WE CREATE A BETTER FUTURE

ANNUAL REPORT 2023/24

The annual report for the financial year 2023/24 is prepared in pdf and XHTML format. Please note that the ESEF edition (XHTML format), published via Nasdaq Copenhagen and submitted to the Danish Financial Supervisory Authority, is the official and regulated annual report.

AARSLEFF

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After strong internal collaboration, an impressive 130-year-old wastewater pipe under Copenhagen Central Station has been renovated.

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Responsibility and sustainability

See Responsibility and sustainability for a detailed presentation of our ESG efforts and targets.

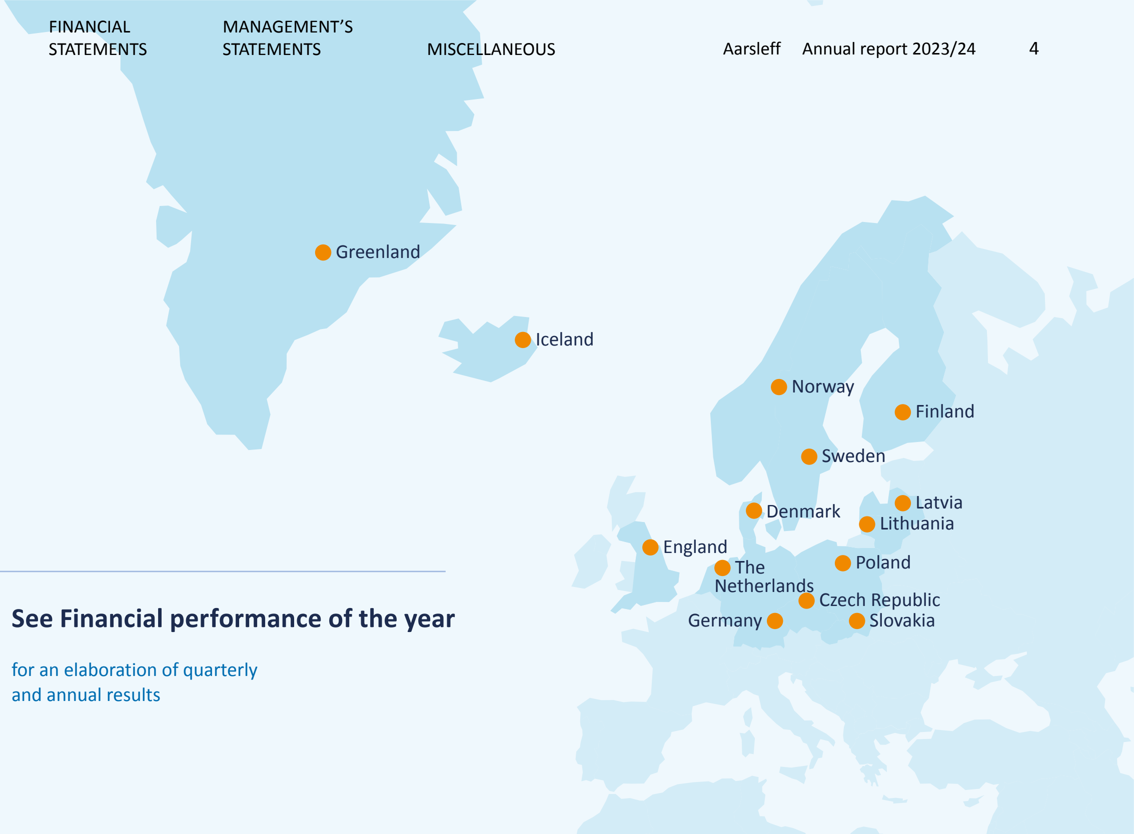
Front page photo: ARoS, The Next Level

HIGHLIGHTS FOR THE YEAR

Port of Varberg

The year in brief

Financial highlights



Full-time workforce (average)

8,782

EBIT margin

5.1%

Net interest-bearing debt/EBITDA (gearing)

0.5×

Revenue growth

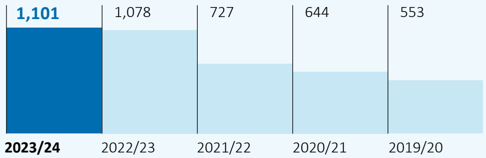
7.3%

See Financial performance of the year

for an elaboration of quarterly and annual results

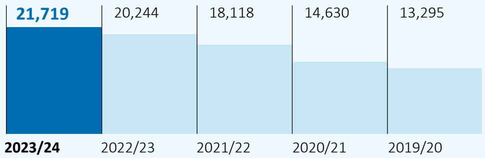
EBIT

DKKm 1,101



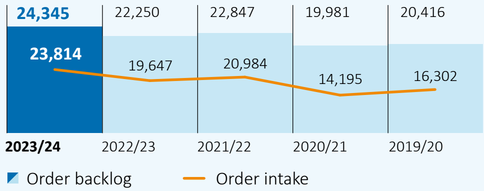
Revenue

DKKm 21,719



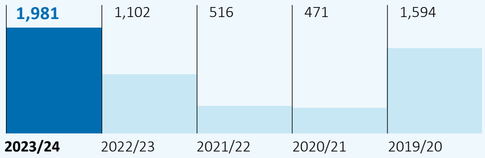
Order backlog

DKKm 24,345



Cash flows from operating activities

DKKm 1,981



The year in brief

ESG key figures

Apprentices (Target: 10%)

8%

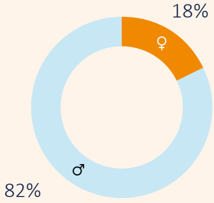
Proportion of hourly paid staff in total.

Trainees (Target: 5%)

4%

Proportion of salaried staff in total.

Proportion of the underrepresented gender on other management levels
(Target: 40%)



Employee well-being (Target: 95%)

94.8%

Emission intensity

3.5

Tons of carbon per revenue in DKK million.

EU Taxonomy

77%

Eligible revenue.

5%

Aligned revenue.

Accident rate (Target: Max. 5)

17.2

Number of accidents per 1 million working hours.

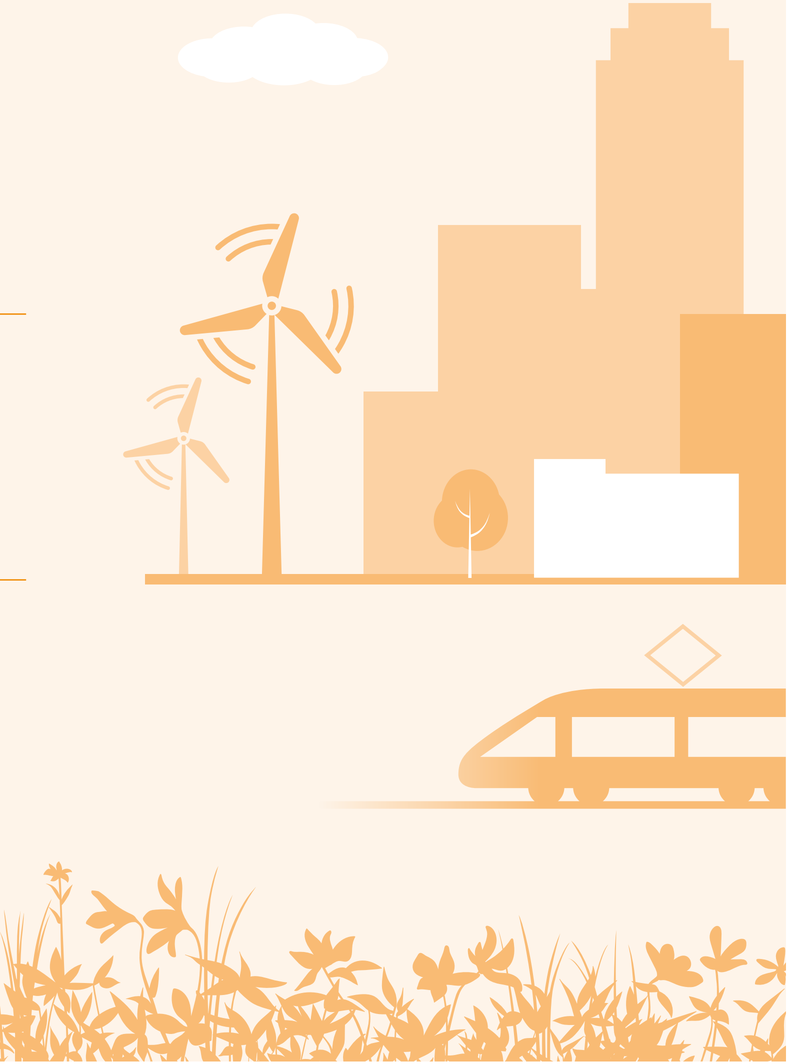
Sickness absence (Target: Max. 3.5%)

4.5%

Proportion of total working hours.

Read more

See Responsibility and sustainability for an elaboration of efforts and results of the year.



A very satisfactory year

After another year with a high level of activity and a dedicated effort from the Group's many employees, we are delighted with a record high order intake and an impressive order backlog. The future still looks bright, however, it is important that we also focus on the employees' well-being during a busy workday.

Jesper Kristian Jacobsen
Group CEO

Also this year, our financial ratios are very impressive. Our revenue has increased to more than DKK 21 billion, and for the second year in a row, our EBIT margin exceeds five per cent. It is also promising that we are looking into a future with a strong order book.

This is both because the market continues to call for many of the Aarsleff Group's specialist skills and because we have managed to select the right projects and subsequently sign contracts for a good number of them. All this has required a strong team effort from employees across the Group, and I would like to thank everybody for their efforts. At the same time, we also focus on ensuring that the high level of activity does not affect the well-being of our employees.

The employees are our most important asset

The safety and the well-being of our employees are our top priority. Everyone should return home safely from work, and it must be a positive experience to work in our Group. In Per Aarsleff A/S, we have launched our safety culture programme which must break with the "business-as-usual" culture. As an example, during the year we have held 20 theme days for almost 1,000 employees, and more are on the way. It is a long and tough journey to change habits and increase attention, but it is something that we have to do – and which will now also involve more companies of our Group.

Fortunately, we have many dedicated employees who are happy to be a part of the Aarsleff Group. For the third year in a row, our comprehensive employee well-being survey shows that approximately 95% of our employees thrive at work, and quite literally, many of them want to invest in their workplace. This year, for the seventh time, we have offered employee shares in the Danish part of the business, and with 1,800 employees joining the programme, the participation has been record high. It is also a way for us to reward those who contribute to the Group's positive development.

A diverse range of tasks

There is a high level of activity on the construction market, which has always made up the majority of our business. We are therefore not particularly affected by the slowdown within building activities. Large projects such as the Greater Copenhagen Light Rail, the tunnel under the Fehmarn Belt and the second phase of Lynetteholm are well underway.

A wide range of other construction projects and especially projects related to the green transition have contributed to this year's high order intake. As an example, we are going to carry out railway work at West Funen, and in Greenland we are going to renovate the power station which supplies Pituffik Space Base – one of the most remote bases in the world. Important work related to climate change adaptation is another of our specialist skills, and in Kagsåparken near Copenhagen, we are going to carry out a large rainwater park. Moreover, we will be carrying out the building project Mejlbryggen at Aarhus Ø, which is 29,000-square-metres comprising 305 residential units and 22 commercial leases. A varied range of tasks, many of which are carried out in One Company collaboration and with a high degree of in-house production.

With an eye on the future

In 2024, we have prepared a new four-year strategy for the entire Aarsleff Group. We have also worked on our values, our goals and our ambition, which help us to create direction and cohesion. Looking ahead, we see a strong order backlog and a very positive market with continued high activity and many opportunities which suit the Aarsleff Group very well. We must therefore continue to select and deselect the right projects based on our resources and our desire for high employee well-being. If we do that, the future continues to look bright.

"Also this year, the Aarsleff Group presents all-time high results with an EBIT margin that exceeds the 5% target. We have had a high order intake, ranging from many small and medium-sized projects to very large projects such as Lynetteholm in Copenhagen and roll-out of district heating in North Sealand. Aarsleff delivers strong results, a sound balance sheet and many talented employees whose skills are in high demand in the market."

Jesper Kristian Jacobsen
Group CEO

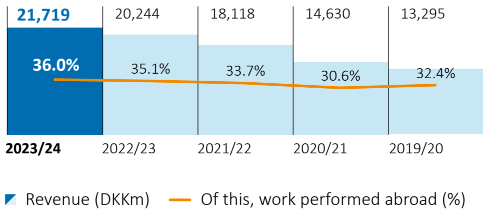
Key figures

(DKK´000)	2023/24	2022/23	2021/22	2020/21	2019/20
Income statement					
Revenue	21,719	20,244	18,118	14,630	13,295
Of this, work performed abroad	7,827	7,105	6,098	4,475	4,301
Profit before interest, tax, depreciation and amortisation (EBITDA)	1,904	1,862	1,407	1,227	1,237
Operating profit (EBIT)	1,101	1,078	727	644	553
Net financials	-13	-36	-44	-31	-23
Profit before tax	1,088	1,042	683	613	530
Profit for the year (continuing operations)	826	798	517	470	379
Profit for the year (discontinued operations)	0	-6	-66	3	0
Balance sheet					
Non-current assets	5,133	4,753	4,364	3,418	2,988
Current assets	8,933	8,629	7,379	5,500	5,607
Total assets	14,066	13,382	11,743	8,918	8,595
Equity	4,998	4,404	3,855	3,664	3,311
Non-current liabilities	2,364	3,003	1,142	813	1,096
Current liabilities	6,704	5,975	6,746	4,441	4,188
Total equity and liabilities	14,066	13,382	11,743	8,918	8,595
Invested capital (IC)	6,013	5,921	5,066	3,378	2,730
Working capital	2,078	2,072	1,219	581	-20
Net interest-bearing deposits/debt (+/-)	-1,015	-1,517	-1,211	284	580
Statement of cash flows					
Cash flow from operating activities	1,981	1,102	516	471	1,594
Cash flow from investing activities	-794	-824	-1,158	-676	-669
Of which investment in property, plant and equipment net	-707	-792	-814	-638	-406
Cash flow from financing activities	-1,376	-7	525	-432	-503
Change in cash and cash equivalents for the year	-189	271	-117	-637	422

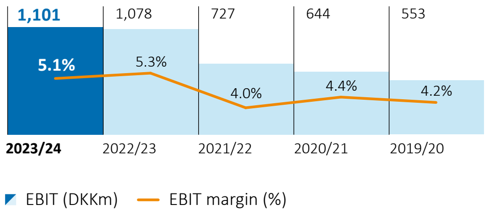
	2023/24	2022/23	2021/22	2020/21	2019/20
Financial ratios[1]					
Gross margin, %	12.1	12.5	10.7	11.4	12.1
Operating margin (EBIT margin), %	5.1	5.3	4.0	4.4	4.2
Profit margin (pre-tax margin), %	5.0	5.1	3.8	4.2	4.0
ROIC (after tax), %	14.0	15.0	13.1	16.3	14.5
Net interest-bearing debt/EBITDA (gearing)	0.5	0.8	0.9	-0.2	-0.5
Return on equity (ROE), %	18.8	19.3	12.1	13.6	11.8
Equity ratio, %	35.5	32.9	32.8	41.1	38.5
Earnings per share (EPS), DKK	42.35	41.01	22.68	23.53	18.79
Earnings per share (EPS) (continuing operations), DKK	42.35	41.33	26.05	23.38	18.79
Share price at 30 September, DKK	404.00	324.00	186.60	262.50	267.50
Price/net asset value	1.55	1.40	0.94	1.43	1.62
Net asset value per share, DKK	260.55	229.22	196.77	183.15	164.98
Number of outstanding shares, (thousands)	18,987	19,075	19,442	19,966	20,029
Number of treasury shares, (thousands)	587	1.310	943	419	356
Dividend per share, DKK	11.00	10.00	8.00	8.00	6.50
Full-time workforce (average)	8,782	8,764	8,383	7,658	7,215

[1] For a definition of key figures, see page 165.

Revenue

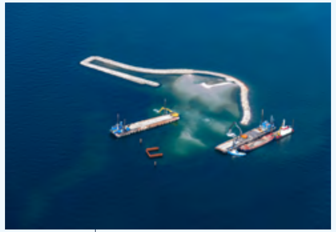


EBIT and EBIT margin



Milestones

OCTOBER



Contract for phase 2 of Lynetteholm

NOVEMBER

Employees participate in the annual OHS week

DECEMBER

Handing-over of Södertalje Canal in Stockholm

JANUARY

Contract for the construction of the high-rise tower Mindet in Aarhus

FEBRUARY

Record-high participation in the annual employee share programme

MARCH

APRIL

Handing-over of the new Natural History Museum of Denmark

MAY

Topping-out ceremony at the expansion of Terminal 3 in Copenhagen Airport

JUNE

Inauguration of the first element for the Fehmarnbelt tunnel

JULY

Contract for the construction of a rainwater park in Kagsåparken

AUGUST

Contract for the construction of Mejlbryggen in Aarhus

SEPTEMBER

Aarsleff and Hochtief together on large port project in Hamburg

Contract for the renovation of J-Plant at Pituffik Space Base

Outlook for 2024/25

OPERATIONS

- Revenue in the range of DKK 21.7 to 22.8 billion, corresponding to a growth of 0 to 5%.
- EBIT in the range of DKK 1,050 to 1,150 million.
- 60% of the expected full-year revenue is covered by the existing order backlog.

INVESTMENTS

- Investments in property, plant and equipment exclusive of leased assets are expected to amount to DKK 700-750 million.
- These include the completion of the installation of a new tower crane at the concrete element factory in Poland, production facilities for screw piles and the building of new residential units for accomodation of employees in Nuuk.

THE MARKET

- Good opportunities within infrastructure and energy projects.
- The slowdown within building construction continues as expected.
- High level of activity and good opportunities within technical solutions and buildings for the pharma industry.

EMPLOYEES

- Continuation of the safety culture programme in order to reduce the number or accidents.
- Focus on gender diversity and development of our employees at all levels.
- Continued focus on developing the Group's expertise within digitalisation and sustainability.

CONSTRUCTION

Growth 0 to 5%.
EBIT DKKm 470 to 530

High level of activity in the construction market. Especially the projects involving district heating, construction of new railway across West Funen and the tunnel under Fehmarn Belt.

The building activity continues at a lower level.

There are still good opportunities in the North Atlantic within building activities and infrastructure.

TECHNICAL SOLUTIONS

Growth 10 to 15%.
EBIT DKKm 135 to 145

Still many tender opportunities, especially within the pharmaceutical industry and district heating.

High level of activity in connection with the building of the New North Zealand Hospital and Mary Elizabeth's Hospital.

RAIL

Growth -10 to -5%.
EBIT DKKm 70 to 80

A lower level of activity in Denmark due to a more selective order acquisition.

Focus on increasing earnings in Norway and Sweden by selecting the right projects and securing the right organisation.

Still many tender opportunities.

GROUND ENGINEERING

Growth -3 to 2%.
EBIT DKKm 200 to 210

Continued high level of activity within infrastructure projects.

Increasing level of activity within ground engineering work related to the railway electrification primarily in Sweden, Norway and Germany.

Low level of activity within residential building.

PIPE TECHNOLOGIES

Growth 2 to 7%.
EBIT DKKm 175 to 185

Good level of activity in all significant markets, and a stable inflow of funds for the utility segment the Nordic region and in Western Europe.

The activities within housing and industry are expected to continue to be affected by recent years' price increases to some extent.

Continued low activity in Eastern Europe.

The segments' key figures and outlook for 2024/25

Construction (DKKm)	2024/25	2023/24	2022/23	2021/22
Revenue	-	10,042	9,741	8,462
Growth compared to the year before, %	0 to 5	3.1	15.1	31.9
EBIT	470 to 530	524	555	250
EBIT margin, %	-	5.2	5.7	3.0
Order backlog, beginning of the year	15,272	12,113	13,670	10,896
- of this, work for execution in the current year	7,375	6,325	6,825	5,275

Ground Engineering (DKKm)	2024/25	2023/24	2022/23	2021/22
Revenue	-	3,857	3,409	3,332
Growth compared to the year before, %	-3 to 2	13.2	2.3	18.5
EBIT	200 to 210	190	204	173
EBIT margin, %	-	4.9	6.0	5.2
Order backlog, beginning of the year	2,000	2,189	2,156	1,958
- of this, work for execution in the current year	1,600	1,750	1,525	1,375

Technical Solutions (DKKm)	2024/25	2023/24	2022/23	2021/22
Revenue	-	3,223	2,464	2,248
Growth compared to the year before, %	10 to 15	30.8	9.6	17.1
EBIT	135 to 145	124	86	82
EBIT margin, %	-	3.8	3.5	3.6
Order backlog, beginning of the year	3,575	3,439	2,432	2,493
- of this, work for execution in the current year	2,075	1,250	950	1,225

Pipe Technologies (DKKm)	2024/25	2023/24	2022/23	2021/22
Revenue	-	2,367	2,342	2,200
Growth compared to the year before, %	2 to 7	1.1	6.4	2.2
EBIT	175 to 185	175	187	149
EBIT margin, %	-	7.4	8.0	6.8
Order backlog, beginning of the year	1,656	1,408	1,499	1,526
- of this, work for execution in the current year	1,200	1,000	1,125	1,075

Rail (DKKm)	2024/25	2023/24	2022/23	2021/22
Revenue	-	2,230	2,288	1,876
Growth compared to the year before, %	-10 to -5	-2.5	21.9	41.2
EBIT	70 to 80	88	46	73
EBIT margin, %	-	3.9	2.0	3.9
Order backlog, beginning of the year	1,842	3,101	3,090	3,108
- of this, work for execution in the current year	1,100	1,625	1,625	1,100

Aarsleff Group (DKKm)	2024/25	2023/24	2022/23	2021/22
Revenue	-	21,719	20,244	18,118
Growth compared to the year before, %	0 to 5	7.3	11.7	23.8
EBIT	1,050 to 1,150	1,101	1,078	727
EBIT margin, %	-	5.1	5.3	4.0
Order backlog, beginning of the year	24,345	22,250	22,847	19,981
- of this, work for execution in the current year	13,350	11,950	12,050	10,050

OUR BUSINESS

Group strategy – Next Level Together

Ambition →

To be the preferred partner when we create a better future

Themes →

- Create the attractive workplace of the future
- Be the preferred collaboration partner
- Take responsibility for developing the contractor of the future
- Strengthen the ability to perform efficiently

Values →

Responsible | Committed | Innovative

Purpose →

We create a better future

Business model

Aarsleff takes responsibility for contributing

In Aarsleff we are driven by decency. Guided by this compass of decency, using our experience and expertise, we have made a significant impact on cities, infrastructure and landscapes.

We see it as our natural responsibility to contribute with innovative solutions, so that we actively and visibly contribute to a more responsible future. We do so by carrying out work which promotes the development within infrastructure, climate adaptation, the environment, energy and building construction. Always with the utmost consideration for the world around us while focusing on a safe and healthy working environment that embraces diversity.

That is how we want to maintain and develop Aarsleff's position, being the preferred partner when future infrastructure and buildings are to be executed, because we believe that our contribution creates real, noticeable and lasting value.

Employees, customers and cooperative partners should choose us for our expertise, our approach to the outside world and our will and ability to innovate solutions, even when others give up.

That is how we take responsibility for contributing to a better world.

Our core principles →

We solve tasks better and more efficiently

We do what others cannot or will not do

We take small, but wise steps

We ensure controlled growth and manage risks

Our success formulas →

Positioning towards large and complex tasks, which are developed into new skills

Integrated project businesses in One Company collaborations which contribute to a high degree of in-house production

Deep professional specialisation and unambiguous development and market logics

Decentralised decision-making power with the right person in the right place that supports balanced risk and effective governance

Our segments →

Construction

Rail

Technical Solutions

Ground Engineering

Pipe Technologies

Our goal →

To create a better future

Strategic focus areas

Aarsleff wants to be the preferred building and construction partner with market-leading positions in our specialist business areas.

The Aarsleff Group has three different activity levels: The general level with execution of large, single One Company-projects; the activity-focused level with a high potential for repetition; and finally the industrial level with fully industrialised activities.

One Company

We are organised in independent, competitive divisions and companies, each with their own specialist expertise. We refer to teamwork and collaboration across divisions as One Company, meaning that we look for and exploit synergies. The synergies emerge when specialist contractors combine expertise to find the best solutions.

Independent and sharp

The Aarsleff Group is continuously expanding its operations by acquisitions or establishment of companies in Denmark and abroad. The companies that we acquire are well-run and have strong specialist contracting skills. They have a strong management and have shown good results.

One point of entry

By drawing on the versatile contracting expertise of the companies, Aarsleff undertakes projects of any scale as well as design and build contracts with a high degree of in-house production. This provides security for the client – financially as well as professionally.

Group themes

Create the attractive workplace of the future

Create an inclusive culture that promotes diversity and ensures a healthy and safe working environment for all the employees of the Aarsleff Group.

Be the preferred collaboration partner

Ensure Aarsleff's position as a strong collaboration partner with focus on One Company collaboration and customer satisfaction.

Take responsibility for developing the contractor of the future

Be active in the development of innovative solutions that take the environment and the needs of future generations into account.

Strengthen the ability to execute efficiently

Focus on increasing productivity and profitability and ensure that we are organisationally set up for success.

Lava protection in Iceland

Lidl's new headquarters in Aarhus

Responsibility in the value chain

To contribute to the sustainable economy, Aarsleff focuses on environmental, climate and social considerations throughout the entire value chain. However, we collaborate with clients, customers, suppliers and other partners to define and execute solutions effectively.

Aarsleff's core business involves operating and solving daily tasks at our offices, projects and construction sites. In this process, we impact communities and stakeholders. It also affects our business how we integrate environmental and climate considerations as well as social responsibility into our solutions.

We play an active role in both upstream and downstream activities.

Upstream activities involve the extraction of raw materials used in the production of products and components that form part of our structures. This also includes our supplier collaborations, waste generated in daily operations as well as transportation and distribution services. Here, Aarsleff has numerous opportunities to influence the degree of consideration and responsibility, such as by impacting and requiring our suppliers and partners to meet specific sustainability standards.

Downstream activities involve the use of buildings and infrastructure, energy and water consumption as well as the need for maintenance and transportation. Additionally, it covers demolition and destruction, waste management, reuse and recycling during final treatment. Aarsleff increasingly contributes to this by incorporating environmentally friendly downstream solutions in our projects, such as reusing building materials, and by advising clients and customers on methods for maintaining, repairing or improving existing infrastructure and buildings.

	UPSTREAM				OPERATIONS	DOWNSTREAM	
	PRODUCT				BUILDING PROCESS	USAGE	AFTER LIFE
	Resource extractions →	Pre-processing / product manufacturing →	Purchase →	Transport →	Infrastructure and building construction →	Usage →	Demolition / excavation and waste treatment →
Building and construction projects	→ Resource extraction e.g. gravel, steel, wood	→ Production of building materials and consumables	→ Direct: Reinforcing steel, Precast concrete, Pipes and tools → Indirect: Equipment, Insurance, Fuel → Subcontractors → Consultants → Rent and service: Equipment, Cars and vans	→ Freight and transport	Construction pits Geotechnical investigations Building construction Infrastructure	Usage and operation of buildings and infrastructure Transport	Demolition and waste treatment of buildings and infrastructure Reuse
Services					Railway work Facility management Renewal of sewers and pipes		
Manufacturing					Production of liners Production of concrete piles and concrete elements		Excavation and waste treatment

A collective sustainable mindset

Through One Sustainability, Aarsleff aims to enhance the overall value of our building and construction projects, benefitting our employees, customers and society.

Our commitment to improving environmental and climate impact, along with promoting responsible business practices, including social and managerial aspects, is embodied in the Aarsleff Group's One Sustainability model. This model, grounded in Aarsleff's One Company principles, reflects our efforts to capitalise on synergies to achieve optimal solutions.

One Sustainability is our collective mindset for addressing environmental (E), social (S) and governance (G) factors. ESG is foundational for both the Group's sustainability strategy, the business units' sustainability plans as well as shared and local initiatives. Data, targets, action plans, policies and reporting are organised under each of the three ESG programmes in line with EU Taxonomy and CSRD/ESRS. Standards will not be early adopted in 2023/24, but the work forms the basis for the mandatory reporting in 2024/25.

The Environment and climate programme focuses on aspects such as developing our data foundation and initiating specific actions related to circular resource economy, biodiversity and ecosystems as well as emissions across Scope 1, Scope 2 and Scope 3.

The Social programme focuses on our own workforce, addressing the working environment, safety and employee conditions, value chain workers and human rights.

Finally, the Governance programme focuses on corporate management, responsible business conduct, controls, standards as well as risk management within our in-house production and throughout the value chain.

By emphasising collaboration and communication, we ensure all employees are informed about our efforts to enhance our societal impact in line with ESG principles. By doing so, we share knowledge and enhance skills throughout our organisation.

Transition offers opportunities

At Aarsleff, we consider our strategy for the green transition and our efforts to increase responsibility as a force to obtain business advantages. The transition also takes place at our customers and collaboration partners, and we can help them achieve their objectives for a responsible development in consideration of the environment and the needs of future generations.

Four focus areas which contribute to current business opportunities according to the double materiality assessment:

Infrastructure

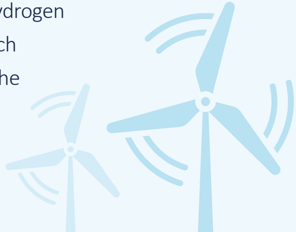
To implement the green transition, it is often necessary to extend the existing infrastructure. This could for example be expansion of harbours to support offshore windfarm projects, expansion of public transport such as metros and light rails, or extension and electrification of the existing railway network. Although the construction of infrastructure will often be an environmental burden, it is absolutely necessary in order to secure the green transition.

Building construction

We focus on construction, building and renovation with low carbon footprint, the health of the users, resource efficiency, reuse of materials and circularity as well as smart control of the buildings' energy consumption. We also contribute know-how and skills to new technological solutions and participate in innovative collaborations that optimise processes, material consumption and energy consumption during the building process.

Energy solutions

The political and societal focus on efficient and sustainable solutions for energy supply and transition requires development of infrastructure as well as transport and mobility from the production site to the individual user, from city to city and from region to region. We have the experience, expertise and capacity to contribute to and enter into innovative collaborations for more wind energy, installation of district heating, electrification of society, construction of carbon capture plants and pipelines for the hydrogen industry. All of which are important for the green transition of our society.



Climate change adaptation

Climate changes require new thinking and national system changes to adapt our harbours, buildings, supply network as well as urban and natural areas to these changes. To Aarsleff, this offers projects with focus on flood protection, coastal protection and new thinking of supply structures. Projects that are related to our core business and expected to offer increased business opportunities to us.

Financial targets

At Group level, we operate with financial targets for return, dividend and solvency.

Targets	Status	Description of target
RETURN **EBIT margin**: 5.5% **ROIC (after tax) at least**: 12% The EBIT margin target has been increased to 5.5% from previously 5.0%.	**RETURN** **EBIT margin**: 5.1% **ROIC (after tax)**: 14%	Efficiency and productivity in all phases must contribute to continuous improvements of competitiveness and earnings. Combinations of skills into turnkey solutions must increase margins and earnings with the focus on synergy and collaboration. The EBIT margin target is ambitious. Regular, large investments in machinery, equipment and factories take place with a view to developing the business. The investments must contribute ROIC of at least 12% after tax.
DIVIDEND 20-40% of profit for the year	**DIVIDEND** 26% of profit for the year	The shareholders are ensured an attractive, long-term, direct return through allocation of surplus capital as dividend payments or in the form of share buyback programmes.
SOLVENCY RATIO at least: 35% **NET INTEREST-BEARING DEBT/EBITDA (GEARING)** less than: 1.5×	**SOLVENCY RATIO**: 36% **NET INTEREST-BEARING DEBT/EBITDA (GEARING)**: 0.5×	Execution of large-scale civil engineering projects for which only consolidated companies with sound financial resources are able to tender. Sound financial resources and thus a high credit ranking allow us to strategically position ourselves for long-term and continuous development in connection with acquisition of companies as well as internal business development.

Earnings target for the segments

Construction	Technical Solutions	Rail	Ground Engineering	Pipe Technologies
5.0%	4.0%	5.0%	6.5%	7.0%

Each of the five reporting segments have their specific earnings target because invested capital and market opportunities differ. Construction's target has increased from 4.5% to 5.0% while the targets for the other segments are unchanged.

Growth and development

The growth and development of the Aarsleff Group will continue to take place through a combination of organic growth and acquisitions of specialist expertise with the focus on profitability. Each individual business area must develop and improve or alternatively rethink its activity. This will lead to organic growth. Acquisitions must provide synergy – either by value-adding complementarity or by creating economies of scale and expand the existing business areas or cover a new geographical area.

In Construction, Technical Solutions and Rail, we are making the most of the current market potential while considering our policy of selective order intake. In the industrial segments Ground Engineering and Pipe Technologies, our growth target is between 5% and 10% per year with the focus on international growth. Overall, the markets for civil works and building construction still bring opportunities of profitable growth. It is a basic principle for the Aarsleff Group's development that earnings requirements take priority over growth. Continued efficiency improvements with consequent increased competitiveness must make growth a consequence more than a target.

Why invest in Aarsleff?

Top and bottom line growth

Aarsleff is a steadily growing Danish Group with significant activities in all of Northern Europe. The strategic breadth of our business units and types of work reduces risks, ensures the Group's development and operation and contributes to achieving earnings which are among the best in the industry.

Building on experience, know-how and skills

Aarsleff has a strong position within infrastructure and building construction. We have a significant focus on achieving efficiency and synergies by using our expertise across the Group.

Sharing one purpose and one strategy

At Aarsleff, we work together sharing one strategy and one purpose. We collaborate according to our One Company model. This provides us with an agile and efficient management of our diverse projects

Business-focused corporate social responsibility

Aarsleff has a strong focus on contributing solutions of benefit to society with great consideration for environment and climate. We are a responsible workplace which leads the way and contributes to the green transition of the building and construction industry.

Value creation through innovation and digitalisation

For many years, Aarsleff has developed new technologies, processes and solutions. We have a special focus on innovation and digitalisation which create more flexible ways of collaborating, increase the efficiency in the building processes and reduce costs.

Long-term focus

Aarsleff is deeply involved in the largest and most important building and construction projects in Denmark. We participate in the work on the Fehmarnbelt Fixed Link and in projects with focus on climate solutions and the green transition. Investing in Aarsleff is, therefore, also a long-term investment.

Shareholder information

Capital and share structure

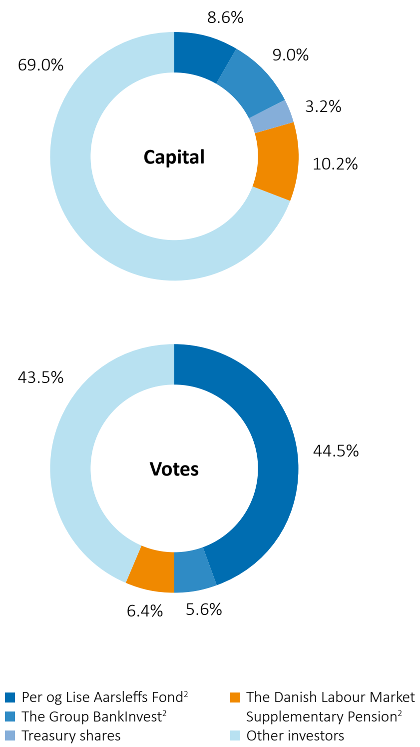
The Aarsleff share is listed in the Mid Cap segment on Nasdaq Copenhagen under the short name PAAL/B and the ISIN code DK0060700516.

The Aarsleff Group has no majority shareholders. All A shares are owned by the foundation Per og Lise Aarsleffs Fond, and the foundation possesses 44.4%[1] of the votes. The purpose of the foundation is, among other things, to ensure the Aarsleff Group's continued existence and development through possession of Per Aarsleff Holding A/S's A share capital.

Shareholders who hold more than 5% of the share capital or control more than 5% of the voting rights at 2 December 2024 are stated in the pie chart.

Aarsleff's Board of Directors reviews the capital and share structure at least once a year, giving priority to retaining a strong solvency in order to ensure the necessary financial versatility. At its most recent review in October, the Board of Directors found the capital and share structure to be appropriate and adequate relative to the company's plans and expectations.

Share holding, capital and votes[1]



Dividend policy

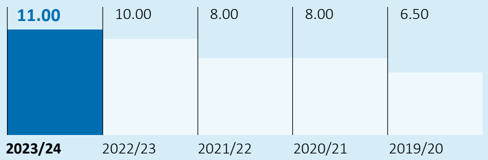
The Group's activities require significant capital resources and a strong solvency to mitigate risks. It is also important that the shareholders receive an attractive, long-term, direct return through allocation of surplus capital as dividend payments or in the form of share buyback programmes.

Aarsleff aims to pay stable or growing dividends ranging from 20-40% of the annual profit but with consideration to capital structure.

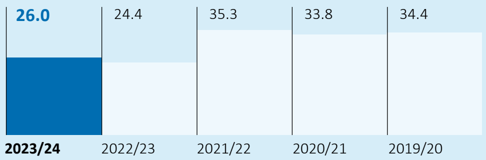
The decision as to the annual distribution of dividend is made on the basis of the actual financial situation, comprising net interest-bearing debt, solvency ratio and outlook for the future financial year.

For the financial year 2023/24, the proposed dividend per share of a nominal value of DKK 2 is increased to DKK 11, corresponding to a dividend distribution of DKK 208.9 million adjusted for the holding of treasury shares.

Dividend (DKK per share)



Dividend %



[1] A shares are calculated into shares of DKK 2 in line with the B shares, corresponding to 1,350,000 A shares. Number of votes is corrected for the company's holding of treasury shares.
[2] The foundation Per og Lise Aarsleffs Fond, Hasselager Allé 5, DK-8260 Viby J – The Group BankInvest, Bredgade 40, DK-1260 København K – ATP, Kongens Vænge 8, DK-3400 Hillerød.

Share buyback and treasury shares

During the year, Per Aarsleff Holding A/S has launched a share buyback programme, as described in a company announcement of 28 May 2024. In the period from 3 June to 30 September 2024, a total of 198,913 treasury shares were purchased at a total value of DKK 77.9 million. This means that the company's total number of treasury shares amounts to 587,531. Of these, 378,601 shares are used for meeting the company's obligations related to the Group's employee share programme.

At 30 September 2024, the market value of the treasury shares was DKK 237.4 million. Treasury shares are stated at DKK 0 in the balance sheet.

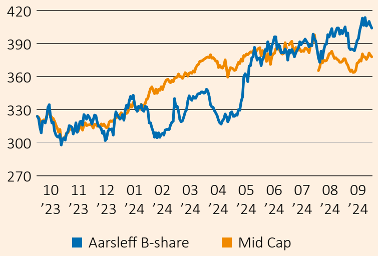
More information
For more information about analyst coverage and access to the shareholder portal, see **www.aarsleff.com/investor**

Share price development

At the closing of the financial year, the Aarsleff share closed at a price of DKK 404 per share compared with DKK 324 per share at the beginning of the financial year. This corresponds to an increase of 25%.

The total market capitalisation of the company's listed share capital amounted to DKK 7,363 million at the close of the financial year, against DKK 6,167 million the year before. Adjusted for the holding of treasury shares, the market capitalisation was DKK 7,126 million at 30 September 2024.

Share price development compared to Mid Cap



Investor relations policy

Aarsleff aims to create value and achieve results to match the best of our industry peers.

It is our policy to provide reliable information and to give the shareholders and the market the best possible insight into factors considered relevant to ensure a market efficient and fair pricing of the Aarsleff share.

Our management engage in regular dialogues with current as well as potential investors in the form of personal meetings and conferences. However, ahead of the publication of the interim financial reports and the annual report, we observe a four-week silent period. During such periods, our financial communications are subject to special restrictions.

Share information

	Share class A	Share class B	Total
ISIN code		DK0060700516	
Total number of shares	27,000	18,225,000	19,575,000[1]
Aarsleff shares owned by Per og Lise Aarsleffs Fond	27,000	328,086	1,678,086
Number of treasury shares owned by Per Aarsleff Holding A/S		587,531	
Nominal value, DKK	100	2	
Votes per share[2]	500	1	
Average daily trading volume in the financial year at Nasdaq OMX Copenhagen		17,012	
Exchange		Nasdaq OMX Copenhagen	
Ticker		PAAL/B	
Year high, closing price		413	
Year low, closing price		298	
Registered shares, %	100	83	

[1] A shares are calculated into shares of DKK 2 in line with the B shares, corresponding to 1,350,000 A shares.
[2] A shares carry ten times as many voting rights as the class B shares per each nominal DKK.

Financial calendar 2025

30 January
Annual general meeting at 15:00

4 February
Payment of dividend for the financial year 2023/24

28 February
Interim financial report for the period 1 October to 31 December 2024

28 May
Interim financial report for the period 1 October 2024 to 31 March 2025

28 August
Interim financial report for the period 1 October 2024 to 30 June 2025

16 December
Annual report for the financial year 2024/25

FINANCIAL PERFORMANCE OF THE YEAR

Lava protection in Iceland

Financial review

REVENUE

DKKm 21,719

Growth: DKKm 1,475 million/7.3%. Of this: Denmark 5.7%/Foreign operations 10.2%/Organic 5.6%

2022/23: DKKm 20,244
Growth: DKKm 2,126/11.7%

High activity in the construction market in Denmark and high activity in Iceland.

High activity and demand for the Group's technical services, including the newly acquired expertise within stainless steel.

The level of activity in Rail is slightly lower due to the reorganisation of the activities in Sweden.

A year with high activity in the Danish ground engineering market, and good activity in most of the other markets in the second half of the year. The Swedish market, however, is still affected by low activity within residential building.

Satisfactory level of activity in all the main markets in Pipe Technologies.

EBIT

DKKm 1,101 / 5.1%

Growth: DKKm 23/2.1%

2022/23: DKKm 1,078/5.3%

High capacity utilisation in most segments had a positive effect on gross profit and EBIT.

The gross profit is slightly lower than last year when the result was positively affected by construction projects completed above expectations.

As a result of the revenue growth, capacity costs now amount to 7.3% against 7.4% last year.

Technical Solutions delivers EBIT above expectations due to e.g. the acquisition of MD Rustfri A/S.

EBIT in Ground Engineering is above expectations due to, among other things, a good project execution in Germany and Poland.

In Rail, EBIT is positively affected, e.g. by the level of activity in Denmark, while activities in Norway and Sweden are still not contributing in line with expectations.

In Pipe Technologies, EBIT is positively affected by good activity in the Nordic markets, especially in the fourth quarter.

TAX

Effective tax rate

24.1%

2022/23: 23.4%

A higher tax rate in subsidiaries, which contribute positively to the profit for the year, increases the total tax rate.

Non-deductible costs, including the employee share programme, also increase the tax rate.

Also, the mark-to-market taxation of financial instruments increases the tax rate slightly.

FINANCIAL ITEMS

Income	Expenses
DKKm 93	**DKKm 106**
2022/23: DKKm 35	2022/23: DKKm 71

Income is affected by interest income at an amount of DKK 79 million, primarily due to the improvement of working capital during the year as well as fair value adjustment of securities at an amount of DKK 10 million.

Expenses consist of an adjustment of earn outs of DKK 4 million as well as by interest expenses of DKK 102 million. Interest expenses are still affected by the high interest rate level.

BALANCE SHEET

Balance sheet total
DKKm 14,066
30/9 2023: DKKm 13,382

Net interest-bearing debt
DKKm -1,015
30/9 2023: DKKm -1,517

Equity
DKKm 4,998
30/9 2023: DKKm 4,404

Solvency ratio
35.5%
30/9 2023: 32.9%

Working capital
DKKm 2,078
30/9 2023: DKKm 2,072

The balance sheet total has increased by 5.1% primarily due to the growth of the business.

The balance sheet total was affected to a rising degree after investments in e.g. vessels for the Fehmarn project and the acquisition of MD Rustfri A/S.

Working capital increased by DKK 6 million. The development is due to an increase in net work in progress, where the project portfolio has been changed to more construction projects as well as a high level of activity in the fourth quarter. However, the change is partly offset by a larger increase in trade payables due to the high level of activity in the fourth quarter.

Warranty commitments increased by DKK 161 million, mainly due to the completion of a number of large building projects which traditionally have larger warranty provisions than construction projects.

Non-current liabilities, which comprise the Group's committed credit facility, are reduced by DKK 788 million primarily due to the positive result of the year.

Net interest-bearing debt has been significantly reduced as a result of good earnings and now amounts to 0.5x EBITDA which is within the target of maximum 1.5x EBITDA.

Invested capital decreased due to the reduction in interest-bearing debt.

CASH FLOWS

Cash flow from operating activities
DKKm 1,981
2022/23: DKKm 1,102

Cash flow from financing activities
DKKm -1,376
2022/23: DKKm -7

Cash flow from investing activities
DKKm -794
2022/23: DKKm -824

Change in cash and cash equivalents for the period
DKKm -189
2022/23: DKKm 271

The increased operating profit has resulted in an increase of cash flows from operating activities by DKK 879 million.

The negative cash flows from investing activities have been reduced by DKK 30 million compared to last financial year, primarily due to fewer investments in land and buildings.

The financing activities impacted net cash flows by DKK -1,376 million and were affected by a reduction in the withdrawal on the Group's committed credit facility and an increased dividend payment, partly offset by a slightly smaller impact from share buybacks.

Quarterly follow-up

Quarterly results

Operating profit (EBIT) of the fourth quarter amounted to DKK 352 million (EBIT margin: 6.4%) compared to DKK 346 million (EBIT margin: 7.0%) in the same period last financial year where several large construction projects were completed above expectations.

Construction

Construction delivered fourth quarter results above expectations. The EBIT margin is positively affected by a generally high level of activity.

Technical Solutions

Technical Solutions delivered fourth quarter results in line with expectations. There has been a high level of activity in the quarter, especially in connection with the building of Mary Elizabeth's Hospital and the New North Zealand Hospital.

Rail

Rail delivered fourth quarter results above expectations. This is mainly due to high activity on a number of major Danish projects.

Ground Engineering

Ground Engineering delivered fourth quarter results somewhat above expectations. Especially the companies in Germany and Poland delivered positive results as several projects were completed above expectations.

Pipe Technologies

Pipe Technologies' fourth quarter results were slightly above expectations, and the level of activity in all main markets was satisfactory.

	2023/24				2022/23			
(DKKm)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement								
Revenue	5,476	5,769	5,171	5,303	4,962	5,310	4,681	5,291
Gross profit	732	705	628	559	732	697	537	564
Profit before interest, tax, depreciation and amortisation (EBITDA)	570	500	442	392	547	534	378	403
Depreciation, amortisation and impairment	218	203	196	186	201	211	185	187
Operating profit (EBIT)	352	298	245	206	346	323	193	216
Net financials	-12	-6	-7	13	-3	-24	3	-12
Profit before tax	339	292	238	219	343	299	196	204
Tax on profit for the period	-86	-62	-55	-59	-86	-66	-50	-42
Profit for the period (continuing operations)	253	231	182	160	257	233	146	162
Profit for the period (discontinued operations)	0	0	0	0	0	-1	-5	0
Cash flow								
Cash flow from operating activities	224	288	338	1,131	491	-75	651	35
Cash flow from investing activities	-252	-234	-134	-174	-247	-204	-197	-176
Cash flow from financing activities	-16	-55	-386	-919	-67	260	-465	265
Total cash flow	**-44**	**-1**	**-182**	**38**	**177**	**-19**	**-11**	**124**
Balance sheet								
Non-current assets	5,133	5,037	4,862	4,800	4,753	4,634	4,531	4,431
Current assets	8,933	8,402	7,813	8,074	8,629	7,718	7,021	7,568
Total assets	**14,066**	**13,439**	**12,675**	**12,874**	**13,382**	**12,352**	**11,552**	**11,999**
Equity	4,998	4,805	4,572	4,590	4,404	4,119	3,873	3,968
Non-current liabilities	2,364	2,249	2,146	2,232	3,003	1,183	1,162	1,153
Current liabilities	6,704	6,385	5,957	6,052	5,975	7,050	6,517	6,878
Total equity and liabilities	**14,066**	**13,439**	**12,675**	**12,874**	**13,382**	**12,352**	**11,552**	**11,999**
Full-time workforce (average)	8,782	8,834	8,766	8,680	8,764	9,043	8,957	8,660
Financial ratios								
Gross margin, %	13.4	12.2	12.1	10.5	14.8	13.1	11.5	10.4
Operating margin (EBIT margin), %	6.4	5.2	4.7	3.9	7.0	6.1	4.1	3.3
Invested capital (IC)	6,013	5,652	5,318	5,228	5,921	5,805	5,195	5,440
ROIC (after tax), % (annualised)	14.0	14.6	16.0	14.6	15.0	14.3	14.0	12.7
Working capital	2,078	1,577	1,391	1,378	2,072	1,941	1,388	1,524
Net interest-bearing debt/EBITDA (gearing)	0.5	0.3	0.4	0.3	0.8	1.0	0.8	1.0
Net interest-bearing deposits/debt (+/-)	-1,015	-848	-747	-639	-1,517	-1,687	-1,323	-1,473

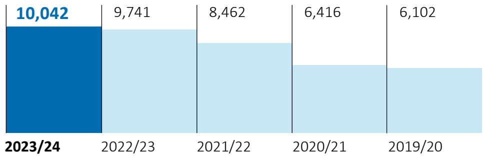
Construction


Expansion of Terminal 3 in Copenhagen Airport

Revenue

DKKm 10,042

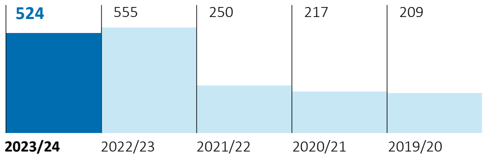
Increased by 3.1% due to good activity within the construction market in Denmark and high activity in Iceland.



Segment results (EBIT)

DKKm 524

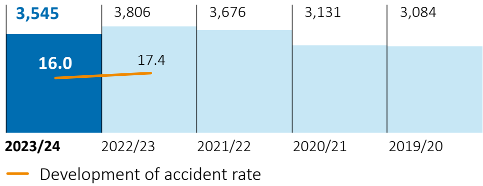
Profit for the year is very satisfactory.



Full-time workforce (average)

3,545

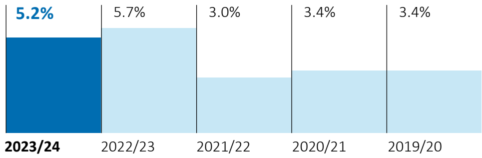
Decreased from 3,806 last year due to a changed project portfolio.



EBIT margin

5.2%

The margin is positively affected by the high level of activity and by a generally good project execution. The EBIT margin target for the segment has increased to 5% from 4.5%.



Construction

The year in brief

- Good level of activity in the construction market, with high activity in Iceland and on several large projects such as Lynetteholm in Copenhagen, the Fehmarn project and Masthuggskajen in Gothenburg.
- EBIT is above expectations and positively affected by the level of activity in Iceland and the high level of activity within the construction market and a generally good project execution.

Strategic initiatives

- Focus on creating a safe and attractive working environment and to become the preferred workplace.
- Use the opportunities provided by the green transition and ensure that our work and working processes are adjusted to the requirements of the future.
- Focus on selection, including test of AI as a catalyst for increased productivity in the tender and execution phase.

Investments

- Large investments in especially vessels for the Fehmarn project.
- Continued investments in production facilities in Poland.

Order intake and order backlog

DKKm **13,201**

order intake.

DKKm **15,272**

order backlog at 30 September 2024.

Approx.

DKKm **7,375**

are expected to be carried out in the financial year 2024/25.

Construction

High level of activity, for example with the Fehmarn project and the establishment of Lynetteholm.

–

Still many tender opportunities, especially concerning large infrastructure projects. In October 2023, Aarsleff entered into a DKK 2.15 billion contract for the establishment of the next phase of Lynetteholm which is Copenhagen's new peninsula and flood protection. In July, two agreements were signed concerning the establishment of the new high-speed line between Odense and Kauslunde at a total value of DKK 700 million.

–

High level of activity within projects driven by the green transition, for example conversion from natural gas to district heating. In October, Aarsleff entered into a DKK 2 billion contract for the establishment of district heating in the municipalities Furesø, Egedal and Frederikssund in a One Company collaboration with Wicotec Kirkebjerg A/S.

Building construction

As expected, we see a slowdown due to rising material and raw material prices as well as increasing interest rates. In January, a final agreement was signed for the building of the high-rise tower Mindet in Aarhus, Denmark's highest office building.

–

In April 2024, Aarsleff handed over the new Natural History Museum of Denmark where we since 2019 have carefully renovated, expanded and transformed the historic buildings in the heart of Copenhagen into a new ambitious museum of international top class.

–

There are still many opportunities, particularly within building projects for the pharmaceutical industry, and there is also an increasing number of renovation projects, especially in Greater Copenhagen.

–

Based on lessons learnt during the past years, the development of more building projects in early contractor involvement continues. Most recently, we have signed an agreement of DKK 700 million with the developer Prime Office A/S for the construction of Mejlbryggen in Aarhus.

The North Atlantic and other international operations

At Pituffik Space Base, the former Thule Air Base, the operational contract became effective from 1 October 2023.

–

There is a very high level of activity in Iceland. For example, dikes have been built to protect a power plant and the town of Grindavik from lava.

–

The market opportunities in Greenland are still good, particularly within building projects in Nuuk and expansion projects at Pituffik Space Base. Recently, we have signed a DKK 700 million contract for the renovation of J-Plant, the power station that supplies Pituffik Space Base with energy.

–

The large Swedish One Company harbour project Masthuggskajen in Gothenburg is progressing as expected, while the other large project in Port of Varberg has been handed over.

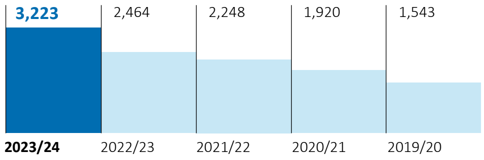
Technical Solutions

Technical installations at Mary Elizabeth's Hospital

Revenue

DKKm 3,223

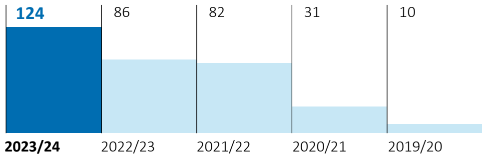
Increased by 30.8% due to great demand for the Group's technical services and the acquisition of MD Rustfri A/S.



Segment results (EBIT)

DKKm 124

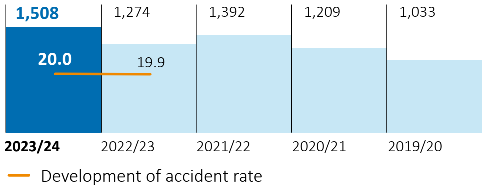
The positive development is maintained with a satisfactory EBIT.



Full-time workforce (average)

1,508

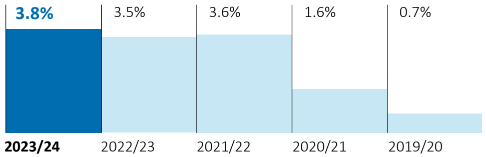
Increased from 1,274 due to the high level of activity.



EBIT margin

3.8%

Positively affected by the high level of activity and the acquisition of MD Rustfri A/S. The EBIT margin target for the segment is 4.0%.



Technical Solutions

The year in brief

- High growth due to great demand for the Group's technical services and the acquisition of MD Rustfri A/S which carries out stainless pipe installations for the pharmaceutical industry.
- EBIT was as expected.

Strategic initiatives

- With the slowdown within building construction, the focus is more on industry and infrastructure, especially the food and pharmaceuticals industry as well as technical turnkey solutions for water utilities and wastewater treatment plants.
- Exploit the opportunities in connection with the green transition, e.g. within energy optimisation, industrial heat pumps, conversion from district heating and extension of the electricity network.

Investments

- In October 2023, acquisition of MD Rustfri A/S which carries out stainless steel pipe installations for the pharmaceutical industry.

Order intake and order backlog

DKKm **3,359**

order intake.

DKKm **3,575**

order backlog at 30 September 2024.

Approx.

DKKm **2,075**

are expected to be carried out in the financial year 2024/25.

Projects

In general, a high level of activity, among other things driven by the large technical contracts for the industry and the contracts for the construction of the New North Zealand Hospital and Mary Elizabeth's Hospital.

–

There are continued good tender opportunities within trade contracts and large technical contracts, primarily in Greater Copenhagen.

–

During the year, we have entered into several large technical contracts within the pharmaceutical industry, and several projects have begun.

–

Limited revenue from the One Company building projects as all the large building projects have been handed over.

Industry and infrastructure

Increasing level of activity and many tender opportunities especially within the pharmaceutical industry.

–

High demand for expertise and services within stainless steel pipe installations, industrial heat pumps and industry in general.

–

High level of activity within conversion from natural gas to district heating. In October 2023, Wicotec Kirkebjerg A/S, in a One Company collaboration with Per Aarsleff A/S, was awarded a DKK 2 billion district heating contract in the municipalities Furesø, Egedal and Frederikssund.

Service and installation

A general high level of activity.

–

High demand for expertise within building automation, services and facility management.

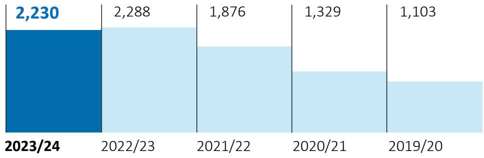
Rail


Track renewal at Aalborg Station

Revenue

DKKm 2,230

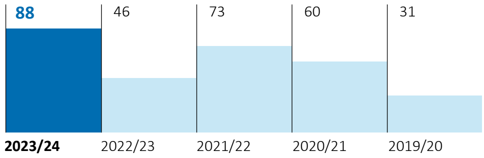
Decreased by 2.5% due to the current reorganisation of activities in Sweden.



Segment results (EBIT)

DKKm 88

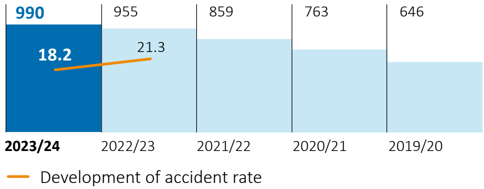
The result is positively affected by the higher level of activity in Denmark, while the results in Norway and Sweden are still not satisfactory.



Full-time workforce (average)

990

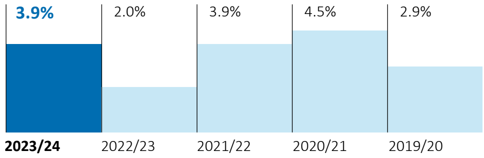
Increased from 955 last year due to high activity on a number of large Danish projects.



EBIT margin

3.9%

Improved compared to last financial year which was affected by the restructuring costs in Norway. The EBIT margin target for the segment is 5.0%.



Rail

The year in brief

- A slightly lower revenue due to the current reorganisation of activities in Sweden.
- EBIT exceeded expectations. The result is positively affected by higher activity in Denmark, while results in Norway and Sweden are still not satisfactory.

Strategic initiatives

- Focus on realising the potential for profitable organic growth in Scandinavia.
- Create the attractive workplace of the future with a safe, diverse and developing working environment.
- Establish a strong collaboration model where all the Rail companies collaborate and share knowledge, supported by efficient processes and systems.

Investments

- Investments for the year consist primarily of the usual replacements of rail-bound equipment.

Order intake and order backlog

DKKm **971**

order intake.

DKKm **1,842**

order backlog at 30 September 2024.

Approx.

DKKm **1,100**

are expected to be carried out in the financial year 2024/25.

Denmark

Higher revenue due to a high level of activity in the fourth quarter.

–

High level of activity on a number of large projects such as the Greater Copenhagen Light Rail along Ring 3, the electrification of the railway section Aarhus-Aalborg, track renewal at the stations in Hjørring, Langå and Aalborg, the operational work at the Light Rails in Odense and Aarhus and the facility management contract for DSB.

–

Continued focus on increasing the activities within service and maintenance.

–

Continued focus on a more selective order acquisition in a market with many tender opportunities.

Norway

Generally satisfactory activity level, but still with an unsatisfactory result.

–

Several large projects in Trondheim and more new tasks for Banenor.

–

Continued good tender opportunities within the construction and the railway area.

–

Focus on increasing earnings by selecting the right projects and securing the right organisation.

Sweden

The level of activity has been low during the financial year with an unsatisfactory result.

–

Continued focus on the ongoing reorganisation of activities in Sweden and a more selective order acquisition.

–

The projects comprising the reconstruction in Helsingborg C and the construction of dock siding at Farehamnen in Varberg have been completed.

–

More tender opportunities especially within electrification of the railway.

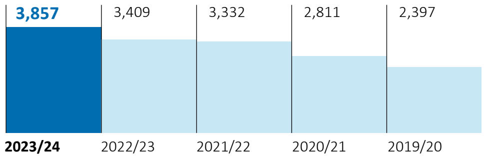
Ground Engineering

Quay renovation in Port of Hamburg

Revenue

DKKm 3,857

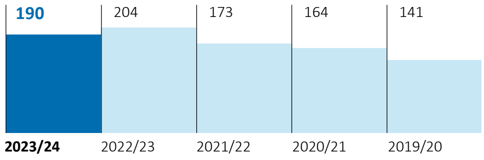
Increased by 13.2% primarily due to a high level of activity in Denmark.



Segment results (EBIT)

DKKm 190

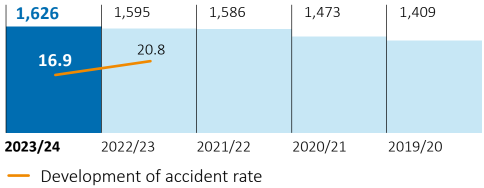
EBIT exceeded expectations. In the first half of the financial year, earnings were weak, but the second half of the financial year is satisfactory.



Full-time workforce (average)

1,626

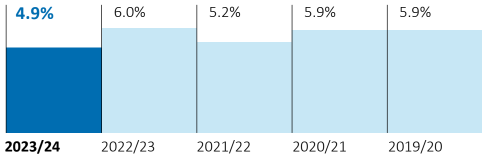
Increased from 1,595 last year due to higher activity.



EBIT margin

4.9%

Altogether, the EBIT margin is not satisfactory, but there was a gradual improvement during the year. The EBIT margin target for the segment is 6.5%.



Ground Engineering

The year in brief

- The growth in revenue comes primarily from Denmark, deriving from the high activity during the year.
- High activity in most of the markets in the second half of the year. However, the activities relating to residential building construction remain at a very low level, and especially the Swedish market is affected.
- EBIT exceeded expectations, and especially the companies in Germany and Poland delivered positive results as several projects were completed above expectations.

Strategic initiatives

- Further marketing of the screw pile system and continue the expansion of our electrification piles in Sweden and Germany.
- Continue to build up expertise and capacity for larger and more complex ground engineering projects in Europe.
- Increased focus on digitalisation and consideration for the environment and the surroundings.
- Focus on employee development, well-being and a safe working environment.

Investments

- Production and sale of screw piles have begun.

Order intake and order backlog

DKKm **3,668**

order intake.

DKKm **2,000**

order backlog at 30 September 2024.

Approx.

DKKm **1,600**

are expected to be carried out in the financial year 2024/25.

Denmark

High activity, for example with the foundation work for the new King Frederik IX Bridge between the islands of Lolland and Falster as well as on several harbour projects.

–

Good activity within infrastructure and industrial buildings as well as good capacity utilisation within groundwater lowering.

–

Increasing activity in the market for No-Dig activities at the company Entreprenørfirmaet Østergaard A/S, primarily due to the green transition.

Germany

The high activity within pile installation projects has contributed positively to earnings. However, the activity within soil anchors has been lower.

–

Continued sound market opportunities, among other things as a result of projects related to the green transition. The same applies to infrastructure where we have entered into an agreement in a joint venture with Hochtief concerning the development of the quay Salzgitterkai for Hamburg Port Authority.

Poland

Continued satisfactory activity within pile foundation and sheet piling projects, contributing to satisfactory results.

–

The slowdown in building activities is expected to be offset by the opportunities in the construction market, comprising for example the building of harbours and other infrastructure.

The Czech Republic

Increasing activity in the Czech Republic where the subsidiary in Brno covers the Czech market in collaboration with the Polish company.

Sweden

The results in Sweden are unsatisfactory and strongly impacted by the decline within residential building, resulting in severe price competition and a lower capacity utilisation.

–

The work on the large harbour project Masthuggskajen in Gothenburg progresses as planned. Satisfactory completion of the projects in Södertälje and Port of Varberg.

The UK

High activity especially in and around London. Results are satisfactory.

–

Continued good market opportunities in London and in connection with pile foundation for logistic centres and large industrial plants. However, competition is increasing, and the activity is expected to decrease.

Norway

Good activity within No-Dig, while the project activity within ground engineering is somewhat lower than expected.

–

There are still good market opportunities within No-Dig, but keen competition within ground engineering projects.

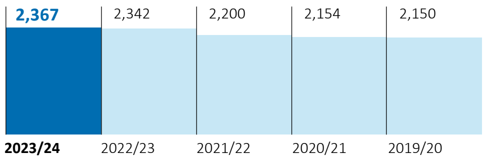
Pipe Technologies

Sewer renovation in Herlev

Revenue

DKKm 2,367

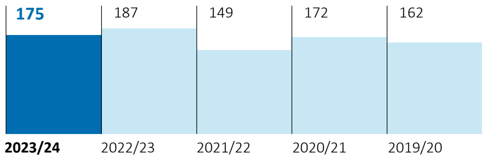
Increased by 1.1%. The level of activity was satisfactory in all significant markets.



Segment results (EBIT)

DKKm 175

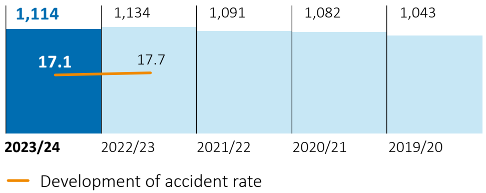
Higher than expected, and especially the Nordic markets contribute with satisfactory earnings.



Full-time workforce (average)

1,114

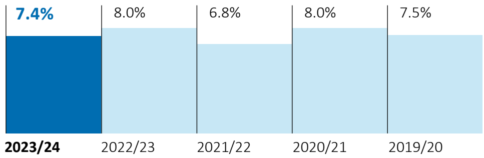
Decreased from 1,134 last year due to a changed project composition.



EBIT margin

7.4%

The realised EBIT margin is higher than the long-term target for the segment which is 7.0%.



Pipe Technologies

The year in brief

- Satisfactory activity in all the main markets.
- EBIT is higher than expected due to good activity in the fourth quarter, where especially the Nordic markets contribute with satisfactory earnings.

Strategic initiatives

- Development of new markets, including establishment of third-party sales for selected companies.
- Launch initiatives that support the development of the machinery of the future, including increased use of electric trucks and development of curing methods based on biogas and hydrogen.
- Focus on attracting, developing and maintaining a qualified organisation that manages industrial as well as project-based work.

Investments

- The new production plant for glass-fibre liners has been put into operation.

Order intake and order backlog

DKKm **2,615**

order intake.

DKKm **1,656**

order backlog at 30 September 2024.

Approx.

DKKm **1,200**

are expected to be carried out in the financial year 2024/25.

The Nordic region

Normal activity within the utility area in Denmark. In Copenhagen, the large Belvedere pipeline has been renewed with glass-fibre profiles produced at the Group's factory in Germany.

–

Continued good activity in the Norwegian market with satisfactory earnings.

–

In Sweden, the activity was similar to last year, but earnings were not satisfactory.

Western Europe

Satisfactory activity in Germany.

–

We are still working on switching to a more regional approach with more offices to ensure an improved geographic coverage.

–

In the Netherlands, the activity is still satisfactory.

–

The sale of the Bluelight technology is progressing in line with expectations, and there is continued focus on new markets.

Eastern Europe

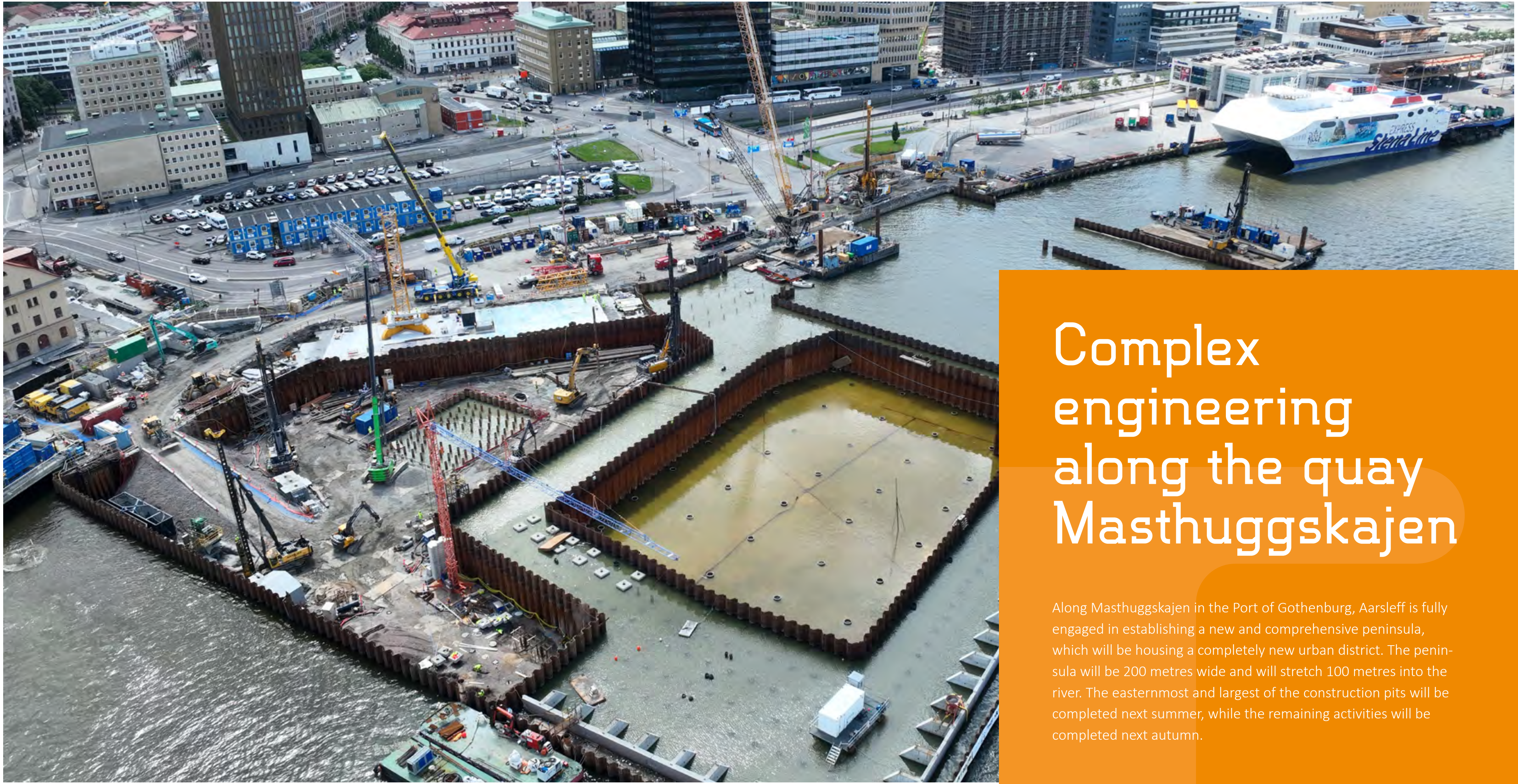
In the Baltic countries, there are still very few tenders, and therefore the activity continues to be low.

–

The Polish market remains challenging, and it is expected to take longer before an improvement is seen.

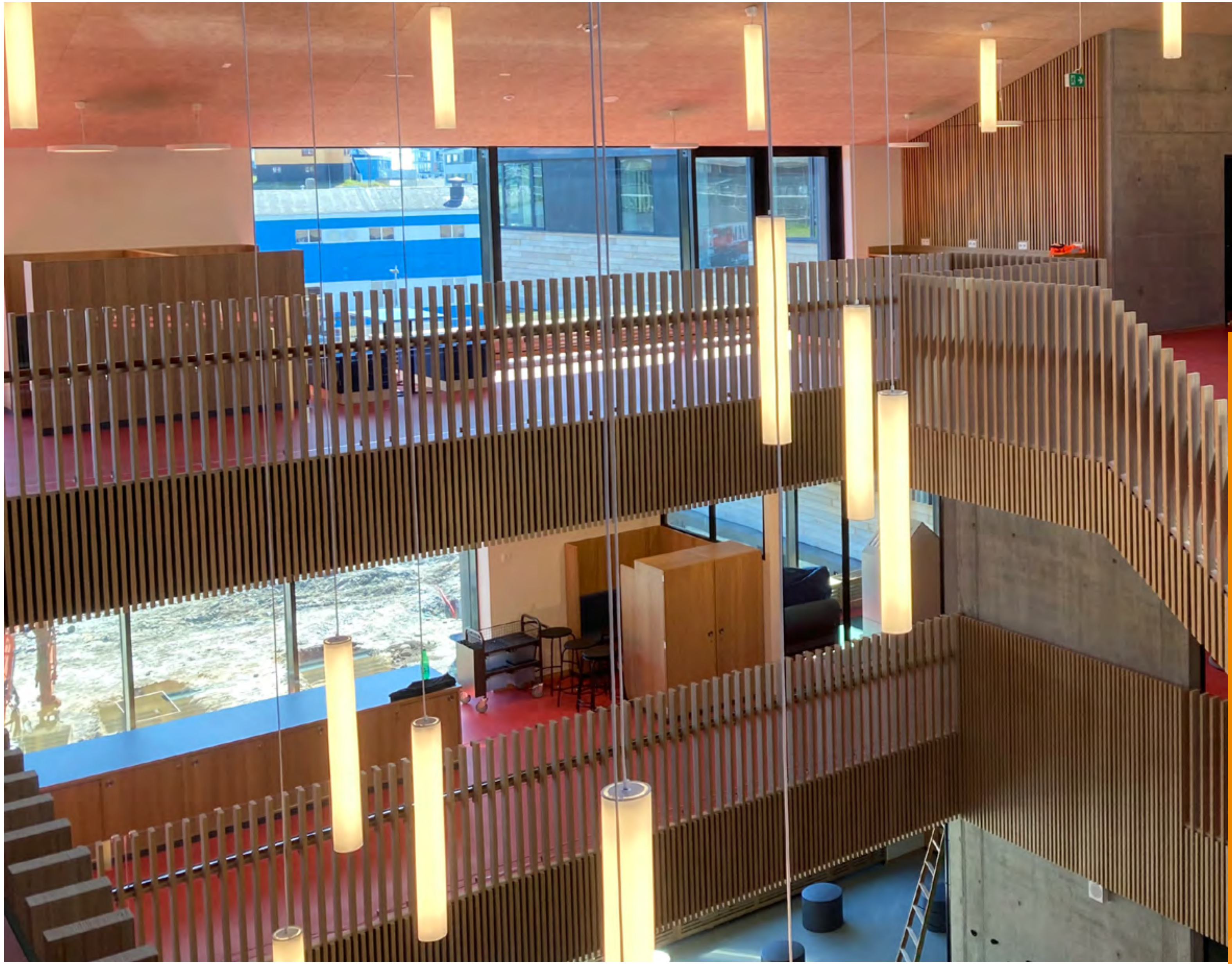
THE YEAR AT A GLANCE

The Fehmarnbelt project's tunnel factory in Rødbyhavn



Complex engineering along the quay Masthuggskajen

Along Masthuggskajen in the Port of Gothenburg, Aarsleff is fully engaged in establishing a new and comprehensive peninsula, which will be housing a completely new urban district. The peninsula will be 200 metres wide and will stretch 100 metres into the river. The easternmost and largest of the construction pits will be completed next summer, while the remaining activities will be completed next autumn.



Nuuk's new spectacular school is ready

Now, 1,000 school children can look forward to using the 18,000 modern and bright square metres of Nuuk's new school, Atuarfik Inussuk. Aarsleff's Icelandic company, Ístak hf., has been the design & build contractor on the impressive building, which also includes a multi-hall, an auditorium, a café and a dance hall. The focus has been on creating small, safe communities, which has been achieved by dividing the building into seven separate houses.

Extending the life of a 130-year-old wastewater pipe in the Copenhagen underground

After a strong internal collaboration between several Aarsleff companies, the large and old wastewater pipe, the Belvedere pipe from 1896, has now been renovated under Copenhagen Central Station. On the 160-metre-long section, with impressive dimensions of 3.1 metres in height and 3.7 metres in width, we have installed 78 glass-fibre reinforced polyester profiles, produced by our German company FRP-Prolining GmbH.

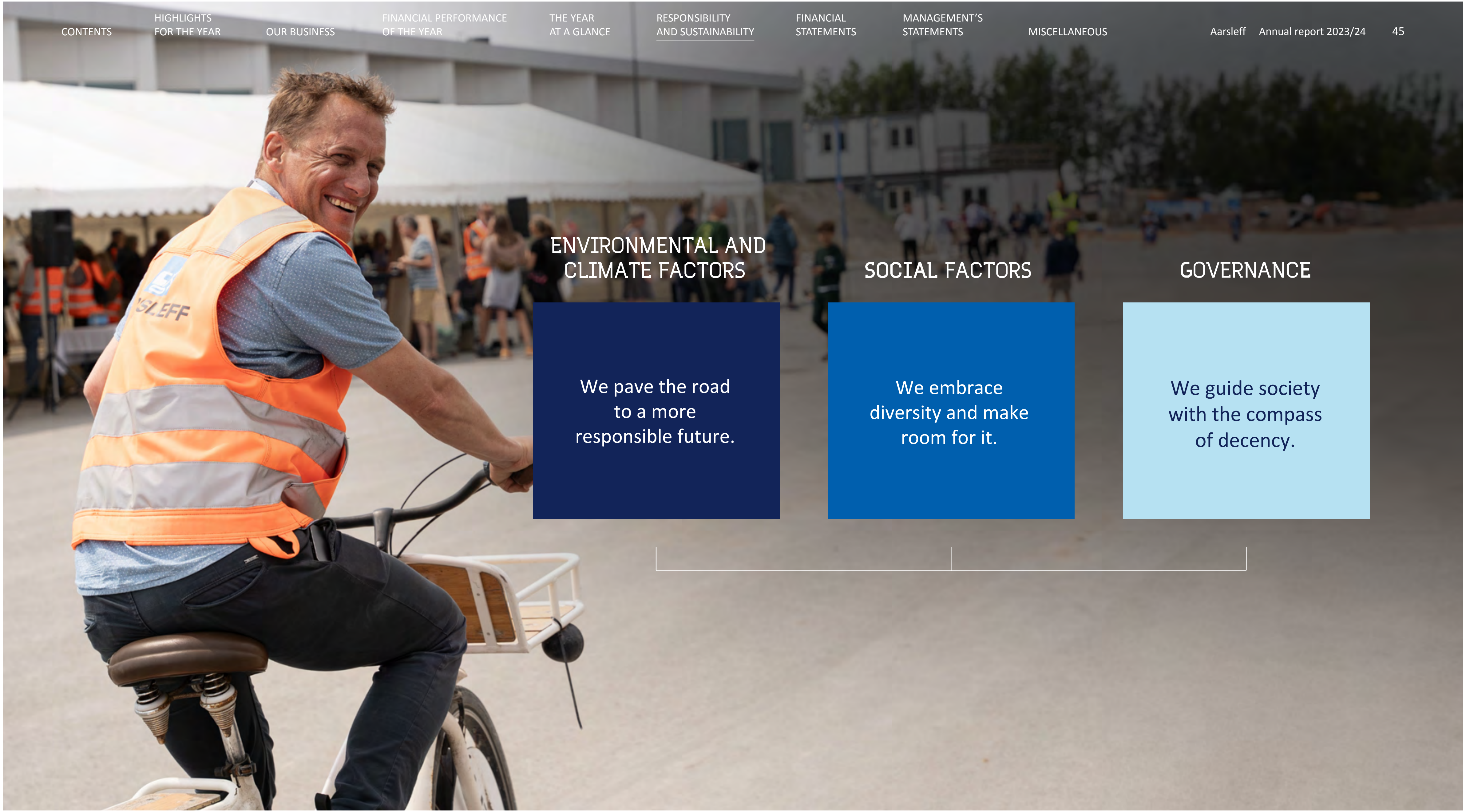
1, 2, ... 1,000 working platforms

In 2007, we developed a new concept in Aarsleff's offshore business. With our experience from gravity foundations, we designed a concrete working platform that is both cheaper, more robust, and requires less maintenance than traditional steel solutions. Soon we will ship working platform no. 1,000 from the quay in Swinoujscie, where our concrete element factory is located.

Rainwater park to prevent flooding

Massive torrential rainstorms and large amounts of rain present an increasing challenge to several municipalities and utility companies, including Haderslev municipality. In the middle of the city, on the western part of the path Jomfrustien, Aarsleff is now constructing a rainwater park with four reservoirs that collect water and create small lakes. Upon completion, the park is expected to withstand "once-in-a-century" rainfall events – or at least 85 millimetres of rain within 24 hours.

RESPONSIBILITY AND SUSTAINABILITY



ENVIRONMENTAL AND CLIMATE FACTORS

We pave the road to a more responsible future.

SOCIAL FACTORS

We embrace diversity and make room for it.

GOVERNANCE

We guide society with the compass of decency.

IN GENERAL

Basis for preparation

Preparation for the CSRD requirements in the financial year 2024/25.

The Aarsleff Group is set to report in accordance with the CSRD requirements for the financial year 2024/25. This year, the Group has undertaken thorough preparations to meet these extensive requirements. Although not all requirements have been fully met, this year's sustainability report is based on the CSRD framework. The report covers the entire Group and includes relevant information about the value chain, incorporating the double materiality assessment. In preparing the double materiality assessment, all stages of the value chain, both upstream and downstream, were considered. The focus was not on individual stakeholders in the value chain but on areas where material impacts, risks and opportunities may arise.

The reporting follows the predefined time horizons from the ESRS: short term (1 year), medium term (2-5 years) and long term (more than 5 years).

For carbon emissions calculations, Scope 1 and Scope 2 emissions are based on location-specific emission factors. Scope 3 emissions are calculated using a combination of supplier-provided data (EPDs), industry averages and other relevant information. We are continuously working to improve and update our data collection processes to enhance detail and accuracy in the future.

Administration

Sustainability issues are addressed by the Group management at several levels, depending on the specific nature of each issue. Please refer to the sections on Corporate governance and Executive Management and Board of Directors.

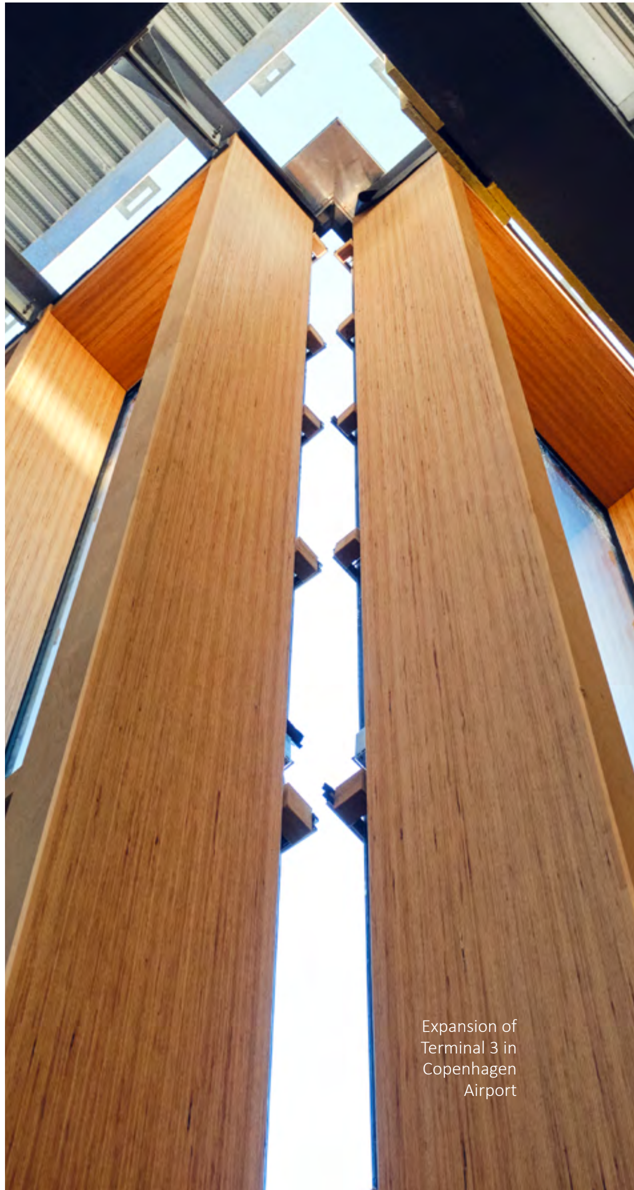
In general, the Nomination and Remuneration Committee has decided not to implement incentive-based remuneration. This also applies to results within the ESG area. For details on management remuneration, please see the remuneration report.

We have established a due diligence process based on the OECD model. This process includes incorporating responsible business conduct into policies and management systems, risk assessment, handling of negative impacts, follow-up, communication as well as complaint mechanisms and remediation. The responsibility for the due diligence process is anchored in management, with the decentralised implementation of each step still ongoing.

For details on internal controls, established processes and other aspects related to ESG reporting, please refer to the section on Internal controls and risk management in the financial reporting.

Strategy, business model and value chain

The strategy of the Aarsleff Group is detailed in the section on Group strategy, and the section on Business model shows how we create value. The value chain is outlined in the section on Responsibility in the value chain. An overview of the Group's stakeholders and our interactions with them is provided in the section on Stakeholders.



Expansion of Terminal 3 in Copenhagen Airport

IN GENERAL

Double materiality assessment

The result of the double materiality assessment shows the following:

Material ESRS

- E1 Climate change
- E4 Biodiversity and ecosystems
- E5 Resource use and circular economy
- S1 Own workforce
- S2 Workers in the value chain
- G1 Business conduct

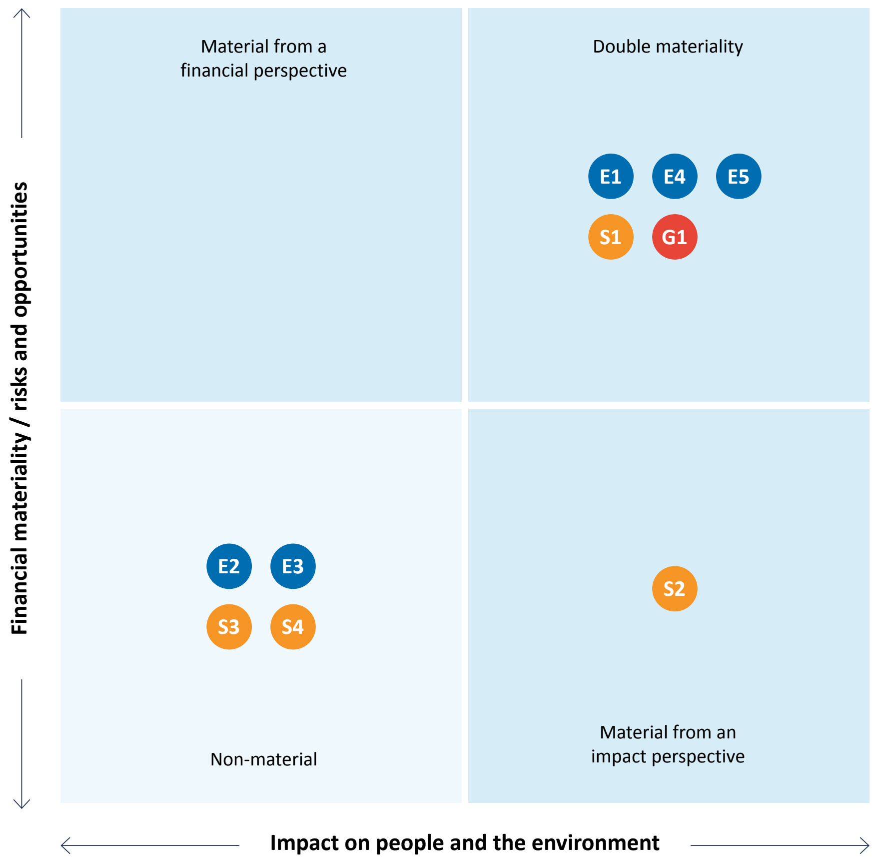
Non-material ESRS

- E2 Pollution
- E3 Water and marine resources
- S3 Affected communities
- S4 Consumers and end-users

The process of preparing the double materiality assessment is described in the section on Applied accounting policies for sustainability reporting.

Financial risks

Moreover, we have identified five material financial risks that do not materially impact people and the environment. These are joint venture risk, project planning and implementation, project revenue recognition, changed market conditions as well as cyber attacks. We describe these in more detail in the section on Material financial risks.



IN GENERAL

Material impacts, risks and opportunities resulting from the double materiality assessment

Environmental and climate factors

Environmental topics	Impacts	Risks	Opportunities
ESRS E1, Climate change			
Climate change adaptation	+ Expertise in climate resilience, including the construction of reservoir facilities, flood protection and coastal protection, which can help collect rainwater and safeguard infrastructure and areas from flooding and overflow.	Risks of resource shortages, delayed supplies and increased prices, if subcontractors do not climate-proof their production and transportation routes.	The growing need for climate resilience measures, such as flood protection, coastal protection, separation of sewerage and rainwater as well as construction of reservoir facilities, presents a business opportunity for the Aarsleff Group.
Climate change mitigation	− Emissions of greenhouse gases occur throughout all construction phases of the value chain. This includes upstream emissions from the extraction, production and transportation of raw materials. The Group's own activities generate emissions during the execution phase, while downstream emissions arise from the energy consumption in the finished construction. + Help to implement solutions that will transform the energy supply and reduce greenhouse gas emissions.		The green transition of the energy supply creates new business opportunities, as it necessitates the development and construction of new infrastructure for both green energy production and its transportation to consumers.
Energy	− The construction industry has high energy consumption throughout its value chain. This includes upstream emissions from the extraction, production and transportation of raw materials. The Group's own activities generate emissions during the execution phase, while downstream emissions arise from the energy consumption in the finished construction. + Help to construct offshore wind farms and expand harbours associated with these projects. Expansion of the energy supply network. Expansion, renovation and electrification of public transport, including the construction of metros and light rails as well as electrification of the railway network.		Realising the green transition requires expanding the existing infrastructure. This includes constructing offshore wind farms, expanding the energy supply network, expanding harbours to support offshore wind farm projects, establishing more public transport through building metros and light rails or extending and electrifying the existing railway network.

Environmental and climate factors

Environmental topics	Impacts	Risks	Opportunities
ESRS E4, Biodiversity and ecosystems			
Direct drivers of impact on biodiversity loss	− The Group's large consumption of raw materials, manufactured products and transportation as well as the carbon emissions from these activities have a negative impact and could result in biodiversity loss.	Loss of biodiversity could lead to shortages of certain raw materials and potential price increases.	
Impacts on the extent and condition of ecosystems	− Construction projects can involve changes in land use, including the potential destruction of habitats when natural areas are used for construction, infrastructure or coastal protection projects.		

Environmental topics	Impacts	Risks	Opportunities
ESRS E5, Resource use and circular economy			
Resource flow, including resource use	− The Group has a significant impact due to its large consumption of carbon-intensive materials. This includes materials such as steel, sheet piles, cement, ready-mixed concrete and the transportation of these materials. A large portion of these materials will be newly produced.	There is a risk of losing competitiveness and reducing market share if the level of circular economy practices is not increased. This applies to both reuse and recycling.	
Waste	− Waste production at construction sites has a negative impact on raw material resources, climate and environment, which is why processes for waste sorting and waste minimisation have been established.		

Social factors

Environmental topics	Impacts	Risks	Opportunities
ESRS S1, Own workforce			
Training and skills development	+ Contribute to training by continuously employing trainees and apprentices. Significant resources are invested in training apprentices through school attendance, on-the-job training and apprentice networks. Several of the Group's companies have apprentice coordinators to strengthen this process. Additionally, we maintain close collaboration with educational institutions to recruit trainees.		Our commitment to educating the future workforce with many trainees and apprentices may positively impact our reputation. If these trainees and apprentices choose to continue with the Aarsleff Group after completing their education, it reduces the costs associated with staff recruitment, introduction and training.
Diversity	+ Increased efforts contribute positively to creating a more equal gender distribution between women and men in management positions.		
Health and safety	− The construction industry involves large machinery, heavy equipment and the risk of accidents for employees.	The industry's risk of accidents has an adverse financial impact on the Group, such as increased insurance premiums, costs for handling accidents and measures to reduce accidents. In addition, we want to ensure that our employees return home safely every day, as this is crucial for their health and well-being and for maintaining the company's reputation. Serious accidents and high accident rates can erode trust among customers and partners.	A dedicated effort to reduce accident rates and sickness absence aims to ensure an attractive workplace with high well-being and a focus on health.

Social factors

Environmental topics	Impacts	Risks	Opportunities
ESRS S2, Workers in the value chain			
	− The construction industry involves large machinery, heavy equipment and the risk of accidents for employees.		

Governance factors

Environmental topics	Impacts	Risks	Opportunities
ESRS G1, Business conduct			
Corporate culture	+ / − Aarsleff's culture is central to the Group's operations and impressive results. We prioritise a decentralised structure, where responsibility and decision-making authority go hand in hand. This requires adherence to our values at all workplaces.	If the company culture is not maintained and adhered to, it can affect our ability to attract and retain employees and execute successfully. Additionally, it may damage the Group's reputation and its ability to enter into partnerships.	
Corruption and bribery	+ / − Corruption and bribery are prevented through measures such as e-learning, where the Group's zero-tolerance policy is clearly communicated. The Aarsleff Group primarily operates in Northern Europe, where the corruption index is low.		

For a description of the method selection and other relevant information regarding the preparation of the double materiality assessment, please refer to the section on Applied accounting policies for sustainability reporting.

IN GENERAL

Stakeholders

Dynamic relations and strategic dialogue

Our stakeholder relations reflect our business, our industry and our position as a listed company. The stakeholders have been identified through our procedure of conducting the double materiality assessment, where we have assessed the stakeholders' material impacts and the resulting risks and opportunities. The stakeholders expect that we run a profitable business, that we are an attractive workplace and that we take responsibility for the climate and the environment. This also includes that we contribute to developing solutions that support both our customers' and society's transition to more sustainable practices in line with guidelines and legal requirements related to ESG.

Our dialogue with stakeholders is dynamic and reflects both societal and environmental changes. This includes macroeconomic and political changes as well as the climate challenges we are facing nationally and globally. We continuously assess which stakeholders are most significant to ensure that we reach both our financial and sustainability targets. We work strategically to increase our positive impact on these relations in line with our ESG ambitions.

Significant stakeholders	Key areas of interest	How we interact
Clients and customers	Project management Price, time and quality Partnerships Sustainability and certifications	We lay the foundation for tomorrow's infrastructure and buildings and create value to society with focus on sustainability at an international level. We participate in projects by means of early involvement with focus on optimising time, economy and sustainable solutions, while considering the environment and climate, e.g. in the form of choice of materials, execution methods, waste and waste management. We deliver specialist expertise professionally and business-oriented, and preferably in design & build contracts, subject to customer requirements and of the requested high quality, including certified buildings. We prioritise framework agreements and long-term partnerships, thereby developing new solutions and standards which improve productivity and efficiency and consider the environment and the needs of future generations.
Interest organisations	Industry initiatives Green transition Legislation and political interests	Embedded in Aarsleff Sustainability, we network, support, manage and carry out activities and projects in collaboration with consultants, manufacturers, suppliers and other stakeholders which support the green transition in the industry. Aarsleff's Group CEO is represented in Green Business Forum which consists of representatives from the Danish government as well as the 14 chairmen of the climate partnerships. In addition, our Group CEO is chairman of the Construction Sector's Sustainability Action Tank.
Investors and analysts	Growth and profitability Sustainable investments	We comply with applicable rules for listed companies and publish company announcements, interim financial reports and annual reports. We communicate at the annual general meeting and engage in regular dialogues. We provide information about the Group's strategy and the increasing interest for the Group's expertise within sustainable solutions.
Suppliers and subcontractors	Requirements and expectations Sustainable choices	We ask collaboration partners and suppliers to comply with our ethical code of conduct for collaboration partners, our occupational health and safety conditions and our rules relating to the use of foreign labour. We enter into purchase agreements with suppliers to obtain a high quality in the collaboration, including assurance for documentation of more sustainable choices.

IN GENERAL

Significant stakeholders	Key areas of interest	How we interact
Employees	Health & safety and well-being Career and development Diversity Environmental and climate considerations	We prioritise a healthy and safe working environment over finances and other considerations. Everybody must be able to work safely and thrive through a lifelong and developing working life. We carry out annual well-being surveys in the large companies of the Group, and we have reached our target that at least 95% of all employees must thrive at work. We offer attractive workplaces with focus on corporate spirit and skills development. We focus on gender diversity initiatives to create equal opportunities for genders, including improved career opportunities for women. We wish to motivate and provide opportunities so that our older employees can continue their employment in Aarsleff. We facilitate courses, workshops and networks for employees who increasingly work with and are engaged in environmental and climate considerations in our production and on our projects.
Media	Management and results New solutions and innovative initiatives	We prioritise a trusting relationship with the media and the press, and we inform about results achieved, strategies and new contracts. We invite the media to join us behind the construction site fence to learn more about specialised technical solutions and new measures which contribute to e.g. the green transition of the construction industry.
Authorities	Socioeconomics Legislation and regulation	We participate actively to establish and support a sustainable development of society, which considers the environment and the needs of future generations, locally as well as globally. We engage in a dialogue with authorities and we are aware of our corporate social responsibility. We never participate in abnormal or non-transparent tax structures, but have an open and transparent communication about our tax policy.
Neighbours, local communities and end users	Local responsibility and local presence Respect for the environment and the surroundings	We prioritise recruitment of local manpower and the use of local suppliers and subcontractors, where it makes sense. We take corporate social responsibility, and we support social clauses. We inform the local community and persons affected by our work about the inconvenience it may involve. We plan and carry out our processes with the least possible environmental load, e.g. when we carry out No-Dig pipe renewal and ground engineering work using particularly gentle methods. We focus on environmentally friendly solutions both in the end product and during the execution, e.g. by minimising noise, dust and emissions.
The Foundation Per og Lise Aarsleffs fond	Continuous development and innovation Corporate social responsibility	We continue the Group's development in line with our founder's goals, comprising long-term, sound and stable growth with an open corporate culture and focus on innovation.
Consultants and architects	Project optimisation and innovation Considerate building construction	We have a close collaboration with consulting engineers and architects, especially in projects with early involvement where the good solutions such as choice of materials, execution methods, waste and waste management are sought and developed jointly with focus on environmental considerations and efficient use of resources.
Collaborative partners	Innovative initiatives	We focus on building long-term partnerships. We have the expertise within project activities, enabling us to operate with a competitive edge internationally. We support and participate in partnerships and project collaboration which develop new solutions innovatively within the industry. These comprise digital solutions and solutions focusing on environmental compatibility and resource efficiency.
Educational institutions	Training and corporate social responsibility Spread awareness Gender diversity	We have strong focus on the importance of training apprentices for our industry. We participate in job fairs, career days and visit students who study to become building and construction operatives, constructing architects and engineers. We prioritise a close collaboration with educational institutions, contribute to training and master projects and arrange visits to our construction sites and factories. We have launched diversity initiatives to create equal opportunities for genders and to make our industry more attractive to women.

ENVIRONMENTAL AND CLIMATE FACTORS

E1, Climate change

Our focus	Planned for 2023/24	Status	This year's results, progress and actions	Planned for 2024/25	Our targets
Reduce carbon emissions from Scope 1 and Scope 2.	Continue training plant operators in idle reduction, focusing on mindset change and behaviour measures. Enhance employees' knowledge and skills through in-house courses on valid data, emission-reducing measures and the Group's environmental and climate responsibility.		The emission intensity (tCO2e/million DKK) is slightly decreasing, primarily due to higher revenue and a modest drop in diesel consumption. Carbon emissions vary depending on project composition. Construction projects with extensive in-house production have greater emissions compared to those where subcontractors perform a large part of the work. Screening of alternative fuels and technologies conducted by the Danish Technological Institute as part of a strategic investment basis. Selected results shared during webinars with stakeholders from the construction industry.	Gather experiences, scale up and roll out additional initiatives to reduce diesel and petrol consumption as well as optimise the use of electric-powered machinery and green energy where possible.	Aim to reduce carbon emissions by 80% in Scope 1 and Scope 2 by 2030, measured as tons of carbon per revenue in DKK million, using 2020/21 as the baseline year.
Local initiatives, training and behaviour-regulating efforts that develop, support and help reduce carbon emissions.	Implementing action plans in the segments with a focus on initiatives that reduce the Group's carbon emissions.		Increased awareness among employees and strong commitment to carbon-reducing initiatives. However, the implementation of the action plans has not progressed at the desired pace, and the expected carbon reduction has not been achieved.	Continue implementing action plans in the segments and initiate additional measures to reduce carbon emissions more effectively. This includes upcoming requirements for LCA on the construction site (2025), focusing on valid data, heat pumps, solar panels on site huts and reducing material waste on the construction site. Develop a guide and dialogue tool on emissions to help enhance knowledge and skills.	Visible results in local carbon-reducing efforts.
Map and reduce carbon emissions from Scope 3.	Mapping of the Group's most significant categories within Scope 3 emissions. Collecting data for the main materials groups in Scope 3.		Scope 3 emissions are mapped based on available procurement data. The emissions are calculated for two of the most significant upstream categories; purchased goods and services as well as transportation. The work of systematising data collection at the project level has begun.	Continue data collection for the most significant materials groups in Scope 3, expand the scope, set targets and initiate carbon-reducing measures.	Set ambitious and realistic targets for reducing carbon emissions in Scope 3.
Contribute actively to innovation projects and participate in both political and apolitical councils and networks to promote the development of the entire industry.	Continuation of interdisciplinary innovation and development projects, such as the 3-year project "The Green Construction Site of the Future" funded by the Ministry of Environment as well as "The Craftsman as a Sustainability Ambassador" funded by the Landowners' Investment Foundation.		Held market dialogues on tender requirements and partnerships with business partners to explore joint and individual initiatives aimed at reducing carbon emissions.	Continue to help develop the construction industry through participation in councils, committees as well as innovation and development projects.	Help promote collaboration, knowledge sharing and the development of new technologies and solutions to reduce the industry's carbon emissions.

Fully achieved Partly achieved Not achieved

Transition plan

Aarsleff is strongly committed to reducing the Group's climate and environmental impacts through targeted initiatives and strategies.

We continue to work on developing a transition plan for the entire Group, and currently we are qualifying quantitative and qualitative targets. This work focuses on mapping valid data within companies to ensure that environmental targets are measurable. And it involves developing digital technologies and applications, creating new systems and structures as well as establishing a process where companies actively participate in evaluating the feasibility and commercialisation potential of strategic environmental targets.

We also implement processes using supplementary process management tools in the form of templates. In the initial phase, selected cross-organisational working groups and steering committees within the Group's companies must identify, prioritise and analyse potential initiatives related to emission reduction, circular economy and biodiversity. In this process, we conduct workshops with relevant employees, among other activities, to identify potential initiatives. These initiatives are then evaluated based on their sustainability and business potential. Finally, we prepare a Business Model Canvas analysis for the selected initiatives. In the second phase, the initiatives with the greatest potential for sustainability and business success will be implemented. Here, we develop action plans that specify targets and risks and identify the persons responsible for each initiative. These initiatives are then implemented within the relevant business context. The value created by the initiative must be documented, and the initiative must be reported on. Some initiatives are scaled across the entire Group, while others remain anchored within specific companies or segments. The output from each phase is continuously presented to steering committees and/or the board of directors within the companies.

Based on the above processes and revised business strategies, individual action plans are developed for specific segments and/or companies. These plans will culminate in an overall transition plan for the Group.

Climate change policies

The Group is committed to reducing fossil fuel consumption, minimising the use of rare and non-renewable materials as well as selecting or influencing

Lynetteholm in Copenhagen

the selection of materials, structures and components with a focus on climate and environmental considerations.

Our current policies are primarily aimed at mitigating climate change. However, we will expand these policies to also include climate change adaptation and energy efficiency. Additionally, we are engaged in several projects specifically designed to address climate change adaptation.

Actions and resources related to climate change policies

The implemented initiatives are detailed at the beginning of this section. Additionally, we are engaged in ongoing dialogues with market actors, including clients, customers, business partners and suppliers to explore joint and individual initiatives aimed at reducing carbon emissions.

Based on current needs, we continuously allocate resources to implement carbon-reducing measures. We are also working on commercialising more sustainable solutions, ensuring that increased short-term investments lead to long-term profits.

Targets related to climate change mitigation and adaptation

The Group's objective of reducing emissions from Scope 1 and Scope 2 is detailed at the beginning of this section. Additionally, we are working on mapping and documenting the Group's Scope 3 emissions, particularly within relevant procurement categories such as cement, ready-mixed concrete, sheet piles, reinforcement steel, water and drainage products as well as transportation to establish a realistic reduction target.

Energy consumption and mix of energy sources

The Group's energy mix is currently based on the energy consumed in Denmark, including electricity, district heating, energy from our own solar panels and purchased natural gas. We are working towards including the entire Group's energy consumption in the calculation of the energy mix.

We continue to work on achieving our carbon reduction targets for Scope 1 and Scope 2. The total emissions in Scope 1 amount to 70,926 tons of carbon in 2023/24. In comparison, the emissions in 2022/23 amounted to 73,381 tons of carbon.

Energy consumption and mix, MWh	**2023/24**	**2022/23**
Fuel consumption from crude oil and oil products	155,560	169,227
Fuel consumption from natural gas	1,405	1,363
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	9,842	7,336
Total energy consumption from fossil sources	**166,807**	**177,925**
Total energy consumption from nuclear sources	**1,027**	**784**
Fuel consumption for renewable energy sources, including biomass	12,760	8,649
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable energy sources	13,612	11,144
The consumption of internally generated renewable energy, which does not involve fuel	162	35
Total energy consumption from renewable energy sources	**26,534**	**19,828**
Total energy consumption in Denmark	**194,368**	**198,537**
Total energy consumption outside of Denmark	**138,713**	**132,021**
Total energy consumption	**333,081**	**330,558**
Distribution of the Danish energy consumption		
Proportion of fossil energy	85.8%	89.6%
Proportion of nuclear energy	0.5%	0.4%
Proportion of renewable energy	13.7%	10.0%

The reduction in Scope 1 has generally occurred across all five segments and is due, among other things, to the purchase and use of 1.9 million litres of HVO diesel in 2023/24 compared to 1.3 million litres of HVO diesel in the previous year. Moreover, the reduction is due to a combination of increased investments in electric-powered machinery and vehicles and an increased focus on efficient project planning, which reduces unnecessary use of machinery during the execution phase. Finally, we have trained our plant operators to reduce idle time and optimise the use of the machines.

The carbon emissions in Scope 2 have increased by 498 tons of carbon compared to the previous financial year, which can be attributed to higher electricity consumption. Since carbon emissions from electricity are significantly lower than emissions from diesel consumption, we continue to work on replacing diesel-powered machines with electric-powered machines.

Reduction in Scope 1 and the increasing revenue contribute to an overall reduction in emission intensity. The emission intensity is a measure of our carbon emissions in tons relative to our revenue (tons of carbon/revenue in million).

Carbon credits

The Aarsleff Group has not used carbon credits to reduce greenhouse gas emissions.

Internal carbon pricing

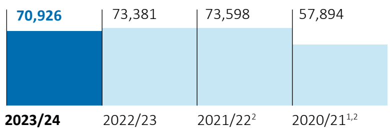
When making investment decisions in significant tangible fixed assets, detailed business cases are prepared. Currently, these do not include internal carbon pricing. However, the long-term profitability of all investments is considered, including future requirements for lower emissions or completely fossil-free construction equipment.

Financial effects related to climate change

The expected positive and negative effects of climate change are detailed in relation to the double materiality assessment. In the description of significant accounting estimates in note 2, we have evaluated whether climate change currently has a significant impact on the valuation of the Group's assets. For more information, please see note 2.

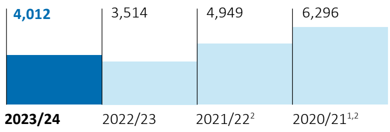
Carbon emissions, Scope 1

70,926 tons of CO2



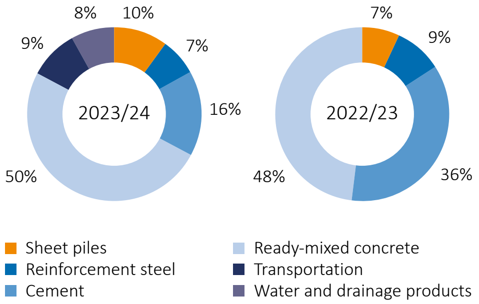
Carbon emissions, Scope 2

4,012 tons of CO2



Carbon emissions, Scope 3

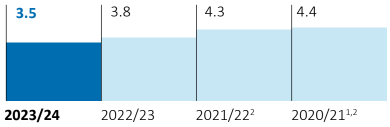
187,978 tons of CO2e



Emission intensity

(Target: 80% reduction in 2030, Scopes 1 and 2)

3.5 tons of CO2/DKKm



1 The year is used as a baseline.
2 The key figures are based on the entire Group, but a few minor companies are not included.

ENVIRONMENTAL AND CLIMATE FACTORS

E4, Biodiversity and ecosystems

Our focus	Planned for 2023/24	Status	This year's results, progress and actions	Planned for 2024/25	Our targets
Formulate a policy for the Aarsleff Group's obligations to maintain, protect and strengthen biodiversity both on land and in the sea.	Develop a Group policy to guide our biodiversity initiatives.		The Group policy has been approved and is available to both internal and external stakeholders.	The implementation of the policy is to be strengthened through active involvement and support from Management. Support selected employees in their work of applying the policy in practice, communicate its principles and evaluate its effectiveness.	The Group policy is implemented during the financial year 2024/25.
Increase Aarsleff employees' knowledge of biodiversity in line with the Group policy.	Conduct in-house biodiversity courses. Prepare a written guide to biodiversity on land.		Conducted two biodiversity courses. Launched the guide to biodiversity on land, available to both internal and external stakeholders.	Promote awareness of our biodiversity initiatives to companies outside of Denmark, including through training courses. Prepare two additional biodiversity guides; one on biodiversity in and around the sea and one on biodiversity in soil. Additionally, create a guide on how to preserve trees during construction projects.	The three new biodiversity publications have helped to increase knowledge.
Gain a better understanding of how our activities affect biodiversity.	Investigate methods for mapping construction and building projects in Natura 2000 areas.		Explore tools for mapping projects.	Mapping of the projects in Natura 2000 areas and gaining insight into projects in other types of protected areas. Investigate possibilities for understanding our biodiversity footprint from the use of selected raw materials (off-site biodiversity).	Overview of our activities in and around Natura 2000 areas. Insight into our biodiversity footprint from the use of selected raw materials in the financial year 2024/25.
Gain practical experience from our biodiversity initiatives.	Information about and design of a biodiversity park at Aarsleff's main office in Aarhus.		The design and construction of the biodiversity park is underway.	The design phase ends, and the actual construction of the biodiversity park in Aarhus begins. Engage in several specific biodiversity initiatives in construction and building projects.	The construction of the biodiversity park has begun in the financial year 2024/25.

Fully achieved Partly achieved Not achieved

ENVIRONMENTAL AND CLIMATE FACTORS

Transition plan

In an era where climate and environmentally related challenges are more urgent than ever, Aarsleff recognises the critical importance of preserving and promoting biodiversity as an integral part of our strategy. By integrating biodiversity conservation measures into our projects, we aim to create value for both nature and society.

Policies

Aarsleff has adopted a Group policy on biodiversity, which embraces principles such as careful execution of building and construction projects, species protection, planning and consulting, education and collaboration. Additionally, the Group supports the global biodiversity initiative Nature Positive by 2030. The development of an action plan to achieve the objectives of this policy has been initiated.

Actions and resources

Liaising with the Group's customers, Aarsleff undertakes projects that prioritise biodiversity, benefiting the local environment. To support this initiative, we continuously train relevant employees, ensuring that Aarsleff remains an active and engaged partner. Through close dialogue with customers, we find solutions and implement initiatives that enhance biodiversity.

Targets and indicators

This year, the focus has been on clarifying how Aarsleff impacts biodiversity in the projects we carry out on-site, see overview at the beginning of this section. The Group also undertakes projects in or near protected areas, such as Natura 2000 areas. With many years of experience working carefully in these sensitive areas, we prioritise continuous improvement and strive to gain deeper insights into our environmental impact.

At the end of the financial year, Aarsleff is undertaking 44 projects in Natura 2000 areas. In this context, a number of mandatory measures have been taken and initiatives launched.

Most of the adverse impact from the construction industry occurs during the extraction of raw materials for material production. In the long term, the focus is directed towards the Group's biodiversity footprint in the value chain (off-site). This is why Aarsleff has entered into a dialogue with our supply chain to investigate future requirements. We request information on our suppliers' focus on biodiversity and seek knowledge about the impact of the Group's purchased materials on biodiversity and ecosystems. This enables us to make informed decisions about material selection and enhance our dialogue about biodiversity with our customers.

Anticipated financial effects

Efforts to protect biodiversity are expected to have a significant economic impact. Failure to safeguard existing ecosystems can reduce access to various raw materials and lead to price increases.

ENVIRONMENTAL AND CLIMATE FACTORS

E5, Resource use and circular economy

Our focus	Planned for 2023/24	Status	This year's results, progress and actions	Planned for 2024/25	Our targets
Develop the Group's overall policies and codes of conduct.	Develop an ethical code of conduct for collaboration partners, setting requirements on climate and environmental issues.	Fully achieved	The ethical code of conduct has been approved and incorporated into standard contracts for collaboration partners.	Develop a policy for circular economy and resource use.	Help promote recycling and reuse while minimising raw material consumption.
Enhance employees' knowledge about recycling and reuse as well as minimise waste.	Roll out the in-house training course "Circular Economy," providing employees with a comprehensive understanding of theoretical concepts, legislative frameworks and the latest industry initiatives on waste minimisation, reuse and recycling of construction waste and building materials.	Partly achieved	The first courses have been completed. Additionally, a clear internal guide with ten waste management tips has been developed for construction sites. This guide focuses on waste sorting and ensures the optimal layout of recycling centres.	Continue integrating circular resource economy as a skill among employees. Develop a dialogue tool for internal and external discussions on implementing circular economy practices.	Increased knowledge should lead to actual initiatives on projects, increasing reuse and recycling while minimising waste.
Increase the level of recycling and reuse while minimising waste.	Increase focus and identify potential opportunities for circular economy in projects, including initiating data collection for waste generated by the Group, divided into fractions.	Partly achieved	Identified specific opportunities for initiatives to minimise waste and increase reuse and recycling, based on data collection.	Continue analysing and reporting waste data. Develop a guide to promote specific circular initiatives on projects, focusing on waste sorting, waste minimisation and materials handling and storage.	Set targets for recycling and reuse as well as identify and launch initiatives to enhance circular economy practices.
Collaborate within the industry to gain experience and acquire new knowledge about the circular economy.	Participate in innovation and development projects focused on circular economy, such as (P)RECAST and The Craftsman as a Sustainability Ambassador.	Partly achieved	Follow ongoing innovation and development projects, monitor preliminary results and allocate necessary resources.	Continue to monitor and contribute to creating and developing solutions that increase our and the industry's knowledge of circular economy.	Promote sustainable solutions and develop new technologies.

Fully achieved Partly achieved Not achieved

At the Aarsleff Group, we recognise that the construction industry significantly strains the earth's raw material resources, leading to biodiversity loss and high carbon emissions. Aarsleff is committed to transitioning towards a more environmentally conscious construction industry, where the circular economy is a key element for success.

As a major industry player, we share the responsibility to drive this transformation through close dialogue and collaboration with customers, suppliers and other partners. We fulfil this responsibility when our projects not only meet current needs but also contribute to a future where resources are efficiently and responsibly reused and recycled. This requires us, together with our clients, to increasingly consider the materials used in our projects from a life cycle perspective. This approach applies both to the procurement of new materials and to viewing the waste we generate as a valuable resource for new applications.

Identification and assessment of impacts, risks and opportunities related to circular economy

The overall process of identifying and assessing impacts, risks and opportunities is detailed in the section on Double materiality assessment.

Policies

At the Aarsleff Group, we have not yet formulated a specific policy regarding our approach to resource use and circular economy. However, our focus has been on actively contributing to a more circular economy through the initiatives undertaken this year, as detailed at the beginning of this section.

Our Group policy, the Ethical code of conduct for collaboration partners, includes requirements and expectations for our business partners on various climate and environmental issues such as promoting recycling and reuse as well as minimising the consumption of raw materials.

In the next financial year, we will further formalise our actions to strengthen our approach to resource use and circular economy.

Actions during the year

The Group's approach to the circular economy is anchored in one of our strategic key priority areas. This means we focus on minimising waste, sorting and handling waste efficiently, testing the recycling and reuse of building materials as well as training our employees in this area. Additionally, we engage in dialogues with customers and other business partners to ensure we are all prepared to meet current and future requirements. These efforts help us to continue delivering high-quality projects that consider climate and environmental impacts, ultimately benefiting future generations.

For specific actions and initiatives, please refer to the overview at the beginning of this section.

Target regarding resource use and circular economy

We have not yet established specific targets for resource use and circular economy. However, we have begun collecting data that will serve as the foundation for these targets. In the long term, our objective is to develop policies, action plans and specific targets.

Resource input

At the Aarsleff Group, we work diligently to optimise resource use in all phases of our projects. We focus on reducing the use of scarce raw material resources and want to employ a systematic approach to increase recycling in our processes and projects. Through innovation and collaboration with our suppliers, we strive to continuously improve material efficiency and reduce our environmental impact, including our carbon footprint.

Resource output

Similarly, we are diligently collecting data on our waste and resource production. This increased insight will soon contribute to new objectives and the launch of concrete initiatives and activities.

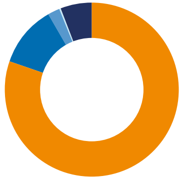
Our agreements with waste transporters reveal that 91.7% of our waste is being utilised, meaning it is either recycled, reused or used for energy recovery through incineration or other forms of material utilisation.

The remaining 2.6% is disposed of in landfill, incineration without energy recovery or other forms of disposal. Currently, we are unable to categorise 5.7% of the collected waste. We continuously work on improving the data foundation. And we aim to use this improved data quality to support efforts and activities that minimise waste and move our waste volumes as high up the waste hierarchy as possible.

Anticipated financial effects of resource use and risks as well as opportunities related to circular economy

In the Aarsleff Group, we continuously assess the financial consequences of our resource use, including price increases on scarce materials and evolving legal requirements within resource management and recycling. We view the circular economy as a strategic opportunity to both reduce costs and strengthen our market position. By increasing the use of recycled materials and implementing resource-saving solutions, we can reduce our dependency on new raw materials, thereby minimising the financial risks associated with market fluctuations and supply chain challenges.

Resource output distributed by treatment activity



- Recycling 80.4%
- Other recovery 11.3%
- Landfill 2.4%
- Incineration without energy recovery 0.2%
- Other 5.7%

ENVIRONMENTAL AND CLIMATE FACTORS

EU Taxonomy

Aarsleff reports on which of our economic activities contribute to the green transition according to the EU Taxonomy Regulation and reports on the extent to which we comply with the criteria. By doing so, we showcase how we support the EU's ambitious 2030 climate objectives.

An investment in sustainable and green transition

The EU Taxonomy Regulation is designed to make it easier and more transparent for investors, analysts and other stakeholders to assess whether a company contributes to a sustainable and green transition. The EU Taxonomy provides a common classification system and a set of uniform concepts that enable stakeholders to compare companies.

As a listed company, Aarsleff is required to report on a number of screening criteria for classifying construction and building activities as sustainable according to the EU. We report according to the Regulation (EU) 2020/852 of the European Parliament of the Council of 18 June 2020. We disclose which activities qualify for screening (taxonomy-eligible), and we disclose the proportion of our revenue, capital expenditure and operational expenditure that qualifies for screening. This year, we also report on the extent to which our activities are taxonomy-aligned.

We report on all six environmental objectives that were adopted in July 2023: 1) Climate change mitigation, 2) Climate change adaptation, 3) Water and marine resources, 4) Circular economy, 5) Pollution and 6) Biodiversity and ecosystems.

Selected activities

Aarsleff assesses the proportion of the Group's revenue that qualifies within the framework of the EU Taxonomy. Based on this assessment, a general review of the Group's activities has been conducted, with a subsequent focus on those activities that are assessed to have the potential to meet the alignment criteria. For the financial year, the following three material activities are carried out for alignment screening: 6.14 Infrastructure for rail transport, 4.15 District heating/cooling distribution under the environmental objective of Climate change mitigation and activity 2.2 Urban wastewater treatment under the environmental objective of Water and marine resources. Pipe Technologies' activities have previously been reported under activity 5.4 Renewal of wastewater collection and treatment under the environmental objective of Climate change mitigation, as the environmental objective of Water and marine resources had not come into effect in the previous two financial years. As new environmental objectives become effective, an updated assessment is made of which activities best reflect the undertaken activity. It is our assessment that activity 2.2 Urban wastewater treatment better reflects Pipe Technologies' activities.

The three selected activities comprise 43% of the total eligible revenue of the Aarsleff Group.

For the three activities, we have developed an overview of the screening criteria and defined how we interpret them. In that context, we also consider the documentation requirements. And we have completed a technical screening of selected projects in terms of these three activities. We have selected and analysed the biggest and most significant projects within each activity.

Significant contribution

The alignment screening is based on the EU Taxonomy requirements. Initially, it is examined whether a specific project contributes significantly to the activities associated with one of the six environmental objectives.

Projects within activity 6.14 Infrastructure for rail transport and activity 4.15 District heating/cooling distribution significantly contribute to the environmental objective of Climate change mitigation. Projects within activity 2.2 Urban wastewater treatment make a significant contribution to the environmental objective of Water and marine resources.

Do no significant harm

The criterion of do no significant harm (DNSH) has been validated in the technical screening for the five remaining environmental objectives in accordance with the technical screening criteria for activity 6.14 Infrastructure for rail transport, activity 4.15 District heating/cooling distribution and activity 2.2 Urban wastewater treatment, as stated in Regulation (EU) 2020/852.

Social minimum guarantees

According to the Taxonomy Regulation, projects can only be classified as sustainable, if the Group has set out procedures to ensure that activities comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

In Aarsleff, we have reviewed our existing policies, principles and processes in terms of human rights, bribery, corruption, tax and fair competition. Based on this review, we assess that we comply and work in line with the social minimum guarantees of the EU Taxonomy. Please see a more detailed description of the due diligence process under the section on Basis for preparation.

Results in 2023/24

In Aarsleff, 77% of consolidated revenue from the Group's total activities are eligible for screening. Consolidated revenue is allocated across 27 different activities, as defined by the EU. The percentage of taxonomy-aligned consolidated revenue amounts to 5%. The segments Rail, Construction, Technical Solutions and Pipe Technologies contribute the most to this alignment percentage.

We rely on the ambitions and design of our customers' and clients' projects and engage in active and ongoing dialogue with all parties, allowing us to define how our joint efforts can ensure that new projects align with all taxonomy requirements. What is more, we are developing our organisation as well as the tools and processes that will help us document alignment and optimise the screening process.

23% of the Group's economic activities do not fall under an EU-defined activity category, which is why these are reported as non-taxonomy-eligible. The Group's production facilities are a good example of activities that do not have the potential to become sustainable according to the EU Taxonomy classification system.

EU Taxonomy accounting principles

Revenue

The denominator covers the actual, recognised revenue of each company for the financial year 2023/24, taking into account intercompany eliminations. The consolidation practice corresponds to that used in the consolidated financial statements. The revenue figures have been specified at project level, meaning that aggregated revenues of the individual projects equal the total revenue of the segment as well as the taxonomy-eligible and taxonomy-aligned proportion. Reference is made to note 5 Revenue.

Double counting

We allocate key figures for the numerator and denominator of the KPI for revenue, OPEX and CAPEX using activity-specific key figures.

These are either 100%, 0% or a value in between. For instance when a financial value relates entirely to a specific taxonomy-eligible activity, a ratio of 100% applies, whereas a ratio of 50% applies when only half of it relates to a specific taxonomy-eligible activity. Applied key figures cannot total more than 100%. This eliminates the risk of double counting in the financial results.

CAPEX

The denominator of the CAPEX covers additions to property, plant and equipment and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairment, for the relevant financial year and fair value changes. The denominator also includes increases in leases accounted for under IFRS 16 Leases. This can be reconciled to additions during the year, see note 14 Intangible assets and property, plant and equipment. The numerator covers the proportion of capital expenditure qualified for screening or aligned to the taxonomy screening criteria and equals the part of capital expenditure that is related to assets or processes associated with taxonomy-eligible economic activities. Additions have initially been allocated directly to taxonomy-eligible or non-taxonomy-eligible activities. For the proportion of CAPEX that cannot be allocated directly to activities, the allocation is based on an allocation key.

OPEX

The denominator of the OPEX covers operating costs relating to maintenance and repair of assets (including plant and equipment). The numerator covers the proportion of operating expenditure qualified for screening or aligned to the taxonomy screening criteria and equals the part of operating expenditure that is related to assets or processes associated with taxonomy-eligible economic activities. Costs have initially been allocated directly to taxonomy-eligible or non-taxonomy-eligible activities. For the proportion of OPEX that cannot be allocated directly to activities, the allocation is based on an allocation key.

ENVIRONMENTAL AND CLIMATE FACTORS

Economic activities

	2023/24				2022/23				
	Eligible		Aligned		Eligible		Aligned		
	Revenue	CAPEX / OPEX	Revenue	CAPEX / OPEX	Revenue	CAPEX / OPEX	Revenue	CAPEX / OPEX	
Aarsleff Group	77%	60% / 69%	5%	5% / 4%	75%	49% / 67%	4%	2% / 2%	Most of the Aarsleff Group's economic activities are taxonomy-eligible. The taxonomy-aligned activity relates to railway, pipe renewal and district heating projects.
Divided by segment									
Construction	69%	48% / 66%	7%	2% / 1%	71%	51% / 68%	5%	1% / 1%	Construction derives most of its revenue from the construction of new buildings, which implies that most of the taxonomy-eligible revenue is found under activity 7.1 Construction of new buildings. In addition to this activity, Construction carries on taxonomy-aligned activities related to, among other things, railway activities and district heating projects.
Technical Solutions	81%	81% / 81%	5%	1% / 1%	70%	23% / 28%	7%	1% / 1%	A significant portion of Technical Solutions' activities are taxonomy-eligible. This includes activity 7.1 Construction of new buildings and activity 4.15 District heating/cooling distribution. The taxonomy-aligned activities involve projects within the district heating sector.
Rail	97%	97% / 98%	11%	2% / 2%	96%	93% / 94%	6%	1% / 1%	Virtually all revenue is assessed to be taxonomy-eligible in terms of the activity 6.14 Infrastructure for rail transport. This is because the proportion of revenue related to tasks such as facility management and train station services is also, indirectly, associated with rail transport. Only a minor proportion of the Rail segment's revenue relates to traditional construction work, and part of this revenue is not assessed to be taxonomy-eligible.
Ground Engineering	72%	41% / 51%	0%	0% / 0%	63%	38% / 49%	0%	0% / 0%	Ground Engineering activities related to construction work are assessed to fall under activity 7.1 Construction of new buildings. Ground Engineering also carries out activities related to the driving of piles for the electrification of the railway network. This activity is considered infrastructure for rail transport. The pile factories are assessed to be non-taxonomy-eligible. Ground Engineering activities involving groundwater lowering and ground engineering for e.g. road and harbour work are also non-taxonomy-eligible.
Pipe Technologies[1]	93%	92% / 83%	1%	0% / 0%	95%	76% / 90%	0%	0% / 0%	The main activity of Pipe Technologies is sewer renovation, categorised under the activity 2.2 Urban wastewater treatment. The Danish part of these activities has been screened for alignment concerning a single wastewater treatment system and meets both the technical screening criteria and the DNSH criteria. The remaining wastewater treatment systems and the foreign part of the activities have not yet been screened for alignment, but we plan to start this in the upcoming financial year. The production of the CIPP Linings used for renovation activities is assessed to be non-taxonomy-eligible.

[1] The activities in the Pipe Technologies segment are reported according to activity 2.2 under the environmental objective 3, unlike 2022/23, when activities were reported according to activity 5.4 under the environmental objective 1.

ENVIRONMENTAL AND CLIMATE FACTORS

EU Taxonomy reporting per activity[1]

Economic activities	2023/24 Eligible Revenue DKKm	2023/24 Eligible Revenue %	2023/24 Aligned Revenue DKKm	2023/24 Aligned Revenue %	2022/23 Eligible Revenue DKKm	2022/23 Eligible Revenue %	2022/23 Aligned Revenue DKKm	2022/23 Aligned Revenue %
Taxonomy-eligible activities	16,679	77	1,079	5.0	15,197	75	764	3.8
7.1 Construction of new buildings	5,126	24			5,996	30		
6.14 Infrastructure for rail transport	2,975	14	643	3.0	3,073	15	370	1.8
2.2 Urban wastewater treatment[2]	2,208	10	13	0.1				
4.15 District heating/ cooling distribution	1,465	7	423	1.9	863	4	394	1.9
14.2 Flood risk prevention and protection infrastructure	966	4			19	0		
Other activities	3,940	18			5,246	26		
Non-taxonomy-eligible activities	5,040	23			5,047	25		
Total, eligible and non-eligible activities	21,719	100			20,244	100		

[1] Presentation in accordance with the Taxonomy Regulation is found in the section on EU Taxonomy reporting.
[2] In 2022/23, the activities in the Pipe Technologies segment were reported according to activity 5.4, aligning with environmental objective 1. However, in 2023/24, these activities are reported under activity 2.2, aligning with environmental objective 3.

Key assumptions
Due to lack of sector-specific guidance, the Aarsleff Group has decided to interpret the Group's economic activities according to the EU Taxonomy based on specific key assumptions.

Our consolidated revenue, CAPEX and OPEX have been allocated based on an assessment of the nature of each individual project. Where an identified project can be associated with more than one EU Taxonomy activity, the Group has selected the best matching activity based on the technical screening criteria.

OPEX/CAPEX are allocated directly to projects first. Then, adjustments are made for OPEX/CAPEX attributable to administrative activities. Finally, the allocation of revenue is used to allocate the remaining expenditure.

A few very large projects have been divided into sub-projects to provide a more accurate presentation of the classification of the activity in terms of the EU Taxonomy. The division is based on the nature of each project. This is the case, for example, for the works related to the construction of the Fehmarnbelt link. These works consist of the construction of an immersed tunnel comprising a road for car traffic and a rail link.

For Pipe Technologies, a portfolio approach has been applied given the uniform nature of the tasks performed by the segment across companies and geographies, apart from the production units. The technical screening criteria are assessed separately for each wastewater operator. For the activities in Pipe Technologies in the financial year 2023/24, we have allocated the activities to the EU Taxonomy activity 2.2 Urban wastewater treatment, which makes a significant contribution to the environmental objective of Water and marine resources. Based on the specification of significant contribution, we assess that the activities in Pipe Technologies fit better in this category than the previously used activity 5.4 Renewal of wastewater collection and treatment under the environmental objective of Mitigation of climate change. Comparison figures have not been adjusted, as the environmental objective Water and marine resources had not come into effect for the financial year 2022/23.

The key assumptions may change as our EU Taxonomy work evolves.

SOCIAL FACTORS

S1, Own workforce

Our focus	Planned for 2023/24	Status	This year's results, progress and actions	Planned for 2024/25	Our targets
Reduce the accident rate	Roll out the safety culture programme to create a strong culture where safety is the top priority for both managers and employees.		The accident rate remains unsatisfactory and is 17.2. Supervisors, occupational health and safety representatives and 1,000 salaried employees have participated in theme days focused on occupational health and safety. Additionally, department management teams have conducted workshops emphasising safety as a key management focus. Implemented pilot projects on cross-functional efforts throughout the organisation.	Continue the roll-out of the safety culture programme. Efforts focusing on the role of managers in communicating and enforcing safe behaviour. Implement a follow-up structure to measure the working environment beyond just the accident rate.	Accident rate of maximum 5.
Reduce sickness absence and provide support during absence	Efforts that enable managers to prevent sickness absence and intervene early when an employee becomes ill.		This year's sickness absence is 4.5% and unfortunately above our target. The target has been raised from 2.5% to 3.5% due to increased understanding of infection risks. New managers must participate in courses on sickness absence and well-being management.	Continue efforts to provide managers with the best conditions for supporting employees with special needs during illness, supplemented with early measures.	Sickness absence below 3.5%.
High well-being	Measure employee well-being and expand the annual well-being survey to include more companies within the Group. Support the business in addressing points of attention from the well-being survey, such as increased focus on offensive behaviour.		94.8% of the employees thrive according to the well-being survey, which is very close to our target. The proportion of companies participating in the well-being survey has increased. As a result, 5,710 employees, representing 65% of the workforce, have participated, compared to 4,929 previously. Employees have been presented with a film about good behaviour. Courses in well-being management, sickness absence management and diversity are mandatory for managers.	Continue promoting the well-being survey and support the business in addressing the areas of attention it reveals. Implement a "return from parental leave conversation" in Per Aarsleff A/S to clarify wishes and expectations after parental leave.	At least 95% thrive at work.
Promote health	Conduct an extended health pilot project focusing on exercise, diet, sleep and stress. This pilot project is part of the safety culture programme.		Gathered experiences from 250 participants in the health pilot project.	Health efforts with local physical training at the projects.	High well-being and employees motivated to take responsibility for their own health and that of their colleagues.
Greater diversity	Increased focus on gender diversity in staff recruitment and promotion.		The proportion of the underrepresented gender at the two top management levels is 18% and still quite a way from our target. On the board of directors of Per Aarsleff Holding A/S, the proportion of women is 40%. Worked with the Danish Construction Federation's (DI) Biodiversity Pledge.	Efforts include DI's two diversity principles: "We see equal opportunities as a prerequisite for attracting and retaining the best talents" and "We will lead with management and behaviour that creates change". Roll out local action plans for diversity in the three largest Danish companies in the Group.	At least 40% of managers at the two top management levels and on the board of directors of Per Aarsleff Holding A/S will be women by the end of 2026/27.
Educate the future workforce	Optimise apprentice programmes and increase the intake of apprentices and trainees.		The number of apprentices accounts for 8%, and the number of trainees accounts for 4%. Established an apprentice network and held apprentice days.	Implement structured evaluation of trainee programmes and offer mentoring after completion to maintain contact.	10% apprentices and 5% trainees.

Fully achieved Partly achieved Not achieved

SOCIAL FACTORS

The employees at Aarsleff are the company's greatest strength and primary focus, constituting our most valuable asset. As a result, we highly prioritise creating a safe and healthy working environment and making a positive social contribution.

Policies
We have developed policies aimed at maintaining the personal safety of our employees and ensuring a good working environment. These policies cover various areas, including employee safety, health, well-being and diversity. For a detailed overview of these policies, please see the overview of Policies and principles.

Dialogue
To run a healthy business, it is crucial to take responsibility for the well-being of our employees, engage in dialogue and understand their perspective. This is why, we conduct a comprehensive well-being survey annually, which is offered to an increasing number of the Group's employees.

In the Danish part of the business, we also maintain close collaboration with employee representatives, and the same applies to our foreign units with similar organisations.

Whistleblower system
We aim to maintain a culture where it feels safe to discuss suspicions of irregularities or illegal activities with one's immediate manager, who is trained to handle such inquiries. The Aarsleff Group also has a whistleblower system, which we encourage everyone to use for reporting suspicions of irregularities or illegal activities related to the Group's employees, management or suppliers. We urge everyone to use this system to report concerns about potential illegal conduct, human rights violations or unacceptable business ethics. Both internal and external Aarsleff stakeholders can report concerns anonymously through our whistleblower system. For an overview of reports made to the whistleblower system throughout the year, please see the section on Business conduct.

Well-being and development
We conduct an annual well-being survey that includes most of the Group. Following this, initiatives are launched, and dialogues are held with department-level managers to develop local action plans aimed at addressing and improving any challenges in the working environment. For this year's well-being survey results, please see the overview at the beginning of this section.

Actions regarding material impacts and approaches to manage material risks and opportunities

At the Aarsleff Group, we experience both material positive and negative impacts related to our own workforce, according to the double materiality assessment. Particularly in the areas of training and skills development, diversity as well as health and safety. Our ambition is to minimise material negative impacts and maximise material positive impacts on our employees. The overview at the beginning of this section details the actions implemented during the financial year and those planned for the upcoming financial year.

Objectives

The Group's objectives regarding the management of material negative impacts, promotion of positive impacts and addressing material risks and opportunities are outlined in the overview at the beginning of this section.

About Aarsleff's employees

Central to the Aarsleff Group's strategy is the prioritisation of a high degree of in-house production. Consequently, the Group's staff comprises both salaried employees (39%) and hourly employees (61%).

The age distribution in our workforce aligns with other industries and society in general, meeting our expectations.

Employee turnover rate:

- Salaried employees, both voluntary and involuntary resignation 16%
- Hourly employees, both voluntary and involuntary resignation 30%

As a project-oriented company, the employee turnover rate is generally high and, as expected, higher for our hourly employees than for our salaried employees.

Non-employees

At the Aarsleff Group, we strive to use our own employees as much as possible to ensure adequate wages and employment conditions. Therefore, we hire many foreign hourly workers and recruit through an internal staff recruitment agency. We use temporary workers when it is not possible to meet current needs with the Group's own employees. In such cases, we primarily use temporary employment agencies with which we have cooperative agreements to ensure proper employment conditions. On various projects, we also play an important role as an employer for local staff and as a contributor to addressing community needs.

Diversity

We are increasing our efforts to ensure diversity and inclusion at Aarsleff. These efforts focus on gender diversity on our boards of directors and in top management, on recruitment and employee development as well as on promoting an inclusive culture that offers equal opportunities and creates diversity.

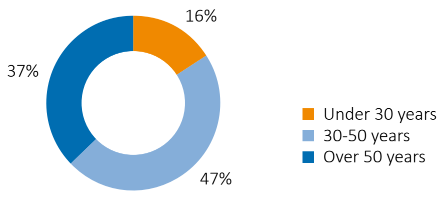
The proportion of women and men in our operations and shared functions is also a strategic focus area we closely monitor. Traditionally, both Aarsleff and the entire construction industry have been characterised by a predominance of men at all levels. Changing this reality requires ongoing effort, but it is essential to maintain our competitiveness and ensure a robust, future-proof organisation that can attract skilled employees of all genders.

For other efforts and results regarding diversity, please refer to the overview at the beginning of this section.

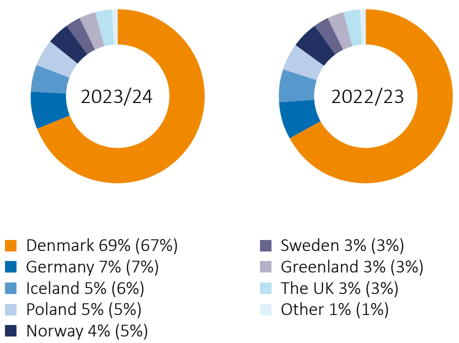
Targets for the underrepresented gender and diversity policy

It is important for Aarsleff to have more female managers, including in the top management positions. It will greatly reflect society, contribute to ensuring the best possible management, high competitiveness and maximum success. When we recruit and develop our employees, we must ensure that everyone, regardless of gender, has the same opportunities.

Age distribution



Employees, distributed on 14 countries



SOCIAL FACTORS

The Group's diversity policy aims, among other things, to increase the proportion of women so that Aarsleff achieves a balanced gender distribution in management in accordance with section 99 b of the Danish Financial Statements Act and section 139 c of Danish Companies Act.

Setting targets to increase the proportion of the underrepresented gender

Current status

	2026/27 target	2023/24
Total number of shareholder-elected board members in Per Aarsleff Holding A/S		7
Proportion of the underrepresented gender on the board of directors in Per Aarsleff Holding A/S	40%	40%[2]
Total number of employees at other management levels		45
Proportion of underrepresented gender at other management levels	40%	18%

This is how we will increase the proportion of female managers

We have already anchored our target of increasing the proportion of female managers to achieve an equal distribution at the other management levels. At all levels in the organisation, we work with:

- Guidelines ensuring that managers continuously, and during job satisfaction and development interviews, focus on leadership talents from the underrepresented gender and that leadership talents are encouraged to pursue a managerial career, regardless of gender. Managers must continuously, and during these interviews, identify what the individual leadership talents experience in terms of opportunities and barriers associated with the leadership role and address them with individual support, mentorship, compensation, leadership programmes and similar initiatives.

- Ensuring that internal leadership talents are considered for managerial positions by posting vacant manager positions internally on the intranet and encouraging leadership talents to apply for these positions.

- Ensuring that job postings are formulated in a gender-neutral manner to appeal to all genders.

- Having hiring managers evaluate after each hiring process whether a newly hired manager has contributed to strengthening gender balance, or whether there is a need to adjust the process.

- Promoting internal mobility, visibility and exposure of talents from the underrepresented gender, for example by offering opportunities for internal rotation.

Follow-up and reporting

Management is responsible for ensuring that all employees are familiar with the diversity policy and for continuously following up on compliance with the guidelines. Every quarter, actions are evaluated to determine if they have the desired effect, and the Board of Directors is informed about the status of the efforts to increase the proportion of the underrepresented gender.

The Board of Directors will then consider whether Aarsleff should take further actions to achieve the target of gender equality. Additionally, this is reported in the annual report, in accordance with section 99 b of the Danish Financial Statements Act.

Adequate wage

We have not yet collected data documenting that Aarsleff's employees receive adequate pay according to the Group's objective.

Training and skills development

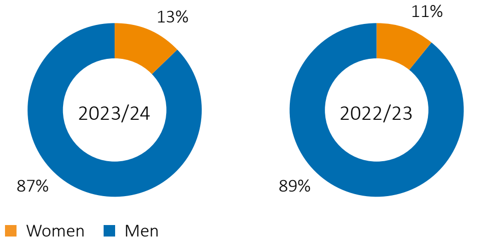
We aim to ensure that our employees have opportunities for further training, skills development and career planning through educational offerings, job training, clear role and responsibility descriptions as well as opportunities for internal reshuffles and promotions.

Aarsleff undertakes several efforts to provide training, education and further development for

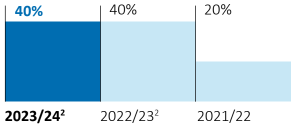
Gender distribution

9,590

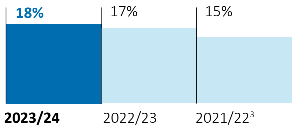
Employees[1]



Underrepresented gender on the board of directors



Underrepresented gender on other management levels



[1] Total number of employees at the end of the financial year 2023/24.

[2] Cf. the Danish Business Authority's guidelines on targets and policies concerning gender composition of management and reporting of this, we have reached the target.

[3] The key figures are based on Per Aarsleff Holding A/S, Per Aarsleff A/S, Centrum Pæle A/S, Petri & Haugsted AS, Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson & Knudsen A/S.

SOCIAL FACTORS

managers and employees. This can include general skill upgrades, such as new or improved methods, processes and policies as well as training in completely new specialist areas, for example, in the case of an internal job change. Using Aarsleff Academy for a significant part of the training allows us to offer a range of courses in management, project management, technical disciplines, safety, risk management, purchasing and budgetary control. In addition to providing skills and expertise, our goal with Aarsleff Academy is also to ensure employee retention, commitment and inclusion.

At Aarsleff, we have a long tradition of employing apprentices and trainees. We also invite students to visit our projects and factories, providing them with insight into the construction industry and supplementary knowledge for their theoretical education. We participate in career days and fairs at educational institutions, where some of our young employees describe their workday, their fascination with the industry and future job and career opportunities. For specific actions and results achieved during the year, please refer to the overview at the beginning of this section.

Occupational health and safety
Preventing accidents is key to Aarsleff, and we are engaged in various efforts to create safe and secure workplaces. For the achieved results and implemented measures during the year, please refer to the overview at the beginning of this section. In addition to this year's achieved results, relevant comparative figures are shown in the overview to the right. As it appears, the development in recent years has not been satisfactory.

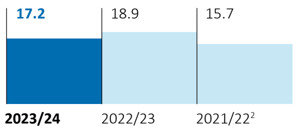
Developing the working environment in our companies and on our projects is, of course, crucial to us. The efforts made this year are additions to our systematic efforts to promote health and safety. We continuously analyse why accidents and near-miss incidents occur, allowing us to learn from these and reduce our risk of accidents. As part of our efforts in this area, we ensure that safety is clearly incorporated in the design, planning and start-up phases of a project, that our construction sites are tidy, that all accidents and near-miss incidents are registered and that we continuously evaluate lessons learned.

When an employee becomes ill, it affects the workplace, close colleagues, and of course, the employee. We focus on reducing sickness absence, and it remains standard practice for our managers to regularly review sickness absence statements, allowing them to spot and support employees with special needs. Other actions to reduce sickness absence appear from the overview at the beginning of this section.

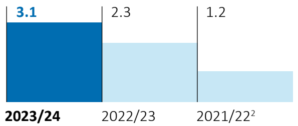
Work-life balance
The employees of the Aarsleff Group often face demanding workdays with tight deadlines and projects far from home. Achieving a good work-life balance requires support from both Aarsleff and the employees' families. That is why we are attentive and flexible regarding working hours, holidays, senior schemes, leave and opportunities for internal job rotation. Many of the company's employees also have the opportunity to take family-related leave, which can be incorporated in collective bargaining agreements or local employment contracts. However, data has not yet been collected on the proportion of the Group's employees to whom this applies.

Incidents, complaints and severe human rights impacts
Aarsleff has not received any information about incidents, complaints and severe human rights impacts in the past financial year. We continuously encourage employees to report such incidents to the company's whistleblower system if the matter cannot be handled appropriately by their immediate supervisor.

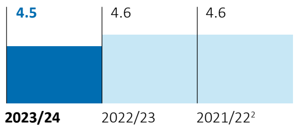
Accident rate[1]
(Target: Max 5)
17.2



Absence rate due to accidents
3.1



Sickness absence
(Target: Max 3.5%)
4.5%



[1] The accident rate includes accidents resulting in more than one day of absence defined by the definition of key figures on page 92.
[2] The key figures are based on Per Aarsleff Holding A/S, Per Aarsleff A/S, Centrum Pæle A/S, Petri & Haugsted AS, Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson & Knudsen A/S.

SOCIAL FACTORS

S2, Workers in the value chain

Aarsleff has implemented a range of policies and processes that support our engagement in respecting and promoting fundamental rights for both our own employees and workers in our value chain.

Human rights

Aarsleff is committed to respecting internationally recognised human rights. Human rights, as referenced in this context, include at least the rights outlined in the United Nations' Basic Rights and the ILO's Declaration on Fundamental Rights and Principles at Work. In addition, we use the United Nations' Guiding Principles on Business and Human Rights and the OECD's Guidelines for Multinational Enterprises. Our Group policy on respecting human rights applies to all collaborations with companies within the Aarsleff Group as well as to the operating units where Aarsleff has operational control. Collaboration partners should be understood broadly to include all types of partners, such as joint venture partners, suppliers, subcontractors, consulting engineers and rental companies.

Due diligence processes and code of ethics

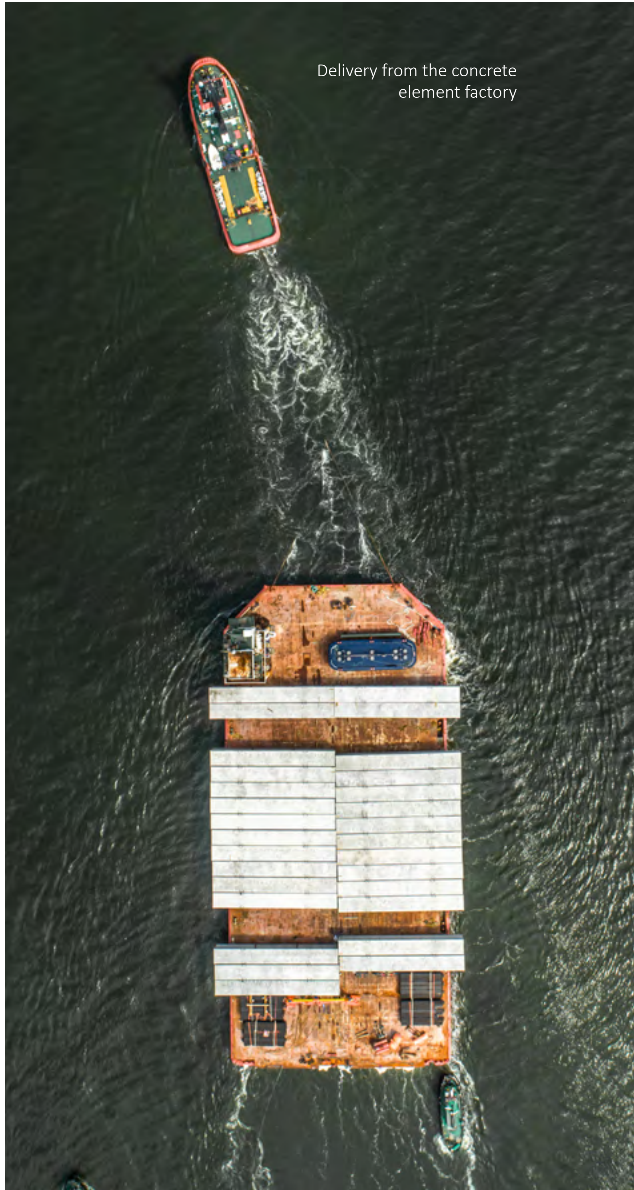
We have implemented due diligence processes to identify, mitigate and remediate risks related to human rights violations. This includes, among other things, conducting risk analysis and screening several of our most important suppliers and subcontractors against a range of ESG factors. Furthermore, our code of ethics for collaboration partners ensures they act in accordance with internationally recognised standards for human rights, employee rights, climate and environment, anti-corruption, fair competition and tax. We acknowledge that establishing the necessary efforts and processes to support the requirements of our code of ethics requires both time and resources. So, our code of ethics also serves as a tool for collaboration and dialogue to improve systems addressing negative impacts on human rights, including labour rights, climate and environment and anti-corruption.

Engagement with collaboration partners

To promote responsibility and transparency in our value chain, we have established several requirements for our partners.

By continuously evaluating, updating and improving our due diligence processes and collaboration policies, we strive to reduce the risks of negative impacts on responsible business conduct within our value chain and ensure proper working conditions for all involved.

We are working towards establishing concrete, results-oriented targets for managing material negative impacts, promoting positive impacts and addressing material risks and opportunities for workers in our value chain.



Delivery from the concrete element factory

GOVERNANCE

G1, Business conduct

Our focus	Planned actions in 2023/24	Status	Progress in 2023/24	Planned actions in 2024/25	Our targets
Contribute to responsibility and ensure compliance with human rights.	Review and update the Group's human rights policy.		Updated Group policy on respect for human rights has been published.	Strengthen the efforts to ensure compliance with human rights through targeted risk assessments. Annual review of the policy to ensure compliance with legislation as well as the Aarsleff Group's policies, values and targets.	Increased focus on compliance with human rights.
Increase responsible and sustainable business conduct in the value chain.	Develop an ethical code of conduct for the Group's collaboration partners.		A new ethical code of conduct for collaboration partners has been published and incorporated into all standard contracts.	Increase awareness of and promote the Group's code of ethics, for example, when entering into agreements with new suppliers.	By the end of 2025, all framework agreement suppliers have accepted our code of ethics.
Prevent bribery and corruption.	Increase employees' knowledge and understanding of the Group's anti-corruption policy.		Developed an e-learning course, which salaried employees in the largest Danish companies of the Group have completed/will complete.	The e-learning course should be offered to additional Danish and foreign companies within the Group.	95% of all salaried employees have completed the e-learning course.
Ensure compliance with upcoming legal requirements.	Start ESG screening of the largest suppliers using Dun & Bradstreet Risk Analytics.		ESG screening has been conducted and clarified for key suppliers in parts of the Group.	Continue supplier screening and use self-assessment tool for suppliers with particularly high risk.	Identify and minimise potential risks.
Minimise and manage risks.	Conduct annual risk analysis of the most prominent risks.		The risk assessment has been conducted, and the conclusions have been prioritised.	Review the risk analysis to ensure relevance and the ability to address new risks.	Ensure that the risk analysis is updated and relevant so that we can effectively identify and manage new risks.

Fully achieved Partly achieved Not achieved

In the Aarsleff Group, we take responsibility for our employees, our business and society. We want to create a diverse and inclusive workplace, where everyone has equal opportunities, works safely and thrives. We also expect our collaboration partners to actively engage in social responsibility and promote responsible business conduct.

Identified risks

In the building and construction industry, the competitive tendering process and the large number of suppliers and stakeholders in the value chain create risks of bribery, corruption and anti-competitive practices.

Our double materiality assessment shows that the risk of corruption is low because the Aarsleff Group primarily works with public clients in countries with a low risk of bribery and corruption. These countries rank between 1 (Denmark) and 47 (Poland and Slovakia) in the Transparency International Corruption Perceptions Index 2023.

The biggest risk is related to gifts or events without professional content, offered to our employees by existing or potential suppliers, or provided by our employees to existing or potential customers with the purpose of gaining competitive advantages.

We face risks in our activities across short, medium and long-term horizons. To manage these, we enhance our compliance culture through policies, audits, a whistleblower system, management communication, training and e-learning. And it is the responsibility of top management to lead by example, clearly demonstrating integrity and accountability in line with the Group's values.

Corporate culture, conduct and ethics

Our codes of ethics form the basis of our compliance programme. These codes of ethics outline our expectations for employees and collaboration partners to comply with national and international laws, respect global principles, support our culture, values and policies as well as take responsibility in promoting responsible business conduct.

In our codes of ethics, we emphasise several key issues that deserve our special attention. Each of these issues is detailed in separate and comprehensive policies. For instance, policies related to anti-corruption, whistleblower system, working

Sewer renovation with GRP profiles under Copenhagen Central Station environment, customer events, offensive behaviour and violence, human rights as well as a tax policy. Additionally, we provide ongoing e-learning opportunities for our employees to ensure they are familiar with the policies, which are regularly updated.

We maintain a zero-tolerance approach to corruption and bribery, supported by our anti-corruption policy and the e-learning courses that some of our employees have already completed. The aim of e-learning is to ensure that employees, particularly those in high-risk positions for corruption and bribery, have sufficient knowledge and insight.

Our anti-bribery policy prohibits any transfer of money or assets, including facilitation payments, donations and other personal or financial benefits.

Evaluation and selection of suppliers

Our purchasing policy outlines the principles of financial responsibility, sustainable and ethical purchasing, including social responsibility and human rights, risk management and supplier diversity such as the use of local suppliers.

We evaluate and select suppliers based on criteria such as price, experience, capacity, financial resilience, quality management, occupational health and safety management as well as compliance with our code of ethics. Strategic suppliers are evaluated based on ESG factors, and where relevant, we follow up with discussions and potentially self-assessment forms. Failure to comply with our code of ethics may lead to the termination of the collaboration.

Reports of corruption and bribery

Employees, business partners and other stakeholders are encouraged to report any suspicions of irregularities or illegal activities to an appropriate Aarsleff manager or through the whistleblower system, available in Aarsleff Group languages.

The whistleblower system enables employees and other work-related parties to confidentially report to an impartial entity. The system is managed by an independent third party, and all reports are investigated. The Group CFO is responsible for the whistleblower policy.

In 2023/24, the whistleblower system was used five times (six times in 2022/23), with none of the reported concerns relating to corruption or bribery. We have not received any rulings, fines or similar penalties for violations of anti-corruption legislation.

Our five targeted privacy policies highlight our commitment to data ethics, ensuring complete transparency in how we process and protect data at Aarsleff. And they outline Aarsleff's data ethics policy in accordance with section 99 d of the Danish Financial Statements Act. The policy on data ethics is referenced in the section on Policies and Principles.

Extension of motorway bridge West of Aarhus

Tax policy

Aarsleff has adopted a Group tax policy that ensures we always apply best practices and comply with applicable legislation. We do not engage in tax avoidance schemes and ensure continuous compliance with national and international regulations.

GOVERNANCE

Corporate governance

The Board of Directors and board committees

The Board of Directors defines the overall targets and strategies of the Aarsleff Group. In addition, the Board of Directors performs the overall management of the company.

The Board of Directors has defined rules of procedure describing the work of the Board of Directors. The rules of procedure also describe the work of the Chairman and the Deputy Chairman of the Board of Directors. The Board of Directors' rules of procedure are reviewed annually to ensure that the Board effectively addresses its key responsibilities, including the company's overall strategic management and control as well as the ongoing evaluation of the Executive Management's performance.

The Board of Directors has set up an Audit Committee as well as a Nomination and Remuneration Committee. The Audit Committee, consisting of three board members, monitors the company's risk management, financial and sustainability reporting, legislative compliance and internal controls. Additionally, they oversee the performance of the external auditor. The Nomination and Remuneration Committee, consisting of two board members, is tasked with setting the remuneration policy for the Board of Directors and Executive Management of Per Aarsleff Holding A/S. They also propose changes to this policy and must obtain approval from the Board of Directors before presenting it to shareholders at the annual general meeting.

The Board of Directors' focus areas

Strategy

- Safe execution and ongoing follow-up of major and complex projects
- Evaluation of the Group's overall structure
- Focus on value-creating One Company collaboration across the Group's units
- Focus on the opportunities in each segment.

Organisational development

- Management structure and succession planning
- Development and retention of key employees.

Risk management

- Improvement of internal reporting on large projects
- Mitigation of cyberattack risks, creation of backup plans as well as improvement and alignment of the Group's IT structure.

Responsibility, sustainability and green transition

- Implementation of CSRD requirements for ESG and taxonomy reporting
- Focus on new business opportunities in the green transition.

Evaluation of the Board of Directors

The work, results and composition of the Board of Directors were evaluated during the year. The Chairman of the Board of Directors was responsible for the evaluation, and the result was discussed among the entire Board of Directors. Except for a few minor adjustments, the evaluation did not lead to any significant changes in the Board of Directors' annual work cycle or working methods.

Responsible corporate governance

The management structure of the Aarsleff Group includes the Board of Directors, the Executive Management of the parent company Per Aarsleff Holding A/S as well as the Group Management, which comprises the management of the five segments alongside the Group Executive Management. Responsibility and sustainability are embedded in the company's operations, as evidenced by a management structure that ensures ongoing progress towards the company's sustainability goals.

Structure of governance and organisation of ESG

Approver
The Board of Directors approves the sustainability strategy and reporting annually.

Sustainability is on the agenda at least once every quarter.

The Audit Committee oversees/inspects/monitors the integrity, processes, controls, policies and information in the company's sustainability reporting.

Responsibility
The Executive Management oversees the sustainability strategy and reporting as well as monitors the progress of sustainability initiatives.

Sustainability is a core responsibility of the Executive Management and is a permanent agenda item in their meetings.

Task initiator
The Group Management and the ESG Programme Steering Committee hold overall responsibility for implementing the sustainability strategy.

ESG topics are prioritised throughout the Group and discussed at quarterly board meetings.

Programme owner
Group Finance and Group Sustainability are the overall owners of the sustainability programme.

Group Finance manages compliance, data collection processes and controls, while Group Sustainability collaborates with the business units to develop and implement sustainability initiatives.

Performance
In each area of the CSRD, specific project tracks have been defined to target key aspects of the sustainability strategy.

Track managers are responsible for prioritising and implementing processes, controls and management as well as capturing ideas and collecting performance data.

Group functions
The Group functions identify, plan and prioritise sustainability trends within their respective areas. They advise the ESG Programme Steering Committee and ensure that the actions from the project tracks are effectively managed.

Recommendations for good corporate governance

With few exceptions, Management complies with the recommendations of Nasdaq Copenhagen A/S on good corporate governance, found on https://corporategovernance.dk/

The exceptions are:

- Aarsleff has decided not to webcast the annual general meeting.
- The Nomination and Remuneration Committee consists of two members of which one member is not independent.
- No external assistance was involved in the board evaluation for 2023/24. The Board of Directors conducted the evaluation themselves, based on the items outlined in the recommendation.
- The variable remuneration, paid to the Executive Management, cannot be reclaimed.

An outline of the company's approach to each recommendation on good corporate governance, last updated in December 2020, is available at www.aarsleff.com/corporategovernance20232024

Composition of the Board of Directors

The Board of Directors consists of seven external board members, each elected annually by the Annual General Meeting. Additionally, the Board of Directors includes three employee-elected representatives, each serving a four-year term.

In recommending new candidates to the Board of Directors, we prioritise diversity and the representation of key qualifications to ensure the Board can perform its duties effectively. Specific targets have been established for the proportion of the underrepresented gender in the Board of Directors, and the target of 40% has been achieved, see the section on Social factors.

During the year, the Board of Directors held six ordinary board meetings attended by the Executive Management as well as one extraordinary meeting. In addition, five meetings have been held in the Audit Committee and three meetings in the Nomination and Remuneration Committee.

Meeting attendance – Board of Directors

Board member	Board meetings		Audit Committee meetings	Nomination and Remuneration Committee meetings
	Ordinary	Extraordinary		
Ebbe Malte Iversen	5/6	1/1		3/3
Jørgen Dencker Wisborg	6/6	1/1		3/3
Charlotte Strand	6/6	1/1	5/5	
Henrik Højen Andersen	6/6	1/1	1/1	
Klaus Kaae	6/6	1/1	5/5	
Pernille Lind Olsen	6/6	0/1		
Lars-Peter Søbye[1]	2/3	1/1	3/4	
Dan Bentsen[1]	3/3	1/1		
Britta Hoier[1]	3/3	1/1		
Julie Briand Madsen[1]	3/3	1/1		

[1] Elected to the Board of Directors on 29 January 2024.

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Internal control and risk management in financial reporting

Internal controls and risk management relating to financial reporting in the Aarsleff Group are designed to ensure that financial statements comply with International Financial Reporting Standards (IFRS), as adopted by the EU, and additional Danish disclosure requirements for listed companies.

Based on the internationally recognised COSO framework, we have established processes for internal controls and risk management with the goal of achieving acceptable and reasonable assurance that significant errors and irregularities in financial reporting are detected and corrected, ensuring that the annual report provides a true and fair view without material misstatements. Additionally, these processes contribute to the selection and application of appropriate accounting policies and the sound exercise of accounting estimates.

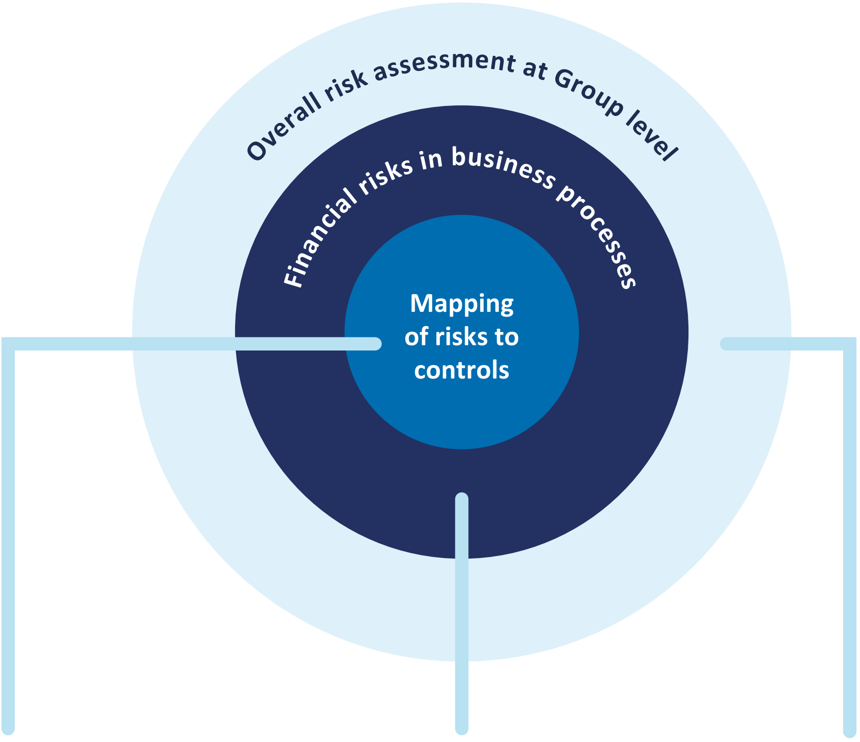
Our sustainability reporting is integrated into the regular reporting process within selected subject areas, which will be continuously expanded. The target is to integrate sustainability reporting into the overall risk management process and the general management process and to actively implement the results in relevant internal functions and processes.

In the future, we expect to report on the results of risk analyses and internal controls, which will be regularly shared with the Executive Management, Audit Committee and Board of Directors.

The Group's process for identifying and handling risks at Group level and within individual business processes is illustrated in the figure.

Internal controls

Process – Group level



Existing controls are mapped to the identified risks

The Group's control handbook is updated with new risks and controls

Executed controls and processes are documented

Identification of financial risks in the business processes

- Work in progress
- Revenue/receivables
- Purchase of goods/accounts payable
- Non-current assets

Top-down approach

Identification of commercial and financial risks

Description of how the most significant risks are hedged

Control environment

The Board of Directors has established an Audit Committee, which assists in monitoring financial reporting, including ESG reporting, and the effectiveness of the Group's internal control and risk management systems.

The Audit Committee has supervisory responsibilities and reports to the entire Board of Directors. The responsibility for the day-to-day maintenance of effective internal controls and a risk management system for financial reporting rests with the Executive Management. Managers at different levels are responsible within their respective areas.

Responsibility and powers are defined in the Board of Directors' instructions to the Executive Management, policies, procedures and code. The Board of Directors approves the most significant policies of the Group as well as the code of business conduct.

The Executive Management approves other policies and procedures, and the responsible functions issue guidelines and monitor the use of all policies and procedures. The organisational structure and internal guidelines together with laws and other rules form the control environment.

Risk assessment

A risk analysis is prepared regularly to assess key risks in the financial reporting process, including a separate assessment of the risk of material misstatement of the consolidated financial statements due to fraud.

The risk assessment, which is allocated to financial reporting items and data points in the ESG reporting as well as individual processes in the financial reporting, forms the basis of the determined risk management policy. This policy ensures that relevant risks are managed and reduced to an acceptable level.

Control activities

The aim of the control activities is to prevent, discover and correct any errors and irregularities. These activities are integrated into the Group's accounting and reporting procedures and include procedures for certification, authorisation, approval, reconciliation, analysis of results, separation of incompatible functions, controls concerning IT applications and general IT controls.

The work of implementing the relevant controls within the ESG area is based on the existing controls and is still ongoing.

The risk assessment in the individual companies forms the basis for the local control activities concerning financial reporting. This is supported by the Group's control handbook which defines a set of minimum controls that must be carried out. The purpose of the risk assessment and the associated control activities is to ensure that an acceptable level of internal control concerning financial reporting in the Group is maintained.

Information and communication

The Aarsleff Group maintains information and communication systems to ensure that financial reporting is accurate and complete. Accounting policies, accounting procedures and other reporting instructions are updated as needed and reviewed at least once a year.

The Aarsleff Group's accounting policies are specified in an accounting and reporting instruction submitted to the Group companies each year. In case of significant changes to the accounting policies, it is considered from time to time how these are most appropriately communicated to the Group's companies.

In the Aarsleff Group, we strive for an open corporate culture where everyone can freely come forward and report concerns of irregularities or illegal activities concerning the Group's employees, management or suppliers. We find it very important that this type of information comes to light and is reported to our whistleblower system.

Monitoring

The Aarsleff Group uses a consolidation system to monitor the Group's financial results and ESG performance. This system enables the detection and correction of any errors and irregularities in the financial reporting through analysis and follow-up at an early stage.

Compliance with accounting policies is currently monitored at Group level and other operating levels by financial controllers.

On a rotating basis, an annual review and assessment is carried out to determine whether the control design of relevant companies complies with the standards set for each company in accordance with its risk assessment. The results are reported to the Audit Committee.

Similarly, the Audit Committee receives observed control weaknesses and recommendations from the auditor elected at the Annual General Meeting. The Audit Committee monitors that the Executive Management reacts efficiently to any weaknesses or shortcomings and ensures that measures relating to risk management and internal controls in connection with the financial reporting are implemented as planned.

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Material financial risks

An integrated part of the Aarsleff Group's activities is financial risk management. We have identified and categorised the most material risks according to probability and consequence.

The Aarsleff Group's activities involve numerous risks that may affect the operation and financial position of the Group. Naturally, the execution of these activities affects the society around us and is described in the double materiality assessment. We consider risks a natural and integrated part of our business activities. By means of risk management we reduce identified risks to an acceptable level.

Group management has the overall responsibility for each individual risk and performs current risk assessments which are categorised in relation to probability and financial consequence.

Here, we illustrate the most material risks that are assessed to have a potential financial impact on the Aarsleff Group and how probability and consequence are assessed, compared to the previous financial year.

Risk assessment

The diagram shows the probability that a risk occurs and how we assess its impact on our business.

Management

1. Joint venture risk
2. Planning and project execution
3. Revenue recognition of projects
4. Changed market conditions
5. Cyberattacks

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	Joint venture risk	Planning and project execution	Revenue recognition of projects	Changed market conditions	Cyberattacks
Risk	Sometimes we enter into large-scale contracts together with selected business partners with a view to sharing the risk and adding expertise in connection with project execution. Throughout this process, business partners are carefully selected, as the Aarsleff Group is exposed to material risks if the business partners cannot handle the task. The Fehmarn project is our largest joint venture project which is carried out in a consortium with other partners. The recognition of the expected project results follows the usual principles that the Aarsleff Group uses for large and complex projects. Due to the size and complexity of the project, there is a wide outcome range concerning the scenarios for the expected final result.	A decisive parameter in relation to the Aarsleff Group's ability to generate the expected earnings is the ability to plan, manage and execute projects. This is a process that is continuously improved, as our experience base expands. Within our specialist fields, we execute a number of routine jobs involving a high degree of repetition. One of the effects of repetition is the possibility to control and reduce errors and risks. We work systematically to identify and remove sources of error, and repetition allows us to monitor, control and inspect the work.	The monthly progress report is based on an estimate of how many costs are expected to be incurred up until project completion. The estimate is based on more objective assessments of expected material consumption etc. as well as on more subjective assessments of e.g. time consumption in consideration of the project manager's experience with similar projects. The project progress report thus comprises a significant element of estimate which may result in uncertainty relating to the financial reporting of the project.	The increased interest rate level has an impact on the demand for services within the building construction sector. In addition, there is a risk of increasing raw material and material prices after signing of contract, resulting in a potential reduction of the Group's earnings generated from the contract in question.	The Aarsleff Group is regularly exposed to cyberattacks of different types and strengths. The risk is increasing as a consequence of more digitalisation and automation, and correspondingly, our dependency on access to systems and data is increasing.
Current status	The joint venture risk is increased compared to last year, as there are several unsettled issues, e.g. due to the effect of the conditions of the German environmental plan approval concerning the Fehmarn project.	Based on the project composition, the risk is assessed to be unchanged compared to last year.	Raw material prices and inflation have stabilised. The risk of inaccurate revenue recognition of projects is therefore assessed to be unchanged compared to last year.	The uncertainty of increasing raw material prices and shortages of certain materials are incorporated in the Group's processes, and the risk is unchanged compared to last year.	The risk of cyberattacks is still deemed to be increasing, in part due to the Group's increasing digitalisation and automation of processes, but also because the number of companies hit by serious cyberattacks is increasing.
Risk mitigating actions	The joint venture risk is reduced by thoroughly assessing the history, financial strength and professional expertise of our business partners before entering a working relationship. On the Fehmarn project, for example, the Aarsleff Group cooperates with large, well-consolidated international business partners. In addition, the project is closely monitored both in daily operations and at management level. The recognition of the Fehmarn project is made in consideration of the existing risks and opportunities.	A form of risk management is integration of design and planning. Traditionally, a contractor does not become part of a project until a firm of consulting engineers has completed the design, and the tender phase is over. However, there is a tendency to involve the contractor already when initiating the design. This form of collaboration leads to e.g. partnering contracts, design & build contracts and cost-plus contract.	Each month, a number of procedures and controls are carried out in connection with progress report of ongoing projects. The initiated controls ensure that the estimates are well-founded and substantiated while taking the experience gained from the project and other similar projects into account. Therefore, Management assesses that the initiated controls reduce the risk to an acceptable level, as it will not be possible to eliminate this risk completely.	The development in raw material prices, e.g. steel prices, may have a material financial effect. We try to reduce the effect hereof by introducing price regulation mechanisms in our contracts with the customers, compensating for fluctuations in the raw material price, or by making fixed price contracts with the suppliers at an early stage. If this is not possible, we will price the uncertainties for the customer.	Initiatives have been introduced to ensure that the damage caused by potential attacks is reduced as much as possible, and we are taking ongoing measures to minimise the Group's exposure to potential attacks which may cause damage to or leakage of our data. In addition, the majority of the Danish companies are now insourced on Aarsleff's IT platform, and the move of the remaining companies is planned. Moreover, minimum IT security requirements have been implemented in the foreign companies, and the Group's employees are continuously trained in IT security.

From the left: Britta Hoier, Klaus Kaae, Julie Briand Madsen, Jesper Kristian Jacobsen, Pernille Lind Olsen, Dan Bentsen, Ebbe Malte Iversen, Mogens Vedel Hestbæk, Charlotte Strand, Henrik Højen Andersen, Jørgen Dencker Wisborg and Lars-Peter Søbye

Executive Management and Board of Directors

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Executive Management

	Jesper Kristian Jacobsen	Mogens Vedel Hestbæk
Position	Group CEO	Group CFO
Employed since	2001	2015
Education	BSc (Engineering)	MSc (Economics)
Year of birth	1970	1972
Chairman of the board		Permagreen Grønland A/S
Board member	The Danish Construction Federation Molio Erhvervsdrivende Fond Rømerfondet	Inussuk A/S RTX A/S (Chairman of the Audit Committee) Trym Anlegg AS

Executive Management's total number of shares in the company held at 19 December 2024: 37,329 (at 19 December 2023: 30,603).

From the left: Jesper Kristian Jacobsen and Mogens Vedel Hestbæk

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Board of Directors

	Ebbe Malte Iversen Chairman of the Board	**Jørgen Dencker Wisborg** Deputy Chairman	**Charlotte Strand**	**Henrik Højen Andersen**	**Klaus Kaae**
Education	BSc (Engineering)	MSc (Economics and Business Administration) INSEAD (LEAP)	MSc (Economics)	MSc (Engineering) Msc (Engineering Management), Stanford University	MSc (Engineering)
Chairman of the board	STIBO Fonden (plus three subsidiaries) Ejendomsfonden AIS	Blue Water Holding A/S (plus three subsidiaries) Danoil ll ApS Danoil Exploration A/S Schouw & Co (plus Board Member in six subsidiaries)		Niels Andersens Legats Handelsaktieselskab	
Board member	Ege Carpets A/S (Deputy Chairman) Per og Lise Aarsleffs Fond	Direktør Svend Hornsylds Legat	Aibel ASA (Chairman of the Audit Committee) Faerch A/S (Chairman of the Audit Committee) Faerch Group Holding A/S Lakrids by Johan Bülow A/S (Deputy Chairman and Chairman of the Audit Committee) as well as Deputy Chairman in two affiliated companies Reventus Power Limited (Chairman of the Audit Committee) Nordsøfonden	Arla Foods Ingredients Group P/S K/S Solenergi Bayern K/S Ringsted C	Alfa Development A/S Alfa Development AB
Other managerial positions		CEO of Rotensia ApS	Member of the Advisory Board at North Star Shipping Ltd	General Manager of Solenergi Bayern Komplementar ApS Marselis Consulting v/Henrik Andersen	Kaae Virksomhedsrådgivning Member of the Board of Representatives in Realdania Member of the Advisory Board at CCL Scandinavia A/S
Position	Professional Board Member	Professional Board Member	Professional Board Member	Professional Board Member	Professional Board Member

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Board of Directors

	Pernille Lind Olsen	Lars-Peter Søbye	Britta Hoier	Dan Bentsen	Julie Briand Madsen
Education	MSc (Political Science)	MSc (Engineering)	Higher General Examination Programme and Higher Commercial Examination Programme		MSc (Economics and Business Administration)
Chairman of the board		Danish Industry Foundation			
Board member	National Association of Manufacturers German American Chamber of Commerce				
Other managerial positions		Chairman of NEKST – The National Energy Crisis Staff		Trade Union Representative	
Position	Senior Corporate Vice President, Packaging & Consumer Goods, at Henkel	Professional Board Member	Senior Business Controller at Per Aarsleff A/S	Chargehand at Per Aarsleff A/S	HR Business Partner at Per Aarsleff A/S

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Board of Directors

				Board expertise[1]										
Board member	**Gender**	**Year of birth**	**Independence**	**General management**	**Industry expertise**	**Develop-ment**	**Finance and administration**	**Initially elected**	**Term of office**	**Chairman or deputy chairman**	**Committee seat**	**Board renumeration**	**Number of shares[2]**	**Change[3]**
Ebbe Malte Iversen	♂	1951	Not independent[4]	x	x	x	x	2020	1 year	Chairman of the Board	Nomination and Remuneration Committee, Chairman	1,050,000	129,943	0
Jørgen Dencker Wisborg	♂	1962	Independent	x		x	x	2022	1 year	Deputy Chairman	Nomination and Remuneration Committee	708,000	5,000	0
Charlotte Strand	♀	1961	Independent	x		x	x	2017	1 year		Audit Committee, Chairman	517,000	0	0
Henrik Højen Andersen	♂	1960	Independent	x		x		2020	1 year			317,000	489	0
Klaus Kaae	♂	1959	Independent	x	x	x	x	2023	1 year		Audit Committee	430,000	500	500
Pernille Lind Olsen	♀	1973	Independent	x		x	x	2023	1 year			317,000	0	
Lars-Peter Søbye	♂	1960	Independent	x	x	x	x	2024	1 year		Audit Committee	297,000	0	
Britta Hoier	♀	1965	Staff-elected		x		x	2024	4 years			217,000	1,574	
Dan Bentsen	♂	1968	Staff-elected		x			2024	4 years			217,000	753	
Julie Briand Madsen	♀	1985	Staff-elected		x		x	2024	4 years			217,000	901	

[1] For elaboration of the board expertise, see www.aarsleff.com/investor.
[2] Number of shares in the company held at 19 December 2024.
[3] Change from 19 December 2023.
[4] Has been employed in the Executive Management within the past five years.
For more information about remuneration and shareholding, see Aarsleff's remuneration report.

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Disclosure requirements in ESRS

The following tables present all the ESRS disclosure requirements in ESRS 2 and the six thematic standards relevant to Aarsleff, which have formed the basis for our sustainability reporting. We have excluded all disclosure requirements in the thematic standards E2, E3, S3 and S4, as these fall below our materiality thresholds.

These tables can be used to navigate information regarding specific disclosure requirements in sustainability reporting. They also indicate where information related to a specific disclosure requirement may be found outside our sustainability reporting, such as in the management's review, financial statement or our separate remuneration report.

If we do not yet have information regarding a disclosure requirement, no reference is provided.

In general

	Disclosure requirements	Page reference
ESRS 2		
BP-1	General basis for preparation of sustainability reporting	46, 90
BP-2	Disclosures in relation to specific circumstances	46, 90
GOV-1	The role of administrative, management and supervisory bodies	74-76, 81-85
GOV-2	Information and sustainability matters handled by the company's administrative, management and supervisory bodies	74-76, 81-85
GOV-3	Integration of sustainability-related performance in incentive schemes	46
GOV-4	Statement of due diligence	46
GOV-5	Risk management and internal control system in relation to the sustainability reporting	77-78
SBM-1	Strategy, business model, and value chain	12-19
SBM-2	Interests and views of stakeholders	50-51
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	47-49
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	90
IRO-2	Disclosure requirements in ESRS addressed in the company's sustainability reporting	86-89

Environmental and climate factors

	Disclosure requirements	Page reference
E1, Climate change		
E1-GOV-3	Integration of sustainability-related performance into incentive schemes	-
E1-1	Transition plan for climate change mitigation	53
E1-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	47-49
E1-IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	90
E1-2	Policies related to climate change mitigation and adaptation	163-164
E1-3	Actions and resources in relation to climate change policies	54
E1-4	Targets related to climate change mitigation and adaptation	52
E1-5	Energy consumption and mix of energy sources	54
E1-6	Gross greenhouse gas emissions for Scopes 1, 2 and 3 as well as total greenhouse gas emissions	55
E1-7	Greenhouse gas removals and greenhouse gas mitigation projects financed through carbon credits	-
E1-8	Internal carbon pricing	55
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	103

Environmental and climate factors

	Disclosure requirements	Page reference
E4, Biodiversity and ecosystems		
E4-1	Transition plan and integration of biodiversity and ecosystems into the strategy and business model	57
ESRS 2-IRO-1	Description of the processes to identify and assess material impacts, risks, dependencies and opportunities for biodiversity and ecosystems	90
E4-2	Policies regarding biodiversity and ecosystems	163-164
E4-3	Actions and resources regarding biodiversity and ecosystems	57
E4-4	Targets regarding biodiversity and ecosystems	56-57
E4-5	Impact indicators related to biodiversity and changes in ecosystems	56-57
E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	48

E5, Resource use and circular economy		
ESRS 2-IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to resource use and circular economy	90
E5-1	Policies regarding resource use and circular economy	59
E5-2	Actions and resources regarding resource use and circular economy	58
E5-3	Targets regarding resource use and circular economy	58
E5-4	Resource input	60
E5-5	Resource output	60
E5-6	Anticipated financial effects from resource use and risks and opportunities related to circular economy	48

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Social factors

	Disclosure requirements	Page reference
S1, Own workforce		
ESRS 2 SBM-2	Interests and views of stakeholders	50-51
ESRS 2 SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	47-49
S1-1	Policies regarding own workforce	163-164
S1-2	Processes for engaging with own workforce and workers' representatives to discuss impacts on them	66
S1-3	Processes for remediation of negative impacts, and channels available to own workforce to raise concerns	66
S1-4	Actions to address material impacts on own workforce and approaches to manage material risks and pursue material opportunities related to own workforce and the effectiveness of those actions	65
S1-5	Targets set to manage material negative impacts, promote positive impacts and address material risks and opportunities	65
S1-6	Characteristics of employees in the company's own workforce	67
S1-7	Characteristics of non-employees in the company's own workforce	67
S1-8	Collective bargaining agreements and social dialogue	-
S1-9	Diversity indicators	67
S1-10	Adequate wage	68
S1-11	Social protection	-
S1-12	People with disabilities	-
S1-13	Indicators of training and skills development	68-69

Social factors

	Disclosure requirements	Page reference
S1, Own workforce		
S1-14	Health and safety indicators	69
S1-15	Work-life balance indicators	69
S1-16	Remuneration indicators (pay difference and remuneration)	-
S1-17	Incidents, complaints and severe human rights impacts	69

Social factors

	Disclosure requirements	Page reference
S2, Workers in the value chain		
S2-SBM-2, Stake-holders' interests and views	How Aarsleff could materially impact the interests, views and rights of its value chain workers, including respect for their human rights	-
S2-SBM-3, Material IRO + interaction with strat-egy and business model	Information on whether all value chain workers are included. Information on geographical locations with significant risks of child labour or forced labour in the value chain	-
S2-1	Policies regarding value chain workers	163-164
S2-2	Processes for engaging with value chain workers to discuss impacts on them	-
S2-3	Processes for remediation of negative impacts, and channels available to value chain workers to raise concerns	-
S2-4	Actions to address material impacts on value chain workers and approaches to manage material risks and pursue material opportunities related to value chain workers and the effectiveness of those actions	70
S2-5	Targets set to manage negative impacts, promote positive impacts and address material risks and opportunities	70

Governance

	Disclosure requirements	Page reference
G1, Business conduct		
G1 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	72
G1 GOV-1	The role of administrative, management and supervisory bodies	74-76
G1-1	Policies for business conduct and corporate culture	163-164
G1-2	Management of the relationships with suppliers	73
G1-3	Prevention and detection of corruption and bribery	73
G1-4	Incidents of corruption or bribery	73
G1-5	Political influence and lobbying activities	-
G1-6	Payment practices	-

GOVERNANCE

Accounting policies

ESRS 2

Selection of methods for the double materiality assessment
Impacts, risks and opportunities have been identified based on the Group's primary business areas and business relationships within the value chain. The focus has been on key areas where material impacts, risks and opportunities are likely to materialise. During this process, we identified impacts within the ESRS topics, categorised into subtopics and sub-subtopics, with an emphasis on the primary activities in our own operations and the upstream and downstream value chain. Risks and opportunities are identified based on how they can arise from each individual impact. The double materiality assessment includes positive and negative impacts as well as financial opportunities and risks, both actual and potential.

Stakeholder involvement
In the process of preparing the double materiality assessment, a series of workshops and meetings were held with internal stakeholders from Aarsleff. External stakeholders were not directly interviewed, but the insights gained from close collaboration and ongoing dialogue were incorporated into our assessment.

Basis of assessment
Actual negative impacts are assessed based on their scale, scope and irreversibility. Actual positive impacts are assessed based on their scale and scope. Potential impacts are also assessed based on their probability.

The assessment of risks and opportunities considers the magnitude of the economic effects and the probability of these effects being realised.

Thresholds
The materiality level is determined by combining the severity and probability of impacts. For negative impacts, severity is assessed based on scale, scope and irreversibility. For positive impacts, the positivity level is determined by assessing scale and scope.

Risk management
We are in the process of integrating the identification, assessment and management of impacts and risks into the Group's overall risk management framework. For further details, please see section on Internal control and risk management in financial reporting.

E1, Climate change

Organisational threshold
We report in accordance with ESRS 1, item 62, for the entire reporting entity, meaning that the companies included in the consolidation are accounted for at 100% in the calculation of Scope 1, Scope 2 and Scope 3 emissions. Joint operations are accounted for in Scope 1, Scope 2 and Scope 3 based on their ownership share.

Scope
The GHG Protocol requires reporting carbon equivalent emissions under Scope 1, Scope 2 and Scope 3. In this financial statement, carbon equivalent emissions are calculated from Scope 1 and Scope 2, along with selected parts of Scope 3. The Group's long-term ambition is to be able to include more relevant Scope 3 emissions.


Noise barrier at Port of Fredericia

The following upstream categories are reported in Scope 3: sheet piles, reinforcement steel, cement, ready-mixed concrete, water and drainage products as well as transportation. Upstream transportation in the value chain spans a broad spectrum. During the financial year, our primary focus has been on contractor transportation.

Uncertainty in calculating Scope 3
When calculating carbon emissions for Scope 3, the primary reliance has been on product-specific environmental product declarations (EDPs). In the absence of these, recognised emission factors, industry averages or similar data have been used. If none of these options were feasible, calculations have been based on actual expenses incurred. Consequently, some uncertainty is associated with the calculations made. All emission factors have been carefully selected to ensure the best possible accuracy and validity in the calculations.

Material carbon equivalent emission factors in calculating Scope 1 and Scope 2
Carbon equivalent emissions are calculated in accordance with the GHG Protocol and the Danish Business Authority's guidance for calculating carbon equivalents.

All emissions are converted into carbon equivalents, a standardised unit for comparing different greenhouse gas emissions.

The emission factor for fuel emissions is calculated for diesel using the TTW (tank-to-wheel) method and is provided by our largest fuel supplier, Circle K. The emission factor is based on data provided by the Danish Energy Agency.

When calculating carbon equivalents for electricity consumption, we use emission factors from the IEA database. We have used the latest emission factors available at the time of preparing this report.

E4, Biodiversity

Data regarding biodiversity includes the Aarsleff Group's projects in Natura 2000 areas, which are part of a network of protected areas in the EU. The data points represent the cumulative number of construction projects taking place in these Natura 2000 areas.

E5, Circular resource economy

Data is primarily collected from the Group's suppliers with whom agreements have been established. This data typically comes in the form of weighbridge tickets when waste is transported for the Aarsleff Group. Where accurate data from carriers is unavailable, estimates are made based on relevant assumptions.

In cases where subcontractors' waste is managed by setting up shared waste containers for which Aarsleff is responsible, subcontractors adhere to the waste plans defined for specific projects. In these cases, subcontractors' waste is included in the Aarsleff Group's statements. Conversely, Aarsleff's waste is not included when using containers set up by a main contractor.

It should be noted that the transportation of soil is not classified as waste.

S1, Own workforce

Data regarding our own workforce includes employees of the Aarsleff Group as well as temporary employees and similar personnel over whom Aarsleff has instructional authority. Currently, the data foundation for temporary employees and similar personnel is incomplete, as there has been no prior practice of reporting this type of information. Efforts are underway to improve this reporting.

Organisational threshold
Accidents and sickness absence are included for the employees over whom Aarsleff has instructional authority. When Aarsleff participates in joint operations, accidents and sickness absence for employees under the instructional authority of the Aarsleff Group are included, regardless of the ownership shares in the joint operation.

Key figures for sustainability reporting, definitions

Carbon emissions, Scope 1	=	Total carbon emissions from fuel consumption.
Carbon emissions, Scope 2	=	Total carbon emissions from electricity and heating consumption.
Emission intensity	=	Total carbon emissions (Scopes 1 and 2) in proportion to revenue.
Total energy consumption, (Scopes 1 and 2)	=	Total energy consumption (Scopes 1 and 2) in proportion to revenue. The numerator includes heating, fuel and electricity including in-house production from solar cells.
Carbon emissions, Scope 3	=	Indirect emissions from goods and services consumed.
Accident rate	=	Number of accidents per 1 million working hours. An accident (numerator) is defined as follows: Accident suddenly occurred during working hours, which results in absence on the day of the accident and at least the day after. Number of working hours (denominator) is defined as follows: Number of working hours performed in the year with deduction of accident absence.
Absence rate	=	Number of lost working hours per 1,000 performed working hours due to accidents.
Sickness absence	=	Number of sickness absence hours in proportion to the total number of working hours. The numerator includes own sickness absence, absence due to child's first day of sickness as well as short-term and long-term sickness. Absence due to chronic disease, parental leave and other types of absence are not included. The denominator includes the total number of working hours incl. sickness absence with deduction of holidays, extra holidays, special holidays, care days, absence due to accident and salaried employees' overtime hours.
Proportion of underrepresented gender on boards of directors	=	The underrepresented gender is women. The statement is made in line with the regulations of the Danish Financial Statements Act.
Proportion of underrepresented gender on other management levels	=	The underrepresented gender is women. The figure represents the proportion of women at the first and second management level at the end of the financial year. The statement is made in line with the regulations of the Danish Financial Statements Act.
Proportion of underrepresented gender in relation to all employees	=	The underrepresented gender is women. The figure represents the proportion of women in relation to the number of employees.
Apprentices	=	Employees employed on an apprentice contract are included regardless of field of work and type of training. The figure represents the proportion of apprentices at the end of the financial year in relation to the average number of hourly employees.
Trainees	=	Employees undergoing training on trainee contracts or attached to the staff as trainees are included regardless of field of work and type of training. The figure represents the proportion of trainees at the end of the financial year in relation to the average number of salaried employees.
Full-time workforce (average)	=	Number of employees converted to full-time equivalents.
Number of employees	=	Total number of employees at the end of the financial year.
Employee turnover rate – both voluntary and involuntary resignation	=	Employees leaving Aarsleff during the financial year regardless of the cause in relation to the number of employees at the end of the financial year.

FINANCIAL STATEMENTS

The new Natural History Museum in Copenhagen

Consolidated financial statements

Main financial statements

Notes to the financial statements

Income statement

1/10-30/9

Note	(DKKm)	2023/24	2022/23
5	**Revenue**	**21,719**	**20,244**
6, 7	Production costs	-19,095	-17,714
	Gross profit	**2,624**	**2,530**
6, 7, 8, 9	Administrative expenses and selling costs	-1,592	-1,510
10	Other operating income and expenses	60	49
16	Share of profit in associates and joint ventures	9	9
	Operating profit (EBIT)	**1,101**	**1,078**
11	Financial income	93	35
11	Financial expenses	-106	-71
	Profit before tax	**1,088**	**1,042**
12	Tax on profit for the year	-262	-244
	Profit for the year (continuing operations)	**826**	**798**
32	Profit/loss for the year (discontinued operations)	0	-6
	Profit for the year	**826**	**792**
	Profit for the year is attributable to:		
	Shareholders of Per Aarsleff Holding A/S	806	786
	Minority shareholders	20	6
	Total	**826**	**792**
13	**Earnings per share (DKK)**		
	Earnings per share	42.35	41.01
	Earnings per share (continuing operations)	42.35	41.33
	Diluted earnings per share	42.35	41.01

Statement of comprehensive income

1/10-30/9

Note	(DKKm)	2023/24	2022/23
	Profit for the year	**826**	**792**
	Items that may be reclassified to the income statement		
	Foreign exchange adjustment on translation of foreign entities	18	-1
	Fair value adjustments of derivative financial instruments, net	15	28
	Fair value adjustments of derivative financial instruments, transferred to the income statement	-32	-20
12	Tax on other comprehensive income	1	-2
	Other comprehensive income	**2**	**5**
	Total comprehensive income	**828**	**797**
	Comprehensive income is attributable to:		
	Shareholders of Per Aarsleff Holding A/S	808	791
	Minority shareholders	20	6
	Total	**828**	**797**

Balance sheet

Assets

Note	(DKKm)	30/9 2024	30/9 2023
	Goodwill	417	405
	Patents and other intangible assets	172	202
	Intangible assets in progress	87	62
14	**Intangible assets**	**676**	**669**
	Land and buildings	1,261	1,243
	Plant and machinery	2,009	1,699
	Other fixtures and fittings, tools and equipment	176	158
	Property, plant and equipment in progress	200	303
15	Lease assets	774	636
14	**Property, plant and equipment**	**4,420**	**4,039**
16	Investments in associates and joint ventures	1	1
19	Construction contract debtors	35	32
12	Deferred tax	1	12
	Other non-current assets	**37**	**45**
	Non-current assets	**5,133**	**4,753**
17	**Inventories**	**514**	**517**
19	Construction contract debtors	4,495	4,406
18	Work in progress	2,696	2,191
	Other receivables	226	255
	Income tax receivable	39	45
	Prepayments	97	151
	Receivables	**7,553**	**7,048**
	Securities	**479**	**485**
	Cash and cash equivalents	**387**	**579**
	Current assets	**8,933**	**8,629**
	Total assets	**14,066**	**13,382**

Equity and liabilities

Note	(DKKm)	30/9 2024	30/9 2023
	Share capital	39	41
	Translation reserve	-131	-149
	Hedging reserve	19	35
	Retained earnings	4,805	4,241
	Proposed dividend	215	204
	Equity, shareholders of Per Aarsleff Holding A/S	4,947	4,372
	Minority interests' share of equity	51	32
20	**Equity**	**4,998**	**4,404**
	Mortgage debt	79	85
	Credit institutions	856	1,645
15	Lease liabilities	557	449
21	Provisions	307	207
12	Deferred tax	486	541
22	Other payables	79	76
	Non-current liabilities	**2,364**	**3,003**
	Mortgage debt	6	6
	Credit institutions	75	138
15	Lease liabilities	230	183
18	Work in progress	1,845	1,580
21	Provisions	180	119
	Trade payables	2,940	2,718
	Income tax payable	228	48
22	Other payables	1,200	1,183
	Current liabilities	**6,704**	**5,975**
	Total liabilities	**9,068**	**8,978**
	Total equity and liabilities	**14,066**	**13,382**

Statement of cash flows

1/10-30/9

Note	(DKKm)	2023/24	2022/23
	Cash flow generated from operations		
	Operating profit (EBIT)	1,101	1,078
	Profit/loss from discontinued operations	0	-6
	Depreciation, amortisation and impairment	803	783
26	Other adjustments	125	33
27	Change in working capital	59	-602
	Cash flow from operating activities before net financials and tax	**2,088**	**1,286**
	Interest received	102	33
	Interest paid	-87	-63
	Cash flow from ordinary activities	**2,103**	**1,256**
	Income tax paid	-122	-154
	Cash flow from operating activities	**1,981**	**1,102**
	Cash flow generated from investments		
30	Acquisitions	-73	-17
	Investments in property, plant and equipment	-817	-892
	Investments in intangible assets	-29	-30
	Sale of property, plant and equipment	110	100
	Purchase of securities	-151	-39
	Sale of securities	166	54
	Cash flow from investing activities	**-794**	**-824**
	Cash flow generated from financing		
29	Repayment and servicing of non-current liabilities	-6	-35
29	Credit institutions	-850	538
29	Lease payments	-251	-235
	Dividend paid	-191	-152
	Treasury shares	-78	-123
	Cash flow from financing activities	**-1,376**	**-7**
	Change in cash and cash equivalents for the year	**-189**	**271**
	Opening cash and cash equivalents	579	319
	Market value adjustment of opening cash and cash equivalents	-3	-11
	Change in cash and cash equivalents for the year	-189	271
28	**Closing cash and cash equivalents**	**387**	**579**

Reference is made to note 32 for a description of cash flows from discontinued operations.

§ Accounting policy

The consolidated statement of cash flows is presented using the indirect method, starting with operating profit. The statement of cash flows shows cash flows for the year broken down by operating, investing and financing activities and the effect of these cash flows on the Group's cash and cash equivalents.

Cash flow from operating activities

Cash flow from operating activities is calculated as operating profit adjusted for non-cash operating items, changes in working capital, payments relating to financial items and tax paid.

Cash flow from investing activities

Cash flow from investing activities comprises acquisition and divestment of enterprises, purchase and sale of intangible assets, property, plant and equipment and other non-current assets, dividends from associates and purchase and sale of securities not included in cash and cash equivalents. Acquisition prices are measured including costs of purchase, and selling prices are measured less trading costs. Cash flows from acquired companies are recognised from the date of acquisition, and cash flows from divested companies are recognised until the date of divestment.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or composition of the Group's share capital and related costs as well as the raising of loans and servicing of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Statement of changes in equity

(DKKm)	Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend	Total, share-holders of Per Aarsleff Holding A/S	Minority shareholders	Total
Equity at 1/10 2023	**41**	**-149**	**35**	**4,241**	**204**	**4,372**	**32**	**4,404**
Comprehensive income								
Profit for the year				591	215	806	20	826
Other comprehensive income								
Foreign exchange adjustment of foreign entities		18				18		18
Fair value adjustments of derivative financial instruments, transferred to the income statement			-32			-32		-32
Tax on derivative financial instruments			7			7		7
Fair value adjustments of derivative financial instruments			15			15		15
Tax on derivative financial instruments			-6			-6		-6
Total other comprehensive income	0	18	-16	0	0	2	0	2
Total comprehensive income	**0**	**18**	**-16**	**591**	**215**	**808**	**20**	**828**
Transactions with owners								
Capital reduction	-2			2		0		0
Dividend, minority shareholders							-1	-1
Employee share programme				36		36		36
Purchase of treasury shares				-78		-78		-78
Dividend paid					-204	-204		-204
Dividend, treasury shares				13		13		13
Total transactions with owners	**-2**	**0**	**0**	**-27**	**-204**	**-233**	**-1**	**-234**
Equity at 30/9 2024	**39**	**-131**	**19**	**4,805**	**215**	**4,947**	**51**	**4,998**

Statement of changes in equity

(DKKm)	Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend	Total, share-holders of Per Aarsleff Holding A/S	Minority shareholders	Total
Equity at 1/10 2022	**41**	**-148**	**29**	**3,740**	**163**	**3,825**	**30**	**3,855**
Comprehensive income								
Profit for the year				582	204	786	6	792
Other comprehensive income								
Foreign exchange adjustment of foreign entities		-1				-1		-1
Fair value adjustments of derivative financial instruments, transferred to the income statement			-20			-20		-20
Tax on derivative financial instruments			4			4		4
Fair value adjustments of derivative financial instruments			28			28		28
Tax on derivative financial instruments			-6			-6		-6
Total other comprehensive income	0	-1	6	0	0	5	0	5
Total comprehensive income	**0**	**-1**	**6**	**582**	**204**	**791**	**6**	**797**
Transactions with owners								
Dividend, minority shareholders							-4	-4
Employee share programme				31		31		31
Purchase of treasury shares				-123		-123		-123
Dividend paid					-163	-163		-163
Dividend, treasury shares				11		11		11
Total transactions with owners	**0**	**0**	**0**	**-81**	**-163**	**-244**	**-4**	**-248**
Equity at 30/9 2023	**41**	**-149**	**35**	**4,241**	**204**	**4,372**	**32**	**4,404**

Notes to the financial statements

1 Accounting policies

This section describes the general accounting policies applied by the Aarsleff Group. A more detailed description of the accounting policies regarding specific reported amounts is presented in the respective notes for purposes of ensuring full transparency of the disclosed amounts by describing the relevant accounting policies for each note.

The description of accounting policies in the notes forms part of the overall description of the accounting policies of the Aarsleff Group.

Basis of accounting
The consolidated financial statements for 2023/24 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for listed companies and the Danish Executive Order on Adoption of IFRSs issued in accordance with the Danish Financial Statements Act.

The annual report is presented in Danish kroner (DKK), which is considered the primary currency of the Group's activities and the functional currency of the parent company.

The annual report is prepared on a going concern basis and according to the historical cost principle, except for certain financial instruments, which are measured at fair value. Significant accounting policies are described below.

Except for the changes set out below, the accounting policies are consistent with those of the previous year.

Aarsleff has implemented all new or amended financial reporting standards and interpretations adopted by the EU that apply to the financial year 2023/24, including: Amendment to IAS 1 Presentation of Financial Statements, Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, Amendment to IAS 12 Income Taxes and Amendment to IAS 12 regarding pillar II income taxes.

Description of significant accounting policies

Consolidated financial statements
The consolidated financial statements comprise the parent company, Per Aarsleff Holding A/S, and the subsidiaries in which Per Aarsleff Holding A/S exercises control. The Group is considered to exercise control if it is exposed, or has a right, to variable returns from its involvement with the enterprise and has the ability to affect those returns through its power over the enterprise.

De facto control and any potential voting rights actually existing at the balance sheet date are taken into account when assessing whether the Group exercises control.

Enterprises in respect of which the Group exercises significant influence, but not control, over operational and financial policies are classified as associates. Significant influence exists where the Group directly or indirectly holds or controls between 20% and 50% of the voting rights.

The consolidated financial statements have been prepared on the basis of the financial statements of the parent company and the individual subsidiaries, prepared under the Group's accounting policies, by combining items of a uniform nature. On consolidation, intragroup income and expenses, unrealised intragroup gains and losses and accounts are eliminated and intragroup shareholdings are offset. Unrealised gains on transactions with associates are eliminated in proportion to the Group's ownership interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investments in subsidiaries are set off against the parent company's share of the fair value of the subsidiaries' identifiable net assets and recognised contingent liabilities at the date of acquisition.

The line items of subsidiaries' financial statements are fully consolidated. Non-controlling interests' share of profit/loss for the year and of equity in subsidiaries that are not wholly owned is included in the consolidated profit and equity, respectively, but is presented separately .

Joint arrangements
The Group participates in a number of joint arrangements, including consortia and working partnerships, in which the Group has joint control through cooperative agreements with one or more parties. Joint control implies that decisions about the relevant operations require unanimous consent of the parties with joint control.

Joint arrangements are classified as joint operations or joint ventures. Joint operations are arrangements in which the participants have direct rights to assets and direct obligations for liabilities, whereas joint ventures are arrangements in which the participants only have rights to net assets.

Income and expenses as well as assets and liabilities relating to joint operations are recognised in accordance with the jointly controlled arrangement agreement. The Group's own revenue and expenses and assets and liabilities, respectively, and the Group's share of joint revenue, expenses, assets and liabilities are recognised. See note 16 Investments in associates and joint ventures for additional information.

Foreign currency translation
A functional currency is determined for each of the reporting entities. The functional currency is the currency used in the primary financial environment in which the individual enterprise operates. Transactions in currencies other than the functional currency are transactions in foreign currencies, which are translated into the functional currency at the exchange rates at the date of transaction.

Receivables and payables in foreign currencies are translated into the functional currency at the official exchange rates at the balance sheet date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of payment and the balance sheet date, respectively, are recognised in net financials in the income statement.

The balance sheets and goodwill of foreign consolidated enterprises are translated at the exchange rate at the balance sheet date, while the income statements are translated at the exchange rate at the transaction date.

Exchange differences arising on translation of the equity of foreign subsidiaries and associates at the beginning of the financial year at the exchange rates at the balance sheet date as well as on translation of income statements from the exchange rates at the transaction date to the exchange

Notes to the financial statements

1 Accounting policies, continued

rates at the balance sheet date are recognised in other comprehensive income and classified as a separate translation reserve under equity.

Derivative financial instruments
Derivative financial instruments are recognised at fair value in the balance sheet as from the trading date. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively. Fair values are determined on the basis of market data as well as recognised valuation methods.

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

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future cash flows are recognised in other comprehensive income. On realisation of the hedged transaction, gains or losses concerning such hedging transactions are transferred from other comprehensive income and recognised in the same item as the hedged item.

For derivative financial instruments not qualifying for hedge accounting, changes in fair values are recognised in net financials in the income statement as they arise.

Income statement

Accounting policies relating to the items in the income statement are described in the respective notes to the income statement with the following exceptions:

Production costs
Production costs comprise direct and indirect costs incurred to achieve revenue for the year, including costs of materials, consumables, wages and salaries, rent and leases, amortisation, depreciation and impairment losses, subcontractor expenses, expenses for design and submission of tenders as well as provision for bad debts in respect of work in progress and warranty obligations on completed contracts.

Administrative expenses and selling costs
Administrative expenses and selling costs comprise expenses for management and administration, including expenses for administrative staff, management, office supplies, insurance, sales and marketing as well as depreciation.

Balance sheet

Accounting policies relating to the items in the balance sheet are described in the respective notes to the balance sheet with the following exceptions:

Impairment of non-current assets
The carrying amount of intangible assets, property, plant and equipment and other non-current assets is assessed at least once a year in order to determine whether there is any indication of impairment. If so, the recoverable amount of the asset is assessed. The recoverable amount of goodwill and intangible assets with indefinite useful lives is always assessed on an annual basis, however.

If the asset does not generate any cash flows independently of other assets, the recoverable amount is determined for the smallest cash-generating unit of which the asset is part.

The recoverable amount is the higher of an asset's selling price less expected costs to sell and its value in use, which is the discounted value of expected future cash flows from the asset.

An impairment loss is recognised in the income statement when the carrying amount of an asset exceeds the recoverable amount of the asset.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that the assumptions and estimates underlying the impairment calculation have changed.

Impairment losses are reversed only to the extent that the new carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Construction contract debtors
Construction contract debtors are measured at amortised cost. Impairment allowances are made using the simplified expected credit loss model, under which the total loss is recognised immediately in profit/loss at the time of recognition in the balance sheet based on the expected lifetime credit loss of the receivable.

Prepayments
Prepayments comprise incurred expenses relating to subsequent financial years.

Securities
Aarsleff's objective in holding listed bonds is to realise cash flows through sale. The Company's decisions to purchase and sell are based on the fair value of the bonds with monitoring, measurement and current fair value reporting according to the Group's investment policy. The bonds are recognised in current assets at fair value at the trading date and are subsequently measured at fair value. Fair value changes are recognised in net financials in the income statement as they arise.

Financial liabilities
On initial recognition, mortgage debt and payables to credit institutions are recognised at fair value, corresponding to the proceeds received less transaction costs incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to their capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Contingent consideration (earn-out) is measured at fair value through profit or loss, and adjustments are recognised in net financials.

Notes to the financial statements

1 Accounting policies, continued

Other financial liabilities, comprising debt to suppliers, group enterprises and associates as well as state grants and other debt are measured at amortised cost.

Deferred income
Deferred income comprises payments received relating to income in subsequent financial years.

Reporting in accordance with the ESEF Regulation
The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) has introduced a single electronic reporting format for the annual reports of issuers of financial instruments on the EU regulated markets.

The combination of XHTML format and iXBRL tags enables the annual reports to be read by both humans and machines, thus enhancing accessibility, analysis and comparability of the information included in the annual reports.

The Group's iXBRL tags have been prepared in accordance with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy.

The line items in the consolidated financial statement are tagged to elements in the ESEF taxonomy. For financial line items that are not directly defined in the ESEF taxonomy, an extension to the taxonomy has been created. Extensions are anchored to elements in the ESEF taxonomy, except for extensions that are subtotals.

The annual report submitted to the Danish Financial Supervisory Authority (the Officially Appointed Mechanism) consists of the XHTML document together with the technical files, all of which are included in the ZIP file Aarsleff-2024-09-30-da.zip.

Key definitions
XHTML (eXtensible HyperText Markup Language) is a text-based language used to structure and mark up content such as text, images and hyperlinks in documents that are displayed in a web browser.

iXBRL tags (or Inline XBRL tags) are hidden metainformation embedded in the source code of an XHTML document that enables the conversion of XHTML-formatted information into a machine-readable XBRL data record using appropriate software.

A financial reporting taxonomy is an electronic dictionary of business reporting elements used to report business data. A taxonomy element is an element defined in a taxonomy that is used for the machine-readable labelling of information in an XBRL data record.

Materiality
The consolidated financial statements are prepared on the basis of a number of transactions that are aggregated into classes according to their nature or function. The transactions are presented in the consolidated financial statements in classes of similar items. If a line item is not individually material, it is aggregated with other items either in the consolidated financial statements or in the notes.

Management provides specific information required under IFRS unless such information is not relevant or is considered immaterial to the decisions of the primary users of the financial statements.

Notes to the financial statements

2 Accounting estimates and judgments

Estimation uncertainty
The calculation of the carrying amount of certain assets and liabilities requires estimates of future events. The estimates made are based on assumptions that Management considers reasonable, but which are inherently uncertain and unpredictable as unexpected events or circumstances may occur which will change the basis of the assumptions applied. The impact has been assessed based on the possible effect on EBIT.

Effect of climate change
In connection with the preparation of the consolidated annual report, Management has considered the effects of climate change, especially on the valuation of property, plant and equipment. As production machinery is replaced with energy-friendly alternatives in an ongoing process, no indication of impairment has been identified. Management has also considered whether the Group's production entities are located in high-risk areas with due consideration to climate change. Management found that this was not the case. Consequently, Management identified no indication of impairment. The section Material financial risks provides more details on the effect of climate change.

Macroeconomics
There are still macroeconomic risks attached to developments in prices of raw materials and interest rates and the derived impacts on the war in Ukraine. These risks have to the widest extent possible been included in current forecasts, budgets, etc. and mitigated through the submission of tenders. See the section Material financial risks. Management finds that there is no material impact on the accounting estimates and judgements.

Judgments exercised in applying accounting policies
In applying the accounting policies, the Group makes judgments and accounting estimates which may have a material impact on the amounts recognised in the consolidated financial statements. The impact has been assessed based on the effect on the main items of the income statement and the balance sheet.

The Group is exposed to risks and uncertainties that may cause actual results to differ from the estimates and judgments made. The possible impact of each estimate or judgment is set out in the related notes along with a description of the relevant estimate or judgment.

The impact of the individual estimates may be illustrated as follows:

Significant accounting estimates and judgments	Low	■□□
	Medium	■■□
	High	■■■

See the section Material financial risks.

Note		Significant accounting estimates and judgments	Estimate/ judgment	Impact of accounting estimates and judgments 2023/24	2022/23
5	Revenue	Assumptions used for purposes of recognition under the percentage of completion method	Estimate	■■■	■■■
14	Intangible assets and property, plant and equipment	Determination of amortisation period for intangible assets and determination of key assumptions used for purposes of the annual impairment test	Estimate	■□□	■□□
16	Investments in associates and joint ventures	Determination of whether it is a joint venture or a joint operation	Judgment	■□□	■□□
21	Provisions	Judgments made in connection with warranty provisions	Estimate	■■□	■■□
24	Contingent liabilities and other financial obligations	Determination of the amount of provisions for, e.g., legal and arbitration proceedings	Estimate	■■□	■■□

Notes to the financial statements

3 New financial reporting standards and interpretations

Standards that have not yet come into force and amendments to existing standards and new interpretations adopted by the EU

Amendment to IAS 1 – Presentation of Financial Statements
Clarification of the definition of current liabilities, so that the definition is based on rights existing at the balance sheet date. The requirement for an unconditional right to defer settlement of a liability for twelve months from the balance sheet date is changed to a right to defer settlement for twelve months from the balance sheet date. The amendment is effective for financial years beginning on or after 1 January 2024.

Furthermore, IASB has issued the following amendments to standards and new interpretations that have yet to be adopted by the EU and that are relevant to the Group.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures
A financial reporting standard that may be applied by subsidiaries of listed companies. Application is voluntary. Effective for financial years beginning on or after 1 January 2027.

IFRS 18 – Presentation and Disclosure in Financial Statements
The standard introduces a number of specific requirements for the income statement, including a requirement for income and expenses to be classified into operating, investing and financing categories. It also requires certain subtotals, including operating profit, to be presented in the income statement. Furthermore, IFRS 18 requires Management-defined Performance Measures (MPM) to be disclosed in a single note to the financial statements.

The standard replaces IAS 1 and is effective for financial years beginning on or after 1 January 2027.

Annual improvements, volume 11
The update includes a number of minor amendments, clarifications and consequential amendments to five standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

The amendments are effective for financial years beginning on or after 1 January 2026.

Amendments to IFRS 9 and IFRS 7, which are effective for financial years beginning on or after 1 January 2026.

Amendments to IAS 21, which are effective for financial years beginning on or after 1 January 2025.

None of the amendments are expected to materially affect the annual report. The effect of IFRS 18 is still being analysed.

Notes to the financial statements

4 Segment information

	Construction		Technical Solutions		Rail		Ground Engineering		Pipe Technologies		Total	
(DKKm)	**2023/24**	**2022/23**	**2023/24**	**2022/23**	**2023/24**	**2022/23**	**2023/24**	**2022/23**	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Revenue	10,042	9,741	3,223	2,464	2,230	2,288	3,857	3,409	2,367	2,342	21,719	20,244
Of which work performed abroad	3,058	2,443	0	0	457	577	2,503	2,365	1,809	1,720	7,827	7,105
Share of profit in associates and joint ventures	9	9	0	0	0	0	0	0	0	0	9	9
Operating profit (EBIT)	524	555	124	86	88	46	190	204	175	187	1,101	1,078
EBIT margin, %	5.2	5.7	3.8	3.5	3.9	2.0	4.9	6.0	7.4	8.0	5.1	5.3
ROIC after tax, %	21.8	26.9	10.2	9.0	8.1	4.3	8.4	9.4	19.8	19.5	14.0	15.0
Segment assets	5,963	5,473	1,590	1,362	1,297	1,301	2,783	2,649	1,527	1,476	13,160	12,261
Capital expenditure	514	443	97	171	108	91	229	263	136	113	1,084	1,081
Depreciation, amortisation and impairment	304	287	56	52	94	115	234	225	115	104	803	783
Investments in associates and joint ventures	1	1	0	0	0	0	0	0	0	0	1	1
Goodwill	9	9	121	110	121	121	70	70	95	95	416	405
Segment liabilities	4,173	3,488	977	698	662	767	962	1,012	564	550	7,338	6,515
Invested capital (IC)	1,865	1,778	869	983	861	789	1,794	1,654	624	717	6,013	5,921
Full-time workforce (average)												
Biweekly paid employees	2,162	2,376	1,019	839	534	532	896	908	661	669	5,272	5,324
Engineers, technicians and administrative staff	1,382	1,430	489	435	456	423	730	687	453	465	3,510	3,440
Total	**3,544**	**3,806**	**1,508**	**1,274**	**990**	**955**	**1,626**	**1,595**	**1,114**	**1,134**	**8,782**	**8,764**

No revenue relating to individual customers exceeds 10% of total revenue.

Operating profit (EBIT) is our primary performance measure.

Notes to the financial statements

4 Segment information – continued

Geographical information

(DKKm)	Denmark		International		Total	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Revenue	13,892	13,139	7,827	7,105	21,719	20,244
Segment assets, non-current	3,432	3,175	1,700	1,566	5,132	4,741

Segment assets and liabilities

(DKKm)	2023/24	2022/23
Assets		
Segment assets for reportable segments	13,160	12,261
Income tax receivable	39	45
Deferred tax	1	12
Securities	479	485
Cash and cash equivalents	387	579
Assets as per balance sheet	**14,066**	**13,382**
Payables		
Segment liabilities for reportable segments	7,338	6,515
Mortgage debt	85	91
Credit institutions	931	1,783
Income tax payable	228	48
Deferred tax	486	541
Liabilities as per balance sheet	**9,068**	**8,978**

§ Accounting policy

The segment information has been prepared in accordance with the Group's accounting policies and is based on the Group's internal management reporting. Reference is made to the management's review for additional information on the Group's segments.

Segment income and expenses and segment assets and liabilities comprise the items directly attributable to the individual segment, as well as the items that can be allocated to the individual segment on a reasonable basis. Revenue and profit before interest for reportable segments can be reconciled directly to the consolidated income statement.

Segment assets comprise non-current assets used directly in the segment's operations, including intangible assets and property, plant and equipment and investments in associates, as well as current assets used directly in the segment's operations, including inventories, trade receivables, other receivables and prepayments.

Segment liabilities comprise liabilities resulting from the operating activities of the segment, including trade payables, provisions and other payables.

Transactions between segments are conducted on an arm's length basis.

The geographic distribution of revenue is based on the geographic location of the customers. Information on geographic distribution of segment assets is based on the physical location of the assets and comprises subsidiaries and joint operations abroad.

Notes to the financial statements

5 Revenue

(DKKm)	2023/24	2022/23
Domestic		
Sale of goods	169	152
Income from service contracts	795	825
Income from construction contracts	12,928	12,162
Total domestic	**13,892**	**13,139**
International		
Sale of goods	281	317
Income from service contracts	357	89
Income from construction contracts	7,189	6,699
Total international	**7,827**	**7,105**
Total		
Sale of goods	450	469
Income from service contracts	1,152	914
Income from construction contracts	20,117	18,861
Total	**21,719**	**20,244**

Construction contracts are recognised over time. Revenue from the sale of goods derives predominantly from the Ground Engineering segment.

Order backlog – transaction price allocated to performance obligations not satisfied

(DKKm)	2023/24	2022/23
Order backlog – construction contracts	22,781	20,427
Order backlog – service contracts	1,279	1,598
Order backlog – sale of goods	285	225
Total	**24,345**	**22,250**

Of the total order backlog at 30 September 2024, DKK 13,350 million is expected to be executed in the coming financial year (DKK 11,950 million at 30 September 2023).

The order backlog is determined as the total contract sum of construction contracts, service and maintenance contracts and sale of goods less the percentage completed as at the latest financial reporting date. For long-term service contracts, framework agreements and similar, the maximum amount of revenue included in the order backlog is the expected revenue for the next five years. The average contract duration is one to two years.

In addition to the above, revenue from service contracts expected to be executed more than five years after the balance sheet date amounted to DKK 626 million at 30 September 2024 (2023: DKK 630 million).

As the order backlog is in part based on expectations, it is subject to uncertainty and risks, and actual developments may differ from those expected.

§ Accounting policy

Revenue comprises satisfied and unsatisfied performance obligations on construction contracts and the sale of finished goods and goods for resale. Revenue from the sale of finished goods and goods for resale is recognised in the income statement if control has been transferred to the customer before year end. Revenue is measured excluding value added tax and price reductions directly related to the sale.

Service contracts
Service contracts comprise various types of contracts, framework agreements, agreements on service and maintenance or operations.

The recognition of service contracts depends on the specific type of contract. Service and maintenance contracts for which a fixed consideration has been agreed for a predetermined standard are recognised in proportion to the rate of completion. Add-on assignments are dealt with separately. Some contracts may consist of a number of small assignments. These are recognised as the work is performed.

Construction contracts
Construction contracts are recognised as revenue in proportion to the rate of completion, so that revenue matches the selling price of the work completed for the year (the percentage of completion method). Control is transferred to the customer over time, as assets are generally constructed on the customer's land.

Notes to the financial statements

5 Revenue – continued

§ Accounting policy – continued

The Group's construction contracts consist of major building and construction projects for public-sector and private-sector customers. The contracts generally comprise a single performance obligation as the various contract elements are highly integrated and the customer benefits from delivery of the entire project.

Transfer of control and thus the recognition of revenue is determined using input-based methods based on actually incurred costs relative to total calculated project costs. This method is considered to best reflect the gradual transfer of control.

Where the profit or loss from a construction contract cannot be measured reliably, revenue is measured at the lower of contract costs incurred and net realisable value.

! Significant accounting estimates

Variable consideration is not recognised in revenue until it is highly probable that no material reversal of previously recognised revenue recognised will occur in subsequent periods. This assessment is made on an ongoing basis for the individual construction contracts. Expected contract revenue and contract costs may change as the contract is performed and uncertainties are resolved. Also, in the course of the performance of the contract, amendments may be made, and the preconditions for the performance of the contract may turn out not to be fulfilled. Discrepancies related to additional works, extensions of deadlines, claims for daily penalties, etc. are assessed on the basis of the nature of the issue, the stage of negotiation and past experience. The probability of the outcome is thus assessed on an individual basis.

The Group's internal business processes, financial management and calculation tools together with the project management's knowledge and experience support the reliable measurement of work in progress in accordance with the percentage of completion method.

6 Depreciation, amortisation and impairment

(DKKm)	2023/24	2022/23
Amortisation and impairment, intangible assets	33	78
Depreciation and impairment, property, plant and equipment	772	705
Total	**805**	**783**
Depreciation and impairment, property, plant and equipment is recognised in the income statement as follows:		
Production costs	657	596
Administrative expenses and selling costs	115	109
Total	**772**	**705**
Amortisation and impairment, intangible assets is recognised in the income statement as follows:		
Administrative expenses and selling costs	33	78
Total	**33**	**78**

Notes to the financial statements

7 Staff costs

(DKKm)	2023/24	2022/23
Wages, salaries and remuneration	5,185	5,014
Pensions	357	313
Share-based payment	36	31
Other costs, social security costs, etc.	347	328
Total	**5,925**	**5,686**
Of which:		
Remuneration of the Board of Directors[1]	4	3
Fixed remuneration of the Executive Management[2]	26	16
Share-based payment, Executive Management	1	1
Total	**31**	**20**
Average number of full-time employees	**8,782**	**8,764**

1 Effective 29 January 2024, the Board of Directors was expanded by three board members elected by the employees and one board member elected by the general meeting and now consists of ten members in total.
2 Effective 18 June 2024, the Executive Management was reduced from three to two members. Remuneration of the Executive Management for 2023/24 includes provisions for salary during notice periods, severance payment, non-monetary salary benefits and a management share programme, totalling DKK 9.6 million.

8 Share-based payment

In February 2022, 2023 and 2024, the employees of the Danish part of the Group were given the opportunity to take part in an employee share programme. The programmes are matching shares programmes, under which the participants for their own account acquire class B shares in the company (investment shares), which are subject to a three-year vesting period, earning them the right to receive, free of charge, one class B share in the company (matching share) per acquired investment share (1:1). The programmes have terms of three years.

To receive matching shares, an employee must have acquired investment shares and remain employed at the vesting date or be a good leaver.

8 Share-based payment – continued

Maximum no. of conditional shares	Executive Management[1]	Other employees	Total
Conditional shares granted at 1 March 2022	4,726	130,995	135,721
Cancelled, financial year 2021/22	0	-8,231	-8,231
Conditional shares granted at 1 March 2023	5,059	124,606	129,665
Cancelled, financial year 2022/23	0	-4,262	-4,262
Conditional shares granted at 1 March 2024	3,726	128,901	132,627
Cancelled, financial year 2023/24	0	-6,919	-6,919
Conditional shares granted at 30 September 2024	**13,511**	**365,090**	**378,601**

1 The Executive Management consists of three members in 2022 and 2023 but only two members in 2024.

The fair value at the date of grant and assumptions for the calculation are shown in the table below.

Date of grant	Share price at date of grant	Expected term	Volatility[1]	Risk-free interest rate	Dividend of share value	Fair value at date of grant
28 February 2022	261.00	3 years	1.20	0.50%	2.50%	241.88
27 February 2023	303.00	3 years	1.31	2.00%	2.50%	280.88
28 February 2024	333.00	3 years	1.00	2.75%	3.00%	303.66

1 The volatility is based on a five-year observation period in respect of the return.

§ Accounting policy

The share programme is initially classified as an equity-based scheme.

The fair value of matching shares is measured at the grant date and recognised in the income statement in staff costs over the vesting period and in the balance sheet in equity over the vesting period.
The balancing item is recognised directly in equity.

Notes to the financial statements

9 Fees to auditors appointed by the annual general meeting

(DKKm)	2023/24	2022/23
Deloitte	9	11
Other auditors	2	2
Total	**11**	**13**
The fees to Deloitte may be specified as follows:		
Statutory audit	8	9
Other assurance engagements	0	0
Tax consulting services	0	0
Other services	1	2
Total	**9**	**11**

Fees for non-audit services provided to the Group by Deloitte amounted to DKK 1.7 million (2022/23: DKK 2.2 million), comprising review of statements for prequalifications and various other reports and other general accounting and tax consulting services.

A few minor group entities are audited by auditors other than the parent company's auditor appointed by the general meeting.

10 Other operating income and expenses

(DKKm)	2023/24	2022/23
Other operating income	91	58
Other operating expenses	-31	-9
Total	**60**	**49**

Other operating income during the financial years 2023/24 and 2022/23 mainly consisted of gains from the sale of non-current assets. The figures comprised no single material items for either 2023/24 or 2022/23.

§ **Accounting policy**

Other operating income and expenses comprise items secondary to the primary activities of the company.

11 Financial income and expenses

(DKKm)	2023/24	2022/23
Foreign exchange gain, net	4	0
Fair value adjustment of securities	10	6
Value adjustment of earn-out	0	11
Other interest income	79	18
Financial income	**93**	**35**
Foreign exchange loss, net	0	10
Borrowing costs recognised in the cost of assets	-2	0
Interest on mortgage loans	1	3
Interest, lease liabilities	21	7
Value adjustment of earn-out	4	0
Other interest expenses	82	51
Financial expenses	**106**	**71**
Net financials	**-13**	**-36**
Of which calculated using the effective interest method	**-26**	**-14**

Borrowing costs are recognised in the cost of constructed assets at an effective interest rate of 1% (2022/23: 1%).

§ **Accounting policy**

Financial income and expenses include interest, capital gains and losses on securities and intra-group balances and transactions in foreign currencies, amortisation of financial assets and liabilities, and surcharges and allowances under the tax prepayment scheme, etc. Also included are realised and unrealised gains and losses relating to derivative financial instruments not qualifying for hedge accounting.

Notes to the financial statements

12 Income tax

(DKKm)	2023/24	2022/23
Total tax for the year may be specified as follows:		
Tax on profit for the year	262	244
Tax recognised in other comprehensive income	-1	-2
Total	**261**	**242**
Tax on profit for the year may be specified as follows:		
Current tax	235	101
Adjustment for the year of deferred tax and deferred tax asset	27	143
Total	**262**	**244**
Tax recognised in other comprehensive income may be specified as follows:		
Current tax	0	0
Adjustment for the year of deferred tax and deferred tax asset	-1	-2
Total	**-1**	**-2**
Tax on profit for the year may be specified as follows:		
Calculated 22% tax on profit before tax	239	229
Tax effect of:		
Differences in tax rates	9	2
Discrepancies relating to associates	-2	-2
Employee share programme	8	7
Other items	8	8
Total	**262**	**244**

Based on the current group structure, the implementation of the Minimum Taxation Act (Pillar II) passed by the Danish parliament on 7 December 2023 will not entail additional tax expenses for the Aarsleff Group. However, when the safe harbour rules can no longer be applied, the Group will face a not insignificant compliance task.

(DKKm)	2023/24	2022/23
Deferred tax		
Deferred tax at 1/10	529	388
Transferred to current tax	-74	-15
Addition on investments in subsidiaries	0	9
Changed tax rate	0	2
Deferred tax for the year recognised in profit for the year	27	143
Deferred tax for the year recognised in other comprehensive income	3	2
Deferred tax at 30/9	**485**	**529**
Recognised as follows:		
Deferred tax (asset)	-1	-12
Deferred tax (liability)	486	541
Total	**485**	**529**

Deferred tax assets relate to tax loss carryforwards that are expected to be utilised against future taxable income within 3-5 years and can generally be carried forward indefinitely.

(DKKm)	2023/24	2022/23
Deferred tax relates to:		
Intangible assets	33	38
Property, plant and equipment	137	116
Work in progress	329	398
Other current assets	35	6
Provisions	-23	-16
Other payables	-18	4
Tax loss carryforwards	-8	-17
Deferred tax at 30/9	**485**	**529**
Deferred tax expected to be realised within 12 months	185	210
Tax base of unrecognised deferred tax assets	0	0

Notes to the financial statements

12 Income tax – continued

§ Accounting policy

Tax on profit for the year
Tax for the year, consisting of current tax and changes in deferred tax for the year, is recognised in profit for the year, in other comprehensive income or directly in equity.

Changes in deferred tax as a result of changed tax rates are recognised in the income statement.

Per Aarsleff Holding A/S is the administration company for Danish joint taxation purposes. The current Danish income tax liability is allocated among the jointly taxed companies in proportion to their taxable incomes.

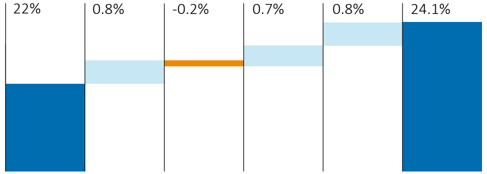
Income tax and deferred tax
Deferred tax is measured in accordance with the balance sheet liability method on all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax on temporary differences relating to goodwill not amortisable for tax purposes and other items is not recognised where such temporary differences – other than business acquisitions – arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply when the deferred tax is expected to crystallise as current tax. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

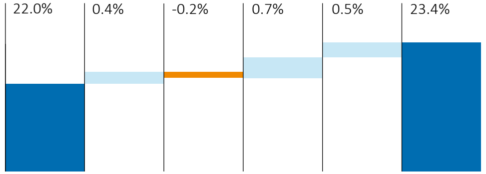
Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in other non-current assets at the amount at which they are expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal entity.

Effective tax rate, 2023/24



Effective tax rate, 2022/23



13 Earnings per share

(DKK)	2023/24	2022/23
Profit for the year, excluding minority shareholders (DKKm)	806	786
Average no. of shares (thousands)	19,980	20,385
Average no. of treasury shares (thousands)	949	1,222
Average no. of shares in circulation (thousands)	**19,031**	**19,163**
Average no. of shares, diluted (thousands)	282	398
Average no. of shares in circulation, diluted (thousands)	**19,313**	**19,561**
Earnings per share (current)	42.35	41.01
Earnings per share (continuing operations)	42.35	41.33
Earnings per share (diluted)	42.35	41.01

Notes to the financial statements

14 Intangible assets and property, plant and equipment

(DKKm)	Goodwill	Patents and other intangible assets	Intangible assets in progress	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equip-ment	Property, plant and equipment in progress	Lease assets
Cost at 1/10 2023	530	553	62	1,716	4,421	449	303	1,133
Foreign exchange adjustments	0	1	-1	6	27	-1	1	8
Additions on acquisition of companies	12	0	0	15	0	1	0	0
Additions during the year	0	8	26	37	364	39	362	433
Disposals during the year	0	0	0	-31	-192	-34	0	-231
Transfers	0	-5	0	39	406	30	-466	-4
Cost at 30/9 2024	**542**	**537**	**87**	**1,782**	**5,026**	**484**	**200**	**1,339**
Depreciation, amortisation and impairment at 1/10 2023	125	331		473	2,722	291		497
Foreign exchange adjustments	0	1		3	20	0		3
Depreciation and amortisation for the year	0	33		54	427	47		244
Impairment for the year	0	0		0	0	0		0
Assets sold during the year	0	0		-9	-152	-30		-179
Depreciation, amortisation and impairment at 30/9 2024	**125**	**365**	**0**	**521**	**3,017**	**308**	**0**	**565**
Carrying amount at 30/9 2024	**417**	**172**	**87**	**1,261**	**2,009**	**176**	**200**	**774**

(DKKm)	Goodwill	Patents and other intangible assets	Intangible assets in progress	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equip-ment	Property, plant and equipment in progress	Lease assets
Cost at 1/10 2022	532	503	42	1,439	4,116	429	241	938
Foreign exchange adjustments	0	0	0	-2	-4	-2	-2	-2
Additions on acquisition of companies	2	10	0	0	5	0	0	0
Additions during the year	0	19	22	35	375	52	429	308
Disposals during the year	-4	-1	-2	-15	-169	-35	0	-111
Transfers	0	2	0	259	98	5	-365	0
Cost at 30/9 2023	**530**	**533**	**62**	**1,716**	**4,421**	**449**	**303**	**1,133**
Depreciation, amortisation and impairment at 1/10 2022	111	268		430	2,466	276		365
Foreign exchange adjustments	0	0		0	1	-2		0
Depreciation and amortisation for the year	0	64		49	387	44		225
Impairment for the year	14	0		0	0	0		0
Assets sold during the year	0	-1		-6	-132	-27		-93
Depreciation, amortisation and impairment at 30/9 2023	**125**	**331**	**0**	**473**	**2,722**	**291**	**0**	**497**
Carrying amount at 30/9 2023	**405**	**202**	**62**	**1,243**	**1,699**	**158**	**303**	**636**

Notes to the financial statements

14 Intangible assets and property, plant and equipment – continued

Goodwill
Goodwill is the only intangible asset with an indefinite useful life.

Goodwill has been tested for impairment. The impairment test was performed on the basis of the business entity or the segment representing the lowest level of cash-generating unit to which goodwill on acquisition could be allocated on a reasonable basis. Where acquired operations and companies are not established as independent units, but are integrated in existing units, it is thus not possible to perform impairment tests on individual acquisitions. In the Group's internal reporting, the carrying amount of goodwill in the individual cash-generating units is allocated to the Group's business segments.

Recoverable amounts are in each individual case calculated as the value in use. Value in use is calculated as the net present value of expected cash flows from the cash-generating units. Value in use is compared to the carrying amounts of the net assets. Expected cash flows are based on budgets for the years 2024/25 - 2028/29, prepared and approved by the Managements of the respective cash-generating units. For financial years after the budget periods (terminal period), cash flows for the latest budget period are applied, adjusted for expected growth rates.

For purposes of the tests, an expected growth rate in the range of 0.9%-2.2% was applied for the terminal period (2022/23: 1.4%-3.2%), representing an average of the GDP growth rate realised over the past five years. The growth rate is expected not to exceed the long-term average growth rate in the company's markets. As the diversification of the cash-generating units on industries and geographic locations is limited, they are assessed to have identical growth rates.

Apart from growth and the weighted average cost of capital (discount factor) applied, the principal assumptions are assessed to be revenue performance, operating margin and future reinvestment. Budgets for 2024/25-2028/29 were based on past experience, including budgeted returns on the order backlog, expected orders and planned capacity. Long-term expectations of an EBIT margin of 5.5% and strong liquidity were also taken into account. Uncertainty relating to the execution of budgets and possible changes in the amount or allocation of projected cash flows was reflected in the discount factors.

The impairment tests comprised those of the Group's cash-generating units to which intangible assets with indefinite useful lives have been allocated.

The table below specifies the key assumptions for the units to which significant goodwill has been allocated.

	2023/24			2022/23		
	Discount factor (%)	**Terminal period growth** (%)	**Carrying amount of goodwill** (DKKm)	**Discount factor** (%)	**Terminal period growth** (%)	**Carrying amount of goodwill** (DKKm)
Cash-generating unit						
Construction	9.8-10.7	1.5-2.2	9	9.5-12.2	1.4-2.3	9
Technical Solutions	10.2-10.6	1.5	122	9.5-11.8	1.4	110
Rail	10.4	1.6	121	9.5-11.5	1.7	121
Ground Engineering	10.2-10.8	1.4-1.6	70	9.5-11.7	1.4-3.2	70
Pipe Technologies	10.3-11.7	0.9-1.6	95	9.5-13.1	1.4-1.7	95
Total			**417**			**405**

In financial year 2022/23, an impairment loss of DKK 10 million was recognised on goodwill in Aarsleff Rail AS (Rail segment), as the company recorded lower-than-expected revenue and a highly unsatisfactory financial performance. Moreover, an impairment loss of DKK 4 million was recognised on intangible assets in HP Tennisanlæg A/S (Construction segment) due to weaker-than-expected results.

Sensitivity analyses were performed to identify the minimum growth rate or highest discount rate increase for each cash-generating unit that would not result in impairment losses. Probable changes in the underlying assumptions are not assessed to result in the carrying amount of goodwill exceeding the recoverable amount.

Notes to the financial statements

14 Intangible assets and property, plant and equipment – continued

§ Accounting policy

Intangible assets
Goodwill is initially recognised in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. The determination of cash-generating units is based on the management structure and the internal financial management.

Patents and other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over the shorter of the contract period and useful life, currently 2-10 years. The basis of amortisation is reduced by any impairment losses.

Property, plant and equipment
Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Cost comprises the cost of acquisition and any costs directly associated with the acquisition until the date when the asset is ready for use. The cost of assets constructed by the Group comprises direct and indirect costs of labour, materials, components and subsuppliers as well as borrowing costs relating to specific and general borrowing directly related to the construction of the individual asset.

Depreciation is provided on a straight-line basis over the useful life, which is:

Production buildings	20 years
Administrative buildings	10-50 years
Plant and machinery	8-10 years
Other fixtures and fittings, tools and equipment	5-10 years

Land is not depreciated.

Depreciation is calculated taking into account the residual value of the asset less any impairment losses. The residual value is determined at the acquisition date and reassessed annually. Property, plant and equipment is written down to the lower of the recoverable amount and the carrying amount.

§ Accounting policy – continued

Gains or losses on the disposal of property, plant and equipment are recognised in the income statement in production costs or administrative expenses or other operating income/expenses, respectively, and calculated as the difference between selling price less costs to sell and the carrying amount at the selling date.

Climate risks
Reference is made to the section Material financial risks for a description of the climate risks to which the Group is exposed. Such risks are not assessed to cause impairment of the Group's intangible assets and property, plant and equipment.

! Significant accounting estimates

In connection with reviewing for impairment of goodwill and other non-current assets, a number of assumptions are applied in the calculations.

Estimates of expected future net cash flows are based on budgets and business plans for the next five years and projections for subsequent years. Key parameters are revenue development, operating margin, future reinvestments and growth and the average cost of capital applied.

Notes to the financial statements

15 Leases

Lease assets

(DKKm)	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Lease assets 1/10 2023	**227**	**158**	**251**	**636**
Additions during the year	89	139	205	433
Disposals during the year	-17	-15	-24	-56
Depreciation and amortisation for the year	-54	-76	-114	-244
Foreign exchange adjustments	7	-1	-1	5
Recognised in balance sheet at 30/9 2024	**252**	**205**	**317**	**774**
Lease assets 1/10 2022	**248**	**146**	**179**	**573**
Additions during the year	32	94	182	308
Disposals during the year	-5	-6	-7	-18
Depreciation and amortisation for the year	-50	-73	-102	-225
Foreign exchange adjustments	2	-3	-1	-2
Recognised in balance sheet at 30/9 2023	**227**	**158**	**251**	**636**

Lease liability

(DKKm)	30/9 2024	30/9 2023
Maturities, lease liabilities		
Due within 1 year	230	183
Due in between 1 and 5 years	563	440
Due after more than 5 years	15	29
Total undiscounted lease liability	**808**	**652**
Lease liability recognised in the balance sheet		
Current	230	183
Non-current	557	449
Amounts recognised in profit or loss		
Interest expenses related to lease liabilities	21	7
Expenses related to short-term leases (less than 12 months)	340	416
Expenses related to leases of low value	19	29

Leases

For the financial year 2023/24, the Group paid DKK 251 million in respect of finance leases (2022/23: DKK 235 million), of which interest payments related to recognised lease liabilities amounted to DKK 21 million (2022/23: DKK 7 million) and repayment of recognised lease debt amounted to DKK 230 million (2022/23: DKK 228 million).

Notes to the financial statements

15 Leases – continued

§ Accounting policy

Leases

A lease asset and a lease liability are recognised in the balance sheet when, under a lease, a specific identified asset is made available for the Group's use for the lease term and when the Group obtains substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Aarsleff has leases relating to properties, vehicles and other production equipment. Leases are usually concluded for a fixed term, but the lease term may include extension options. Terms and conditions of the lease are negotiated on an individual basis and comprise a variety of terms and conditions, including payment terms, rights of termination, maintenance, deposits, guarantees, etc. Some property leases comprise variable payments linked to an index, such as a consumer price index, which are also recognised in the lease liability.

On initial recognition, lease liabilities are measured at the present value of future lease payments, discounted using an alternative borrowing rate. For purposes of assessing the expected lease term, Aarsleff identifies the non-cancellable lease term plus periods comprised by an extension option which Management reasonably expects to exercise and plus periods comprised by a termination option which Management reasonably expects not to exercise. The lease liability is measured at amortised cost under the effective interest method. The lease liability is remeasured if there is a change in an index or an interest rate used or if the Group changes its assessment of whether it reasonably expects to exercise a purchase, extension or termination option.

On initial recognition, the lease asset is measured at cost, corresponding to the value of the lease liability adjusted for lease payments made before the commencement date, plus direct costs incurred and estimated costs for dismantling or restoring the underlying asset or the like and less any discounts or other types of incentives received from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The lease asset is depreciated over the shorter of the lease term and the useful life of the underlying asset. Depreciation is recognised in the income statement on a straight-line basis.

The lease asset is adjusted for changes in the lease liability resulting from changes in terms and conditions of the lease.

The underlying asset is depreciated on a straight-line basis over the expected lease term.

16 Investments in associates and joint arrangements

(DKKm)	**30/9 2024**	**30/9 2023**
Associates The Group has investments in three associates in the Construction segment. They are each individually immaterial, and they are measured according to the equity method.		
Total carrying amount	1	1
Total share of profit after tax	9	9
Total comprehensive income	**9**	**9**

Joint arrangements

Aarsleff is a member of the Fehmarn Link Contractors consortium. The three contracts comprise the establishment of portals, ramps, payment systems and bridges on both the Danish and the German side as well as the construction and installation of tunnel elements for the 18-km-long immersed tunnel. Aarsleff's share of the contract value represents an amount of DKK 3.7 billion (2015 prices). For a specification of ownership interests in the consortia, see the group chart.

Notes to the financial statements

16 Investments in associates and joint arrangements – continued

§ Accounting policy

Share of profit in associates
The share of profits after tax in associates is recognised in the consolidated income statement after adjustment for unrealised intra-group gains/losses and less any goodwill impairment.

Investments in associates
Investments in associates are measured according to the equity method.

In the balance sheet, investments are measured at the proportionate share of the companies' equity values with the deduction or addition of unrealised intra-group gains and losses and with the addition of the carrying amount of goodwill. Associates with negative equity value are measured at zero value. If the Group has a legal or constructive obligation to cover the associate's negative balance, such obligation is recognised under liabilities.

Any receivables from associates are written down to the extent they are deemed to be irrecoverable.

Acquisitions of investments in associates are accounted for under the purchase method. See the description of business combinations in note 30 Acquisitions.

! Significant accounting estimates

Aarsleff participates in a number of joint arrangements, including consortia and working partnerships, the accounting treatment of which is subject to the classification of the individual joint arrangement, and thus the assessment of the specific contractual relationship and circumstances in general.

The majority of these joint arrangements are established when Aarsleff enters into a construction contract jointly with one or more other contractors. The joint arrangement is established simultaneously with the conclusion of the construction contract with the client, and accordingly does not affect the rights and obligations agreed with the client. Usually, the contractual relationship for the performance of such single contracts implies that the rights and obligations towards the client are directly attributed to the parties, which means that the parties have direct rights to arrangement assets and direct obligations for arrangement liabilities. Such joint arrangements are therefore classified as joint operations. Depending on the individual contractual relationship, the assessment as to whether a joint arrangement should be classified as a joint operation may be based on a management assessment.

In a few cases, Aarsleff enters into joint arrangements established with a view to a more permanent strategic alliance which is not based on the conclusion of single construction contracts. These are in the nature of a jointly controlled enterprise, in which the parties have rights to the net assets. The contractual relationship consequently implies that such joint arrangements are classified as joint ventures.

17 Inventories

(DKKm)	30/9 2024	30/9 2023
Raw materials and consumables	354	364
Finished goods	160	153
Total	**514**	**517**

§ Accounting policy

Inventories are measured at the lower of cost under the FIFO principle and the net realisable value of the individual product group.

The cost of raw materials, goods for resale and consumables comprise the invoiced price plus direct costs incurred in connection with their purchase.

The cost of finished goods comprises the cost of materials and direct labour plus indirect production costs. Financing costs during the production period are not recognised.

Notes to the financial statements

18 Work in progress

(DKKm)	30/9 2024	30/9 2023
Selling price of construction contracts	31,981	28,807
Progress billings	-31,130	-28,196
Total	**851**	**611**
Recognised as follows:		
Receivables	2,696	2,191
Current liabilities	-1,845	-1,580
Total	**851**	**611**
Advance payments from customers relating to construction contracts not commenced	0	0
Contract assets relating to costs for performance of construction contracts	6	7
Amortisation for the year, recognised in production costs	1	1

Contract assets and liabilities consist of work in progress.

The selling price of work in progress at 30 September 2024 increased relative to 30 September 2023, primarily because of the higher level of activity.

Progress billings were also higher at 30 September 2024 than at 30 September 2023 due primarily to the afore-mentioned increase in selling prices.

§ Accounting policy

Construction contracts

The selling price is measured on the basis of the total revenue expected from the individual construction contract and the stage of completion at the balance sheet date.

Work in progress is recognised in the balance sheet under receivables and current liabilities, respectively. Work in progress recognised under receivables comprises the selling price of work performed for which the Group does not yet have an unconditional right to payment. Work in progress recognised under current liabilities comprises progress billings of work not yet performed. On conclusion of contracts, the payment terms used are generally in accordance with the General Conditions for the Provision of Works and Supplies in Building and Construction (AB92/AB18). These terms may, however, be departed from subject to individual negotiation.

Generally, invoicing is carried out according to an agreed instalment plan, based on specified milestones or in the form of progress billing.

Contract costs

Costs incurred in selling and tendering in order to obtain a contract are expensed in the year in which they are incurred. Specific external costs directly related to a contract are capitalised and amortised over the contract period.

For a more detailed description of the relevant accounting policies, see note 5 Revenue.

Notes to the financial statements

19 Construction contract debtors

(DKKm)	30/9 2024	30/9 2023
The fair value of receivables is considered to correspond to the carrying amount.		
Impairment allowance, construction contract debtors at 1/10	39	33
Additions during the year	6	12
Disposals during the year		
– Used	-17	-2
– Reversed	-2	-4
Impairment allowance, construction contract debtors at 30/9	**26**	**39**
Impairment allowances included in receivables, recognised in the income statement	2	1
The Group regularly follows up on outstanding receivables. Where uncertainty arises about a customer's ability or willingness to pay a receivable and the Group assesses that the claim is subject to risk, an impairment allowance is made to cover this risk. Individually impaired construction contract debtors and allowances for these are registered in separate accounts, both of which are included in the carrying amount of contract debtors.		
The balance of construction contract debtors falls due as follows:		
Balances not due	3,129	2,705
Balances past due:		
Less than 30 days past due	685	1,252
30 to 90 days past due	249	179
More than 90 days past due	467	302
Total	**4,530**	**4,438**
Receivables falling due more than one year after the balance sheet date	35	32

For a description of credit risk, see note 23 Credit, interest rate and currency risk and use of financial instruments.

For the measurement of expected credit losses, Aarsleff applies the simplified approach under IFRS 9, which is based on expected losses on all construction contract debtors. To measure the expected credit loss, construction contract debtors are grouped according to their characteristics and number of past due days. Expected loss rates are based on the payment profiles for sales over a 60-month period before 30 September 2024 and 30 September 2023, respectively, and the corresponding historical credit losses realised during that period. Historical losses are adjusted to reflect current and future expected matters that affect the customer's ability to settle the receivables. As Aarsleff operates in countries in which experience shows that there may be a risk of losses due to changing political and cyclical factors, the Company adjusts historical loss rates based on expected changes in these factors.

Expected losses on trade receivables and construction contracts based on a weighted loss rate:

(DKKm)	Loss rate	Amount receivable	Expected loss	Total
30/9 2024				
Balances not due	0.1	5,724	8	5,716
Less than 30 days past due	0.7	690	5	685
30 to 90 days past due	1.3	253	3	250
More than 90 days past due	2.0	477	10	467
Total	0.4	7,144	**26**	**7,118**
30/9 2023				
Balances not due	0.2	4,873	10	4,863
Less than 30 days past due	0.8	1,263	11	1,252
30 to 90 days past due	2.8	184	5	179
More than 90 days past due	4.4	317	14	303
Total	0.6	6,637	**40**	**6,597**

Notes to the financial statements

20 Equity

Share capital
The share capital consists of 27,000 class A shares of DKK 100 each and 18,225,000 class B shares of DKK 2 each. Their nominal value is DKK 2,700 thousand and DKK 36,450 thousand, respectively.

The class A shares carry ten times as many voting rights as the class B shares. The class A shares are non-negotiable instruments.

See the section Information to shareholders for additional information.

A dividend of DKK 11 (2022/23: DKK 10) per share each of nominally DKK 2 is proposed in respect of the 2023/24 financial year for a dividend amount of DKK 208.9 million (2022/23: DKK 190.7 million).

	Number of shares		Nominal value (DKK'000)		% of share capital	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Treasury shares (B shares)						
Holding at 1/10	1,310,374	942,727	2,620	1,885	6.43	4.63
Capital reduction	-810,000	0	-1,620	0	-3.97	0
Treasury shares after capital reduction	500,374	942,727	1,000	1,885	2.55[1]	4.63
Additions during the year	198,913	497,988	398	996	1.02	2.44
Disposals during the year	-111,756	-130,341	-223	-261	-0.57	-0.64
Holding at 30/9	**587,531**	**1,310,374**	**1,175**	**2,620**	**3.00**	**6.43**

[1] After the capital reduction, the holding of treasury shares was recomputed from 2.46% to 2.55% of the total share capital.

Treasury shares were purchased during the financial year for the purpose of covering the matching shares obligation under the employee share programme and reducing the share capital of Per Aarsleff Holding A/S. Disposals during the year were used for matching of employee shares from 2021.

Resolutions to amend the articles of association or to wind up the company require a majority vote of not less than two-thirds of the votes cast as well as of the voting share capital represented at the annual general meeting.

§ Accounting policy

Proposed dividend
Dividend is recognised in liabilities at the time of its adoption at the annual general meeting. Proposed dividend expected to be distributed for the year is shown as a separate item under equity.

Treasury shares
Purchase and selling amounts of and dividends on treasury shares are recognised directly in equity.

Translation reserve
The translation reserve in the consolidated financial statements comprises foreign exchange differences arising on the translation of the financial statements of foreign entities from their functional currencies into the Group's presentation currency (Danish kroner).

On full or partial realisation of the net investment, foreign exchange adjustments are recognised in the income statement.

Hedging reserve
The hedging reserve contains the accumulated net change in the fair value of hedging transactions that qualify as hedges of future cash flows and for which the hedged transaction has yet to be realised.

Notes to the financial statements

21 Provisions

(DKKm)	30/9 2024	30/9 2023
Provisions at 1/10	326	251
Used during the year	-62	-42
Reversal of unused provisions	-44	-35
Provided for the year	268	153
Foreign exchange adjustments	-1	-1
Provisions at 30/9	**487**	**326**
Recognised as follows:		
Non-current liabilities	307	207
Current liabilities	180	119
Total	**487**	**326**

Provisions include provisions regarding completed contracts, including warranty obligations, the warranty period on contracts being up to five years from the hand-over date. The main part of the costs is expected to be incurred within three years.

§ Accounting policy

Provisions are recognised when the Group has a legal or constructive obligation as a consequence of past events in the financial year or prior years, when it is probable that settlement of the obligation will require an outflow of the Group's financial resources and the amount of the obligation can be measured reliably.

In measuring provisions, the expenditure required to settle the obligation is discounted if this has a material effect on the measurement of the obligation.

Warranty obligations are recognised in proportion to the stage of completion of the contract and are measured based on past experience.

! Significant accounting estimates

The assessment of provisions for completed contract work is based on past experience with similar work. Aarsleff regularly implements new methods and technologies for the execution of construction contracts. Where this is the case, the extent to which warranty obligations can be expected is assessed on a case-by-case basis.

22 Other payables

(DKKm)	30/9 2024	30/9 2023
VAT etc. payable	282	127
Other payroll-related items payable	652	784
Liability concerning earn-out	69	66
Additional other payables	276	282
Other payables	**1,279**	**1,259**
Recognised as follows:		
Non-current liabilities	79	76
Current liabilities	1,200	1,183
Total	**1,279**	**1,259**

Notes to the financial statements

23 Credit, interest rate and currency risk and use of financial instruments

Financial instrument categories

	Carrying amount		Fair value	
(DKKm)	**30/9 2024**	**30/9 2023**	**30/9 2024**	**30/9 2023**
The Group's financial instrument categories:				
Construction contract debtors	4,530	4,438	4,530	4,438
Work in progress	2,696	2,191	2,696	2,191
Other receivables	226	255	226	255
Cash and cash equivalents	387	579	387	579
Receivables at amortised cost	**7,839**	**7,463**	**7,839**	**7,463**
Securities	479	485	479	485
Financial assets at fair value through profit or loss	**479**	**485**	**479**	**485**
Derivative financial instruments used for hedging	25	43	25	43
Derivative financial instruments to hedge future cash flows	**25**	**43**	**25**	**43**
Other payables (earn-out)	69	66	69	66
Financial liabilities at fair value through profit or loss	**69**	**66**	**69**	**66**
Mortgage debt	85	91	85	91
Credit institutions	931	1,783	931	1,783
Lease debt	787	632	787	632
Trade payables	2,940	2,718	2,940	2,718
Financial liabilities at amortised cost	**4,743**	**5,224**	**4,743**	**5,224**

Fair value measurement
The Group uses the fair value convention in connection with certain disclosure requirements and for the recognition and measurement of financial instruments. Fair value is defined as the price obtainable when selling an asset, or payable when transferring a liability, in an arm's length transaction between market participants (exit price). Assets and liabilities that are measured at fair value, or whose fair value is disclosed, are categorised in a three-level fair value hierarchy, based on inputs to the valuation methods applied in measuring fair value. To the extent possible, fair value measurement is based on quoted prices in active markets (level 1) or alternatively on prices derived from observable market inputs (level 2). To the extent that such observable inputs are not available or cannot be used without significant modification, fair values are based on recognised valuation methods and reasonable estimates (level 3).

Current receivables at amortised cost and current financial liabilities
The fair values of current receivables at amortised cost and current financial liabilities are not considered to deviate significantly from their carrying amounts.

Securities
Securities (mainly bonds) are measured at officially quoted prices or price quotes. This constitutes fair value measurement at level 1 of the fair value hierarchy.

Mortgage debt
The fair value of mortgage debt is determined on the basis of the fair value of the underlying bonds. This constitutes fair value measurement at level 2 of the fair value hierarchy.

Derivative financial instruments
Forward exchange contracts are valued on the basis of externally calculated fair values using generally accepted valuation techniques. This constitutes fair value measurement at level 2 of the fair value hierarchy.

Notes to the financial statements

23 Credit, interest rate and currency risk and use of financial instruments – continued

Contingent consideration

The fair value of contingent consideration (earn-out) related to the acquisitions of Steg Entreprenør AS, Trym Anlegg AS and Jysk CTS A/S is estimated on the basis of the income approach. The estimate is based on weighted probabilities of the expected payments under the earn-out agreements, discounted at a discount rate of 3%. The total payment for Steg Entreprenør AS amounts to DKK 20 million as a minimum. For Trym Anlegg AS, the total payment amounts to a minimum of DKK 12 million. The minimum payment for Jysk CTS A/S is DKK 0 million. The amount of the earn-out depends on the future earnings of the acquired companies. This constitutes fair value measurement at level 3 of the fair value hierarchy. Expected earnings is a key assumption in the calculation of the estimate. A +1% change in expected earnings would increase the earn-out amount by DKK 0.2 million. The change in the fair value of earn-out agreements has been recognised at DKK 4 million under financial expenses and non-current other payables, respectively.

(DKKm)	2023/24	2022/23
Carrying amount at 1/10	66	79
Adjustment in income statement	4	-11
Dividend/partial repayment	-1	-2
Carrying amount at 30/9	**69**	**66**

Liquidity risk

It is Group policy to maintain significant cash reserves. With its stable and strong solvency, the Group has a high creditworthiness, which is reflected in appropriate credit agreements for short-term financing of working capital and equipment and long-term financing of a number of properties.

The Group's working capital is primarily financed by a revolving credit facility totalling DKK 1.75 billion with a bank consortium consisting of Nordea and SEB. The revolving credit facility, which is entered into in August 2023, is committed for a three-year period with an option for a one-year extension. The revolving credit facility is subject to a covenant with respect to the Group's gearing, calculated as adjusted EBITDA relative to net interest-bearing debt. At 30 September 2024, the Group had unutilised drawing rights of DKK 956 million.

All covenants were observed at 30 September 2024.

The Group's liabilities fall due as follows:

(DKKm)	Carrying amount	Contractual cash flows[1]	Within 1 year	1-2 years	2-5 years	After 5 years
30/9 2024						
Non-derivative financial instruments:						
Mortgage debt	85	108	9	11	29	59
Credit institutions	931	935	79	0	856	0
Trade payables	2,940	2,940	2,940	0	0	0
Other payables	69	69	0	0	69	0
Derivative financial instruments						
Derivative financial instruments to hedge future cash flows	-25	-25	-15	-3	-5	-2
Total liabilities	**4,000**	**4,027**	**3,013**	**8**	**949**	**57**
30/9 2023						
Non-derivative financial instruments:						
Mortgage debt	91	118	9	10	31	68
Credit institutions	1,783	1,783	138	0	1,645	0
Trade payables	2,718	2,718	2,718	0	0	0
Other payables	66	66	0	0	66	0
Derivative financial instruments						
Derivative financial instruments to hedge future cash flows	-43	-43	-29	-8	-2	-4
Total liabilities	**4,615**	**4,642**	**2,836**	**2**	**1,740**	**64**

[1] All cash flows are undiscounted and comprise all liabilities under agreements concluded, including future interest payments on loans.

An overview of the Group's cash reserves is provided in note 28 Liquidity. The Group's cash outflows are fully covered by its profit from operations and the availability of credit facilities and refinancing options.

Notes to the financial statements

23 Credit, interest rate and currency risk and use of financial instruments – continued

Currency risk
The Group's currency risk exposure is mainly related to SEK insofar as the Group's Danish companies are involved in the execution of projects in Sweden. Moreover, the Group has entered into an earn-out agreement denominated in NOK in connection with the acquisitions of Steg Entreprenør AS and Trym Anlegg AS.

The Group's exposures to SEK are as follows:

(DKKm)	30/9 2024 SEK	30/9 2023 SEK
Assets		
Trade receivables	95	108
Cash and cash equivalents	0	1
Total assets	**95**	**109**
Equity and liabilities		
Trade payables	25	32
Interest-bearing debt	97	41
Amounts owed to group entities	-125	-120
Total equity and liabilities	**-3**	**-47**
Net position	**98**	**156**
Financial instruments		
Fair value hedges	0	-16
Cash flow hedges	-212	-398
Exposure	**-114**	**-258**

At 30 September 2024, the Group's SEK exposure amounted to DKK 114 million (DKK 258 million at 30 September 2023) and related primarily to receivables in SEK resulting from activities performed in Sweden by the Group's Danish entities and to hedging of future cash flows from ongoing projects in Sweden. As the cash flows have not yet been recognised, the hedging increases the exposure at the balance sheet date.

The cash flow hedging in SEK was executed at a weighted average exchange rate of 0.6860, against 0.6970 in 2022/23.

Managing currency risk
Currency risk is managed centrally in the Aarsleff Group. The Group's strategy is to hedge currency risk related to construction contracts and other currency transactions by optimising its commercial currency flow. Aarsleff's policy is to hedge at least 50% of the expected contribution margin in relation to construction contracts through commercial currency flow optimisation.

To minimise currency risk, the aim is for foreign currency construction contracts to be entered into in EUR or, alternatively, in the same currency as that in which costs are incurred in order to ensure as much natural hedging as possible. During the tendering stage until the contract is entered into, currency risk is generally not hedged.

Normally, currency overdraft facilities are established on the basis of regular computation of foreign exchange exposures to the most important currencies. Moreover, forward contracts are entered into to hedge future cash flows in the form of contract revenue, but only where a contract has been concluded. Ineffectiveness is primarily due to timing differences between the expected timing of receipt of income and payment of expenses.

Foreign exchange adjustment of foreign subsidiaries and associates with functional currencies different from that of the parent company is recognised directly in other comprehensive income. Related currency risks are not hedged and are not included in the sensitivity analysis below. Current and non-current receivables in group enterprises are not generally hedged.

Sensitivity to changes in the exchange rates of the currencies to which the Group is exposed
The effects of reasonably probable changes in the exchange rates of the currencies in which the Group has its main currency exposures are shown below. The analysis is based on the assumption of all other variables, interest rates in particular, remaining constant relative to 30 September. Forecasts are based on currently available market data.

	30/9 2024 SEK	30/9 2023 SEK
Year-end exchange rate	0.6598	0.6466
5%	0.6928	0.6789
-5%	0.6268	0.6143

Notes to the financial statements

23 Credit, interest rate and currency risk and use of financial instruments – continued

(DKKm)		DKK/SEK +5%		DKK/SEK -5%	
30/9 2024	**SEK exposure**	**Earnings effect**	**Equity effect**	**Earnings effect**	**Equity effect**
Assets					
Trade receivables	95	5	0	-5	0
Cash and cash equivalents	0	0	0	0	0
Equity and liabilities					
Trade payables	25	-1	0	1	0
Interest-bearing debt	97	-5	0	5	0
Amounts owed to group entities	-125	6	0	-6	0
Financial instruments					
Fair value hedges	0	0	0	0	0
Cash flow hedges	-212	0	11	0	-11
Net effect		**5**	**11**	**-5**	**-11**

As appears from the above, a change of +/- 5% in the exchange rate of SEK would affect the Group's earnings by +/- DKK 5 million. Given that its SEK exposure is primarily due to cash inflows, the Group believes that the effects of a change in the exchange rate would be offset by currency inflows and outflows over time. Consequently, the net effect shown above merely reflects the effect at the balance sheet date seen in isolation.

(DKKm)		DKK/SEK +5%		DKK/SEK -5%	
30/9 2023	**SEK exposure**	**Earnings effect**	**Equity effect**	**Earnings effect**	**Equity effect**
Assets					
Trade receivables	108	5	0	-5	0
Cash and cash equivalents	1	0	0	0	0
Equity and liabilities					
Trade payables	32	-1	0	1	0
Interest-bearing debt	41	-2	0	2	0
Amounts owed to group entities	-120	6	0	-6	0
Financial instruments					
Fair value hedges	-16	-1	0	1	0
Cash flow hedges	-398	0	20	0	-20
Net effect		**7**	**20**	**-7**	**-20**

Notes to the financial statements

23 Credit, interest rate and currency risk and use of financial instruments – continued

Hedging of expected future cash flows
The Group hedges expected future cash flows by means of the following derivative financial instruments:
- Interest rate swaps are used to hedge against changes in interest rates on mortgage loans.
- Forward contracts are used to hedge currency risks relating to expected future net income and expenses.

The table below shows the Group's financial instruments and the expected date of recognition of their fair value.

(DKKm)	Carrying amount	Changes in fair value recognised in other comprehensive income	Expected earnings effect 2024/25	2025/26	2026/27	2027/28	After 2027/28
30/9 2024							
Interest rate swaps	5	5	1	1	1	0	2
Forward contracts	20	20	14	2	3	1	0
Total	**25**	**25**	**15**	**3**	**4**	**1**	**2**

(DKKm)	Carrying amount	Changes in fair value recognised in other comprehensive income	Expected earnings effect 2023/24	2024/25	2025/26	2026/27	After 2026/27
30/9 2023							
Interest rate swaps	10	10	3	1	1	1	4
Forward contracts	33	33	26	7	0	0	0
Total	**43**	**43**	**29**	**8**	**1**	**1**	**4**

The Group's interest rate swaps carry an average interest rate of 1.07% and expire in September 2036 at the latest.

The table shows the value of all the Group's hedging instruments at the balance sheet date. The sensitivity analysis only shows the Group's sensitivity to changes in the exchange rate of SEK, as this currency is considered to be of significant importance to the Group.

See the section Material financial risks for further information.

Capital management
The Group regularly assesses the need for adjusting its capital structure as well as that of the individual subsidiaries so that it complies with the applicable rules and matches the business foundation and volume of activity.

The Group assesses capital on the basis of the equity ratio. The Group aims to have an equity ratio of at least 35% and a ratio of net interest-bearing debt to EBITDA (gearing) of less than 1.5.

Interest rate risk
Interest rate risk mainly relates to interest-bearing debt, securities and cash. To minimise both interest and related risks, the Group has entered into cash pooling and interest netting agreements in DKK, SEK, EUR and GBP with its Danish bankers.

The Group's interest rate risk is related to the items in the table, which states the earliest maturity date.

Notes to the financial statements

23 Credit, interest rate and currency risk and use of financial instruments – continued

		Effective interest		Carrying amount		Fair value	
	Fixed/ floating	30/9 2024 %	30/9 2023 %	30/9 2024 (DKKm)	30/9 2023 (DKKm)	30/9 2024 (DKKm)	30/9 2023 (DKKm)
Interest-bearing assets	**Fixed**	**-1 to 4**	**-1 to 4**	**153**	**129**	**153**	**129**
Interest-bearing assets	**Floating**	**-1 to 4**	**-1 to 5**	**714**	**935**	**714**	**935**
Interest-bearing liabilities	**Fixed**	**1 to 7**	**1 to 9**	**1,577**	**2,260**	**1,577**	**2,260**
Interest-bearing liabilities	**Floating**	**1 to 9**	**1 to 9**	**305**	**321**	**305**	**321**
Net interest-bearing deposit				**-1,015**	**-1,517**		
Payment/maturity profile is specified as follows:							
Less than 1 year				476	661		
1-5 years				-1,443	-2,124		
More than 5 years				-48	-54		
				-1,015	**-1,517**		

A 1% increase in the level of interest rates relative to that at the balance sheet date and net interest-bearing assets would, all other things being equal, have a negative effect of DKK 2 million on the Group's profit before tax and equity (2022/23: a negative effect of DKK 2 million). A decrease in the interest rate level would have had a similar positive effect on profit and equity.

Credit risk
The Group is exposed to credit risk with respect to receivables, work in progress and bank deposits. The Group is not deemed to be exposed to significant credit risk with respect to its cash and cash equivalents, securities portfolio or derivative financial instruments, as the Group's bankers, bond issuers and derivative financial instrument counterparties all have credit ratings corresponding to at least A-/A3 (S&P/Moody's). The maximum credit risk corresponds to the carrying amount.

A large proportion of the Group's customers are public or semi-public institutions, on which the exposure to financial losses is minimal. The Group's work in progress and trade receivables from other customers are exposed to the usual credit risk. Customers are therefore credit rated before work on a contract commences. To the extent that it is expedient and possible, credit risk on work in progress and trade receivables is covered by way of bank and insurance guarantees and letters of credit.

The Group does not have significant risk exposure to any individual customer or business partner.

As was the case at 30 September 2023, the Group's impairment allowances at 30 September 2024 related solely to financial assets classified as receivables. See note 19 Construction contract debtors.

Notes to the financial statements

24 Contingent liabilities and other financial obligations

(DKKm)	30/9 2024	30/9 2023
Investment and purchase obligations		
Investments in property, plant and equipment	82	78
Contingent assets and liabilities		
The Aarsleff Group is a party to various legal and arbitration proceedings, which are not expected to have a significant negative effect on the Group's future earnings.		
Security		
The carrying amount of land and buildings put up as security for debt to mortgage credit institutions is	178	123
As security for the completion of construction contracts, the usual security has been provided in the form of bank guarantees and suretyship insurance	9,369	8,179

The item warranty obligations comprises the obligations to perform certain warranty work for normally up to five years. The obligation has been calculated on the basis of historical warranty costs.

The Group is a party to joint venture arrangements (joint operations) under joint and several liability. The total liability at 30 September 2024 was DKK 2,921 million, against DKK 2,139 million at 30 September 2023, of which amounts DKK 492 million and DKK 386 million, respectively, were recognised in the consolidated balance sheet. The Group does not foresee any losses over and above those included in the financial statements.

! Significant accounting estimates

In the course of its contracting business, Aarsleff may become party to disputes and lawsuits. In such cases, the Group assesses whether it may incur liabilities as a result of the case in question and the probability thereof. Such assessment is based on available information and legal opinions from advisers. The final outcome of a case is inherently difficult to estimate and may differ considerably from Aarsleff's assessments.

25 Related party transactions

	Associates and joint ventures		Management[1]	
(DKKm)	2023/24	2022/23	2023/24	2022/23
Group				
Income[2]	0	4	0	0
Expenses[2]	0	0	0	0
Receivables[3]	0	0	0	0
Payables	0	0	0	0

[1] Includes members of the Board of Directors and the Executive Management of the parent company. Management remuneration is set out in note 7 Staff costs.
[2] Includes purchase and sale of goods and services.
[3] Includes receivables and payables related to purchase and sale of goods and services.

The foundation Per og Lise Aarsleffs Fond is considered to exercise control as a result of its own shareholding and the dissemination of other shareholdings. Apart from distribution of dividend and a small administration fee, the Group had no transactions with the foundation in 2023/24 or 2022/23.

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

No unusual agreements or other such trades or transactions were concluded or conducted between the Group and its related parties.

Notes to the financial statements

26 Other adjustments – statement of cash flows

(DKKm)	2023/24	2022/23
Provisions	161	76
Profit/loss from sale of property, plant and equipment	-36	-43
Total	**125**	**33**

27 Change in working capital – statement of cash flows

(DKKm)	2023/24	2022/23
Inventories	4	-32
Work in progress, net	-220	149
Receivables	54	-1,020
Trade payables, other payables, etc.	221	301
Total	**59**	**-602**

28 Liquidity

(DKKm)	2023/24	2022/23
Cash and cash equivalents	387	579
Total	**387**	**579**
Cash and cash equivalents are specified as follows:		
Share of cash and cash equivalents in joint operations	79	192
Other cash and cash equivalents	308	387
Total	**387**	**579**

29 Liabilities from financing activity

(DKKm)	Opening	Cash flows	Non-cash changes	Closing
2023/24				
Mortgage debt	91	-6		85
Credit institutions	1,783	-850	-2	931
Lease debt	632	-251	406	787
Total liabilities from financing activity	**2,506**	**-1,107**	**404**	**1,803**
2022/23				
Mortgage debt	127	-35	-1	91
Credit institutions	1,244	538	1	1,783
Lease debt	570	-235	297	632
Total liabilities from financing activity	**1,941**	**268**	**297**	**2,506**

Notes to the financial statements

30 Acquisitions

2023/24
During the financial year 2023/24, the Aarsleff Group made the following acquisitions:

At 1 October 2023, Wicotec Kirkebjerg A/S acquired 100% of the shares in M.D. Rustfri A/S.

The total consideration for 100% of the shares in the company on a debt-free basis was DKK 73.9 million, of which DKK 73.5 million was paid in cash.

M.D. Rustfri specialises in stainless installations for the pharmaceutical industry. The company designs and carries out stainless pipe and tank installations meeting strict hygiene and quality standards for applications such as purified water, sterile gases, process chemicals and liquids for injectable products.

The company has 60 employees and is based in Køge.

Identifiable assets and liabilities, etc. have been stated at fair value. After recognition of identifiable assets and liabilities at fair value, goodwill was calculated at DKK 12 million.

(DKKm)	**Total**
Fair value at acquisition date	
Property, plant and equipment	15
Inventories	0
Receivables	99
Cash and cash equivalents	0
Other current liabilities	-52
Net assets acquired	62
Goodwill	12
Acquisition cost	74
Of which cash and cash equivalents/bank debt	0
Cash acquisition cost	**73**
The nominal value of the above receivables is	99

The acquired company's revenue and profit, included in the consolidated financial statements from the acquisition date, amount to DKK 347.9 million and DKK 43.6 million, respectively.

Transaction costs amounted to DKK 1 million.

2022/23
During the financial year 2022/23, the Aarsleff Group made the following acquisitions:

At 1 October 2022, Wicotec Kirkebjerg A/S acquired 100% of the shares in Kurt Jensen Maskinfabrik A/S.

The total consideration for 100% of the shares in the company on a debt-free basis was calculated at DKK 1.8 million, and DKK 3.3 million was paid in cash.

Kurt Jensen Maskinfabrik A/S specialises in the production of non-rusting pipings for water works, food manufacturers and the environmental sector. The company has in-house stainless steel pickling capacity and special pipe plunging equipment.

The company has 20 employees and is based in Otterup, Funen.

Identifiable assets and liabilities, etc. are stated at fair value with intangible assets comprising the value of the company's name, customers and order backlog. After recognition of identifiable assets and liabilities at fair value, goodwill was calculated at DKK 2 million.

The company was subsequently merged into Holmskov Rustfri A/S.

At 1 January 2023, Aarsleff Rohrsanierung GmbH acquired 100% of the shares in BE-KA-TEC GmbH and Bettina Hänsch GmbH.

The total consideration for 100% of the shares in the companies on a debt-free basis was DKK 28.3 million, and DKK 13.6 million was paid in cash.

The companies carry out pipe renovation work in the southern part of Germany, recording revenue of EUR 8 million in 2022.

Combined, the companies have 70 employees and are based in Beratzhausen, Bavaria.

Identifiable assets and liabilities, etc. are stated at fair value with intangible assets comprising the value of the companies' names, customers and order backlogs. After recognition of identifiable assets and liabilities at fair value, goodwill was calculated at DKK 0 million.

Notes to the financial statements

30 Acquisitions – continued

(DKKm)	**Total**
Fair value at acquisition date	
Intangible assets	10
Property, plant and equipment	5
Inventories	2
Receivables	18
Cash and cash equivalents	12
Non-current liabilities	-3
Other current liabilities	-17
Net assets acquired	27
Goodwill	2
Acquisition cost	29
Of which cash and cash equivalents/bank debt	-9
Deferred contingent consideration regarding minority shareholding	-3
Cash acquisition cost	**17**
The nominal value of the above receivables is	18

The acquired companies' revenue and profits, included in the consolidated financial statements from the acquisition date, amounted to DKK 41.7 million and DKK 4.6 million, respectively. Pro forma consolidated revenue and profit for 2022/23, calculated as if the companies were acquired at 1 October 2022, were DKK 54.9 million and DKK 6.3 million, respectively. The pro forma figures were calculated on the basis of the actual consideration paid and the purchase price allocation at the acquisition date, but with depreciation and amortisation, etc. being calculated from 1 October 2022.

Transaction costs amounted to DKK 1 million.

§ Accounting policy

Business combinations

The purchase method is applied to acquisitions of subsidiaries and associates. The identifiable assets, liabilities and contingent liabilities of acquired companies are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual or legal right. Deferred tax is recognised on the basis of the revaluations made.

The cost of an enterprise is generally the fair value of the consideration paid. If part of the consideration is contingent on future events occurring or on agreed conditions being met, that part of the consideration is recognised at fair value at the acquisition date. Costs attributable to business combinations are recognised directly in the income statement as incurred.

Any positive difference between cost and fair value (goodwill) on acquisition of subsidiaries is recognised in intangible assets and tested for impairment annually. On acquisition, goodwill is allocated to the cash-generating units subsequently providing a basis for impairment testing. Any positive difference (goodwill) on acquisition of associates is recognised in the balance sheet under investments in associates. Any negative difference (negative goodwill) is recognised as income in the income statement at the date of acquisition.

Acquired companies are recognised from the acquisition date, and companies sold are recognised until the selling date. The acquisition date is the date at which the parent company actually obtains control of the acquired company.

If the fair values of acquired assets and liabilities subsequently turn out to deviate from the preliminary values calculated at the date of acquisition, goodwill is adjusted for this until 12 months after the acquisition date.

Notes to the financial statements

30 Acquisitions – continued

In connection with an acquisition, goodwill and any non-controlling (minority) interest are recognised according to one of the following methods:

1. Goodwill related to the acquired company consists of any positive difference between the total fair value of the acquired company and the fair value of total net assets recognised. The non-controlling interest is recognised at its share of the total fair value of the acquired company (full goodwill).

2. Goodwill related to the acquired company consists of any positive difference between the acquisition cost and the fair value of the Group's share of the acquired company's net assets recognised at the acquisition date. The non-controlling interest is recognised at its proportion of the acquired net assets (proportionate goodwill).

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the disposal consideration and the carrying amount of net assets, including goodwill, at the date of disposal plus disposal costs.

31 Events after the balance sheet date

No significant events have occurred since the end of the financial year.

Notes to the financial statements

32 Discontinued operations and assets held for sale

The carrying amount of the net assets of Per Aarsleff AO (Level 3 of the fair value hierarchy) was reduced by DKK 61 million before tax in 2021/22, as the fair value less costs to sell was lower than the carrying amount. The impairment loss was recognised in the consolidated financial statements under discontinued operations.

The selling price less costs to sell amounted to DKK 0.7 million, corresponding to the carrying amount at 30 September 2022 after recognition of the impairment loss.

In March 2023, all necessary approvals had been obtained, and the Russian activities have been sold to the local management. No activities were classified as discontinued operations in the financial year 2023/24.

(DKKm)	2023/24	2022/23
Discontinued operations		
Revenue	0	0
Costs	0	-6
Profit before tax	0	-6
Tax on profit/loss	0	0
Profit after tax	0	-6
Write-down to fair value less costs to sell	0	0
Tax effect of impairment losses	0	0
Value adjustments after tax	0	0
Profit/loss for the year from discontinued operations	0	-6
Profit/loss from discontinued operations per share, DKK	0	-0.32
Diluted profit/loss from discontinued operations per share, DKK	0	-0.31
Cash flows from operating activities	0	0
Cash flows from investing activities	0	0
Cash flow from financing activities	0	-6
Total cash flows from discontinued operations	**0**	**-6**

The full amount of the DKK 0 million profit from discontinued operations (2022/23: loss of DKK 6 million) is attributable to the shareholders of Per Aarsleff Holding A/S. Of the DKK 826 million profit for the year (2022/23: DKK 792 million), DKK 826 million (2022/23: DKK 786 million) is attributable to the shareholders of Per Aarsleff Holding A/S.

§ Accounting policy

Discontinued operations and assets held for sale
Discontinued operations form a substantial part of the Group if activities and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the Group's other operations and the operations have either been divested or classified as held for sale and such sale pursuant to a formal plan is expected to take place within 12 months.

The profit/loss from discontinued operations and value adjustments of related assets and liabilities after tax as well as gains/losses from a sale are presented as a separate income statement item with restatement of comparative figures. Revenue, costs, value adjustments, tax and cash flows for the discontinued operations are disclosed in the notes to the financial statements.

Assets and related liabilities for the discontinued operations are recognised separately in the balance sheet without restatement of comparative figures.

Parent company financial statements

Main financial statements

Notes to the financial statements

Income statement

1/10-30/9

Note	(DKK'000)	2023/24	2022/23
	Revenue	**12,562**	**13,213**
	Production costs	210	132
	Gross profit	**12,772**	**13,345**
2, 3	Administrative expenses and selling costs	-47,760	-28,991
	Operating profit	**-34,988**	**-15,646**
6	Share of profit in subsidiaries	803,532	772,717
	Profit before interest	**768,544**	**757,071**
4	Financial income	12,439	14,831
4	Financial expenses	-8,762	-17,229
	Profit before tax	**772,221**	**754,673**
5	Tax on profit for the year	5,397	6,233
	Profit for the year	**777,618**	**760,906**
	Proposed appropriation of profit		
	Reserve for net revaluation according to the equity method	205,338	499,258
	Retained earnings	356,955	57,797
	Dividend to shareholders	215,325	203,851
	Total	**777,618**	**760,906**

Balance sheet

Assets

Note	(DKK'000)	30/9 2024	30/9 2023
6	Investments in subsidiaries	4,779,145	4,556,214
	Investments	**4,779,145**	**4,556,214**
	Non-current assets	**4,779,145**	**4,556,214**
	Amounts owed by subsidiaries	1,434,029	1,712,833
	Income tax receivable	49,198	87,040
	Other receivables	20,852	15,129
	Receivables	**1,504,079**	**1,815,002**
	Cash and cash equivalents	**541,809**	**484,665**
	Current assets	**2,045,888**	**168,848**
	Assets	**6,825,033**	**7,024,729**

Equity and liabilities

Note	(DKK'000)	30/9 2024	30/9 2023
	Share capital	39,150	40,770
	Reserve for net revaluation according to the equity method	1,414,404	1,190,973
	Retained earnings	3,059,597	2,746,379
	Proposed dividend	215,325	203,851
7	**Equity**	**4,728,476**	**4,181,973**
	Credit institutions	867,908	1,646,864
	Trade payables	1,461	698
	Amounts owed to subsidiaries	1,138,165	1,118,743
	Other payables	89,023	76,451
8	**Liabilities**	**2,096,557**	**2,842,756**
	Equity and liabilities	**6,825,033**	**7,024,729**

Statement of changes in equity

(DKK'000)	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend	Total
Equity at 1/10 2023	**40,770**	**1,190,973**	**2,746,379**	**203,851**	**4,181,973**
Changes in equity in 2023/24					
Foreign exchange adjustment of foreign entities		18,093			18,093
Reversal of fair value adjustments of derivative financial instruments, transferred to the income statement (net financials)			-32,657		-32,657
Market value adjustment re. derivative financial instruments			17,686		17,686
Other changes in equity					
Tax on derivative financial instruments			-1,197		-1,197
Net gains/losses recognised directly in equity	0	18,093	-16,168	0	1,925
Capital reduction	-1,620		1,620		0
Dividend paid				-203,851	-203,851
Dividend, treasury shares			13,102		13,102
Employee shares			35,704		35,704
Purchase of treasury shares			-77,995		-77,995
Profit for the year		205,338	356,955	215,325	777,618
Total changes in equity in 2023/24	**-1,620**	**223,431**	**313,218**	**11,474**	**546,503**
Equity at 30/9 2024	**39,150**	**1,414,404**	**3,059,597**	**215,325**	**4,728,476**

(DKK'000)	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend	Total
Equity at 1/10 2022	**40,770**	**692,299**	**2,764,136**	**163,081**	**3,660,286**
Changes in equity in 2022/23					
Foreign exchange adjustment of foreign entities		-584			-584
Reversal of fair value adjustments of derivative financial instruments, transferred to the income statement (net financials)			-16,294		-16,294
Market value adjustment re. derivative financial instruments			24,254		24,254
Other changes in equity					0
Tax on derivative financial instruments			-1,837		-1,837
Net gains/losses recognised directly in equity	0	-584	6,123	0	5,539
Dividend paid				-163,081	-163,081
Dividend, treasury shares			10,612		10,612
Employee shares			31,188		31,188
Purchase of treasury shares			-123,477		-123,477
Profit for the year		499,258	57,797	203,851	760,906
Total changes in equity in 2022/23	**0**	**498,674**	**-17,757**	**40,770**	**521,687**
Equity at 30/9 2023	**40,770**	**1,190,973**	**2,746,379**	**203,851**	**4,181,973**

Notes to the financial statements

1 Accounting policies

Basis of accounting
The financial statements of the parent company, Per Aarsleff Holding A/S, have been prepared in accordance with the provisions of the Danish Financial Statements Act (DK GAAP) applying to enterprises of reporting class D and additional Danish disclosure requirements for listed companies.

For accounting policies, see note 1 to the consolidated financial statements. The denomination of the items in the parent company's financial statements complies with the requirements of DK GAAP, but in content they conform to accounting policies under IFRS. See the section Terminology for a description of the main differences between the denomination of the items under DK GAAP and IFRS.

The accounting policies are consistent with those applied last year.

Supplementary accounting policies for the parent company

Intangible assets
On initial recognition, goodwill is recognised at cost in the item Goodwill or in the item Investments in subsidiaries. Subsequently, goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised over the estimated useful life not exceeding 20 years. If there is an indication that goodwill may be impaired, an impairment test is performed.

Investments
Investments in subsidiaries and associates are recognised and measured according to the equity method, which is the consolidation method used.

In the income statement, the proportionate share of profit for the year after tax less goodwill amortisation is included in the items Share of profit in subsidiaries and Share of profit in associates.

In the balance sheet, the items Investments in subsidiaries and Investments in associates include the proportionate ownership share of the equity value of the enterprises calculated under the accounting policies of the parent company with deduction or addition of unrealised intercompany profits or losses and with addition of any goodwill.

Subsidiaries and associates with negative equity values are measured at DKK 0. Any legal or constructive obligation by the parent company to cover the negative balance of the enterprise is recognised in provisions.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to Reserve for net revaluation according to the equity method under equity. The reserve is reduced on distribution of dividends to the parent company and is adjusted for other changes in equity in subsidiaries and associates.

Contingent consideration (earn-out) is measured at fair value through profit or loss, and adjustments are recognised in net financials.

Tax
The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish companies. Subsidiaries are included in the joint taxation from the date at which they are included in the consolidated financial statements and until the date when they cease to be consolidated.

The parent company is the designated management company for the tax pool and handles the settlement of all corporation tax payments with the tax authorities.

The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises with profits or losses in proportion to their taxable incomes (full absorption with refunds for tax losses). The jointly taxed companies are taxed under the Danish tax prepayment scheme.

In its capacity of management company, the parent company assumes liability for the Danish subsidiaries' payment of income tax as the subsidiaries pay joint taxation contributions.

Statement of cash flows
No separate statement of cash flows has been prepared for the parent company in accordance with the exemption clause of section 86(4) of the Danish Financial Statements Act.

Terminology
- Revenue (DK GAAP): Revenue (IFRS)
- Non-current assets (Danish GAAP): Non-current assets (IFRS)
- Investments (DK GAAP): Other non-current assets (IFRS)
- Current assets (DK GAAP): Current assets (IFRS)
- Provisions (DK GAAP): Non-current and current liabilities (IFRS)
- Long-term liabilities other than provisions (DK GAAP): Non-current liabilities (IFRS)
- Short-term liabilities other than provisions (DK GAAP): Current liabilities (IFRS)

Notes to the financial statements

2 Staff costs

(DKK'000)	2023/24	2022/23
Wages, salaries and remuneration	29,889	18,708
Share-based payment	1,368	1,150
Other costs, social security costs, etc.	20	19
Total	**31,277**	**19,877**
Of which:		
Remuneration of the Board of Directors[1]	4,368	3,117
Fixed remuneration of the Executive Management[2]	25,521	15,591
Share-based payment, Executive Management	1,368	1,150
Total	**31,257**	**19,858**
Average number of full-time employees	3	3

[1] Effective 29 January 2024, the Board of Directors was expanded by three board members elected by the employees and one board member elected by the general meeting and now consists of ten members in total.

[2] Effective 18 June 2024, the Executive Management was reduced from three to two members. Remuneration of the Executive Management for 2023/24 includes provisions for salary during notice periods, severance payment, non-monetary salary benefits and management share programme of a total amount of DKK 9.6 million.

3 Fees to auditors appointed by the annual general meeting

(DKK'000)	2023/24	2022/23
The fees to Deloitte may be specified as follows:		
Statutory audit	1,222	810
Other assurance engagements	53	97
Tax consulting services	65	18
Other services	225	252
Total	**1,565**	**1,177**

4 Financial income and expenses

(DKK'000)	2023/24	2022/23
Value adjustment of option to acquire minority shareholding	0	11,035
Foreign exchange gain, net	0	3,796
Other interest income	12,439	0
Financial income	**12,439**	**14,831**
Value adjustment of option to acquire minority shareholding	4,294	0
Foreign exchange loss, net	4,468	0
Other interest expenses	0	17,229
Financial expenses	**8,762**	**17,229**
Net financials	**3,677**	**-2,398**

5 Income tax

(DKK'000)	2023/24	2022/23
Tax on profit for the year may be specified as follows:		
Current tax	-5,397	-6,233
Total	**-5,397**	**-6,233**
Total tax for the year may be specified as follows:		
Tax on profit for the year	-5,397	-6,233
Tax on changes in equity	1,197	1,837
Total	**-4,200**	**-4,396**

Notes to the financial statements

6 Investments in subsidiaries

(DKK'000)	Investments in subsidiaries
Cost at 30/9 2023	3,365,241
Disposals during the year	-500
Cost at 30/9 2024	3,364,741
Value adjustment at 30/9 2023	1,190,973
Profit after tax	846,449
Goodwill amortisation	-28,649
Amortisation of other intangible assets	-18,292
Deferred tax	4,024
Dividend received	-586,970
Market value adjustment re. derivative financial instruments	-16,168
Other changes in equity	4,944
Foreign exchange adjustments	18,093
Value adjustment at 30/9 2024	1,414,404
Carrying amount at 30/9 2024	4,779,145
Of which goodwill amounts to	197,112

For a list of legal entities in the Aarsleff Group, see the Overview of group companies.

7 Equity

Share capital

See note 20 to the consolidated financial statements, Equity, for details on the composition of the share capital and treasury shares.

8 Maturity structure, liabilities

(DKK'000)	Carrying amount	Within 1 year
30/9 2024		
Credit institutions	867,908	0
Trade payables	1,461	1,461
Amounts owed to subsidiaries	1,138,165	1,138,165
Other payables	89,023	22,128
Total liabilities	**2,096,557**	**1,161,754**

The parent company's cash outflows are fully covered by its profit from operations and the availability of credit facilities and refinancing options.

Notes to the financial statements

9 Contingent liabilities and other financial obligations

(DKK'000)	30/9 2024	30/9 2023
Contingent assets and liabilities		
Guarantee provided for subsidiaries' liabilities	57,824	124,935
As security for the completion of construction contracts, the usual security has been provided in the form of bank guarantees and suretyship insurance	8,433,016	7,402,504
Guarantee/security provided for subsidiaries	766,090	865,297

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income etc.

10 Related party transactions

See note 25 to the consolidated financial statements, Related party transactions, for information on related party transactions.

11 Currency and interest rate risk and use of derivative financial instruments

See note 23 to the consolidated financial statements, Credit, interest rate and currency risk and use of financial instruments, for information on the use of derivative financial instruments and risk and capital management.

Companies in the Aarsleff Group

Construction

Company name	Registered office			Ownership share %
Per Aarsleff A/S[1]	Aarhus	Denmark	Contractor	100
Dan Jord A/S	Aarhus	Denmark	Contractor	100
Petri & Haugsted AS	Taastrup	Denmark	Contractor	100
PAA Project Finance A/S	Hvidovre	Denmark	Contractor	100
Aarsleff Anläggning AB	Limhamn	Sweden	Contractor	100
VG Entreprenør A/S	Lemvig	Denmark	Contractor	100
Per Aarsleff Grønland ApS	Nuuk	Greenland	Contractor	100
Per Aarsleff East Africa A/S	Aarhus	Denmark	Contractor	100
Per Aarsleff West Africa A/S	Aarhus	Denmark	Contractor	100
New Horizons In Infrastructure Of Denmark Nhid I/S[2]	Aarhus	Denmark	Contractor	28
Ístak hf.	Mosfellsbær	Iceland	Contractor	100
Hansson & Knudsen A/S	Odense	Denmark	Contractor	100
Aarsleff Biz Sp. z o.o.	Swinoujscie	Poland	Contractor	100
Rock Armour Trading AB	Kungshamn	Sweden	Production company	91
HP Tennisanlæg A/S[2]	Ugerløse	Denmark	Contractor	100
Permagreen Grønland A/S	Nuuk	Greenland	Contractor	70
Inussuk A/S	Nuussuaq	Greenland	Contractor	51
Kingo Grønland ApS[3]	Nuussuaq	Greenland	Contractor	50
Inissat ApS[3]	Nuussuaq	Greenland	Contractor	50

1 Per Aarsleff A/S is represented in the segments Construction, Ground Engineering and Pipe Technologies.
2 The company has been divested at 1 October 2024.
3 Associate.

Companies in the Aarsleff Group

Technical Solutions

Company name	Registered office			Ownership share %
Wicotec Kirkebjerg A/S	Taastrup	Denmark	Contractor	100
E. Klink A/S	Taastrup	Denmark	Contractor	100
Holmskov Rustfri A/S	Slangerup	Denmark	Contractor	100
S&H Klimateknik A/S	Glostrup	Denmark	Contractor	100
Jysk CTS A/S	Kolding	Denmark	Contractor	70
MD Rustfri A/S	Køge	Denmark	Contractor	100

Rail

Company name	Registered office			Ownership share %
Aarsleff Rail A/S	Aarhus	Denmark	Contractor	100
Aarsleff Rail AB	Varberg	Sweden	Contractor	100
Selskapet av Mai 2024 AS	Fredrikstad	Norway	Contractor	100
Aarsleff Rail GmbH	Wedemark	Germany	Contractor	100
Trym Anlegg AS	Trondheim	Norway	Contractor	67

Companies in the Aarsleff Group

Ground Engineering

Company name	Registered office			Ownership share %
Per Aarsleff A/S[1]	Aarhus	Denmark	Contractor	100
Centrum Pæle A/S	Vejle	Denmark	Pile factory	100
CP Test A/S	Vejle	Denmark	Engineering company	100
Entreprenørfirmaet Østergaard A/S	Vejle	Denmark	Contractor	100
Aarsleff Spezialtiefbau GmbH	Hamburg	Germany	Holding company	100
Ponel Bau GmbH Spezialtiefbau	Oldenburg	Germany	Contractor	100
Neidhardt Grundbau GmbH	Hamburg	Germany	Contractor	100
S T B - Wöltjen GmbH	Wedemark	Germany	Contractor	100
Aarsleff Grundbau GmbH	Hamburg	Germany	Contractor	100
Centrum Pfähle GmbH	Germaringen	Germany	Pile factory	100
DMT Gründungstechnik GmbH	Büdelsdorf	Germany	Engineering company	100
Aarsleff Ground Engineering Limited	Newark	England	Contractor	100
Centrum Pile Limited	Newark	England	Pile factory	100
Cannon Piling Ltd.	Essex	England	Contractor	100
Avoncross Limited	Essex	England	Contractor	100
Aarsleff Sp. z o.o.[2]	Warsaw	Poland	Contractor	100
Centrum Pali Sp. z o.o.	Kutno	Poland	Pile factory	100
Metris Sp. z o.o.	Kutno	Poland	Engineering company	100
Aarsleff CZ s.r.o.	Brno	The Czech Republic	Contractor	100
Aarsleff Ground Engineering AB	Gunnilse	Sweden	Contractor	100
Centrum Pile AB	Älvängen	Sweden	Pile factory	100
Steg Entreprenør AS	Geithus	Norway	Contractor	51
Aarsleff Fundamentering & Boring AS	Ulefoss	Norway	Contractor	100
BL Grundvandssænkning A/S	Haderslev	Denmark	Contractor	100

[1] Per Aarsleff A/S is represented in the segments Construction, Ground Engineering and Pipe Technologies.
[2] Aarsleff Sp. z o.o. is represented in the segments Ground Engineering and Pipe Technologies.

Companies in the Aarsleff Group

Pipe Technologies

Company name	Registered office			Ownership share %
Per Aarsleff A/S[1]	Aarhus	Denmark	Contractor	100
Danpipe A/S	Aarhus	Denmark	Contractor	100
Aarsleff Pipe Technologies AB	Stockholm	Sweden	Contractor	100
Aarsleff OY	Helsinki	Finland	Contractor	100
Kiinteistö Oy Kuikan Huolto	Helsinki	Finland	Real estate company	100
Aarsleff Sp. z o.o.[2]	Warsaw	Poland	Contractor	100
Aarsleff Baltic SIA	Riga	Latvia	Contractor	100
UAB Aarsleff	Kaunas	Lithuania	Contractor	100
Aarsleff Rohrsanierung GmbH	Nuremberg	Germany	Contractor	100
Bluelight GmbH	Nuremberg	Germany	Factory	100
Aarsleff Hulín s.r.o.	Hlohovec	Slovakia	Contractor	51
Aarsleff Leidingrenovatie bv	Amsterdam	The Netherlands	Contractor	100
FRP Prolining GmbH	Neubrandenburg	Germany	Factory	100
BE-KA-TEC GmbH	Beratzhausen	Germany	Contractor	100
Bettina Hänsch GmbH	Beratzhausen	Germany	Contractor	100
Olimb Rørfornying Holding AS	Råde	Norway	Contractor	100
Olimb Rørfornying AS	Råde	Norway	Contractor	100
Olimb Offshore AS	Råde	Norway	Contractor	100
Olimb Rørinspeksjon Bergen AS	Bergen	Norway	Contractor	60
Olimb Rørfornying Øst AS	Tønsberg	Norway	Contractor	75

[1] Per Aarsleff A/S is represented in the segments Construction, Ground Engineering and Pipe Technologies.
[2] Aarsleff Sp. z o.o. is represented in the segments Ground Engineering and Pipe Technologies.

Companies in the Aarsleff Group

Joint operations

Company name	Group, ownership share in %: Construction	Technical Solutions	Rail	Ground Engineering	Pipe Technologies	Lead partner
Arbeitsgemeinschaft EUGAL Los 3+4	20					
Ballast Nedam - Per Aarsleff Joint Venture V.O.F.	38					Yes
Baltic Pipe ASB JV I/S	38					Yes
Electrification Programme Aarsleff I/S		12	63	25		Yes
Fiber og Anlæg I/S	37					Yes
FLC Marine Works Group I/S	11					
FLC Portals Group I/S	31					
FLC Tunnel Group North I/S	11					
FLC Tunnel Group South I/S	11					
JV Aarsleff-Streicher-Bunte I/S	40					Yes
Siemens Mobility Aarsleff Konsortium I/S			42			
Siemens Aarsleff Konsortium I/S			37			
Strukton-Aarsleff JV I/S		10	45			Yes
Wicotec Kirkebjerg-Dan Jord I/S	50	50				Yes
Aarsleff-BAM International Joint Venture V.O.F. (Tanzania)	50					
Aarsleff-Interbeton J.V. I/S (Tanzania)	50					Yes
Aarsleff Rail Spitzke Østfyn I/S			50			
Aarsleff-Spitzke 2019 I/S			50			Yes
Aarsleff-Spitzke 2021 I/S			51			Yes
Aarsleff-Wicotec Kirkebjerg J.V. I/S	40	60				Yes

According to section 5 (1) of the Danish Financial Statements Act, partnerships in which Per Aarsleff A/S is lead partner have not prepared the financial statements, as these partnerships are included in the consolidated financial statements of Per Aarsleff Holding A/S.

Companies in the Aarsleff Group

Partners

- A. Hak Leidingbouw B.V.
- Ballast Nedam N.V.
- BAM International B.V.
- Bunte International Contractors GmbH
- CFE SA
- Dominion Instalaciones y Montajes, S.A.U.
- Dredging International N.V.
- Eltel Networks A/S
- Energy Saving Engineering SL
- Global Dominion Access S.A.
- Interbeton bv
- Johann Bunte Bauunternehmung GmbH & Co. KG
- Max Bögl Stiftung & Co. KG
- MAX STREICHER GmbH & Co Kommanditgesellschaft auf Aktien
- Munck Forsyningsledninger A/S
- Siemens Aktiengesellschaft
- Siemens Mobility A/S
- Solétanche-Bachy International S.A.S.
- Spietzke SE
- Spietzke SE Danmark
- Strukton Rail S-bane A/S Sverige BAUER GL AB
- Vinci Construction Grands Projets GP
- Wayss & Freytag Ingenieurbau AG

Foreign branch offices

- Belgrade, Serbia
- Gothenburg, Sweden
- Kaunas, Lithuania
- Kyiv, Ukraine
- Oslo, Norway
- Porto, Portugal
- Riga, Latvia

MANAGEMENT'S STATEMENTS

Lynetteholm in Copenhagen

Management's statement

The Board of Directors and Executive Management have today considered and adopted the Annual Report of Per Aarsleff Holding A/S for the financial year 1 October 2023-30 September 2024.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statement Act, and the Parent Company Financial Statements have beeen prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position at 30 September 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 October 2023-30 September 2024.

In our opinion, Management's review, page 3-93 and 155-165, includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

In our opinion, the Annual Report for Per Aarsleff Holding A/S with the file name Aarsleff-2024-09-30-da.zip for the financial year 1 October 2023-30 September 2024 for the Group and the Parent Company is prepared, in all material respects, in compliance with the ESEF regulation.

The annual report is submitted for adoption by the Annual General Meeting.

Aarhus, 19 December 2024

Executive Management

Jesper Kristian Jacobsen
Group CEO

Mogens Vedel Hestbæk
Group CFO

Board of Directors

Ebbe Malte Iversen
Chairman of the Board

Jørgen Dencker Wisborg
Deputy Chairman

Charlotte Strand
Board member

Henrik Højen Andersen
Board member

Klaus Kaae
Board member

Pernille Lind Olsen
Board member

Lars-Peter Søbye
Board member

Britta Hoier
Staff-elected

Dan Bentsen
Staff-elected

Julie Briand Madsen
Staff-elected

Independent auditor's report

To the shareholders of Per Aarsleff Holding A/S

Report on the consolidated financial statements and the parent financial statements

Opinion

We have audited the consolidated financial statements and the parent financial statements of Per Aarsleff Holding A/S for the financial year 01.10.2023 - 30.09.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group as well as the Parent, and the statement of comprehensive income and the cash flow statement of the Group. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 30.09.2024, and of the results of its operations and cash flows for the financial year 01.10.2023 - 30.09.2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark.

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 30.09.2024, and of the results of its operations for the financial year 01.10.2023 - 30.09.2024 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's 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.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Per Aarsleff Holding A/S for the first time on 27.01.2021 for the financial year 2020/21. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 4 year up to and including the financial year 2023/24.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 2023/24. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition and measurement of construction contracts and related recognition of revenue

A large part of the Group's revenues are derived from construction contracts recognized over time. The process of measuring the percentage of completion of the performance obligations and selecting the method of measuring the percentage of completion, involves judgement and estimates by the management. There may be uncertainty in relation to the selling price, allocation of the selling price, and in the estimated costs in fulfilling the contract. The recognition of revenue from construction contracts over time is a key audit matter, due the extent and complexity of ongoing projects in the Group with different duration, and where management exercises judgement to estimate the percentage of completion, including expected selling price and costs to fulfil the contract.

We refer to the disclosures in note 2 in the annual report on accounting estimates and judgements, note 18 on work in progress and note 21 on provisions.

How the identified key audit matter was addressed in our audit

We evaluated the application of accounting principles, methods for estimating the construction contracts' percentage of completion, processes for monitoring projects and tested controls over construction contracts'' percentage of completion, estimation of expected selling price and costs to fulfil the contract. We discussed the estimated total construction contracts costs, including provisions for guarantees and for disputes, with project management. We evaluated these estimates against comparable construction contractsand analysed the development in margins for selected construction contracts and the construction contractsportfolios. For a selection of contracts, we tested estimated revenues against agreements, tested the percentage of completion by testing the incurred costs against invoices and hours against project reports, and assessed the total estimated construction contractcosts. In addition, we analysed actual margins on a selection of completed contracts against estimated total margins during the construction contractperiod in order to evaluate management's accuracy in judgments and estimates.

Additionally we assessed the disclosures in the notes and tested selected disclosures in the notes against underlying documentation.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark as well as the preparation of parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and the parent financial statements of Per Aarsleff Holding A/S we performed procedures to express an opinion on whether the annual report for the financial year 01.10.2023 - 30.09.2024, with the file name Aarsleff-2024-09-30-da.zip, is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion.

The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report of Per Aarsleff Holding A/S for the financial year 01.10.2023 - 30.09.2024, with the file name aarsleff-2024-09-30-da.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Aarhus, 19.12.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jacob Nørmark
State Authorised
Public Accountant
Identification No (MNE)
mne30176

Lars Siggaard Hansen
State Authorised
Public Accountant
Identification No (MNE)
mne32208

MISCELLANEOUS

(PART OF MANAGEMENT'S REVIEW)

Open house day at Lynetteholm

EU Taxonomy reporting

Revenue KPI	2023/24			Substantial contribution criteria						DNSH criteria									
Economic activities	Code	Total DKKm	Proportion %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safe-guards Y/N	Taxonomy-aligned proportion %	Category enabling activity	Category transitional activity
A1 - Environmentally sustainable activities (taxonomy-aligned)																			
6.14. Infrastructure for rail transport	CCM 6.14.	643	3.0	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	3.0	X	
4.15. District heating/cooling distribution	CCM 4.15.	423	1.9	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	1.9		
2.2. Urban wastewater treatment	WTR 2.2.	16	0.1	0	0	100	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.1		
Revenue of environmentally sustainable activities (A1)		1,082	5.0																
A2 - Taxonomy-eligible activities but not environmentally sustainable (non-taxonomy-aligned activities)																			
7.1. Construction of new buildings	CCM 7.1.	5,126	23.6																
6.14. Infrastructure for rail transport	CCM 6.14.	2,332	10.7																
2.2. Urban wastewater treatment	WTR 2.2.	2,192	10.1																
4.15. District heating/cooling distribution	CCM 4.15.	1,042	4.8																
14.2. Flood risk prevention and protection infrastructure	CCM 14.2.	966	4.4																
7.2. Renovation of existing buildings	CCM 7.2.	735	3.4																
4.3. Electricity generation from wind power	CCM 4.3.	698	3.2																
7.3. Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	462	2.1																
4.9. Transmission and distribution of electricity	CCM 4.9.	398	1.8																
5.1. Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	373	1.7																
6.8. Flood risk prevention and protection infrastructure for inland river, coastal and urban floods	CCM 6.8.	220	1.0																
5.3. Construction, extension and operation of waste water collection and treatment	CCM 5.3.	220	1.0																
2.1 Water supply	WTR 2.1.	166	0.8																
5.4. Renewal of waste water collection and treatment	CCM 5.4.	156	0.7																
4.6. Electricity generation from geothermal energy	CCM 4.6.	100	0.5																
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.15.	83	0.4																
2.7. Sorting and material recovery of non-hazardous waste	CE 2.7.	66	0.3																
5.12. Underground permanent geological storage of CO2	CCM 5.12.	61	0.3																
4.1. Civil Engineering	CCA 4.1.	56	0.3																
3.4. Maintenance of roads and motorways	CE 3.4.	48	0.2																
6.13. Infrastructure for personal mobility, cycle logistics	CCM 6.13.	36	0.2																
5.2. Renewal of water collection, treatment and supply systems	CCM 5.2.	35	0.2																
4.25. Production of heat/cool using waste heat	CCM 4.25.	13	0.1																
4.22. Production of heating/cooling from geothermal energy	CCM 4.22.	10	0.0																
6.15. Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	2	0.0																
7.6. Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	1	0.0																
8.3. Restoration of ecosystems	CCM 8.3.	1	0.0																
Revenue of taxonomy-eligible activities but not environmentally sustainable (A2)		15,597	71.8																
Total (A1 + A2)		**16,679**	**76.8**																
B. Revenue of non-taxonomy-eligible activities																			
Revenue of non-taxonomy-eligible activities		5,041	23.2																
Total		**21,719**	**100.0**																

OPEX KPI		2023/24		Substantial contribution criteria						DNSH criteria									
Economic activities	Code	Total DKKm	Proportion %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safe-guards Y/N	Taxonomy-aligned proportion %	Category enabling activity	Category transitional activity
A1 - Environmentally sustainable activities (taxonomy-aligned)																			
6.14. Infrastructure for rail transport	CCM 6.14.	8	2.5	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	2.5	X	
4.15. District heating/cooling distribution	CCM 4.15.	4	1.2	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	1.2		
2.2. Urban wastewater treatment	WTR 2.2.	0	0.1	0	0	100	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.1		
OPEX of environmentally sustainable activities (A1)		12	3.8																
A2 - Taxonomy-eligible activities but not environmentally sustainable (non-taxonomy-aligned activities)																			
7.1. Construction of new buildings	CCM 7.1.	64	20.2																
6.14. Infrastructure for rail transport	CCM 6.14.	29	9.1																
2.2. Urban wastewater treatment	WTR 2.2.	59	18.5																
4.15. District heating/cooling distribution	CCM 4.15.	9	2.9																
14.2. Flood risk prevention and protection infrastructure	CCM 14.2.	11	3.5																
7.2. Renovation of existing buildings	CCM 7.2.	5	1.7																
4.3. Electricity generation from wind power	CCM 4.3.	9	2.9																
7.3. Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	2	0.5																
4.9. Transmission and distribution of electricity	CCM 4.9.	2	0.8																
5.1. Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	3	1.0																
6.8. Flood risk prevention and protection infrastructure for inland river, coastal and urban floods	CCM 6.8.	2	0.7																
5.3. Construction, extension and operation of waste water collection and treatment	CCM 5.3.	2	0.6																
2.1 Water supply	WTR 2.1.	2	0.6																
5.4. Renewal of waste water collection and treatment	CCM 5.4.	2	0.7																
4.6. Electricity generation from geothermal energy	CCM 4.6.	1	0.3																
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.15.	0	0.1																
2.7. Sorting and material recovery of non-hazardous waste	CE 2.7.	1	0.2																
5.12. Underground permanent geological storage of CO2	CCM 5.12.	0	0.2																
4.1. Civil Engineering	CCA 4.1.	1	0.3																
3.4. Maintenance of roads and motorways	CE 3.4.	1	0.4																
6.13. Infrastructure for personal mobility, cycle logistics	CCM 6.13.	0	0.1																
5.2. Renewal of water collection, treatment and supply systems	CCM 5.2.	0	0.1																
4.25. Production of heat/cool using waste heat	CCM 4.25.	0	0.0																
4.22. Production of heating/cooling from geothermal energy	CCM 4.22.	0	0.0																
6.15. Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	0	0.0																
7.6. Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	0	0.0																
8.3. Restoration of ecosystems	CCM 8.3.	0	0.0																
OPEX of taxonomy-eligible activities but not environmentally sustainable (A2)		208	65.5																
Total (A1 + A2)		**220**	**69.3**																
B. OPEX of non-taxonomy-eligible activities																			
OPEX of non-taxonomy-eligible activities		97	30.7																
Total		**317**	**100.0**																

CAPEX KPI		2023/24		Substantial contribution criteria						DNSH criteria									
Economic activities	**Code**	**Total DKKm**	**Proportion %**	**Climate change mitigation %**	**Climate change adaptation %**	**Water and marine resources %**	**Circular economy %**	**Pollution %**	**Biodiversity and ecosystems %**	**Climate change mitigation Y/N**	**Climate change adaptation Y/N**	**Water and marine resources Y/N**	**Circular economy Y/N**	**Pollution Y/N**	**Biodiversity and ecosystems Y/N**	**Minimum safe-guards Y/N**	**Taxonomy-aligned proportion %**	**Category enabling activity**	**Category transitional activity**
A1 - Environmentally sustainable activities (taxonomy-aligned)																			
6.14. Infrastructure for rail transport	CCM 6.14.	49	3.7	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	3.7	X	
4.15. District heating/cooling distribution	CCM 4.15.	19	1.5	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	1.5		
2.2. Urban wastewater treatment	WTR 2.2.	1	0.1	0	0	100	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.1		
CAPEX of environmentally sustainable activities (A1)		69	5.3																
A2 - Taxonomy-eligible activities but not environmentally sustainable (non-taxonomy aligned-activities)																			
7.1. Construction of new buildings	CCM 7.1.	186	14.3																
6.14. Infrastructure for rail transport	CCM 6.14.	177	13.6																
2.2. Urban wastewater treatment	WTR 2.2.	122	9.4																
4.15. District heating/cooling distribution	CCM 4.15.	47	3.6																
14.2. Flood risk prevention and protection infrastructure	CCM 14.2.	46	3.5																
7.2. Renovation of existing buildings	CCM 7.2.	16	1.2																
4.3. Electricity generation from wind power	CCM 4.3.	26	2.0																
7.3. Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	12	0.9																
4.9. Transmission and distribution of electricity	CCM 4.9.	20	1.6																
5.1. Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	13	1.0																
6.8. Flood risk prevention and protection infrastructure for inland river, coastal and urban floods	CCM 6.8.	10	0.7																
5.3. Construction, extension and operation of waste water collection and treatment	CCM 5.3.	10	0.7																
2.1 Water supply	WTR 2.1.	6	0.4																
5.4. Renewal of waste water collection and treatment	CCM 5.4.	7	0.5																
4.6. Electricity generation from geothermal energy	CCM 4.6.	3	0.2																
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.15.	5	0.4																
2.7. Sorting and material recovery of non-hazardous waste	CE 2.7.	3	0.2																
5.12. Underground permanent geological storage of CO2	CCM 5.12.	2	0.1																
4.1. Civil Engineering	CCA 4.1.	2	0.2																
3.4. Maintenance of roads and motorways	CE 3.4.	2	0.2																
6.13. Infrastructure for personal mobility, cycle logistics	CCM 6.13.	1	0.1																
5.2. Renewal of water collection, treatment and supply systems	CCM 5.2.	1	0.1																
4.25. Production of heat/cool using waste heat	CCM 4.25.	1	0.0																
4.22. Production of heating/cooling from geothermal energy	CCM 4.22.	0	0.0																
6.15. Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	0	0.0																
7.6. Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	0	0.0																
8.3. Restoration of ecosystems	CCM 8.3.	0	0.0																
CAPEX of taxonomy-eligible but not environmentally sustainable (A2)		716	55.0																
Total (A1 + A2)		**785**	**60.3**																
B. CAPEX of non-taxonomy-eligible activities																			
CAPEX of non-taxonomy-eligible activities		517	39.7																
Total		**1,302**	**100.0**																

Revenue KPI		2022-23		Substantial contribution criteria						DNSH criteria									
Economic activities	Code	Total DKKm	Proportion %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safe-guards Y/N	Taxonomy-aligned proportion %	Category enabling activity	Category transitional activity
A1 - Environmentally sustainable activities (taxonomy-aligned)																			
6.14. Infrastructure for rail transport		370	1.8	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	1,8	X	
4.15. District heating/cooling distribution		394	1.9	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	1,9		
Revenue of environmentally sustainable activities (A1)		764	3.8																
A2 - Taxonomy-eligible activities but not environmentally sustainable (non-taxonomy-aligned activities)																			
7.1. Construction of new buildings		5,996	29.6																
6.14. Infrastructure for rail transport		2,703	13.4																
5.4. Renewal of wastewater collection and treatment		2,473	12.2																
4.15. District heating/cooling distribution		469	2.3																
7.2. Renovation of existing buildings		685	3.4																
5.1. Construction, extension and operation of water collection, treatment and supply systems		362	1.8																
7.3. Installation, maintenance and repair of energy efficiency equipment		306	1.5																
4.3. Electricity generation from wind power		303	1.5																
6.8. Flood risk prevention and protection infrastructure for inland river, coastal and urban floods		250	1.2																
4.9. Transmission and distribution of electricity		193	1.0																
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		121	0.6																
5.12. Underground permanent geological storage of CO2		118	0.6																
5.2. Renewal of water collection, treatment and supply systems		118	0.6																
5.3. Construction, extension and operation of waste water collection and treatment		109	0.5																
6.13. Infrastructure for personal mobility, cycle logistics		69	0.3																
4.6. Electricity generation from geothermal energy		57	0.3																
4.25. Production of heat/cool using waste heat		30	0.1																
4.1. Civil Engineering		22	0.1																
14.2. Flood risk prevention and protection infrastructure		19	0.1																
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		10	0.0																
9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change		9	0.0																
6.15. Infrastructure enabling low-carbon road transport and public transport		5	0.0																
4.5. Electricity generation from hydropower		2	0.0																
6.16. Infrastructure enabling low carbon water transport		2	0.0																
8.3. Restoration of ecosystems		1	0.0																
3.20. Manufacture, installation, and servicing of electrical equipment		0	0.0																
Revenue of taxonomy-eligible activities but not environmentally sustainable (A2)		14,434	71.3																
Total (A1 + A2)		**15,198**	**75.1**																
B. Revenue of non-taxonomy-eligible activities																			
Revenue of non-taxonomy-eligible activities		5,046	24.9																
Total		**20,244**	**100.0**																

OPEX KPI		2022-23		Substantial contribution criteria						DNSH criteria									
Economic activities	**Code**	**Total DKKm**	**Proportion %**	**Climate change mitigation %**	**Climate change adaptation %**	**Water and marine resources %**	**Circular economy %**	**Pollution %**	**Biodiversity and ecosystems %**	**Climate change mitigation Y/N**	**Climate change adaptation Y/N**	**Water and marine resources Y/N**	**Circular economy Y/N**	**Pollution Y/N**	**Biodiversity and ecosystems Y/N**	**Minimum safe-guards Y/N**	**Taxonomy-aligned proportion %**	**Category enabling activity**	**Category transitional activity**
A1 - Environmentally sustainable activities (taxonomy-aligned)																			
6.14. Infrastructure for rail transport		5	1.5	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	9		
4.15. District heating/cooling distribution		3	0.9	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	60		
OPEX of environmentally sustainable activities (A1)		8	2																
A2 - Taxonomy-eligible activities but not environmentally sustainable (non-taxonomy-aligned activities)																			
7.1. Construction of new buildings		80	24.4																
6.14. Infrastructure for rail transport		35	10.8																
5.4. Renewal of wastewater collection and treatment		55	16.8																
4.15. District heating/cooling distribution		4	1.1																
7.2. Renovation of existing buildings		7	2.1																
5.1. Construction, extension and operation of water collection, treatment and supply systems		3	0.9																
7.3. Installation, maintenance and repair of energy efficiency equipment		0	0.1																
4.3. Electricity generation from wind power		4	1.4																
6.8. Flood risk prevention and protection infrastructure for inland river, coastal and urban floods		3	0.8																
4.9. Transmission and distribution of electricity		6	1.7																
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		0	0.1																
5.12. Underground permanent geological storage of CO2		1	0.3																
5.2. Renewal of water collection, treatment and supply systems		2	0.7																
5.3. Construction, extension and operation of waste water collection and treatment		1	0.4																
6.13. Infrastructure for personal mobility, cycle logistics		2	0.5																
4.6. Electricity generation from geothermal energy		1	0.2																
4.25. Production of heat/cool using waste heat		0	0.1																
4.1. Civil Engineering		1	0.2																
14.2. Flood risk prevention and protection infrastructure		3	0.8																
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		0	0.1																
9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change		0	0.0																
6.15. Infrastructure enabling low-carbon road transport and public transport		0	0.0																
4.5. Electricity generation from hydropower		0	0.0																
6.16. Infrastructure enabling low carbon water transport		0	0.0																
8.3. Restoration of ecosystems		0	0.0																
3.20. Manufacture, installation, and servicing of electrical equipment		0	0.0																
OPEX of taxonomy-eligible activities but not environmentally sustainable (A2)		208	63.6																
Total (A1 + A2)		**216**	**66.0**																
B. OPEX of non-taxonomy-eligible activities																			
OPEX of non-taxonomy-eligible activities		112	34.0																
Total		**328**	**100.0**																

CAPEX KPI		2022-23		Substantial contribution criteria						DNSH criteria									
Economic activities	Code	Total DKKm	Proportion %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safe - guards Y/N	Taxonomy-aligned proportion %	Category enabling activity	Category transitional activity
A1 - Environmentally sustainable activities (taxonomy-aligned)																			
6.14. Infrastructure for rail transport		16	1.3	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	9		
4.15. District heating/cooling distribution		14	1.1	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	60		
CAPEX of environmentally sustainable activities (A1)		31	2.4																
A2 - Taxonomy-eligible activities but not environmentally sustainable (non-taxonomy-aligned activities)																			
7.1. Construction of new buildings		237	18.7																
6.14. Infrastructure for rail transport		119	9.4																
5.4. Renewal of wastewater collection and treatment		113	8.9																
4.15. District heating/cooling distribution		17	1.4																
7.2. Renovation of existing buildings		19	1.5																
5.1. Construction, extension and operation of water collection, treatment and supply systems		12	1.0																
7.3. Installation, maintenance and repair of energy efficiency equipment		9	0.7																
4.3. Electricity generation from wind power		14	1.1																
6.8. Flood risk prevention and protection infrastructure for inland river, coastal and urban floods		10	0.8																
4.9. Transmission and distribution of electricity		10	0.8																
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		4	0.3																
5.12. Underground permanent geological storage of CO2		3	0.2																
5.2. Renewal of water collection, treatment and supply systems		5	0.4																
5.3. Construction, extension and operation of waste water collection and treatment		4	0.4																
6.13. Infrastructure for personal mobility, cycle logistics		3	0.3																
4.6. Electricity generation from geothermal energy		2	0.1																
4.25. Production of heat/cool using waste heat		3	0.2																
4.1. Civil Engineering		1	0.1																
14.2. Flood risk prevention and protection infrastructure		3	0.2																
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		0	0.0																
9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change		0	0.0																
6.15. Infrastructure enabling low-carbon road transport and public transport		0	0.0																
4.5. Electricity generation from hydropower		0	0.0																
6.16. Infrastructure enabling low carbon water transport		0	0.0																
8.3. Restoration of ecosystems		0	0.0																
3.20. Manufacture, installation, and servicing of electrical equipment		0	0.0																
CAPEX of taxonomy-eligible but not environmentally sustainable (A2)		588	46.5																
Total (A1 + A2)		**619**	**48.9**																
B. CAPEX of non-taxonomy-eligible activities																			
CAPEX of non-taxonomy-eligible activities		647	51.1																
Total		**1,266**	**100.0**																

Table 1. Nuclear and fossil gas-related activities

Row	Nuclear energy-related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy as well as their safety upgrades.	No
	Fossil gas-related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Policies and principles

At Aarsleff, managers, employees and collaborative partners are governed by various policies and principles. Here, we provide a brief description of those applying to the ESG area.

	Environmental and climate factors, page 52-64	Social factors, page 65-70	Governance, page 71-80	Group policy	Link to the policy for external parties	Comments
QE&OHS management system How we work with quality, environment and occupational health and safety in our workday with e.g. specific guidelines.	x				https://www.aarsleff.com/about-aarsleff/quality-management	The management system is the framework for similar systems in the Group.
Climate impact Focus on reducing and converting our climate impact and increasing knowledge on climate-friendly behaviour.	x			x	https://www.aarsleff.com/csr	
Passenger cars, vans and machinery Reduction of the energy consumption from the fleet of vehicles and machinery, e.g. the company vehicle policies that prioritise purchasing of vehicles and machinery with high energy efficiency.	x			x		Only for the Danish companies of the Group.
Environment Minimisation of environmental impacts from e.g. waste and fuel, but also through recycling and reuse as well as minimisation of waste from resources.	x				https://www.aarsleff.com/csr	Is representative for similar policies in the Group.
Biodiversity Focus on minimising Aarsleff's negative impact on biodiversity and ecosystems while also protecting, restoring and promoting biodiversity growth on-site.	x			x	https://www.aarsleff.com/csr	
Occupational health and safety How we take care of each other. That managers and employees must take responsibility for their own and their colleagues' safety and well-being to achieve our ambition of zero accidents.		x		x	https://www.aarsleff.com/about-aarsleff/occupational-health-and-safety	
Safe use of mobile phones and headphones How the use of mobile phone and listening to music can take place in a safe way.		x		x		
Offensive behaviour and violence We do not accept any kind of offensive behaviour or violence, and we expect that managers and employees take action immediately if it takes place.		x		x	https://www.aarsleff.com/csr	
Diversity Focus on ensuring a diverse and inclusive culture, where recruitment, promotion and development support diversity.		x		x	https://www.aarsleff.com/csr	
Apprentices and trainees Our commitment to training the next generation, including our wish to create more apprenticeships.		x				
HR policy Describes our guidelines and procedures for employment, development and well-being of the employees, e.g. onboarding, "return from parental leave conversation" and special schemes for the older employees.		x				Is representative for similar policies in the Group.

	Environmental and climate factors, page 52-64	Social factors, page 65-70	Governance, page 71-80	Group policy	Link to the policy for external parties	Comments
Ethical code of conduct for employees Foundational for our expectations to the employees, including responsibility to help promote responsible corporate behaviour.			x	x		
Ethical code of conduct for collaboration partners Requirements to business partners about acting in accordance with the internationally recognised standards, the so-called minimum standards.			x	x	https://www.aarsleff.com/csr	
Anti-corruption Zero-tolerance approach to all aspects of corruption and facilitation payments, and to any transfer of money or assets.			x	x	https://www.aarsleff.com/csr	
Competition law Prohibition of price cooperation, cartel formation and abuse of market dominance.			x	x		
Purchasing policy Emphasises that Danish and foreign suppliers must be selected based on the requirements of the overall policies and the current code of ethics.			x	x		
Aarsleff's rules relating to the use of foreign labour Emphasises that the subcontractor, the subcontractor's employees and any of the subcontractor's subcontractors must comply with all of the applicable laws and regulations relating to working and staying in Denmark.		x	x			Is representative for similar policies in the Group.
Tax Transparency about our approach to tax and that we never use abnormal or non-transparent tax structures.			x	x	https://www.aarsleff.com/investor	
Human rights Commitment to respect internationally recognised human rights and to actively handle any adverse impact.		x	x	x	https://www.aarsleff.com/csr	
Management framework Code of good management in the Aarsleff Group summarised in our 11 principles.			x	x		
Whistleblower Possibility of reporting concerns anonymously to an unbiased party in case of reasonable suspicion of e.g. violation of law.	x	x	x	x	https://www.aarsleff.com/csr	
Data ethics Five targeted privacy policies relating to various target groups and explaining our data ethics.			x		https://www.aarsleff.com/privacy-policy	The policy applies to customers and collaboration partners as well as users of www.aarsleff.com

Key figures, definitions

Gross margin = $\frac{\text{Gross profit}}{\text{Revenue}}$

Operating margin (EBIT margin) = $\frac{\text{Operating profit}}{\text{Revenue}}$

Profit margin (pre-tax margin) = $\frac{\text{Profit before tax}}{\text{Revenue}}$

Invested capital (IC) = The sum of equity, including minority interests, and net interest-bearing debt less investments in associates and joint ventures

Working capital = Inventory value plus work in progress and receivables and less trade payables and other (non-interest-bearing) debt

ROIC (after tax) = $\frac{\text{Operating profit after tax}}{\text{Average invested capital}}$

Return on equity (ROE) = $\frac{\text{Profit for the year excluding minority shareholders}}{\text{Average equity excluding minority share}}$

Equity ratio = $\frac{\text{Equity at year-end}}{\text{Total equity and liabilities at year-end}}$

Earnings per share (EPS) = $\frac{\text{Profit for the year excluding minority shareholders}}{\text{Average number of shares}}$

Price/net asset value = $\frac{\text{Market price per share at year-end}}{\text{Net asset value per share at year-end}}$

Earnings per share and diluted earnings per share are calculated in accordance with IAS 33.

The order backlog is determined as the total contract sum of construction contracts, service and maintenance contracts and sale of goods less the percentage completed as at the latest financial reporting date. For long-term service contracts, framework agreements and similar, the maximum amount of revenue included in the order backlog is the expected revenue for the next five years. The average contract duration is one to two years.

Order intake is determined as the total contract sum of new construction contracts, service and maintenance contracts and sale of goods, where a commercial and identifiable agreement has been entered into with the customer on delivery and payment that has been approved by both parties and which both parties have committed to performing, and where it is probable that the consideration will be received from the customer.

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