
Henning Larsen Architects A/S

Vesterbrogade 76, DK-1620 København V

Annual Report for 1 January - 31 December 2021

CVR No 18 94 08 84

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
25/3 2022

Kasper Freund
Chairman of the General
Meeting



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Management's Statement

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 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 25 March 2022

Executive Board

Mette Kynne Frandsen
CEO

Louis Andreas Becker

Board of Directors

Peter Heymann Andersen
Chairman

Marianne Sørensen Henriksen
Deputy Chairman

Kasper Freund

Helle Basse Larsen

Helene Bekker

Independent Auditor's Report

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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 Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the 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 Management's Review.

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 misstate-

Independent Auditor's Report

ment, 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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

Independent Auditor's Report

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, 25 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kim Danstrup
statsautoriseret revisor
mne32201

Jakob Thisted Binder
statsautoriseret revisor
mne42816

Company Information

The Company

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

CVR No: 18 94 08 84
Financial period: 1 January - 31 December
Municipality of reg. office: København

Board of Directors

Peter Heymann Andersen, Chairman
Marianne Sørensen Henriksen
Kasper Freund
Helle Basse Larsen
Helene Bekker

Executive Board

Mette Kynne Frandsen
Louis Andreas Becker

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 TDKK 12 months	2019/20 TDKK 18 months	2018/19 TDKK 12 months	2017/18 TDKK 12 months	2016/17 TDKK 12 months
Key figures					
Profit/loss					
Revenue	315.533	452.101	276.173	226.286	217.814
Gross profit/loss	186.281	281.197	67.996	61.857	50.629
Operating profit/loss	16.749	48.336	30.547	29.977	23.680
Profit/loss before financial income and expenses	-10.250	48.334	35.518	29.937	23.614
Net financials	23.520	26.647	4.437	4.856	8.854
Net profit/loss for the year	14.162	59.154	31.308	28.009	26.787
Balance sheet					
Balance sheet total	357.398	305.556	214.432	218.613	207.957
Equity	127.170	141.625	73.839	81.941	72.240
Investment in property, plant and equipment	-316	1.050	5.290	4.449	2.309
Number of employees	264	287	200	183	188
Ratios					
Gross margin	59,0%	62,2%	24,6%	27,3%	23,2%
Profit margin	-3,2%	10,7%	12,9%	13,2%	10,8%
Return on assets	-2,9%	15,8%	16,6%	13,7%	11,4%
Solvency ratio	35,6%	46,3%	34,4%	37,5%	34,7%
Return on equity	10,5%	54,9%	40,2%	36,3%	74,2%

In connection with the merger of Henning Larsen Architects A/S and Rambøll Arkitekter A/S comparative figures for 2019/20 have been adjusted after the pooling of interest method. Comparative figures for the periods 2018/19, 2017/18 and 2016/17 have not been adjusted and is hence Henning Larsen Architects A/S on a standalone basis.

Management's Review

Key activities

The main activities in Henning Larsen A/S is to provide architectural design and consulting services both to the public and the private sector.

Structure

The corporate structure comprises Henning Larsen Architects A/S and its subsidiaries Henning Larsen Middle East (HLME), Henning Larsen GmbH, Henning Larsen AS (Norway), Henning Larsen Architects Hong Kong Ltd., Henning Larsen Canada Inc., Henning Larsen Design Inc., HLA International ApS, HLA International & Co. Engineering Consultant and Henning Larsen North Atlantic Sp/f.

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 2021

Henning Larsen Architects A/S has merged with Rambøll Arkitekter A/S as of 1 January 2021.

As the merger took place under the pooling of interests method comparative figures have been adjusted as if the two enterprises had always been combined by relating comparative figures. Rambøll Arkitekter A/S' first financial year is 2020, why the comparative figures only include 12 months for Rambøll Arkitekter A/S and 18 months for Henning Larsen Architects A/S.

During 2021 Henning Larsen has been working intensively on the business integration of the Ramboll and HLA architects. This includes the people, the processes, communication and consolidation of the Henning Larsen Brand across all geographies. As a consequence, the result include integration costs of approx. 27 MDKK. The integration efforts included planned revenue synergies between Ramboll and HLA that were successfully met.

In addition, we have continued to win hallmark projects globally.

University MCI Innsbruck, Austria - a science university for collaboration and research was won in an international competition.

A new city hall of 74.000 m² in Goyang. HLA Architects was awarded first price, in an open competition. The project will be executed in 2022.

A mixed use development in Chicago, Lincoln yards of 180.000m², US was contracted in 2021 and will continue in 2022.

The net result of 14 MDKK is very satisfactory when adjusting for the 27 MDKK integration costs.

This is on level with 2019/20 when the 18 months result is prorated to 12 months.

The effect of the pandemic has been very moderate for Henning Larsen.

Management's Review

Liquidity and risks

Cash at hand and in bank including deposits on group cash pool accounts constitutes DKK 130 million at balance sheet date compared to DKK 99 million the previous year. The increase is driven by tighter working capital management, and temporary effects from the Government Corona initiatives.

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, cf. Section 99(a) of the Danish Financial Statements Act

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

Data ethics, cf. Section 99(d) of the Danish Financial Statements Act

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

Employees, diversity and inclusion

Henning Larsen Architects is as a part of the Rambøll Group 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, all Rambøll businesses uphold the freedom of association and the right to collective bargaining. Rambøll has a zero-tolerance policy to all forms of forced and compulsory labour. We respect labour rights of our employees and assess labour 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 favourable conditions of work, including the right to equal pay for equal work and equal opportunities for promotion, are material topics for Rambøll. All employees and business associates can anonymously report any labour rights violations or other issues through our whistle-blower system.

Management's Review

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 Executive Board, maintain equal gender distribution, as its membership is 50% female and 50% male. At the other management levels, the gender distribution is also equal.

The Gender distribution among employees in Henning Larsen Architects is 53 % female and 47 % male. Our ambition is to achieve 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 therefore currently counts 54 nationalities among its employees.

Events after the balance sheet date

Management is not aware of any events subsequent to 31 December 2021 that are expected to have a material impact on the financial position.

Expectations for the year ahead

The initial demand in most markets is strong and we expect COVID 19 impacts to decline. However, production in the beginning of 2022 is reduced by increased sickness levels. Later results may be impacted by the generic supply chain disruptions and related influence on inflation and the war in Ukraine and the higher geopolitical and economic uncertainty that follows from that. Despite the uncertainty the outlook for 2022 remains positive with full year profit well above the 2021 level.

Income Statement 1 January - 31 December

	Note	2021 DKK	2019/20 DKK
Revenue	1	315.533.307	452.101.165
Other operating income		0	77.497
Project costs		-72.684.542	-123.761.265
Other external expenses		-56.568.001	-47.220.683
Gross profit/loss		186.280.764	281.196.714
Staff expenses	2	-163.901.997	-224.098.386
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-5.629.843	-8.685.240
Other operating expenses		-26.998.985	-78.696
Profit/loss before financial income and expenses		-10.250.061	48.334.392
Income from investments in subsidiaries		21.384.624	28.020.577
Income from investments in associates		0	403.600
Financial income	4	4.784.488	1.183.371
Financial expenses	5	-2.649.512	-2.960.778
Profit/loss before tax		13.269.539	74.981.162
Tax on profit/loss for the year	6	892.633	-15.826.953
Net profit/loss for the year		14.162.172	59.154.209
Proposed distribution of profit			
Extraordinary dividend paid		0	31.307.884
Proposed dividend for the year		14.000.000	0
Reserve for net revaluation under the equity method		21.384.224	28.424.171
Retained earnings		-21.222.052	-577.846
		14.162.172	59.154.209

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Goodwill		11.073.502	14.212.040
Intangible assets	7	11.073.502	14.212.040
Land and buildings		3.790.987	3.880.525
Other fixtures and fittings, tools and equipment		1.478.064	3.057.270
Leasehold improvements		2.662.183	3.503.497
Property, plant and equipment	8	7.931.234	10.441.292
Investments in subsidiaries	9	65.834.233	42.067.459
Investments in associates	10	0	0
Deposits	11	148.676	70.971
Fixed asset investments		65.982.909	42.138.430
Fixed assets		84.987.645	66.791.762
Trade receivables		60.158.142	53.153.753
Contract work in progress	12	58.196.443	49.294.860
Receivables from group enterprises		142.811.093	123.936.502
Other receivables		4.252.065	525.915
Prepayments	13	334.036	1.618.307
Receivables		265.751.779	228.529.337
Cash at bank and in hand		6.658.590	10.234.791
Currents assets		272.410.369	238.764.128
Assets		357.398.014	305.555.890

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital	14	510.000	510.000
Reserve for net revaluation under the equity method		25.508.486	1.741.712
Retained earnings		87.151.176	108.373.228
Proposed dividend for the year		14.000.000	31.000.000
Equity		127.169.662	141.624.940
Provision for deferred tax	16	31.592.826	46.178.829
Other provisions	17	2.118.333	1.943.333
Provisions		33.711.159	48.122.162
Other payables		18.116.505	5.706.305
Long-term debt	18	18.116.505	5.706.305
Trade payables		15.128.488	13.309.377
Contract work in progress, liabilities	12	61.329.410	51.670.641
Payables to group enterprises		39.909.228	2.864.102
Corporation tax		13.297.621	2.674.638
Other payables	18	48.735.941	39.583.725
Short-term debt		178.400.688	110.102.483
Debt		196.517.193	115.808.788
Liabilities and equity		357.398.014	305.555.890
Distribution of profit	15		
Contingent assets, liabilities and other financial obligations	19		
Related parties	20		
Fee to auditors appointed at the general meeting	21		
Accounting Policies	22		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	510.000	1.741.712	108.373.228	31.000.000	141.624.940
Ordinary dividend paid	0	0	0	-31.000.000	-31.000.000
Exchange adjustments relating to foreign entities	0	2.084.817	0	0	2.084.817
Other equity movements	0	297.333	0	0	297.333
Net profit/loss for the year	0	21.384.624	-21.222.052	14.000.000	14.162.572
Equity at 31 December	510.000	25.508.486	87.151.176	14.000.000	127.169.662

As part of the merger a capital increase of DKK 10.000 was decided at the subscription price of DKK 267.417,87. As the merger took place under the pooling of interest method comparative figures has been adjusted to reflect this capital increase in the opening balance.

Notes to the Financial Statements

	2021 DKK	2019/20 DKK
1 Revenue		
Alle revenue relates to architectural services.		
Geographical segments		
Revenue, Denmark	240.977.243	217.821.686
Revenue, Other countries Europe	35.336.736	148.652.484
Revenue, North America	5.530.687	21.236.205
Revenue, Other countries	33.688.641	64.390.790
	315.533.307	452.101.165
2 Staff expenses		
Wages and salaries	148.575.023	205.971.551
Pensions	14.816.265	16.358.662
Other social security expenses	510.709	1.768.173
	163.901.997	224.098.386
Including remuneration to the Executive Board and Board of Directors of:		
Executive Board	4.487.351	3.665.685
Supervisory Board	70.750	653.750
	4.558.101	4.319.435
Average number of employees	264	287
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	3.138.539	3.664.227
Depreciation of property, plant and equipment	2.491.304	5.021.013
	5.629.843	8.685.240

Notes to the Financial Statements

	2021 DKK	2019/20 DKK
4 Financial income		
Interest received from group enterprises	373.230	1.171.414
Other financial income	74.562	11.957
Exchange gains	4.336.696	0
	4.784.488	1.183.371
5 Financial expenses		
Other financial expenses	569.229	161.378
Exchange loss	2.080.283	2.799.400
	2.649.512	2.960.778
6 Tax on profit/loss for the year		
Current tax for the year	13.585.240	10.268.532
Deferred tax for the year	-14.566.775	866.363
Adjustment of tax concerning previous years	88.902	4.692.058
	-892.633	15.826.953
7 Intangible assets		
		Goodwill DKK
Cost at 1 January		33.410.883
Cost at 31 December		33.410.883
Impairment losses and amortisation at 1 January		19.198.842
Amortisation for the year		3.138.539
Impairment losses and amortisation at 31 December		22.337.381
Carrying amount at 31 December		11.073.502

Notes to the Financial Statements

8 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK	DKK
Cost at 1 January	4.401.124	15.869.616	29.402.189
Additions for the year	0	77.408	0
Disposals for the year	0	-353.410	-39.900
Cost at 31 December	<u>4.401.124</u>	<u>15.593.614</u>	<u>29.362.289</u>
Impairment losses and depreciation at 1 January	520.599	12.812.346	25.898.692
Depreciation for the year	89.538	1.586.633	815.133
Reversal of impairment and depreciation of sold assets	0	-283.429	-13.719
Impairment losses and depreciation at 31 December	<u>610.137</u>	<u>14.115.550</u>	<u>26.700.106</u>
Carrying amount at 31 December	<u>3.790.987</u>	<u>1.478.064</u>	<u>2.662.183</u>

Notes to the Financial Statements

	2021 DKK	2020 DKK
9 Investments in subsidiaries		
Cost at 1 January	40.325.747	4.379.570
Additions for the year	0	35.906.177
Transfers for the year	0	40.000
Cost at 31 December	<u>40.325.747</u>	<u>40.325.747</u>
Value adjustments at 1 January	1.741.712	7.742.123
Exchange adjustment	2.084.818	-796.045
Net profit/loss for the year	21.384.624	28.020.577
Dividend to the Parent Company	0	-3.643.500
Other equity movements, net	297.332	-31.492.864
Transfers for the year	0	1.911.421
Value adjustments at 31 December	<u>25.508.486</u>	<u>1.741.712</u>
Carrying amount at 31 December	<u>65.834.233</u>	<u>42.067.459</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Henning Larsen Architects AS	Norway	30.000 NOK	100%
Henning Larsen Architects Hong Kong Ltd	China	10.000 HKD	100%
HLA International & Co. Engineering Consultant	Saudi-Arabia	2.000.000 SAR	75%
Henning Larsen Architects Middle East Company	Saudi-Arabia	500.000 SAR	100%
Henning Larsen Design Inc	USA	300.000 USD	100%
Henning Larsen GmbH	Germany	25.000 EUR	100%
Henning Larsen Architects International ApS	Denmark	70.000 DKK	100%
Henning Larsen Canada Inc	Canada	10.000 CAD	100%
Henning Larsen North Atlantic Sp/f	Faroe Islands	40.000 DKK	100%

Notes to the Financial Statements

	2021 <u>DKK</u>	2020 <u>DKK</u>
10 Investments in associates		
Cost at 1 January	0	40.000
Transfers for the year	0	<u>-40.000</u>
Cost at 31 December	<u>0</u>	<u>0</u>
Value adjustments at 1 January	0	1.507.821
Net profit/loss for the year	0	403.600
Transfers for the year	0	<u>-1.911.421</u>
Value adjustments at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>0</u>	<u>0</u>
11 Other fixed asset investments		<u>Deposits</u> DKK
Cost at 1 January		70.971
Additions for the year		<u>77.705</u>
Cost at 31 December		<u>148.676</u>
Carrying amount at 31 December		<u>148.676</u>
	2021 <u>DKK</u>	2020 <u>DKK</u>
12 Contract work in progress		
Selling price of work in progress	870.753.855	1.176.405.976
Payments received on account	<u>-873.886.822</u>	<u>-1.178.781.757</u>
	<u>-3.132.967</u>	<u>-2.375.781</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	58.196.443	49.294.860
Prepayments received recognised in debt	<u>-61.329.410</u>	<u>-51.670.641</u>
	<u>-3.132.967</u>	<u>-2.375.781</u>

Notes to the Financial Statements

13 Prepayments

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

14 Share capital

The share capital consists of 5,100 shares of a nominal value of DKK 100. No shares carry any special rights.

The share capital has developed as follows:

	2021	2019/20	2018/19	2017/18	2016/17
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	510.000	510.000	500.000	500.000	500.000
Capital increase	0	0	0	0	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	510.000	510.000	500.000	500.000	500.000

Please refer to the statement of changes in equity.

15 Distribution of profit

	2021	2019/20
	DKK	DKK
Extraordinary dividend paid	0	31.307.884
Proposed dividend for the year	14.000.000	31.000.000
Reserve for net revaluation under the equity method	21.384.224	28.424.171
Retained earnings	-21.222.052	-31.577.846
	14.162.172	59.154.209

16 Provision for deferred tax

Provision for deferred tax opening	46.178.829	37.757.673
Amounts recognised in the income statement for the year	-14.566.775	866.363
Amounts recognised in equity for the year	-19.228	7.554.793
Provision for deferred tax at 31 December	31.592.826	46.178.829

Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
	DKK	DKK
17 Other provisions		
Excess on Projects	<u>2.118.333</u>	<u>1.943.333</u>
	<u>2.118.333</u>	<u>1.943.333</u>

18 Long-term debt

Payments 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

Between 1 and 5 years	<u>18.116.505</u>	<u>5.706.305</u>
Long-term part	18.116.505	5.706.305
Other short-term payables	<u>48.735.941</u>	<u>39.583.725</u>
	<u>66.852.446</u>	<u>45.290.030</u>

Notes to the Financial Statements

	2021 DKK	2020 DKK
19 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2.812.650	2.121.325
Between 1 and 5 years	9.718.141	11.392.725
	12.530.791	13.514.050

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 withholding 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 recognized issued performance guarantees in the Financial Statements equivalent to the expected amount to be utilized.

Total issued performance guarantees for Denmark and abroad amounts to MDKK 20,5 (2019/20: 21,9).

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

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

20 Related parties

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.

Notes to the Financial Statements

20 Related parties (continued)

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

Notes to the Financial Statements

21 Fee to auditors appointed at the general meeting

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.

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of Henning Larsen Architects A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

Except from the below, the accounting policies remain unchanged from 2020.

Henning Larsen Architects A/S has merged with Rambøll Arkitekter A/S as of 1 January 2021.

As the merger took place under the pooling of interests method comparative figures have been adjusted as if the two enterprises had always been combined by relating comparative figures.

Rambøll Arkitekter A/S' first financial year is 2020, why the comparative figures only include 12 months for Rambøll Arkitekter A/S and 18 months for Henning Larsen Architects A/S.

As a consequence of the merger, the company has changed the form of presentation of the income statement to a division by species instead of a division by function. The comparative figures have been adjusted as a result.

The Financial Statements for 2021 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Rambøll Gruppen A/S, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Rambøll Gruppen A/S, the Company has not prepared a cash flow statement.

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 probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow

Notes to the Financial Statements

22 Accounting Policies (continued)

out of 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 below.

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.

Translation policies

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.

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.

Income Statement

Revenue

Revenue from the sale of goods 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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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 relating to sales.

Project costs

Project costs comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

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

Staff expenses

Staff expenses 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 main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment and integration costs.

Notes to the Financial Statements

22 Accounting Policies (continued)

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

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 comprises the cost of acquisition and expenses directly related 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 are:

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

Notes to the Financial Statements

22 Accounting Policies (continued)

The fixed assets' residual values are determined at DKK 0.

Depreciation period and residual value are reassessed annually.

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 investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

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 comprise prepaid expenses concerning 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 elimi-

Notes to the Financial Statements

22 Accounting Policies (continued)

nation 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.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$