

# **Henning Larsen Architects A/S**

## **Annual Report 2022**

**CVR No 18 94 08 84**

The Annual Report was presented and approved at the annual general meeting on 29 March 2023.

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Laurits Schmidt-Christensen  
Chair

Henning Larsen Architects A/S, Vesterbrogade 76, DK-1620 København V

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## Management's Statement on the Annual report

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The Executive Board and Board of Directors have today considered and adopted the Annual Report of Henning Larsen Architects A/S for the financial year 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies applied and the accounting estimates made are reasonable. In our opinion, the financial statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, the Director's report includes a true and fair account of the development in the operations and financial positions of the Company and of the results for the year as well as the financial position.

We recommend the Annual Report to be adopted at the Annual General Meeting.

Copenhagen, 29 March 2023

### **Executive Board:**

Mette Kynne Frandsen

Louis Andreas Becker

### **Board of Directors:**

Peter Heymann Andersen  
Chairman

Marianne Sørensen Henriksen  
Deputy Chairman

Kasper Freund

Helene Bekker  
(Employee elected board member)

Helle Basse Larsen  
(Employee elected board member)

The Annual Report was presented and approved at the Annual General Meeting on 29 March 2023.

To the Shareholder of Henning Larsen Architects A/S

**Opinion**

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

We have audited the Financial Statements of Henning Larsen Architects A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

**Basis for Opinion**

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

**Statement on Director's report**

Management is responsible for Director's report.

Our opinion on the Financial Statements does not cover Director's report, and we do not express any form of assurance conclusion thereon.

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

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

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

**Management's Responsibilities for the Financial Statements**

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

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

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

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

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

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

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.

Hellerup, 29 March 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR no. 33771231

Kim Danstrup  
State Authorised Public Accountant  
mne32201

Allan Knudsen  
State Authorised Public Accountant  
mne29465

Company information

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Name:	Henning Larsen Architects A/S
Domicile	Vesterbrogade 76, DK-1620 Copenhagen V
CVR number:	18 94 08 84
Municipality of domicile:	Copenhagen
Ownership:	Henning Larsen Architects A/S is wholly owned by Rambøll Gruppen A/S.
Board of Directors	Peter Heymann Andersen, Chairman Marianne Sørensen Henriksen, Deputy Chairman Kasper Freund Helle Basse Larsen (E) Helene Bekker (E) (E) = Employee elected board members
Executive Board:	Mette Kynne Frandsen, CEO Louis Andreas Becker
Auditor:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Consolidated Financial Statements:	Henning Larsen Architects A/S is included in the Group Annual Report for Rambøll Gruppen A/S, Hannemanns Allé 53, Copenhagen S, Denmark, CVR number 10160669, where the Group Annual Report can be obtained.

## Key figures and financial ratios

Seen over a five-years period, the development of the Company is described by the following financial highlights: years (DKK thousands):

	<u>2022</u> 12 months	<u>2021</u> 12 months	<u>2019/20</u> 18 months	<u>2018/19</u> 12 months	<u>2017/18</u> 12 months
<b>Income statement:</b>					
Revenue	340.958	315.533	452.101	276.173	226.286
*Gross profit/loss	265.199	242.849	281.197	67.996	61.857
Operating profit/loss	23.569	16.749	48.336	30.547	29.977
**Profit/loss before financial income and expenses	23.350	11.135	48.334	35.518	29.937
**Net financials	-791	2.135	26.647	4.437	4.856
Net profit/loss for the year	10.480	14.162	59.154	31.308	28.009
<b>Balance sheet:</b>					
Balance sheet total	370.048	357.398	305.556	214.432	218.613
shareholders equity	126.306	127.170	141.625	73.839	81.941
Number of employees	280	264	287	200	183
<b>Ratios:</b>					
Gross Margin	77,8	77,0	62,2	24,6	27,3
Profit margin	6,8	3,5	10,7	12,9	13,2
Return on invested capital	6,3	3,1	15,8	16,6	13,7
Solvency ratio	34,1	35,6	46,3	34,4	37,5
Return on equity	8,3	10,5	54,9	40,2	36,3

In connection with the merger of Henning Larsen Architects A/S and Rambøll Arkitekter A/S comparative figures 2019/20 have been adjusted after the pooling of interest method. Comparative figures for the period 2018/19, 2017/18 have not been adjusted and is hence Henning Larsen Architects A/S on a standalone basis.

### **Calculation of financial ratios:**

Gross margin:	(*Gross profit x 100)/Revenue
Profit margin:	(Profit before financials x 100)/Revenue
Return on invested capital	(Profit before financials x 100)/Total assets
Solvency ratio:	(Equity at the end of period x 100)/Total assets
Return on equity:	(Profit for the year x 100)/average equity

#### \*Gross profit:

Current year Gross profit consists of revenue deducted projects costs due to a change in accounting policy. In previous years Gross profit comprised revenue less project costs and external expenses. Comparative figures has only been changed for the financial year 2021.

#### \*\*Profit/loss before financial income and expenses and Net financials

Current year net financials only comprise Financial income and expenses relating to interests, foreign exchange gain or loss (realised and unrealised) and other financial income and expenses. Previous years also comprised income from subsidiaries. Hence the change, profit/loss before financial income and expenses is impacted. Comparative figures has only been changed for the financial year 2021.

### Key activities

Henning Larsen Architects A/S is 100 % owned by Ramboll Group. Henning Larsen is a stand-alone brand driving a high-end global business within architecture and landscape. 2022 has been the year where the joint Ramboll and Henning Larsen strategy "Partner for sustainable change" has been brought to market, and it has been driving the growth of Henning Larsen

### Structure

The corporate structure comprises Henning Larsen Architects A/S and its subsidiaries:

- Henning Larsen Middle East
- Henning Larsen Architects Hong Kong Ltd.
- Henning Larsen Canada Inc.
- Henning Larsen Design Inc.
- Henning Larsen Architects AB
- HLA International ApS
- HLA International & Co. Engineering Consultant
- Henning Larsen North Atlantic Sp/f.
- Henning Larsen GmbH.

In addition, Henning Larsen operates in Norway and Singapore, where the legal entities are owned by local Ramboll entities.

The annual report is for the parent company Henning Larsen Architects A/S. For a consolidated view of the Henning Larsen group, we refer to Ramboll Group Annual report - Architecture and Landscape market.

### Development in 2022

Despite geopolitical uncertainty, Henning Larsen delivers a solid result for 2022. Growth is supported by a large demand for sustainable solutions within architecture, biodiversity, climate adaptation and the development of strategies for sustainable transition.

Taking departure from the strategy as well as investments in sustainability and innovation, Henning Larsen has ensured an organic growth in revenue of 8 percent year-on-year. As such revenue increased to 341 MDKK from 316 MDKK in 2021.

The profit margin has subsequently also improved to 23.4 MDKK (6,8%), from 11.1 MDKK (3,5%) in 2021. During 2022, Henning Larsen continued its integration into Ramboll Group, resulting in operating expenses of 7.4 m DKK related to integration activities only.

Results from subsidiaries are lower than the prior year, due to integration costs in some of the subsidiaries as well as significant Covid related impacts to the Asia Pacific business in Hong Kong.

Taking this into account, the net result of 10.5 m DKK is viewed as satisfactory, despite being less than initial expectations from last year.

### Expanding the business

As a part of Henning Larsen's growth and strategic development, the company opened a new office in Berlin. The opening of the new Berlin Studio marked the official integration of Ramboll Studio Dreiseitl to Henning Larsen, launching an exciting new direction for architecture, landscape, and urbanism in Henning Larsen.

2022 also marked the opening of a new Henning Larsen design studio in central Oslo. In 2021, Henning Larsen became a national player in Norway with 10 offices across the country. The new studio in Oslo is a uniting creative workplace that invites collaboration and sense of community.

Finally, Henning Larsen opened a new office in Aarhus in 2022 to continue the growth with Ramboll. The Aarhus design studio is the first Danish Henning Larsen office outside of Copenhagen.

### **New strategic projects in 2022**

In 2022, Henning Larsen managed to secure significant new contracts to maintain a healthy orderbook that strengthens the global business.

#### *Hybrid Timber Design for a New Business School in France*

Henning Larsen was chosen as the winner of the architectural competition to design a new business school for Neoma among 40 international architectural companies. When construction starts in spring of 2023, the hybrid timber design combines innovation, environmental consciousness, and a focus on student life, setting to accommodate over 4,000 students across a 26,000 sqm campus.

#### *Creating a home for diversity, innovation, and collaboration for Volvo Cars*

Henning Larsen won the 300,000 sqm masterplan project for Volvo Camp Torslanda in Gothenburg, Sweden. The proposal is based on a circular approach and the relationship between industry and nature, spanning from utopia to fully feasible solutions. The project is our vision for how Volvo Camp can become a landmark, an inspiring and diverse workplace, and a home for innovation and collaboration.

#### *Life science hub that leverages Cambridge's status as a global center of excellence*

Through a tender competition, Henning Larsen was selected to design and deliver a pioneering 21,000 sqm Vitrum Building at the St. John's Innovation Park in Cambridge, UK, recognized worldwide for its excellence in research, development, science, business, and education.

#### *Mixed-use tower in Brisbane including considerable green covering and rainwater harvesting*

During 2022 Henning Larsen has been working on the design for a mixed-use tower in the Australian city of Brisbane with the aim of creating an inclusive and magnetic destination of global standing, embracing the youthful Brisbane culture and unique sub-tropical climate.

### **Industry recognition**

During 2022 Henning Larsen has received some of the architectural industry's highest recognition.

Henning Larsen's first civic building in North America has been awarded the prestigious AIA Architecture Award by The American Institute of Architects (AIA) as a striking contemporary alternative to civic design. Developed through a close partnership with the City of Minneapolis and other public advocates, the project reimagined how public buildings can better serve the communities they are a part of.

Henning Larsen was also named on Fast Company's prestigious annual list of the World's Most Innovative Companies, which highlights the businesses at the forefront of their respective industries, paving the way for the innovations of tomorrow.

### **Sustainability & Innovation**

In 2022, Henning Larsen has invested in innovation through partnerships to develop new tools and methods to ensure that we can give our clients state-of-the-art counseling. All the below initiatives have been supported financially by the Ramboll Foundation.

During the past year, Henning Larsen has invested in developing the GeoPlant Database, an initiative to create a shared web-based application that will incorporate geo-location and performance criteria. Another investment was in developing an interactive tool, a Rhino plug-in, called Urban Decarb that helps visualize the carbon impact of the scenarios that are being modeled in real time to make it possible to make strong comparisons regarding the carbon impact of our design decisions early on.

Finally, Henning Larsen welcomed a new industrial PhD in 2022, exploring 3D printing and digital manufacturing methods towards the optimization of resource consumption. Using digital design processes and the latest automated production technology, the project will focus on materials such as biopolymers (plant-based/biodegradable materials), concrete, and metal.

### **Liquidity and risks**

Cash at hand and in bank including deposits on group cash pool accounts constitutes DKK 132 million at balance sheet date compared to DKK 130 million the previous year. The increase is driven by business growth, while keeping tight focus on working capital management.

The company operates with commercial and financial risks, which are not considered to deviate from what is considered normal for similar companies. This particularly applies to consultancy, for which a professional liability insurance has been taken out. For certain areas total services, including services most often supplied by constructors, are provided which does not influence the total risk significantly.

**Corporate social responsibility**

Reference is made to the consolidated Annual Report of Rambøll Gruppen A/S, CVR-nr. 10160669.

**Data ethics**

Reference is made to the consolidated Annual Report of Rambøll Gruppen A/S, CVR-nr. 10160669.

**Employees, diversity and inclusion**

As a part of Ramboll Group, Henning Larsen is committed to the UN Global Compact and reports yearly involving CSR. The principles laid down in the UN Global Compact function internally and externally as international value guidelines for our international projects. As stated in our Freedom of Association Policy, Henning Larsen A/S upholds the freedom of association and the right to collective bargaining. Henning Larsen A/S has a zero-tolerance policy to all forms of forced and compulsory labor. We respect labor rights of our employees and assess labor rights-related risks in our operations as part of our human rights risk assessments. As identified under salient human rights risks, the right to non-discrimination and to enjoy just and favorable conditions of work, including the right to equal pay for equal work and equal opportunities for promotion, are material topics for Henning Larsen A/S. All employees and business associates can anonymously report any labor rights violations or other issues through our whistle-blower system.

**Gender composition of management, cf section 99(b) of the Danish Financial Statements Act**

Henning Larsen Architects A/S top executive body, the company's Board of directors, maintains the gender distribution for last year, as its membership is 1 female and 2 male. At the other management levels, the gender distribution is equal. The gender distribution of employees in Henning Larsen Architects is 48 % female and 52 % male. Our ambition is to continue having an equal gender distribution.

One of our competitive parameters for continued internationalization is to be able to attract and retain qualified architects from other countries and cultures and to use this cultural versatility as key resource for solving projects in all markets. Henning Larsen Architects currently counts more than 40 nationalities among its employees.

**Events after the balance sheet date**

Management is not aware of any events after 31 December 2022 that are expected to have a material impact on the financial position.

**Expectations for the year ahead**

Profit for 2023 is estimated to be on level with 2022.

With an almost finalized integration, and an improving COVID outlook for APAC, Henning Larsen is prepared for growth in 2023. The last stage of integration will be the brand transition of Ramboll Studio Dreiseitl in Singapore will contribute with 60 landscape architects and urban designers to the Henning Larsen brand. This will strengthen the Henning Larsen position within landscape as well as business in APAC. At the same time Ramboll and Henning Larsen will move into a new central office in Singapore.

New subsidiaries in Sweden and Australia have been initiated and the company will have focus on improving Henning Larsen's market position in the Swedish and Australian market.

Investment in the strategy "Partner for sustainable Change", knowledge and new technology that support the sustainable design solutions is expected to strengthen Henning Larsen global market position.

High inflation and high geopolitical uncertainty can impact the outlook for 2023. But with a consistent high demand for sustainable architecture solution, Henning Larsen has a strong position within the market.

**Basis of accounting**

The Annual Report of Henning Larsen Architects A/S for 2022 is prepared in accordance with the provisions applicable to large enterprises in accounting class C under the Danish Financial Statements Act and is presented in DKK 1,000.

As the Company and the underlying subsidiaries are included in the Consolidated Financial Statements of Rambøll Gruppen A/S, the Company has chosen not to prepare consolidated financial statements with reference to section 112 of the Danish Financial Statements Act, and with reference to section 86(4) of the Danish Financial Statements Act no cash flow statement is prepared. We refer to the Annual Report of the Parent Company, Rambøll Gruppen A/S.

The accounting policies are unchanged from previous years.

**Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will accrue from the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Recognition and measurement take into account all predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidates affairs and conditions existing at the balance sheet date.

Danish kroner (DKK) is used as the measurement currency. All other currencies are regarded as foreign currencies.

**Business combinations*****Pooling of interests***

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

**Foreign currency translation**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

## Accounting policies

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The income statement for the Company's subsidiaries abroad are translated to average exchange rates, while the balance sheet items including goodwill relating to foreign enterprises are translated to the exchange rates at the balance sheet date.

Exchange rate adjustments arising on the translation of the opening equity of foreign enterprises and exchange adjustments arising from the translation of income statement at average exchange rates are recognised directly in equity.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### Revenue

Information on business and geographical segments based on the Company's risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments. All revenue relates to architectural services.

### Leases

All leases are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term.

### Segment information

Segment information is presented in respect of the distribution of the net turnover on geographical markets and on core business areas.

### Income statement

#### Revenue

Revenue from sales is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts

#### Project costs

Project costs consist of costs directly to projects, such as travel and accommodation, consulting assistance, project insurance, IT expenses as well as provisions and losses realised on the projects.

#### External costs

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### Staff costs

Staff costs comprise wages and salaries as well as payroll expenses.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

**Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises including gains and losses on the sale of activities, intangible assets and fixed assets. Furthermore integration and restructuring costs are presented as other operating costs. Restructuring costs comprise redundancies and rent related to vacant properties, when part of a larger restructuring scheme. In order to present a more true and fair view of the operations, other operating income and expenses has been presented after operating profit.

**Income from investments in subsidiaries**

The item "Income from investments in subsidiaries" in the income statement include the proportionate share of the profit for the year.

**Financial income and expenses**

Financial income and expenses consist of interest, foreign exchange gain or loss (realised and unrealised) and other financial income and expenses.

**Corporation tax and deferred tax**

The Company is jointly taxed with the Parent Rambøll Gruppen A/S and Danish group enterprises of Rambøll Gruppen A/S. Rambøll Gruppen A/S acts as administration company. The jointly taxed companies are included in the Danish tax prepayment scheme.

The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable profit (full allocation with credit for tax losses). The total tax on the taxable profit of Henning Larsen Architects A/S is paid to Rambøll Gruppen A/S.

Tax consists of current tax and deferred tax for the year. The tax attributable to the net profit for the year is recognised in the income statement at the amount attributable to the net profit for the year. Tax attributable to entries directly to equity transactions is recognised in equity.

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable profit adjusted for tax on taxable profit for prior years until settlement with the Parent.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is not recognised in the respect of temporary differences relating to amortisation of goodwill not deductible for tax purposes.

## Balance sheet

### Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 7-10 years.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost include cost of acquisitions and expenses directly attributable to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which comprise:

Buildings	10-80 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to Reserve for net revaluation under the equity method under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### Other fixed asset investment

Other fixed asset investments consist of deposits.

### Receivables

Trade receivables are measured in the balance sheet at the lower of amortised cost or net realisable value, which corresponds to the nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each debtor.

The company is included in a cash pool arrangement with other group companies with the group's bank, and cash on deposit is presented as receivables from group enterprises.

### Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

## Accounting policies

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Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### **Prepayments**

Prepayments consist of expenses paid relating to subsequent financial year. This typically includes prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

### **Equity**

#### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 5 years. Provisions are measured and recognised based on experience with guarantee work.

### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Income Statement (DKK thousand)

	Note	2022	2021
Revenue	1	340.958	315.533
Project costs		-75.759	-72.684
<b>Gross profit</b>		<b>265.199</b>	<b>242.849</b>
External costs		-43.504	-56.568
Staff costs	2	-193.497	-163.902
Depreciation and amortisation	3	-4.629	-5.630
<b>Operating profit</b>		<b>23.569</b>	<b>16.749</b>
Other operating income		2.234	0
Other operating expenses		-7.405	-26.999
Income from investments in subsidiaries		4.952	21.385
<b>Profit before financial income and expenses</b>		<b>23.350</b>	<b>11.135</b>
Financial income	4	4.870	4.784
Financial expenses	5	-5.661	-2.649
<b>Profit before tax</b>		<b>22.559</b>	<b>13.270</b>
Tax	6	-12.079	892
<b>Net profit/loss for the year</b>		<b>10.480</b>	<b>14.162</b>

## Balance sheet (DKK thousand)

<b>Assets</b>	Note	2022	2021
Goodwill		8.035	11.074
<b>Intangible assets</b>	7	<b>8.035</b>	<b>11.074</b>
Land and buildings		3.702	3.791
Other fixtures and fittings, tools and equipment		680	1.478
Leasehold improvements		1.863	2.662
<b>Property, plant and equipment</b>	8	<b>6.245</b>	<b>7.931</b>
Investments in subsidiaries	9	66.785	65.834
Deposits	10	149	149
<b>Fixed asset investments</b>		<b>66.934</b>	<b>65.983</b>
<b>Total fixed assets</b>		<b>81.214</b>	<b>84.988</b>
Trade receivables		64.373	60.158
Contract work in progress	11	54.480	58.196
Receivables from group enterprises		16.002	19.122
Receivables from parent company concerning			
Deposits on cash pool accounts		130.367	123.689
Corporation tax		15.158	0
Other receivables		6.590	4.252
Prepayments	12	84	334
<b>Receivables</b>		<b>287.054</b>	<b>265.751</b>
<b>Cash at bank and in hand</b>		<b>1.780</b>	<b>6.659</b>
<b>Total current assets</b>		<b>288.834</b>	<b>272.410</b>
<b>Total assets</b>		<b>370.048</b>	<b>357.398</b>

## Balance sheet (DKK thousand)

<b>Liabilities and equity</b>	Note	2022	2021
Share capital		510	510
Reserve for net revaluation under the equity method		26.404	25.508
Retained earnings		89.392	87.151
Proposed dividend for the year		10.000	14.000
<b>Equity</b>		<b>126.306</b>	<b>127.169</b>
Provision for deferred tax	14	23.612	31.594
Other provision	15	1.550	2.118
<b>Total provisions</b>		<b>25.162</b>	<b>33.712</b>
Other long-term payables		9.936	18.116
<b>Total long-term liabilities</b>	16	<b>9.936</b>	<b>18.116</b>
Trade payables		15.272	15.128
Contract work in progress, liabilities	11	135.685	61.329
Payables to group enterprises		10.134	39.909
Corporation tax		0	13.298
Other payables	16	47.553	48.736
<b>Total short-term liabilities</b>		<b>208.644</b>	<b>178.400</b>
<b>Total liabilities</b>		<b>218.580</b>	<b>196.516</b>
<b>Total liabilities and equity</b>		<b>370.048</b>	<b>357.397</b>
Distribution of profit for the year	13		
Contingent assets, liabilities and other financial obligations	17		
Related parties and ownership	18		
Auditors fee	19		

## Statement of changes in equity (DKK thousand)

	<u>Share capital</u>	<u>Net revaluation according to the equity method</u>	<u>Retained earnings</u>	<u>Proposed dividen for the dividend</u>	<u>Total</u>
Total Equity at 1 January 2021	510	1.742	108.373	31.000	141.625
Paid dividend in 2022	0	0	0	-31.000	-31.000
Proposed dividend for 2022	0	0	0	14.000	14.000
Exchange rate adjust. Reg. foreign entities	0	2.085	0	0	2.085
Other equity movements	0	297	0	0	297
Net profit/loss for the year	0	21.384	-21.222	0	162
Total equity at 31 December 2021	510	25.508	87.151	14.000	127.169
Paid dividend in 2022	0	0	0	-14.000	-14.000
Proposed dividend for 2022	0	0	0	10.000	10.000
Exchange rate adjust. Reg. foreign entities	0	2.657	0	0	2.657
Other equity movements	0	-6.713	6.713	0	0
Net profit/loss for the year	0	4.952	-4.472	0	480
Total equity at 31 December 2022	510	26.404	89.392	10.000	126.306

**1 Revenue**

	2022	2021
All revenue relates to architectural services.		
<u>Revenue by sector:</u>		
Public customers	25.100	126.213
Private customers	315.858	189.320
	<b>340.958</b>	<b>315.533</b>
<u>Geographical segments:</u>		
Revenue, Denmark	174.316	240.977
Revenue, Other countries Europe	35.762	35.337
Revenue, North America	17.597	5.531
Revenue, Other countries	113.283	33.688
	<b>340.958</b>	<b>315.533</b>

**2 Staff costs**

	2022	2021
Wages and salaries	173.744	148.575
Pension	16.999	14.816
Other social security expenses	2.754	511
	<b>193.497</b>	<b>163.902</b>
Including remuneration to the Executive Board and Board of Directors of:		
Executive Board	4.016	4.599
Board of Directors	88	71
	<b>4.104</b>	<b>4.670</b>
Average number of employees	<b>280</b>	<b>264</b>

**3 Depreciation and amortisation and impairment**

	2022	2021
Ammortisation of intangible assets	3.039	3.139
Depreciation of property, plant and equipment	1.590	2.491
	<b>4.629</b>	<b>5.630</b>

**4 Financial income**

	2022	2021
Interest recieved from group enterprises	26	373
Other financial income	10	74
Exchange gains	4.834	4.337
	<b>4.870</b>	<b>4.784</b>

Notes (DKK thousand)

**5 Financial expenses**

	<u>2022</u>	<u>2021</u>
Interest expense to group companies	14	0
Other financial expenses	5.183	569
Exchange loss	464	2.080
	<b><u>5.661</u></b>	<b><u>2.649</u></b>

**6 Tax on profit/loss for the year**

	<u>2022</u>	<u>2021</u>
Current tax for the year	15.198	13.585
Deferred tax for the year	-11.324	-14.566
Adjustment of tax concerning previous years	45	89
Foreign corporate tax, paid	8.160	0
	<b><u>12.079</u></b>	<b><u>-892</u></b>

Notes (DKK thousand)

**7 Intangible assets**

	31/12 2022
	Goodwill
Cost at 1 January	33.411
Cost at 31 December	<b>33.411</b>
Impairment losses and amortiasation at 1 January	22.337
Amortisation for the year	3.039
Impairment losses and amortiasation at 31 December	<b>25.376</b>
<b>Carrying amount at 31 December</b>	<b>8.035</b>

**8 Property, plant and equipment**

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January	4.401	15.594	29.362
Additions for the year	0	189	0
Disposals for the year	0	-1.241	0
Cost at 31 December	<b>4.401</b>	<b>14.542</b>	<b>29.362</b>
Impairment losses and depreciation at January	610	14.116	26.700
Depreciation for the year	89	702	799
Reversal of depreciation of sold assets	0	-956	0
Impairment losses and depreciation at 31 December	<b>699</b>	<b>13.862</b>	<b>27.499</b>
<b>Carrying amount at 31 December</b>	<b>3.702</b>	<b>680</b>	<b>1.863</b>

Notes (DKK thousand)

**9 Investments in subsidiaries**

	31/12 2022	31/12 2021
Cost at 1 January	40.326	40.326
Additions for the year	102	0
Disposals for the year	-47	0
Cost at 31 December	<b>40.381</b>	<b>40.326</b>
Value adjustment at 1 January	25.508	1.742
Exchange adjustment	2.657	2.085
Net profit for the year	4.952	21.384
Other equipment movements, net	0	297
Disposals for the year	-6.713	0
Value adjustment at 31 December	<b>26.404</b>	<b>25.508</b>
<b>Carrying amount at 31 December</b>	<b>66.785</b>	<b>65.834</b>

All subsidiaries are specified as follows:

<u>Name and domicile</u>	<u>Votes</u>	<u>Share capital</u>	<u>Equity T.dkk</u>	<u>Profit/loss for the year t.dkk</u>
Hening Larsen AS, Norway*	-	-	-	48
Henning Larsen Architects Hong Kong Ltd, China	100%	10 t.HKD	15.233	-2.857
Henning Larsen Architects Middle East Company, Saudi-Ara	100%	500 t.SAR	2.006	-1.280
Henning Larsen Design Inc., USA	100%	300 t.USD	29.311	9.258
Henning Larsen GmbH, Germany	100%	25 t.EUR	10.815	-1.717
Henning Larsen Architects International ApS, Denmark	100%	90 t.DKK	2.682	1.247
Henning Larsen Canada Inc., Canada	100%	10 t.CAD	50	-58
Henning Larsen North Atlantic Sp/f, Faroe Islands	100%	40 t.DKK	6.588	311
Henning Larsen Architects AB, Sweden**	100%	150 t.SEK	100	0
			<b>66.785</b>	<b>4.952</b>

\*) Shares in Henning Larsen AS, Norway has been sold in the current year, with effect of 1 May 2022

\*\*) Shares in Henning Larsen Architects AB, Sweden was acquired in the current year, with effect of 8 October 2022

**10 Other fixed asset investment**

	31/12 2022
	Deposits
Cost at 1 January	149
Additions of the year	0
Cost at 31 December	149
<b>Carrying amount at 31 December</b>	<b>149</b>

Notes (DKK thousand)

**11 Contract work in progress**

	<u>31/12 2022</u>	<u>31/12 2021</u>
Selling price of work in progress	940.766	870.754
Payments received on account	-1.021.971	-873.887
	<b><u>-81.205</u></b>	<b><u>-3.133</u></b>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	54.480	58.196
Prepayments received recognised debt	-135.685	-61.329
	<b><u>-81.205</u></b>	<b><u>-3.133</u></b>

**12 Prepayments**

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

**13 Distribution of profit**

	<u>31/12 2022</u>	<u>31/12 2021</u>
Proposed dividend for the year	10.000	14.000
Reserve for net revaluation under the equity method	4.952	21.384
Retained earnings	-4.472	-21.222
	<b><u>10.480</u></b>	<b><u>14.162</u></b>

**14 Provision for deferred tax**

	<u>31/12 2022</u>	<u>31/12 2021</u>
Provision for deferred tax opening	31.594	46.179
Amounts recognised in the income statement for the year	-7.982	-14.566
Amounts recognised in equity for the year	0	-19
<b>Provision for deferred tax at 31 December</b>	<b><u>23.612</u></b>	<b><u>31.594</u></b>

Deferred tax is calculated using the statutory corporate income tax rate of 22%.

Deferred tax relates to:

Property, plant and equipment	-973	-1.139
Intangible assets	47	212
Work in progress	25.245	32.912
Accounts receivables, trade	-275	-395
Other balance items	-432	0
	<b><u>23.612</u></b>	<b><u>31.590</u></b>

Notes (DKK thousand)

**15 Other provision**

	<u>31/12 2022</u>	<u>31/12 2021</u>
Provisions for claims	1.550	2.118
	<b><u>1.550</u></b>	<b><u>2.118</u></b>

**16 Long-term debt**

Payment due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below.

**Other payables**

	<u>31/12 2022</u>	<u>31/12 2021</u>
Between 1 and 5 years	9.936	18.116
Long-term part	9.936	18.116
Other short-term payables	47.553	48.736
	<b><u>57.489</u></b>	<b><u>66.852</u></b>

**17 Contingent assets, liabilities and other financial obligations**

	<u>2022</u>	<u>2021</u>
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	3.329	2.813
Between 1 and 5 years	6.318	9.717
	<b><u>9.647</u></b>	<b><u>12.530</u></b>

**Other contingent liabilities**

The danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Rambøll Gruppen A/S, which is the management company of the joint taxation purposes. Moreover, the danish group companies are jointly and severally liable for Danish withhold ing taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Parent Company has issued performance guarantees equivalent to the expected amount to be utilized.

Total issued performance guarantees for Denmark and abroad amounts to MDKK 55,9 (2021: 20,5).

A negative pledge regarding receivables charge of MDKK 15 has been registered.

The company has issued a rent guarantee of MDKK 0,8.

**18 Related parties and ownership****Transactions**

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

**Ownership**

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Rambøll Gruppen A/S, Hannemanns Allé 53, 2300 København S

**Consolidated Financial Statements**

The Company is included in the consolidated report for the Parent Company

Name	Place of registered office
Rambøll Gruppen A/S	Copenhagen

The Group Annual Report of Rambøll Gruppen A/S may be obtained at the following address:

Rambøll Gruppen A/S, Hannemanns Allé 53, 2300 København S

**19 Auditors' fee**

See the Group Financial Statements of Rambøll Gruppen A/S for information of auditor fee in accordance with section 96(3) of the Danish Financial Statements Act.