

# **Henning Larsen Architects A/S**

## **Annual Report 2023**

**CVR No.: 18 94 08 84**

**Henning  
Larsen —**

The Annual Report was presented and approved at the annual general meeting on 23 April 2024

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Laurits Schmidt Christensen  
Chair of the annual general meeting

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## **Statement on the Annual Report by the Executive Board and Management**

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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 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, the Management's Review 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, 23 April 2024

### **Executive Board:**

Mette Kynne Frandsen

Jacob Kurek Ingemann

### **Board of Directors:**

Peter Heymann Andersen  
Chair

Marianne Sørensen Henriksen  
Vice Chair

Kasper Freund

Simon Ingvarsten  
(Employee elected board member)

Helene Bekker  
(Employee elected board member)

## **Independent Auditor's Report**

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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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Report 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 Financial 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 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.

## Independent Auditor's Report

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### 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 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, 23 April 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Allan Knudsen  
State Authorised Public Accountant  
mne29465

Martin Jarness Schmidt Andersen  
State Authorised Public Accountant  
mne49061

## Company information

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Name:	Henning Larsen Architects A/S
Domicile	Vesterbrogade 76, DK-1620 København 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, Chair Marianne Sørensen Henriksen, Vice Chair Kasper Freund Simon Ingvarsten, (Employee elected board member) Helene Bekker, (Employee elected board member)
Executive Board:	Mette Kynne Frandsen, CEO Jacob Kurek Ingemann, Executive Director
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 10 16 06 69, 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)	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2019/20*</b>	<b>2018/19</b>
	12 months	12 months	12 months	18 months	12 months
<b>Income statement:</b>					
Revenue	364.282	340.958	315.533	452.101	276.173
**Gross profit	296.092	265.199	242.849	281.197	67.996
Operating profit	44.144	23.569	16.749	48.336	30.547
***Profit/loss before financial income and expenses	36.938	23.350	11.135	48.334	35.518
***Net financials	435	-791	2.135	26.647	4.437
Net profit for the year	27.133	10.480	14.162	59.154	31.308
<b>Balance sheet:</b>					
Balance sheet total	365.334	370.048	357.398	305.556	214.432
shareholders equity	141.685	126.306	127.170	141.625	73.839
Number of employees	290	280	264	287	200
<b>Ratios:</b>					
Gross Margin	81,3	77,8	77,0	62,2	24,6
Profit margin	10,1	6,8	3,5	10,7	11,1
Return on invested capital	10,1	6,3	3,1	15,8	16,6
Solvency ratio	38,8	34,1	35,6	46,3	34,4
Return on equity	20,2	8,3	10,5	54,9	40,2

\* 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 have not been adjusted and hence, is Henning Larsen Architects A/S on a standalone basis.

### Calculation of financial ratios:

Gross margin:	$(\text{Gross profit} \times 100) / \text{Revenue}$
Profit margin:	$(\text{Profit before financials} \times 100) / \text{Revenue}$
Return on invested capital:	$(\text{Profit before financials} \times 100) / \text{Total assets}$
Solvency ratio:	$(\text{Equity at the end of period} \times 100) / \text{Total assets}$
Return on equity:	$(\text{Profit for the year} \times 100) / \text{average equity}$

### \*\* Gross profit:

In year 2023, 2022 and 2021, Gross Profit consist of revenue deducted project costs due to a change in accounting policy. In previous years, Gross profit comprised revenue less project costs and external expenses.

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

In year 2023, 2022 and 2021 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.

## Management's review

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### Key activities

Henning Larsen Architects A/S is owned by Ramboll Group A/S, operating as a standalone brand driving a premium global business within architecture and landscape design. Ramboll and Henning Larsen are jointly committed to the strategy "Partner for Sustainable Change", putting sustainability into the core of our projects and company operations. In 2023, Henning Larsen broadened its international presence by establishing a studio team in Sydney, Australia, further expanding its global footprint.

### Structure

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

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

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 A/S Annual report - Architecture and Landscape market.

### Development in 2023

Despite geopolitical uncertainty, Henning Larsen delivers a solid result for 2023. Growth is supported by a large demand for sustainable solutions within architecture, biodiversity, climate adaptation and the development of strategies for sustainable transition. The integration of synergies within the Ramboll group further strengthens opportunities through cross-selling and Henning Larsen continues to secure large-scale international contracts by winning competitions.

Building on its strategy, alongside investments in sustainability and innovation, Henning Larsen has achieved an organic growth in revenue of 6,8 percent year-on-year. Consequently, revenue increased to 364 MDKK from 341 MDKK in 2022.

The profit margin before interest and tax has also improved to 36,9 MDKK, up from 23,3 MDKK in 2022.

However, results from subsidiaries have declined compared to the previous year, attributed to market shifts, particularly an increase in interest rate affecting investments in real estate.

Considering these factors, the net result of 27,1 MDKK is viewed as satisfactory, despite falling short of initial expectations from the previous year.

### Expanding the business

As a part of Henning Larsen's global growth and strategic development, a new studio was opened in Sydney, Australia in 2023. Work continues on Sydney's next city-shaping project, a waterfront development, 'Lighthouse at Darling Park', as well as the design of a mixed-use tower in Brisbane. Additionally, Henning Larsen won an international competition to transform the Canberra Theatre Centre, creating the new home of Australia's capital of culture. In consultation with First National peoples, the team will create community



## Management's review

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spaces and a world-class destination for artists and audiences in the heart of Canberra. The project is underway and is set to be a cornerstone for building up the business in Australia, promising to be a significant cultural landmark on the global stage.

In 2023, Henning Larsen also established its presence into Stockholm and Gothenburg, Sweden. This strategic move is strengthening relationships with Swedish clients and enhancing synergies with Ramboll, reinforcing the commitment to growth and collaboration within the region.

### **Selected Global Project Wins in 2023: Partnering for Sustainable Change**

In 2023, Henning Larsen embarked on strategic projects worldwide through competitions, redefining architecture, and urban landscapes. From pioneering mass timber hubs to revitalising landmarks, the projects blend visionary design, environmental stewardship, and innovation, exemplifying a commitment to excellence in sustainable change.

#### *Redefining logistics with a mass timber hub in the Netherlands*

Henning Larsen and Ramboll were chosen as the preferred partner to design BESTSELLER's 155,000 m<sup>2</sup> Logistics Center located in Lelystad, on the Dutch island of Flevopolder. Driven by the client's high ambition for emission reduction, fair workplaces, and circularity, the design for BESTSELLER's logistics hub will be built primarily of mass timber and other biogenic materials, such as straw. Boosting biodiversity, more than 40% of the site will be dedicated to its landscape, inspired by the surrounding island habitat. The surrounding wetland and forest will be incorporated and enhanced, and a meadow cultivated on the roof, designed to increase the site biodiversity by 10%.

#### *Transforming Prague Central Station into a welcome gateway to the city*

Henning Larsen and Ramboll were awarded first prize in the international competition to revitalise and expand Prague's central station. The project will re-establish the connection between the historic central station and terminal hall with Vrchlického Sady Park. Driven by the introduction of a new tram line and an anticipated 200% increase in the number of visitors, the new future mobility hub signifies a transformative milestone in Prague's urban development and demonstrates the advanced projects that can be won through the Henning Larsen and Ramboll collaboration.

#### *Designing Circular Timber Campus Building for World Leading Scientific Research Centre, CERN*

Crafting a nature campus identity for CERN's Prevešin Campus, Henning Larsen and Ramboll won the international competition to design a new campus building and its surrounding landscape. Departing from conventional industrial and laboratory environments, the design embraces its natural surroundings, employing biogenic materials and prioritising low-carbon design principles to generate community, collaboration, and wellbeing.

#### *Stacked farming and circular thinking to safeguard Singapore's food future*

The Singapore Food Agency (SFA) appointed Henning Larsen and Ramboll to design the concept plan for Lim Chu Kang following a design competition. As Singapore's flagship agri-food production hub of the future, Lim Chu Kang plan will contribute to Singapore's '30 by 30' goal, which aims to build the agri-food industry's capability and capacity to sustainably produce 30 per cent of Singapore's nutritional needs by 2030. The multidisciplinary project addresses Singapore's limited land resource for agriculture and aquaculture by proposing innovative farming typologies and technologies that cater to ecological sensitivities. Coastal protection measures will also play a crucial role in shaping the overall design.

### **Industry recognition**

In 2023, Henning Larsen garnered industry recognition for its diverse global portfolio. Noteworthy accomplishments include:

## Management's review

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The restoration of Rifle Range Nature Park in Singapore has been highly commended at the World Architecture Festival 2023 in the 'Landscape of the Year' category. The project is recognized as an embodiment of nature-based solutions sensitive towards the environment and its users.

Additionally, the Shaw Auditorium at the Hong Kong University of Science and Technology has been presented with the AIA Honor Award for Architecture (Open International) 2023 in the category 'Best Alternative Project'. This recognition celebrates the design's highly flexible, acoustically sophisticated auditorium with bright, generous social spaces.

In Toronto, Downsview Framework Plan received the 2023 Toronto Urban Design Award of Excellence in 'Visions and Masterplans'. Developed through an extensive engagement process with the local community and knowledge of our partners, the framework harnesses Danish city-building principles to create a nature-oriented district that will promote a green-minded, human-scale and people-first community.

From Berlin to Hamburg to Copenhagen, the '**Changing our Footprint**' exhibition opened to great acclaim at the Aedes Architecture Centre. A provocative and explorative exhibition designed to start a dialogue with the industry. After opening in Berlin, just eight months after the new Henning Larsen studio opened in the same city, the exhibition moved to Hamburg and then Copenhagen. At the Danish Architecture Centre, the exhibit profiles scalable solutions that can lower the immense carbon footprint of the construction industry. The exhibition addresses the challenges faced as a global architecture studio, the importance of embracing responsibility to improve. The projects, materials and exhibits represent small but scalable steps as Henning Larsen progresses towards a desirable future through research, testing and continuous learning.

### Sustainability & Innovation

In 2023, Henning Larsen has invested in innovation through partnerships and the Ramboll Foundation to develop new tools and methods to ensure that we can give our clients state-of-the-art counseling. Henning Larsen welcomed two new industrial PhDs in 2023, exploring Transformation/adaptive reuse and Climate adaptation/Microclimate. Additionally, two more funded PhD projects will start in 2024, both focusing on biodiversity and supporting the global landscape team.

#### *Urban Decarb: new digital brings urban scale carbon into focus*

To take on the challenge of quantifying carbon on an urban scale, a team of architects, urbanists, and computational designers developed Urban Decarb in 2023 – a plug-in design tool for integrating carbon knowledge of urban components in the early design stages of urban development. For Henning Larsen and Ramboll, Urban Decarb marks a significant step in utilizing embodied and operational carbon as design parameters in urban planning by looking at the city as a whole – from buildings to roads, parking, landscaping, and infrastructural urban systems. Already in use for studio projects such as Fælledby, and by external clients including Falstersvej kvarteret and Middelfart municipality, the tool is gaining traction, with adoption in Norway and interest from Europe, the US, and Singapore. Strong partnerships with Copenhagen and Middelfart municipalities, along with Urban Partners, ensure its integration into planning and development projects.

#### *From deep data to dynamic district: Henning Larsen embraces AI in design*

As Copenhagen's Refshaleøen district evolves into a dynamic cultural hub, Henning Larsen and Ramboll Management Consulting explored how big data can drive a new design paradigm in urban development. The joint proposal celebrates the district's character, uniting urban nature, and local communities, by unlocking the potential of big data and AI technology to inform and qualify the design drivers for developing the district without losing its creative edge. This evolving methodology is set to play a pivotal role in guiding forthcoming urbanism projects. It will not only inform the creation of new design scenarios but will also shape innovative strategies for engaging citizens in the planning and development processes.

## Management's review

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### Liquidity and risks

As of the balance sheet date, the company holds 136 MDKK in cash and bank deposits, including funds in group cash pool accounts, compared to 132 MDKK in the previous year. The increase is driven by business growth, coupled with a stringent focus on working capital management.

The company operates within the parameters of commercial and financial risks, which are deemed consistent with industry norms. Notably, in the consultancy sector, the company has secured professional liability insurance to mitigate potential risks. Additionally, the company provides certain services that may overlap with those typically offered by constructors, although this does not significantly impact overall risk exposure.

### Corporate social responsibility

Reference is made to the consolidated Annual Report of Rambøll Gruppen A/S, CVR-nr. 10 16 06 69.

### Data ethics

Reference is made to the consolidated Annual Report of Rambøll Gruppen A/S, CVR-nr. 10 16 06 69.

### 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 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 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 labour rights violations or other issues through our whistle-blower system.

Globally, Henning Larsen Architects currently counts 59 nationalities among its employees.

#### *An inclusive workplace*

To attract qualified employees and responsible clients to our company in the future, it is crucial to mitigate the risk of discrimination by creating an inclusive work environment and understand the opportunities that equality and diversity bring to our business.

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

The Ramboll Equal Gender Policy supports the principle of equal gender representation at top and next two management levels. We acknowledge the need for diversity and high professional competence criteria for board members and individuals in management positions.

#### Key targets on gender diversity

**2023**

#### Top management

Total members	3
Underrepresented gender in pct	33
Target in pct	33
Year of target reach	N/A

#### Next management level

Total members	2
Underrepresented gender in pct	50
Target in pct	50
Year of target reach	N/A

## Management's review

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Since last year, Henning Larsen Architects A/S's Executive Board, has been reduced and now consists of one female and one male.

At lower management levels, the gender distribution is 40% women and 60% men in 2023. Our aim is that each gender should be proportionally represented in management positions to reflect the actual proportion of the general gender distribution in the Company. We have not reached the targeted gender distribution level yet, although we are continuously improving. As in prior years, in 2023 we actively worked with succession planning in order to develop female managers in the future as well as working with making the industry more attractive to females in general.

A competitive advantage for further international expansion is the ability to attract and retain talented architects from diverse backgrounds and cultures.

Across Henning Larsen Architects globally, there is even gender split of 50,9% female and 49,1% male.

All hiring processes follow our procedure to focus on unconscious bias. Our goal for top management and next two management levels is to reflect the gender distribution in the Company.

### **Events after the balance sheet date**

Management is not aware of any events after 31 December 2023 that are expected to have a material impact on the financial position.

### **Expectations for the year ahead**

Higher interest rates and geopolitical uncertainties are expected to impact investments within larger-scale new built projects in the Nordics. Revenue and profit for 2024 is estimated to be 10-15% below annual results of 2023.

Investment in the "Partner for Sustainable Change" strategy, along with advancements in knowledge and technology supporting sustainable design solutions, are expected to strengthen Henning Larsen's global market position.

In 2024, focus will be to grow Henning Larsen outside the Nordics. The establishment of business in Australia reflect the commitment to strengthening Henning Larsen's global market presence and is expected to capitalize on future emerging opportunities within the APAC region.

## Accounting policies

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### **Basis of accounting**

The Annual Report of Henning Larsen Architects A/S for 2023 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.

With reference to the Danish Financial Statements Act, Section 96, subsection 3, information about Remuneration for the auditors elected by the annual general meeting has been left out. We refer to the consolidated annual accounts for Rambøll Gruppen A/S.

The accounting policies are unchanged from previous years.

### **Recognition and measurement**

The financial statements are prepared in accordance with the historical cost convention.

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.

## **Accounting policies (continued)**

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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.

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.

### **Segment information**

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.

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 in the Company consists of the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates, and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, and it is probably that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

The Company sells services within engineering, design, and consultancy. These services are provided on a time and material basis or as a fixed-price contract, with contract terms generally ranging from less than one year up to 10 years.

Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Revenue from fixed-price contracts is recognised under the percentage of completion (POC) method. Under the POC method, revenue is generally recognised based on the services performed to date as a percentage of the total service to be performed.

If circumstances arise that may change the original estimates of revenues, costs, or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income during the period in which the circumstances that give rise to the revision become known by Management.

#### **Project costs**

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

#### **Other external costs**

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

## Accounting policies (continued)

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### 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 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 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.

## Accounting policies (continued)

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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

Operating equipment, tools and equipment with a total acquisition cost of less than DKK 50 thousand is expensed at the date of acquisition.

### Impairment of fixed assets

The carrying amounts of intangible assets and 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.

The recoverable amount of the asset is calculated as the higher of the net selling price and value in use. If it is not possible to determine a recoverable amount for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill and other assets for which a separate value in use cannot be determined, as the asset does not generate future cash flows on an individual basis, are reviewed for impairment together with the group of assets to which they are attributable.

### Investment in subsidiaries

Investments in subsidiaries are recognised and measured according to the equity method. The proportionate share of profit for the year less amortisation of goodwill is recognised in the income statement under "Income from subsidiaries".

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership interests of the net equity value of the enterprises calculated on the basis of the fair value of the identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Net revaluation according to the equity method" under equity. The reserve is reduced by distribution of dividend to the Parent and adjusted for other changes in equity in subsidiaries.

On acquisition of subsidiaries, the difference between the cost and the equity value of the acquired company is calculated at the date of acquisition after adjustment to fair value of the identifiable assets and liabilities (the acquisition method). Any remaining positive balances (goodwill) are recognised as investments in subsidiaries and are amortised in the income statement on a straight-line basis over the estimated useful life of the investment.

### Other fixed asset investment

Other fixed asset investments consist of deposits.

### Receivables

Accounts receivables, trade 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.



## **Accounting policies (continued)**

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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**

Work in progress is measured at the sales price of the work performed, corresponding to direct and indirect costs incurred, plus a proportionate share of the expected profit calculated on the basis of an assessment of the percentage of completion. The sales price is reduced by progress billings. Invoices on account beyond the percentage of completion of contracts are calculated separately for each contract and recognised as "payments from clients" under short-term liabilities.

### **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 current tax rules and at the tax rates that are expected to apply when the temporary differences have been settled. 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)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Revenue	1	364.282	340.958
Project costs		-68.190	-75.759
<b>Gross profit</b>		<b>296.092</b>	<b>265.199</b>
External costs		-55.953	-43.504
Staff costs	2	-192.090	-193.497
Depreciation and amortisation	3	-3.905	-4.629
<b>Operating profit</b>		<b>44.144</b>	<b>23.569</b>
Other operating income		0	2.234
Other operating expenses		0	-7.405
Income from investments in subsidiaries		-7.206	4.952
<b>Profit before financial income and expenses</b>		<b>36.938</b>	<b>23.350</b>
Financial income	4	6.404	4.870
Financial expenses	5	-5.969	-5.661
<b>Profit before tax</b>		<b>37.373</b>	<b>22.559</b>
Tax	6	-10.240	-12.079
<b>Net profit for the year</b>	7	<b>27.133</b>	<b>10.480</b>

**Balance sheet (DKK thousand)**

<b>Assets</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Non-current assets</b>			
Goodwill		5.532	8.035
<b>Total Intangible assets</b>	8	<b>5.532</b>	<b>8.035</b>
Land and buildings		3.613	3.702
Other fixtures and fittings, tools and equipment		166	680
Leasehold improvements		1.064	1.863
<b>Total Property, plant and equipment</b>	9	<b>4.843</b>	<b>6.245</b>
Investments in subsidiaries	10	76.643	66.785
Deposits		149	149
<b>Total Investments</b>		<b>76.792</b>	<b>66.934</b>
<b>Total Non-current assets</b>		<b>87.167</b>	<b>81.214</b>
Trade receivables		70.535	64.373
Contract work in progress	12	37.159	54.480
Receivables from group enterprises		11.185	16.002
Receivables from parent company concerning deposits on cash pool accounts		118.853	130.367
Corporation tax		19.981	15.158
Other receivables		3.506	6.590
Prepayments		78	84
<b>Total Receivables</b>		<b>261.297</b>	<b>287.054</b>
<b>Cash at bank and in hand</b>		<b>16.870</b>	<b>1.780</b>
<b>Total current assets</b>		<b>278.167</b>	<b>288.834</b>
<b>Total assets</b>		<b>365.334</b>	<b>370.048</b>

**Balance sheet (DKK thousand)**

<b>Liabilities and equity</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Share capital		510	510
Reserve for net revaluation under the equity method		17.444	26.404
Retained earnings		91.731	89.392
Proposed dividend for the year		32.000	10.000
<b>Equity</b>		<b>141.685</b>	<b>126.306</b>
Provision for deferred tax	13	24.343	23.612
Other provision	14	1.475	1.550
<b>Total provisions</b>		<b>25.818</b>	<b>25.162</b>
Other long-term payables		10.254	9.936
<b>Total long-term liabilities</b>	15	<b>10.254</b>	<b>9.936</b>
Trade payables		7.531	15.272
Contract work in progress, liabilities	12	85.544	135.685
Payables to group enterprises		45.089	10.134
Corporation tax		0	0
Other payables	16	49.413	47.553
<b>Total short-term liabilities</b>		<b>187.577</b>	<b>208.644</b>
<b>Total liabilities</b>		<b>197.831</b>	<b>218.580</b>
<b>Total liabilities and equity</b>		<b>365.334</b>	<b>370.048</b>
Contingent assets, liabilities and other financial obligations	17		
Related parties and ownership	18		
Subsequent events	19		

**Statement of changes in equity (DKK thousand)**

	Share capital	Net revaluation according to the equity method	Retained earnings	Proposed dividend	Total
Total Equity at 1 January 2022	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
<b>Total equity at 31 December 2022</b>	<b>510</b>	<b>26.404</b>	<b>89.392</b>	<b>10.000</b>	<b>126.306</b>
Total Equity at 1 January 2023	510	26.404	89.392	10.000	126.306
Paid dividend in 2023	0	0	0	-10.000	-10.000
Exchange rate adjust. Reg. foreign entities	0	-1.754	0	0	-1.754
Net profit/loss for the year	0	-7.206	2.339	32.000	27.133
<b>Total equity at 31 December 2023</b>	<b>510</b>	<b>17.444</b>	<b>91.731</b>	<b>32.000</b>	<b>141.685</b>

**Notes (DKK thousand)**

<b>1 Revenue</b>	<b>2023</b>	<b>2022</b>
All revenue relates to architectural services.		
<u>Revenue by sector:</u>		
Public customers	15.855	25.100
Private customers	348.427	315.858
	<b>364.282</b>	<b>340.958</b>
<u>Geographical segments:</u>		
Revenue, Denmark	168.897	174.316
Revenue, Other countries Europe	83.247	35.762
Revenue, North America	5.778	17.597
Revenue, Other countries	106.360	113.283
	<b>364.282</b>	<b>340.958</b>
<b>2 Staff costs</b>		
Wages and salaries	172.599	173.744
Pension	16.307	16.999
Other social security expenses	3.184	2.754
	<b>192.090</b>	<b>193.497</b>
Including remuneration to the Executive Board and Board of Directors of:		
Executive Board	4.407	4.016
Board of Directors	0	88
	<b>4.407</b>	<b>4.104</b>
Average number of employees	<b>290</b>	<b>280</b>
<b>3 Depreciation, amortisation and impairment</b>		
Amortisation of intangible assets	2.503	3.039
Depreciation of property, plant and equipment	1.402	1.590
	<b>3.905</b>	<b>4.629</b>
<b>4 Financial income</b>		
Interest received from group enterprises	2.118	26
Other financial income	208	10
Exchange gains	4.078	4.834
	<b>6.404</b>	<b>4.870</b>
<b>5 Financial expenses</b>		
Interest expense to group companies	5	14
Other financial expenses	5.042	5.183
Exchange loss	922	464
	<b>5.969</b>	<b>5.661</b>

**Notes (DKK thousand)**

	<b>2023</b>	<b>2022</b>
<b>6 Tax on profit for the year</b>		
Current tax for the year	1.776	15.198
Deferred tax for the year	8.459	-11.324
Adjustment to tax concerning previous years	2.543	45
Adjustment to deferred tax previous years	-2.752	0
Foreign corporate tax, paid	214	8.160
	<b>10.240</b>	<b>12.079</b>

**7 Distribution of profit for the year**

The Executive Board recommends that the net income of the Company is distributed as follows:

Proposed dividend for the year	32.000	10.000
Reserve for net revaluation under the equity method	-7.206	4.952
Retained earnings	2.339	-4.472
	<b>27.133</b>	<b>10.480</b>

**8 Intangible assets****31/12 2023**

	Goodwill
Cost at 1 January	33.411
Disposals for the year	-2.336
Cost at 31 December	<b>31.075</b>
Impairment losses and amortiasation at 1 January	25.376
Disposals for the year	-2.336
Amortisation for the year	2.503
Impairment losses and amortiasation at 31 December	<b>25.543</b>
<b>Carrying amount at 31 December</b>	<b>5.532</b>

**9 Property, plant and equipment**

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2023	4.401	14.542	29.362
Additions for the year	0	0	0
Disposals for the year	0	-2.996	0
Cost at 31 December 2023	<b>4.401</b>	<b>11.546</b>	<b>29.362</b>
Impairment losses and depreciation at 1 January 2023	699	13.862	27.499
Depreciation for the year	89	514	799
Reversal of depreciation of sold assets	0	-2.996	0
Impairment losses and depreciation at 31 December 2023	<b>788</b>	<b>11.380</b>	<b>28.298</b>
<b>Carrying amount at 31 December 2023</b>	<b>3.613</b>	<b>166</b>	<b>1.064</b>

**Notes (DKK thousand)**

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>10 Investments in subsidiaries</b>		
Cost at 1 January	40.381	40.326
Additions for the year	18.818	102
Disposals for the year	0	-47
Cost at 31 December	<b>59.199</b>	<b>40.381</b>
Value adjustment at 1 January	26.404	25.508
Exchange adjustment	-1.754	2.657
Net profit for the year	-7.206	4.952
Disposals for the year	0	-6.713
Value adjustment at 31 December	<b>17.444</b>	<b>26.404</b>
<b>Carrying amount at 31 December</b>	<b>76.643</b>	<b>66.785</b>

All subsidiaries are 100% owned and specified as follows:

Name and domicile

Henning Larsen Architects Pty. Ltd, Australia\*  
 Henning Larsen Architects Hong Kong Ltd, China  
 Henning Larsen Architects Middle East Company, Saudi-Arabia  
 Henning Larsen Design Inc., USA  
 Henning Larsen GmbH, Germany  
 Henning Larsen Architects International ApS, Denmark  
 Henning Larsen Canada Inc., Canada  
 Henning Larsen North Atlantic Sp/f, Faroe Islands  
 Henning Larsen Architects AB, Sweden

\*) Shares in Henning Larsen Architects Pty. Ltd, Australia was acquired in the current year, with effect of 19 January 2023.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>11 Other fixed asset investment</b>		
	<u>Deposits</u>	<u>Deposits</u>
Cost at 1 January	149	149
Additions of the year	0	0
Cost at 31 December	<b>149</b>	<b>149</b>
<b>Carrying amount at 31 December</b>	<b>149</b>	<b>149</b>

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>12 Contract work in progress</b>		
Selling price of work in progress	1.158.481	940.766
Payments recieved on account	-1.206.866	-1.021.971
	<b>-48.385</b>	<b>-81.205</b>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	37.159	54.480
Prepayments recieved recognised debt	-85.544	-135.685
	<b>-48.385</b>	<b>-81.205</b>



**Notes (DKK thousand)**

<b>13 Provision for deferred tax</b>	<b><u>31/12 2023</u></b>	<b><u>31/12 2022</u></b>
Provision for deferred tax 1 January	23.612	31.594
Amounts recognised in the income statement for the year	5.706	-7.982
Amounts recognised as withholding tax for the year	-4.975	0
<b>Provision for deferred tax at 31 December</b>	<b><u>24.343</u></b>	<b><u>23.612</u></b>

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

Deferred tax relates to:

Property, plant and equipment	-915	-973
Intangible assets	0	47
Work in progress	31.603	25.245
Accounts receivables, trade	-938	-275
Other balance items	-5.407	-432
	<b><u>24.343</u></b>	<b><u>23.612</u></b>

<b>14 Other provision</b>	<b><u>31/12 2023</u></b>	<b><u>31/12 2022</u></b>
Provision for claims	1.475	1.550
	<b><u>1.475</u></b>	<b><u>1.550</u></b>

**15 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.

<b>16 Other payables</b>	<b><u>31/12 2023</u></b>	<b><u>31/12 2022</u></b>
Between 1 and 5 years	10.254	9.936
Long-term part	10.254	9.936
Other short-term payables	49.413	47.553
	<b><u>59.667</u></b>	<b><u>57.489</u></b>

<b>17 Contingent assets, liabilities and other financial obligations</b>	<b><u>31/12 2023</u></b>	<b><u>31/12 2022</u></b>
<b>Rental obligations</b>		
Total future rental obligation payments:		
Within 1 year	3.912	3.329
Between 1 and 5 years	3.503	6.318
	<b><u>7.415</u></b>	<b><u>9.647</u></b>

## Notes (DKK thousand)

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### 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 11,8 (2022: MDKK 55,9).

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

<b>Name</b>	<b>Place of registered office</b>
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 Subsequent events

Management is not aware of any event subsequent to 31 December 2023 that are expected to have a material impact on the financial position.