read the management report and thereby consider whether the management report is significantly inconsistent with the accounts or, based on the knowledge gained through our audit or otherwise, appears to contain material misstatements.

We are also responsible for considering whether the management report contains the information required pursuant to the Danish Financial Statements Act.

Based on the work performed, it is our opinion that the management report is consistent with the annual accounts and has been prepared in accordance with the requirements set out in the Danish Financial Statements Act. We have not identified any material misstatement in the management report.

## Management responsibility for the accounts

The management is responsible for the preparation of annual accounts that provide a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as deemed necessary by the management in order to prepare accounts that are free from material misstatements, whether due to fraud or error.

In preparing the accounts, management is responsible for assessing the company's ability to continue its operations and also for preparing the accounts on the basis of the accounting principle of continued operations, unless the management either intends to liquidate the company, cease operations or has no other realistic alternative but to do so.

## Auditor's responsibility for the accounts

Our aim is to achieve a high degree of certainty that the accounts as a whole are free from material misstatement, whether due to fraud or error, and to submit an audit report with an opinion. A high degree of certainty is a high level of assurance but not a guarantee that an audit, performed in accordance with international audit standards and additional requirements applicable in Denmark, will always identify material misstatement when such exists. Misstatements can arise as the result of fraud or error and may be regarded as material if it can be reasonably expected that, individually or collectively, it has an influence on the financial decisions made by users on the basis of the accounts.

As part of an audit performed in accordance with international auditing standards and the additional requirements applicable in Denmark, we carry out professional assessments and maintain professional scepticism during the audit. This includes:

- Identifying and assessing the risk of material misstatement in the accounts, whether due to fraud or error, designing and performing audit procedures in response to these risks, as well as obtaining audit evidence that is sufficient and appropriate for providing a basis for our opinion. The risk of not identifying material misstatement due to fraud is higher than material

misstatement due to error, as fraud may include conspiracy, forgery, deliberate omission, misrepresentation or breach of internal control.

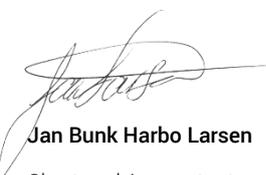
- We achieve an understanding of internal control with relevance to the audit in order to design audit procedures that are appropriate for the circumstances, but not to express an opinion on the effectiveness of the company's internal control.
- We consider whether the accounting policies applied by management are appropriate and whether the accounting estimates and related information prepared by management are reasonable.
- We conclude whether the management's preparation of the accounts based on the accounting principles concerning continued operations are appropriate and whether, on the basis of the audit evidence obtained, there is significant uncertainty linked to events or conditions that could create significant doubt about the company's ability to continue operations. If we conclude that there is significant uncertainty, we must draw attention to such information in the accounts in our auditor's statement or, if such information is not sufficient, modify our opinion. Our opinions are based on the audit evidence that has been achieved up to the date of our auditor's report. However, future events or circumstances may result in the company no longer being able to continue operations.
- We consider the overall presentation, structure and contents of the accounts, including note information and whether the accounts reflect the underlying transactions and events in such a manner that a true and fair view is presented.

We communicate with senior management with regard to e.g. the scheduled scope and timing of the audit as well as significant audit observations, including material non-conformities relating to internal control as identified during the audit.

Trekantsområdet (Triange Region), Denmark - 18 March 2022

**PricewaterhouseCoopers**

State Authorised Public Accountants  
CVR no. 33 77 12 31



**Jan Bunk Harbo Larsen**

Chartered Accountant  
mne30224



**Henrik Junker Andersen**

Chartered Accountant  
mne42818

## PROFIT AND LOSS STATEMENT FOR THE FINANCIAL YEAR 1. JANUARY TO 31 DECEMBER

Note		2021	2020
no.	(Amounts in DKK 1,000)		
3	Revenue	2,241,717	2,129,602
4,5,6	Production costs	(2,083,411)	(1,919,723)
	<b>Gross profit</b>	<b>158,306</b>	<b>209,879</b>
5,6,7	Administration costs	(145,431)	(144,626)
	<b>Operating profit/loss</b>	<b>12,875</b>	<b>65,253</b>
8.16	Share of profit/loss after tax in subsidiaries	5,764	5,623
17	Share of profit/loss after tax in joint ventures	785	(55)
	<b>Profit/loss from equity investments</b>	<b>6,549</b>	<b>5,568</b>
9	Financial income	2,468	2,738
10	Financial expenses	(3,591)	(4,015)
	<b>Net financials</b>	<b>(1,123)</b>	<b>(1,277)</b>
	<b>Profit/loss before tax</b>	<b>18,301</b>	<b>69,544</b>
11	Tax for the year	(4,274)	(15,735)
	<b>Profit/loss for the year</b>	<b>14,027</b>	<b>53,809</b>

## BALANCE AS OF 31 DECEMBER

Note		2021	2020
no.	(Amounts in DKK 1,000)		
	<b>Assets</b>		
	<b>Long-term assets</b>		
	<b>Intangible assets</b>		
12	Goodwill	12,836	14,610
	<b>Total intangible assets</b>	<b>12,836</b>	<b>14,610</b>
	<b>Tangible assets</b>		
13	Land and buildings	132,898	123,069
14	Technical plant, equipment, fixtures and fittings	303,440	315,988
15	Plants under construction and advance payments	623	1,265
	<b>Total tangible assets</b>	<b>436,961</b>	<b>440,322</b>
	<b>Financial assets</b>		
16	Equity interests in subsidiaries	10,771	12,507
17	Equity interests in joint ventures	251	215
18	Long-term receivables	105,403	128,456
	<b>Total financial assets</b>	<b>116,425</b>	<b>141,178</b>
	<b>Total long-term assets</b>	<b>566,222</b>	<b>596,110</b>
	<b>Short-term assets</b>		
	Inventories	51,778	40,910
19	Construction contracts	48,941	41,743
	Trade receivables	462,140	420,009
	Receivables from joint ventures	0	17,040
	Receivables from group companies	32,421	8,976
	Other receivables	7,218	5,006
	Liquid assets	25,039	31,543
	<b>Total short-term assets</b>	<b>627,537</b>	<b>565,227</b>
	<b>Total assets</b>	<b>1,193,759</b>	<b>1,161,337</b>

## BALANCE AF OF 31 DECEMBER

Note		2021	2020
no.	(Amounts in DKK 1,000)		
	<b>Liabilities</b>		
20	<b>Equity</b>		
	<b>Share capital</b>	<b>33,000</b>	<b>33,000</b>
	Retained profits	280,455	301,428
	Net revaluation using the equity method	0	0
	Reserve for hedging transactions	1,938	343
	Proposed dividends	35,000	20,000
	<b>Total reserves</b>	<b>317,393</b>	<b>321,771</b>
	<b>Total equity</b>	<b>350,393</b>	<b>354,771</b>
	<b>Liabilities</b>		
	<b>Long-term liabilities</b>		
21	Deferred taxes	45,362	40,465
22	Credit institutions	94,040	119,638
23	Other debt	54,819	53,458
	<b>Total long-term liabilities</b>	<b>194,221</b>	<b>213,561</b>
	<b>Short-term liabilities</b>		
22	Credit institutions	89,026	66,626
	Trade payables	342,994	239,898
19	Construction contracts	34,530	72,770
	Payables to joint ventures	1,018	0
	Payables to group companies	1,526	7,255
23	Other debt	180,051	206,456
	<b>Total short-term liabilities</b>	<b>649,145</b>	<b>593,005</b>
	<b>Total liabilities</b>	<b>843,366</b>	<b>806,566</b>
	<b>Total liabilities</b>	<b>1,193,759</b>	<b>1,161,337</b>

- 1 Accounting policies used
- 2 Significant accounting estimates, assumptions and assessments
- 24 Contingent liabilities and collateral security
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- 29 Distribution of profit

## CASH FLOW STATEMENT

Note			
no.	(Amounts in DKK 1,000)	2021	2020
	Profit/loss before tax	18,301	69,544
	Adjustment for non-liquid operating items, etc.:		
	Depreciation and amortisation	84,595	89,328
	Other adjustments	(9,646)	(6,531)
	<b>Cash flow from primary operations before changes in operating capital</b>	<b>93,250</b>	<b>152,341</b>
27	Changes in operating capital	(35,694)	20,395
	<b>Cash flow from primary operations</b>	<b>57,556</b>	<b>172,736</b>
	Paid/received joint tax contributions	794	(8,572)
	<b>Cash flow from operating activities</b>	<b>58,350</b>	<b>164,164</b>
28	Purchase of tangible assets, net	(59,644)	(33,221)
	Sale of tangible assets	8,290	8,201
	Developments in long-term receivables	23,053	(36,846)
	Dividends from subsidiaries	7,500	5,000
	<b>Cash flow from investing activities</b>	<b>(20,801)</b>	<b>(56,866)</b>
	Repayment of long-term liabilities	(52,501)	(60,175)
	Proceeds from taking out long-term loans, etc.	1,362	53,449
	Change, bank loan (overdraft)	27,086	(9,177)
	Dividends paid	(20,000)	(74,000)
	<b>Cash flow from financing activities</b>	<b>(44,053)</b>	<b>(89,903)</b>
	<b>Cash flow for the year</b>	<b>(6,504)</b>	<b>17,395</b>
	Cash and cash equivalents, start of year	31,543	14,148
	<b>Cash and cash equivalents, end of year</b>	<b>25,039</b>	<b>31,543</b>

## STATEMENT OF EQUITY

(Amounts in DKK 1,000)	Share capital	Retained profits	Net revaluation using the equity method	Reserve for hedging transactions	Proposed dividends	Total
<b>Equity at 1 January 2020</b>	33,000	267,619	0	0	74,000	374,619
<b>Changes in equity in 2020</b>						
Profit/loss for the year		33,809			20,000	53,809
<b>Total profits for the year</b>	0	33,809	0	0	20,000	53,809
Distributed dividends					(74,000)	(74,000)
Revaluation of hedging instruments:						
Revaluation for the year				440		440
Tax on equity movements				(97)		(97)
<b>Total changes in equity in 2020</b>	0	33,809	0	343	(54,000)	(19,848)
<b>Equity at 31 December 2020</b>	33,000	301,428	0	343	20,000	354,771
<b>Changes in equity in 2021</b>						
Profit/loss for the year		(20,973)			35,000	14,027
<b>Total profits for the year</b>	0	(20,973)	0	0	35,000	14,027
Distributed dividends					(20,000)	(20,000)
Revaluation of hedging instruments:						
Revaluation for the year				2,045		2,045
Tax on changes in equity				(450)		(450)
<b>Total changes in equity in 2021</b>	0	(20,973)	0	1,595	15,000	(4,378)
<b>Equity at 31 December 2021</b>	33,000	280,455	0	1,938	35,000	350,393



## LARGE-SCALE INFRASTRUCTURE PROJECTS

Arkil undertakes large-scale, complex construction projects in railways, motorways, bridges and port expansion.



## ROAD MAINTENANCE

We take care of operation and maintenance of roads and green areas, e.g. waste collection, snow clearance and salting, grass cutting, crash barrier and marker post replacement, the posting of road signs, smoothing out roadsides and drainage from roads and ditches



## CLIMATE PROOFING

We climate proof Denmark. Arkil carries out comprehensive waste water activities and possesses advanced tunnelling equipment, which can construct tunnels in connection with the reservoir mains and drainage systems needed to process the large volumes of rainwater of the future.



## CONCRETE

We are specialists in new construction and renovation of concrete structures, e.g. bridges, sliding formwork, wastewater treatment plants, car parks, bridge lifts and bridge pushes, as well as the execution of complex shell constructions and civil engineering structures.



## TUNNELLING

One of Arkil's competencies is tunnelling, which is a "no-dig" solution in which large pipes up to 2.5 metres in diameter are laid in the ground without excavation. Arkil has the expertise and the machinery to complete tunnelling projects ranging from a few hundred metres in length up to 1,000 metres.

# NOTES



## TRADITIONAL PUBLIC WORKS PROJECTS

Arkil has over 80 years of experience with carrying out all types of civil works construction projects. This includes road and sewerage projects, site development, cable projects and utility lines.



## FOUNDATIONS

Arkil builds on more than 35 years of experience with all types of foundation and post-construction foundation projects in Denmark and Northern Germany. In addition to pure foundation-centred projects, we offer timbered trench construction, hydraulic engineering and sheet piling installation.



## GROUNDWATER LOWERING

Groundwater lowering is one of Arkil's key areas of expertise, and we excel in lowering, pumping and cleaning up groundwater.



## ASPHALT

We establish and supply asphalt surfacing for roads, car parks and industrial areas with conventional asphalt or BSM asphalt with 100% recycling of the road's existing materials.



## ENVIRONMENTAL ENGINEERING

Arkil offers turnkey solutions in soil and groundwater pollution and has built up a large body of expertise within the clean-up of contaminated land using a variety of different clean-up techniques.



## OVERVIEW OF NOTES

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## NOTES Note no. 1 Accounting practice used

### General information

The annual report for Arkil A/S has been presented in accordance with the provisions set out for class C enterprises, large, in the Danish Financial Statements Act.

Consolidated accounts have not been prepared pursuant to Section 112, subsection 1 of the Danish Financial Statements Act. The annual accounts for Arkil A/S and associated subsidiaries are included in the consolidated accounts for JEAR Holding ApS, Haderslev.

The annual accounts have been submitted 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.

### General information about recognition and measurement

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

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

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

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

Recognition and measurement take into account gains, losses or risks that occur before the presentation of the annual account and that confirm or rule out matters existing on the balance sheet date.

Revenue is recognised in the profit and loss statement in line with being earned, including recognition for value adjustments for financial assets and liabilities measured at market value or amortised cost price. Furthermore, costs incurred to achieve the year's earnings are also recognised, including depreciation, amortisation and provisions, as well as reversals due to changed accounting estimates on amounts previously recognised in the profit and loss statement.

### Tables and accounts

Parentheses are used around negative results and deductions.

### Conversion of foreign currency

Transactions in foreign currencies are converted at initial recognition to the exchange rate applicable on the transaction date. Currency exchange differences that arise between the exchange rate on the transaction date and the exchange rate on the payment date are recognised in the profit and loss statement.

Outstanding amounts, debts and other monetary entries in foreign currencies are converted at the exchange rate applicable on the balance sheet date. The difference between the exchange rate on the balance sheet date and at the time of the amounts owed or debt arising or recognition in the latest annual accounts is recognised in the profit and loss statement under financial income and costs.

For recognition of foreign subsidiaries, the profit and loss statements are translated to an average exchange rate for the month and the balance sheet items are translated to the exchange rate applicable at close of the balance sheet date. Currency exchange differences arising from the conversion of foreign subsidiaries' equity at the start of the year to the exchange rates on the balance sheet date, and when translating profit and loss statements from average exchange rates to the exchange rate applicable at close of the balance sheet date, are recognised directly under equity.

Adjustment of outstanding accounts with independent 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

IAS 39 is used in the interpretation of the Danish Financial Statements Act for derivative financial instruments.

Derivative financial instruments are initially recognised in the balance sheet at cost price and subsequently measured in the balance sheet at market value. Positive and negative market values for derivative financial instruments are included in other receivables and other debt respectively.

## NOTES Note no. 1 Accounting practice used (continued)

Changes in the market value of derivative financial instruments that are classified and qualify as hedges for market value of a recognised asset or liability are recognised in the profit and loss statement together with changes in the value of the hedged asset or liability.

Changes to the market value of derivative financial instruments classified as and that qualify for hedging of future assets or liabilities are recognised as other receivables or other debt and also in equity. If the future transaction results in the recognition of assets or liabilities, amounts previously recognised as equity will be carried at cost price for the asset or liability respectively. If the future transaction results in earnings or costs, amounts previously recognised as equity will be carried to the profit and loss statement for the period in which the hedged asset or liability affects profits or losses.

For derivative financial instruments that do not meet the conditions for hedge accounting, changes in market value are recognised in the profit and loss statement on an ongoing basis.

Changes in the market value of derivative financial instruments used to hedge net investments in independent foreign subsidiaries are recognised directly in equity.

### **Profit and loss statement**

#### **Net revenue**

The company's revenue comprises construction contracts and the company uses IFRS 15 in the interpretation of the Danish Financial Statements Act.

The company's sales contracts are split into individually identifiable delivery obligations that are recognised and measured separately at market value. If a sales contract comprises multiple delivery obligations, the total sales value of the sales contract will be allocated relative to each delivery obligation under the contract.

Revenue is recognised when the control of each identifiable delivery obligation is transferred to the customer.

The recognised revenue is measured at the market value of the agreed price exclusive of VAT and fees collected on behalf of third parties. All forms of discounts will be recognised in revenue.

Any part of the total remuneration that is variable, e.g. in the form of discounts, bonuses, penalties, etc., will be recognised in revenue only when reasonably certain that no repayments will be made in subsequent periods, i.e. as the result of failure to meet goals, etc.

#### *Sale of goods*

The sale of finished goods and commercial products includes the sale of finished goods, asphalt, road equipment, other construction materials, etc. and is recognised in revenue when the control of each individual delivery obligation in the sales contract is 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 delivery obligations, they will be treated as one overall delivery obligation, as delivery typically takes place at the same time.

#### *Construction contracts*

Construction contracts typically include one delivery obligation that is continuously recognised in revenue in line with the implementation of production, and net revenue corresponds to the sales value of the work performed in the year. Continuous transfer of control to customers for work performed takes place either because the construction takes place at the customer's property, whereby ownership and control are transferred to the customer in line with completion or because the systems are of such a specialised nature that they cannot be used for other purposes without unreasonably large costs, while the customer is also obliged to make ongoing payment for work completed, including reasonable earnings on completed work.

Recognition takes place using input-based settlement methods based on progress status reports in relation to the overall anticipated costs, as this method is considered to be most suitable for reflecting continuous transfer of control.

When the result of a construction contract cannot be reliably considered, only revenue corresponding to incurred costs is recognised to the extent it is believed that they will be recouped.

#### **Production costs**

Production costs include costs, including provisions for depreciation and wages, which are paid to achieve the year's net revenue. Production costs also include development costs that do not concern development projects for capitalisation.

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

## NOTES Note no. 1 Accounting practice used (continued)

### Administration costs

Administration costs, etc. include costs incurred for administrative personnel, management, office premises, office expenses, etc., including depreciations.

### Other operating income and costs

Other operating income and costs include accounting items of a secondary nature to the main objective of the company.

### Performance of equity interests in subsidiaries and joint ventures

Under the equity method, a proportional share of profits after tax in subsidiaries will be recognised in the profit and loss statement. Share of profits after tax in subsidiaries and joint ventures are presented as separate entries in the profit and loss statement. Full elimination of intra-group profits/losses is performed for equity interests in subsidiaries. For equity interests in joint ventures, only proportional elimination of intra-group profits/losses is performed.

### Financial income and costs

Financial income and costs comprise interest, currency exchange gains and losses on securities, debt and transactions in foreign currencies, amortisation of financial assets and liabilities and allowances under the on-account tax scheme, as well as realised and unrealised currency exchange gains and losses on receivables and debts in foreign currencies.

### Taxes on profit for the year

The company is covered by the Danish rules on compulsory joint taxation for Arkil's Danish companies. Subsidiaries are included in the joint taxation from the date on which they are included in the consolidated accounts and until the date on which they are no longer included in the consolidation.

The parent company, JEAR Holding ApS, acts as the management company for joint taxation and therefore settles all payment 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 connection with this, companies with tax losses will receive joint taxation contributions from companies that have been able to utilise these losses to reduce their own taxable profits.

The year's tax, consisting of the year's joint taxation contributions and changes to deferred tax, including as a result

of changes to tax rates, is recognised in the profit and loss statement with the proportion that can be attributed to the year's profit and directly in equity with the proportion that can be attributed to items recognised directly in equity.

### Balance sheet Intangible fixed assets

Intangible fixed assets are measured at procurement value less accumulated amortisation and depreciation.

Goodwill is depreciated over the estimated financial service life, determined based on the management's experience within each business area. Goodwill is depreciated linearly over the depreciation period, which has been determined to be 20 years. The depreciation 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 earning profile.

### Tangible fixed assets

Land and buildings and technical structures, materials and fixtures and fittings are measured at procurement value less accumulated amortisation. Land is not depreciated.

Assets under construction (valued) are measured at cost.

Cost price includes the acquisition price and costs directly linked to the acquisition up to the date on which the asset is ready for use. For self-constructed assets, the cost price 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 price includes the current value of estimated liabilities for the dismantling and removal of the asset and restoration of the site on which the asset was used.

Linear amortisation is performed over the expected useful life based on the following assessment of the assets' expected useful lives:

Buildings	10-50 years
Technical plant, machinery and fixtures and fittings	3-15 years

## NOTES Note no. 1 Accounting practice used (continued)

The basis for amortisation takes into account the residual value of the asset and is reduced by any devaluation. The amortisation period and residual value are established on the acquisition date and reviewed annually. If the residual value exceeds the book value of the asset, depreciation will cease.

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

Depreciations are recognised in the profit and loss statement under production and administration costs, respectively.

Profit and loss on the divestment of tangible fixed assets will be recognised as the sales price less sales costs and the book value on the sales date.

### Equity shares in subsidiaries and joint ventures

Equity shares in subsidiaries and joint ventures are measured at the proportionate share of the equity value of the companies determined by the parent company's accounting policies less or plus unrealised intercompany profits and losses and plus or less the remaining value of positive or negative goodwill recognised using the acquisition method.

Companies with negative equity are measured at DKK 0 and any receivables from these companies are written down by the parent company's share of the negative equity to the extent it is deemed irrecoverable. If the negative equity exceeds the receivables, the balance will be recognised under provisions if the parent company has a legal or actual obligation to cover the balance deficit of the subsidiary.

Net revaluation of equity interests is carried under equity to the reserve for net revaluation under the equity method, to the extent that the carrying amount exceeds the acquisition value.

Newly acquired or newly established companies are included in the annual accounts from the acquisition date. Sold or liquidated companies are included until the cession date.

### Depreciation of long-term assets

The accounting value of tangible and intangible fixed assets as well as equity interests in subsidiaries and joint ventures is evaluated annually to determine whether there are any indications of depreciation beyond that which is specified as amortisation.

If there are indications of depreciation, a depreciation test is conducted on each individual asset and group of assets. Depreciation is applied to the recoverable value if this is lower than the accounting value.

The highest value of the net sales price and capitalised value are used as the recoverable value. The capitalised value is calculated as the current value of the expected net cash flow from the use of the asset or asset group and anticipated net cash flow associated with the sale of the asset or asset group at the end of the useful life.

Previously recognised depreciation is reversed when the justification for the depreciation no longer applies. Depreciation on goodwill will not be returned.

Deferred tax assets are reviewed annually and recognised only to the extent that it is probable that they will be utilised.

### Inventories

Inventories are measured at cost price using the FIFO method. If the net realisation value is lower than the cost price, it will be depreciated to this lower value. The cost price for commodities, as well as raw materials and ancillary materials, includes the acquisition price plus transport costs. The net realisation value for inventories is recorded as the sales price less completion costs and costs incurred to execute the sale and is determined taking into account marketability, obsolescence and developments in anticipated sales price.

### Amounts owed

Amounts owed from sales and other amounts owed are measured at amortised cost price and evaluated individually. Provisions have been made for anticipated losses.

IAS 39 is used in the interpretation of the Danish Financial Statements Act for the depreciation of financial assets.

### Construction contracts

Construction contracts are measured at sales value for the implemented work less on-account invoicing and anticipated loss. Construction contracts typically include one delivery obligation that is continuously recognised in revenue in line with the implementation of production, and net revenue corresponds to the sales value of the work performed in the year.

## NOTES Note no. 1 Accounting practice used (continued)

Continuous transfer of control to customers for work performed takes place either because the construction takes place at the customer's property, whereby ownership and control are transferred to the customer in line with completion or because the systems are of such a specialised nature that they cannot be used for other purposes without unreasonably large costs, while the customer is also obliged to make ongoing payment for work completed, including reasonable earnings on completed work.

Recognition takes place using input-based settlement methods based on actual costs incurred in relation to the overall anticipated costs as this method is considered to be most suitable for reflecting continuous transfer of control.

When the result of a construction contract cannot be reliably considered, only revenue corresponding to incurred costs is recognised to the extent it is believed that they will be recouped.

The sales value is measured based on the degree of completion on the balance sheet date and the total expected income for each ongoing piece of work. The degree of completion will be determined based on completion statements.

When it is probable that the total contract costs for a construction contract will exceed the total contract revenue, the expected loss on the construction contract will immediately be recognised as a cost. When the sales value on a construction contract cannot be reliably recognised, the sales value of the costs incurred for which recovery is probable will be measured.

Construction contracts for which the sales value of the implemented work exceeds on-account invoicing and anticipated loss will be recognised under amounts owed. Construction contracts for which on-account invoicing and anticipated loss exceed the sales value will be recognised under liabilities.

Advance payments from customers are recognised under liabilities.

Costs in connection with sales and contracting will be recognised in the profit and loss statement as they are incurred.

### Equity

#### *Reserve for foreign currency translation adjustments*

The reserve for foreign currency translation adjustments includes exchange rate differences arising from the conversion of accounts for entities with functional currencies

other than Danish kroner, exchange adjustments concerning assets and liabilities that form part of the Group's net investment in such entities and exchange adjustments concerning hedging transactions that hedge the Group's net investment in such entities.

#### *Reserve for hedging transactions*

Hedging reserves include the accumulated net change in market value on hedging transactions that meet the criteria for hedging of future cash flows and for which the hedged transaction has not yet been realised.

#### *Reserve for net revaluation using the equity method*

Reserve for net revaluation using the equity method includes net revaluation of equity interests in subsidiaries as well as joint ventures in relation to cost price.

The reserve can be eliminated in the event of a loss, realisation of capital shares or changes to accounting practices.

The reserve cannot be recognised at a negative amount value.

#### *Dividends*

Proposed dividends are recognised as a liability at the time of adoption at the annual general meeting (declaration date). Dividends that are expected to be paid for the year are shown as a separate item under equity.

### Current tax and deferred tax

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

Payable and receivable joint taxation contributions are recognised in the balance sheet under outstanding accounts with associated companies.

Deferred tax is measured using the balance-oriented debt method on all intermediate differences between book and tax values on assets and liabilities. Deferred tax is not recognised on temporary differences concerning taxable non-depreciation goodwill and office premises and other items for which temporary differences, except for company acquisitions, have arisen on the acquisition date without having any effect on profits 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.

## NOTES Note no. 1 Accounting practice used (continued)

Deferred tax assets, including the taxable value on tax loss carry-forwards are recognised under other long-term assets with the value at which they are expected to be used, either by elimination in tax on future earnings or against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustments are made to deferred tax resulting from elimination of unrealised intragroup profits and losses.

Deferred tax is measured on the basis of the tax rules and rates in the respective countries that apply on the balance sheet date when the deferred tax is expected to be redeemed as current tax.

### Provisions

Provisions for liabilities are recognised when the company, as a result of an event arising before, has a legal or actual obligation and it is probable that the company's financial resources must be used in order to cover the liability.

Provisions are measured at net realisable value or at fair value, where fulfilment of the obligation in terms of time is expected to be far into the future.

### Liabilities

Financial liabilities are recognised at the time of borrowing as the received proceeds after deductions for any transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost price using the effective interest method so that the difference between the proceeds and the nominal value is recognised in the profit and loss statement over the borrowing period.

The capitalised residual leasing liability on financial leasing contracts is also recognised in financial liabilities.

Other financial liabilities are measured at net realisation value.

### Leasing

IAS 17 is used as the interpretative aid for the classification and recognition of leasing contracts.

Leasing liabilities are allocated to financial and operational leasing liabilities.

Leasing contracts concerning fixed assets, in which the company bears all of the significant risks and advantages associated with the property rights (financial leasing), are measured at first instance in the balance sheet at the lowest value of the market value and the current value of the future leasing provisions. The internal base interest in the leasing agreement or the alternative borrowing interest will be used as the discount rate when calculating present

value. Financially leased assets are then treated as the company's other assets.

The capitalised residual leasing liability is recognised in the balance sheet as a debt liability, and the leasing provision's interest is recognised for the duration of the contract in the profit and loss statement.

All other leasing contracts are treated as operational leasing. Dividends in connection with operational leasing and other rental agreements are recognised in the profit and loss statement for the duration of the contract. The company's total liabilities concerning operational leasing and rental agreements are entered under miscellaneous entries in the notes.

### Cash flow statement

The cash flow statement shows the company's cash flows allocated to operating, investment and financing activities for the year, as well as displacement of cash and cash equivalents at the beginning and end of the year.

#### *Cash flow from operating activities*

Cash flows from operating activities are recognised as the annual results adjusted for non-cash operating items, changes to working capital and corporation taxes paid.

#### *Cash flow from investment activities*

Cash flow from investment activities includes payments in connection with the acquisition and sale of companies and activities, as well as acquisition and sale of intangible, tangible and financial assets.

#### *Cash flow 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 holdings and short-term securities with a maturity of less than three months on the acquisition date and that can be converted to cash holdings without hindrance and for which there is only insignificant risk of value changes.

**NOTES** Note no. 1 Accounting practice used (continued)**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 company 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 no. 2 Significant accounting estimates, assumptions and assessments**Estimation uncertainty**

Recognition of the book value of certain assets and liabilities requires assessments, estimation and assumptions about future events.

The most significant estimates include the extent of completion of construction contracts settled based on completion statements and service lives for technical plant, materials and fixtures and fittings.

The extent 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.

Assessment of disputes regarding additional works, deadline extensions, daily penalty fine demands, etc. is generally done based on the nature of the circumstances, relationship with the client, 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.

Estimations linked to the future settlement of residual work depend on a number of factors, as the assumptions for a project may be changed in line with the execution of the

work. Similarly, the assessment of disputes may change in line with the progress of the cases.

The actual results could therefore deviate from the anticipated results.

Estimates and assumptions are made based on historical experience and other factors that management consider 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 estimations. Risks for Arkil A/S have been addressed in the management report.

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

Estimates that are significant to financial reporting are made, for example, in connection with the settlement of depreciation and amortisation, sales prices in construction contracts and contingent liabilities.

## NOTES Note no. 3 - 5

(Amounts in DKK 1,000)	2021	2020
<b>Note no. 3 Revenue</b>		
Geographical segment		
Domestic	2,140,627	2,057,006
International	101,090	72,596
	<b>2,241,717</b>	<b>2,129,602</b>
<b>Note no. 4 Production costs</b>		
Materials and subcontractors, etc.	1,291,206	1,175,087
Wages, etc.	584,955	537,175
Operation of equipment and plants	112,487	108,386
Amortisation, tangible fixed assets	81,329	83,638
Amortisation, goodwill	1,774	4,070
Profits on the sale of equipment	(5,995)	(4,851)
Other production costs	17,655	16,218
	<b>2,083,411</b>	<b>1,919,723</b>
<b>Note no. 5 Depreciation and amortisation</b>		
Depreciation, intangible assets	1,774	4,070
Depreciation, tangible assets	82,822	85,377
	<b>84,596</b>	<b>89,447</b>
Depreciation and amortisation are included as follows:		
Production costs	83,103	87,708
Administration costs	1,493	1,739
	<b>84,596</b>	<b>89,447</b>

## NOTES Note no. 6 - 8

(Amounts in DKK 1,000)	2021	2020
<b>Note no. 6 Employee costs</b>		
<b>Employee costs</b>		
Salaries and wages	610,792	577,379
Contribution-based pension schemes	49,380	46,267
Other employee costs	4,109	3,985
	<b>664,281</b>	<b>627,631</b>
Remuneration of directors	0	0
Remuneration of executives	5,878	4,249
Pension, executive board	612	526
Other employees	657,791	622,856
	<b>664,281</b>	<b>627,631</b>
Employee costs are included as follows:		
Production costs	572,805	532,199
Administration costs	91,476	95,432
	<b>664,281</b>	<b>627,631</b>
<b>Average number of employees</b>	<b>1,211</b>	<b>1,175</b>
<b>Note no. 7 Remuneration for the auditor elected at the annual general meeting</b>		
The total remuneration for the auditor elected at the annual general meeting can be specified as follows:		
Statutory audit	550	540
Other assurance statements	17	9
Tax and VAT consulting	20	37
Other services	71	6
	<b>658</b>	<b>592</b>
<b>Note no. 8 Subsidiaries</b>		
Infra Group Danmark ApS, Ringe, Denmark	67%	67%
PV Greve A/S, Greve, Denmark	50%	50%

## NOTES Note no. 9 - 11

(Amounts in DKK 1,000)	2021	2020
<b>Note no. 9 Financial income</b>		
Interest income from group companies	2,468	2,524
Interest, credit institutions, etc.	0	214
<b>Total financial income</b>	<b>2,468</b>	<b>2,738</b>
<b>Note no. 10 Financial expenses</b>		
Interest expenses to group companies	0	187
Other interest expenses, etc.	3,591	3,828
<b>Total financial costs</b>	<b>3,591</b>	<b>4,015</b>
<b>Note no. 11 Taxes</b>		
The taxes for the year can be specified as follows:		
Tax for the year	4,274	15,735
Tax on changes in equity	450	97
	<b>4,724</b>	<b>15,832</b>
<b>Tax for the year comprises:</b>		
Taxes payable	(1,505)	6,940
Deferred tax	4,897	8,217
Deferred taxes regarding previous years	0	0
Taxes payable regarding previous years	882	578
	<b>4,274</b>	<b>15,735</b>
<b>Tax for the year can be explained as follows:</b>		
22% tax calculated on profits before tax	4,026	15,300
Effective tax percentage	23.4%	22.6%
Effective tax rate, excluding profits from independent taxpayers	34.1%	24.6%

## NOTES Note no. 12 - 13

(Amounts in DKK 1,000)	2021	2020
<b>Note no. 12 Goodwill</b>		
Cost price, 1 January	81,703	81,703
Additions	0	0
<b>Cost price, 31 December</b>	<b>81,703</b>	<b>81,703</b>
Depreciation and amortisation, 1 January	(67,093)	(63,023)
Amortisation	(1,774)	(4,070)
<b>Depreciation and amortisation, 31 December</b>	<b>(68,867)</b>	<b>(67,093)</b>
<b>Book value, 31 December</b>	<b>12,836</b>	<b>14,610</b>
Amortisation over a period of	20 years	20 years
<b>Note no. 13 Land and buildings</b>		
Cost price, 1 January	162,405	162,398
Transferred	415	0
Additions	12,612	7
Reclassification	873	0
<b>Cost price, 31 December</b>	<b>176,305</b>	<b>162,405</b>
Depreciation and amortisation, 1 January	(39,336)	(34,313)
Transferred	(16)	0
Depreciation	(3,182)	(5,023)
Reclassification	(873)	0
<b>Depreciation and amortisation, 31 December</b>	<b>(43,407)</b>	<b>(39,336)</b>
<b>Book value, 31 December</b>	<b>132,898</b>	<b>123,069</b>
Amortisation over a period of	10-50 years	10-50 years

## NOTES Note no. 14 - 15

### Note no. 14 Technical plants, equipment, fixtures and fittings

Cost price, 1 January	980,876	938,698
Additions	69,889	73,141
Transferred	(415)	225
Disposals	(31,418)	(31,188)
<b>Cost price, 31 December</b>	<b>1,018,932</b>	<b>980,876</b>
Depreciation and amortisation, 1 January	(664,888)	(612,491)
Transferred	16	0
Depreciation	(79,639)	(80,235)
Disposals	29,019	27,838
<b>Depreciation and amortisation, 31 December</b>	<b>(715,492)</b>	<b>(664,888)</b>
<b>Book value, 31 December</b>	<b>303,440</b>	<b>315,988</b>
<b>Book value of leased assets</b>	<b>160,536</b>	<b>188,317</b>
<b>Residual leasing debt</b>	<b>144,529</b>	<b>174,347</b>
<b>Amortisation over a period of</b>	<b>3-15 years</b>	<b>3-15 years</b>
<b>Note no. 15 Plants under construction</b>		
Cost price, 1 January	1,265	225
Additions	623	1,265
Transfererd	(1,265)	(225)
<b>Cost price, 31 December</b>	<b>623</b>	<b>1,265</b>
<b>Book value, 31 December</b>	<b>623</b>	<b>1,265</b>

## NOTES Note no. 16 - 17

(Amounts in DKK 1,000)	2021	2020
<b>Note no. 16 Equity interests in subsidiaries</b>		
Cost price, 1 January	13,873	13,873
Additions	0	0
Disposals	0	0
<b>Cost price, 31 December</b>	<b>13,873</b>	<b>13,873</b>
Revaluations, 1 January	(1,366)	(1,989)
Share of profit for the year	5,764	5,623
Dividends received	(7,500)	(5,000)
<b>Revaluations, 31 December</b>	<b>(3,102)</b>	<b>(1,366)</b>
<b>Book value, 31 December</b>	<b>10,771</b>	<b>12,507</b>
<b>Note no. 17 Equity interests in joint ventures</b>		
Arkil A/S participates in the following joint ventures.		
Arkil-CJ Anlæg I/S, Haderslev, Denmark	50%	50%
The Arkil-Bilfinger I/S Consortium, Haderslev, Denmark (dissolved in 2021)	0%	87%
Strukton - Arkil JV I/S, Haderslev, Denmark (dissolved in 2021)	0%	50%
Arkil JV I/S, Haderslev, Denmark	100%	100%
Arkil-Meyer & John I/S, Haderslev, Denmark	100%	100%
The contractual conditions mean that the parties to the arrangements only have rights to the net assets, and they are therefore classified as equity investments in joint ventures.		
For all of the above joint ventures, decisions concerning relevant activities require unanimity among the participating parties.		
Cost price, 1 January	19,550	19,550
Additions	0	0
Disposals	(15,000)	0
<b>Cost price, 31 December</b>	<b>4,550</b>	<b>19,550</b>
Revaluations, 1 January	(19,335)	(15,829)
Disposals	14,998	0
Dividends	(748)	(3,450)
Share of profit for the year	786	(56)
<b>Revaluations, 31 December</b>	<b>(4,299)</b>	<b>(19,335)</b>
<b>Book value, 31 December</b>	<b>251</b>	<b>215</b>

## NOTES Note no. 18 - 19

(Amounts in DKK 1,000)	2021	2020
<b>Note no. 18 Long-term receivables</b>		
Cost price, 1 January	128,456	91,610
Value adjustment	(53)	0
Increase	7,436	44,636
Instalments	(23,502)	(1,482)
Transfer to short-term assets	(6,934)	(6,308)
<b>Cost price, 31 December</b>	<b>105,403</b>	<b>128,456</b>
<b>Book value, 31 December</b>	<b>105,403</b>	<b>128,456</b>
<b>Of which receivables from group companies</b>	<b>105,403</b>	<b>128,456</b>
<b>Note no. 19 Construction contracts</b>		
Sales value of construction contracts	1,574,178	1,366,535
On-account invoicing	(1,559,767)	(1,397,562)
	<b>14,411</b>	<b>(31,027)</b>
Included as follows:		
Construction contracts (assets)	48,941	41,743
Construction contracts (liabilities)	(34,530)	(72,770)
	<b>14,411</b>	<b>(31,027)</b>

## NOTES Note no. 20 Share capital

(Amounts in DKK 1,000)	2021	2020
<b>Share capital</b>		
1 January	33,000	33,000
Increase	0	0
<b>31 December</b>	<b>33,000</b>	<b>33,000</b>

Share capital can be divided as follows:

A shares	9,375	9,375
B shares	23,625	23,625
	<b>33,000</b>	<b>33,000</b>

Issued as shares of DKK 1,000 or multiples thereof.

(Amounts in DKK 1,000)	2021	2020	2019	2018	2017
<b>Share capital</b>					
Share capital, start of year	33,000	33,000	31,000	31,000	31,000
Capital increase	0	0	2,000	0	0
<b>31 December</b>	<b>33,000</b>	<b>33,000</b>	<b>33,000</b>	<b>31,000</b>	<b>31,000</b>

The company's register of owners includes the following shareholders, cf. Section 55 of the Danish Companies Act:

Arkil Holding A/S, Søndergårds Alle 4, 6500 Vojens, Denmark

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## NOTES Note no. 21 Deferred taxes

(Amounts in DKK 1,000)	2021	2020
Deferred taxes, 1 January	40,465	32,248
Deferred tax for the year recognised in profit/loss for the year	4,897	8,217
Deferred tax for the year recognised in equity	0	0
<b>Deferred tax, 31 December</b>	<b>45,362</b>	<b>40,465</b>
Deferred tax is included in the balance sheet as follows:		
Deferred taxes (assets)	0	0
Deferred taxes (liabilities)	45,362	40,465
<b>Deferred tax, 31 December, net</b>	<b>45,362</b>	<b>40,465</b>
<b>Deferred tax relates to:</b>		
Intangible assets	12	71
Tangible assets	48,459	52,899
Short-term assets	29,753	27,114
Other liabilities	(32,862)	(39,619)
<b>Deferred tax, 31 December, net</b>	<b>45,362</b>	<b>40,465</b>

## NOTES Note no. 22 Debt to mortgage and other credit institutions

(Amounts in DKK 1,000)	2021	2020
Mortgage institutions	290	757
Credit institutions	38,246	11,160
Lease liabilities	144,530	174,347
<b>Total debt liabilities</b>	<b>183,066</b>	<b>186,264</b>

Liabilities have been recognised in the balance sheet as follows:

Long-term debts	94,040	119,638
Short-term debts	89,026	66,626
<b>Total debt liabilities</b>	<b>183,066</b>	<b>186,264</b>

The company has entered into the following long-term loans:

Loans	Maturity	Fixed/variable	Book value	
			2021	2020
DKK	2021	Variable	0	234
DKK	2023	Variable	290	523
			<b>290</b>	<b>757</b>
<b>Debts outstanding after 5 years</b>			<b>0</b>	<b>0</b>

	2021			2020		
	Lease payments	Interest	Book value	Lease payments	Interest	Book value
0-1 years	52,051	(1,503)	50,548	56,827	(1,828)	54,999
1-5 years	91,058	(1,834)	89,224	115,461	(2,314)	113,147
> 5 years	4,783	(25)	4,758	6,256	(55)	6,201
<b>Total</b>	<b>147,892</b>	<b>(3,362)</b>	<b>144,530</b>	<b>178,544</b>	<b>(4,197)</b>	<b>174,347</b>

## NOTES Note no. 23 - 24

(Amounts in DKK 1,000)	2021	2020
<b>Note no. 23 Other debt</b>		
Holiday pay and wages, etc.	120,780	138,922
Value added tax	31,205	41,208
Other debt	82,885	79,784
<b>Total debt liabilities</b>	<b>234,870</b>	<b>259,914</b>
Liabilities have been recognised in the balance sheet as follows:		
Long-term liabilities (of which due after 5 years: TDKK 48,836)	54,819	53,458
Short-term debts	180,051	206,456
<b>Total debt liabilities</b>	<b>234,870</b>	<b>259,914</b>
<b>Note no. 24 Contingent liabilities and collateral security</b>		
Guarantees provided to clients by third parties	556,703	593,330
Mortgage and mortgage deeds on land and buildings	7,758	7,759
Carrying amounts of mortgaged land and properties	6,987	7,427
<b>Operating lease liabilities</b>		
Properties	28,176	32,503
Operating equipment	5,891	4,335
<b>Total operating lease liabilities</b>	<b>34,067</b>	<b>36,838</b>
<b>Non-cancellable operating lease payments are as follows:</b>		
0-1 years	7,953	7,042
1-5 years	20,258	16,547
> 5 years	5,856	13,249
<b>Total operating lease liabilities</b>	<b>34,067</b>	<b>36,838</b>
<b>Consortiums</b>		
The company participates in consortiums with joint and several liability		
Total liabilities	13,476	34,643

No losses are anticipated beyond those included in the accounts.

## NOTES Note no. 24 Contingent liabilities and collateral security (continued)

### Pending disputes and litigation

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

### Joint taxation

The company is jointly taxed with other Danish Group companies. As a Group company, the company is jointly and severally liable with other group companies for Danish corporation tax and withholding taxes on dividends, interests and royalties within the joint taxation.

### Hedging instruments

The company has entered into contracts to ensure future deliveries of bitumen. The contracts will run until May 2023 and the market value was TDKK 2,485 as of 31 December 2021. (2020: TDKK 440)

### Financial leasing

(Amounts in DKK 1,000)	2021	2020
The company makes use of finance leases, in which leased assets in the balance are used as collateral for lease liabilities.		
Book value of leased assets, technical plant and machinery	160,536	188,317

## NOTES Note no. 25 - 27

(Amounts in DKK 1,000)	2021	2020
<b>Note no. 25 Related parties</b>		
Related parties with controlling interest:		
Arkil Holding A/S, Haderslev, Denmark (capital holdings)		
Sale of goods and service provisions to group companies	1,834	1,087
Sale of goods and service provisions to joint ventures	18,950	14,452
Procurement of goods and service provisions from group companies	7,359	9,302
Procurement of other services from group companies	13,485	14,476
Interest income from group companies	2,468	2,524
Interest expenses to group companies	0	(187)
Receivables from group companies	137,825	137,432
Receivables from joint ventures	0	17,040
Payables to group companies	(1,526)	(7,255)
Dividends paid	20,000	74,000
Information about remuneration for management is specified in note 6, Employee costs		

### Note no. 26 Subsequent events

At the end of February 2022, war broke out between Russia and Ukraine, which, in addition to major human consequences for the parties involved and local areas, has resulted in historically high fuel and energy price increases for gas, diesel, bitumen and electricity, etc.

At the time of the presentation of the annual report, it was found that price increases have affected the existing order backlog for execution in 2022. On the basis of such uncertainty, it is not possible to present a clear forecast for what the cumulative impact will be for 2022.

### Note no. 27 Changes in operating capital

Changes to inventories	(10,868)	(12,712)
Changes in trade receivables and construction contracts	(57,945)	3,193
Changes to trade payables and other debts	33,119	29,914
	<b>(35,694)</b>	<b>20,395</b>

## NOTES Note no. 28 - 30

(Amounts in DKK 1,000)	2021	2020
<b>Note no. 28 Purchase of tangible assets, net</b>		
Purchase of tangible assets	(81,860)	(74,413)
Assumption of lease liabilities	22,216	41,192
	<b>(59,644)</b>	<b>(33,221)</b>
<b>Note no. 29 Distribution of profit</b>		
Proposed dividends	35,000	20,000
Carried forward to equity	(20,973)	33,809
	<b>14,027</b>	<b>53,809</b>

### Note no. 30 Key figure definitions

Profit margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Return on investede capital	$\frac{\text{Operating profit/loss} \times 100}{\text{Average equity}}$
Liquidity ratio	$\frac{\text{Short-term assets} \times 100}{\text{Short-term liabilities}}$
Equity ratio (solvency)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
Return on invested capital including goodwill	$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital including goodwill}}$



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