



## Schmidt Hammer Lassen Architects K/S

Njalsgade 17 A  
2300 Copenhagen  
CVR No. 20728132

## Annual report 2023

The Annual General Meeting adopted the annual report on 07.06.2024

---

**Søren Hyllekvist**  
Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	10
Balance sheet at 31.12.2023	11
Statement of changes in equity for 2023	13
Notes	14
Accounting policies	18

# Entity details

## Entity

Schmidt Hammer Lassen Architects K/S

Njalsgade 17 A

2300 Copenhagen

Business Registration No.: 20728132

Registered office: Copenhagen

Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Søren Hyllekvist

Kristian Lars Ahlmark

Philip Leonard Harrison

## Executive Board

Sanne Wall-Gremstrup

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Schmidt Hammer Lassen Architects K/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 07.06.2024

## Executive Board

**Sanne Wall-Gremstrup**

## Board of Directors

**Søren Hyllekvist**

**Kristian Lars Ahlmark**

**Philip Leonard Harrison**

# Independent auditor's report

## To the shareholders of Schmidt Hammer Lassen Architects K/S

### Opinion

We have audited the financial statements of Schmidt Hammer Lassen Architects K/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 07.06.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Tim Kjær-Hansen**

State Authorised Public Accountant

Identification No (MNE) mne23295

# Management commentary

## Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	115,912	132,977	136,265	116,632	138,749
Gross profit/loss	50,202	36,306	13,475	19,749	39,189
Operating profit/loss	11,844	3,087	(349)	(29,397)	(31,951)
Net financials	340	(378)	1,530	344	908
Profit/loss for the year	12,184	2,709	1,154	(29,086)	(31,193)
Total assets	122,029	128,421	107,018	90,786	100,992
Equity	37,659	25,475	22,766	21,612	10,699
Average number of employees	93	94	74	85	137
<b>Ratios</b>					
EBIT margin (%)	10.22	2.32	(0.26)	(25.20)	(23.03)
Equity ratio (%)	30.86	19.84	21.27	23.81	10.59

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Revenue

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets



### Primary activities

Schmidt Hammer Lassen Architects k/s (SHL) is an architecture firm that provides services within architecture, workplace strategy, master planning, and client advisory. The company operates both on a national and an international scale, with Scandinavia, Northern Europe, Asia, and North America as primary markets. The practice's extensive portfolio encompasses a wide range of projects within the cultural, educational, healthcare, office, commercial, and residential sectors, and demonstrates solid of experience in working with adaptive transformation and timber construction.

### Development in activities and finances

During 2023, Schmidt Hammer Lassen further strengthened the company's portfolio, expertise, and presence within three main pillars: transformation, urban planning, and projects in the Nordics.

Through design competitions, the firm won several transformation and renovation projects, including the renovation and extension of the City Library in Helsingborg, Sweden. In addition, SHL also delivered the final design for the new library at Manchester Metropolitan University (MMU) – a project which integrates an reuses the existing structures in the new library building.

The two projects contribute to SHL's extensive experience in working with existing structures, further enhancing the practice's portfolio of libraries. Over the past 25 years, SHL has successfully completed 25 library projects worldwide, solidifying the firm's expertise in the field.

In February 2024, SHL commemorated the 25th anniversary of firm's first library building, the extension of the Royal Danish Library known as The Black Diamond, with the exhibition titled "ON THE EDGE."

With the establishment of a dedicated Urban Planning team in 2023, SHL recognises the importance of further revitalization of our cities and urban areas and advances the capabilities on ongoing planning projects.

In North America, SHL also won several new projects in across New York and California for both private and governmental institutions.

Among ongoing projects in different stages of development are the redevelopment and transformation of Fisketorvet (The Copenhagen Mall); a new science and technology campus building in Stockholm; the world's tallest residential tower in timber in Switzerland; the new Academy of Arts in Aarhus.

Numerous projects are currently under construction, or began construction during 2023, including the House of the City & Region in Dordrecht – a new civic hub, library, and office for the municipality of Dordrecht and Drechtsteden, the transformation of the Commonwealth Pier in Boston, the University of British Columbia in Vancouver, and the latest extension to the evolving ARoS Aarhus Art Museum – ARoS Next Level in Aarhus set to open in 2025.

Furthermore, in 2023 SHL experienced an increase in interior projects across markets, winning both interior scope for existing projects as well as through new client relations. This development further enhances SHL's capabilities within workplace design and corporate and commercial interiors, with ongoing projects spanning Europe and North America.

Schmidt Hammer Lassen's ongoing investment in digitalization, includes an expansion of spatial analytics applications, design team and business cloud integration, implemented early use of generative AI for rapid design visioning, and integrated business intelligence dashboards as part the firm's digital project delivery offer.

### **Profit/loss for the year in relation to expected developments**

The financial results for the year 2023 reflect a gross profit of DKK 42.4 million, an increase from DKK 36.3 million in 2022, and a net result of DKK 12.2 million, a significant improvement from the previous year's DKK 2.7 million. This consistent financial growth is considered satisfactory by the management.

While the company expects to maintain a positive financial direction, bolstered by the talent within our ranks, the forecast for 2024 must be cautiously approached. The current economic climate presents challenges that have led to a temporary suspension or deferral of some projects in the coming year, which may result in a moderated financial performance relative to 2023.

In addition, the company is consciously investing in artificial intelligence and technology. These investments are directed towards improving project efficiency and enhancing our capacity for designing sustainable solutions with advanced data utilization and process innovation. Such initiatives are expected to impact the short-term financial outlook while positioning the firm for sustained long-term success.

### **Uncertainty relating to recognition and measurement**

The main accounting areas where the recognition and measurement can be affected by estimates and subject to uncertainty are:

Revenue related to contract work in progress (projects) is recognized at the selling price of work performed, based on the stage of completion of the work. Provisions for disputes are measured at the best estimate of the related costs to settle liabilities as of the balance sheet date. The stage of completion, provision for disputes, and expected earnings are based on estimates and expected future events, making them subject to uncertainty.

### **Outlook**

SHL's ongoing ambition, strategic objective, and expectation is to maintain a high level of activity within its core business areas while ensuring a financially healthy outcome. A key focus is strengthening SHL's presence as a Danish architecture firm in Denmark and the rest of Scandinavia. Over the coming years, SHL anticipates significant company development and portfolio growth in the Nordic markets.

### **Use of financial instruments**

SHL's revenue from international projects is relatively high. The need for currency hedging is specifically assessed for each project, and forward exchange contracts might be concluded, if necessary, to cover any risks.

### **Statutory report on corporate social responsibility**

SHL works diligently and strategically on corporate social responsibility (CSR), focusing on social, environmental, and economic sustainability. SHL has acceded to UN's Global Compact for many years and is thus under an obligation to have a targeted focus on initiatives supporting four central areas: human rights, labour rights, environment, and anti-corruption.

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

No events have happened after the balance sheet date that would significantly impact the financials in this annual report.

# Income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue		115,911,521	132,977,308
Cost of sales		(10,572,752)	(43,610,409)
Production costs		(55,136,373)	(53,060,817)
<b>Gross profit/loss</b>		<b>50,202,396</b>	<b>36,306,082</b>
Administrative expenses		(38,358,143)	(33,219,513)
<b>Operating profit/loss</b>		<b>11,844,253</b>	<b>3,086,569</b>
Other financial income	4	340,208	552
Other financial expenses	5	0	(378,123)
<b>Profit/loss before fair value adjustments and tax</b>		<b>12,184,461</b>	<b>2,708,998</b>
<b>Profit/loss for the year</b>	6	<b>12,184,461</b>	<b>2,708,998</b>

# Balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK	2022 DKK
Other fixtures and fittings, tools and equipment		90,158	188,602
Leasehold improvements		22,372	32,875
<b>Property, plant and equipment</b>	7	<b>112,530</b>	<b>221,477</b>
Investments in group enterprises		0	0
Deposits		493,740	624,570
<b>Financial assets</b>	8	<b>493,740</b>	<b>624,570</b>
<b>Fixed assets</b>		<b>606,270</b>	<b>846,047</b>
Trade receivables		42,954,241	38,533,690
Contract work in progress	9	36,411,819	59,733,051
Receivables from group enterprises		24,996,488	12,538,750
Other receivables		2,520,204	2,571,894
Prepayments	10	1,120,437	1,415,693
<b>Receivables</b>		<b>108,003,189</b>	<b>114,793,078</b>
<b>Cash</b>		<b>13,419,873</b>	<b>12,781,486</b>
<b>Current assets</b>		<b>121,423,062</b>	<b>127,574,564</b>
<b>Assets</b>		<b>122,029,332</b>	<b>128,420,611</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Contributed capital		4,004,000	4,004,000
Retained earnings		33,655,256	21,470,795
<b>Equity</b>		<b>37,659,256</b>	<b>25,474,795</b>
Other payables	11	3,908,413	4,120,850
<b>Non-current liabilities other than provisions</b>	<b>12</b>	<b>3,908,413</b>	<b>4,120,850</b>
Current portion of non-current liabilities other than provisions	12	68,888	0
Contract work in progress	9	41,157,547	58,326,651
Trade payables		8,859,323	9,915,119
Payables to group enterprises		15,122,358	17,625,336
Other payables		15,253,547	12,957,860
<b>Current liabilities other than provisions</b>		<b>80,461,663</b>	<b>98,824,966</b>
<b>Liabilities other than provisions</b>		<b>84,370,076</b>	<b>102,945,816</b>
<b>Equity and liabilities</b>		<b>122,029,332</b>	<b>128,420,611</b>
Events after the balance sheet date	1		
Staff costs	2		
Amortisation, depreciation and impairment losses	3		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Related parties with controlling interest	15		
Transactions with related parties	16		
Group relations	17		

# Statement of changes in equity for 2023

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	4,004,000	21,470,795	25,474,795
Profit/loss for the year	0	12,184,461	12,184,461
<b>Equity end of year</b>	<b>4,004,000</b>	<b>33,655,256</b>	<b>37,659,256</b>

# Notes

## 1 Events after the balance sheet date

No events have happened after the balance sheet date that would significantly impact the financials in this annual report.

## 2 Staff costs

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	59,895,007	59,497,740
Pension costs	4,876,285	4,403,090
Other social security costs	453,890	466,790
	<b>65,225,182</b>	<b>64,367,620</b>
Average number of full-time employees	93	94

Referring to Danish Financial Statements act §98b, 2 the remuneration for management is not shown.

## 3 Depreciation, amortisation and impairment losses

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Depreciation of property, plant and equipment	108,947	235,075
	<b>108,947</b>	<b>235,075</b>

## 4 Other financial income

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Other interest income	276,310	552
Exchange rate adjustments	63,898	0
	<b>340,208</b>	<b>552</b>

## 5 Other financial expenses

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	0	21,675
Exchange rate adjustments	0	356,448
	<b>0</b>	<b>378,123</b>

## 6 Proposed distribution of profit and loss

	2023 DKK	2022 DKK
Retained earnings	12,184,461	2,708,998
	<b>12,184,461</b>	<b>2,708,998</b>

## 7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	11,436,009	1,298,722
<b>Cost end of year</b>	<b>11,436,009</b>	<b>1,298,722</b>
Depreciation and impairment losses beginning of year	(11,247,407)	(1,265,847)
Depreciation for the year	(98,444)	(10,503)
<b>Depreciation and impairment losses end of year</b>	<b>(11,345,851)</b>	<b>(1,276,350)</b>
<b>Carrying amount end of year</b>	<b>90,158</b>	<b>22,372</b>

## 8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	39,820	624,570
Additions	0	178,841
Disposals	0	(309,671)
<b>Cost end of year</b>	<b>39,820</b>	<b>493,740</b>
Revaluations beginning of year	(39,820)	0
<b>Revaluations end of year</b>	<b>(39,820)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>493,740</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Schmidt Hammer Lassen Architects BV	The Netherlands	BV	100.00



## 9 Contract work in progress

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Contract work in progress	555,346,720	637,369,231
Progress billings regarding contract work in progress	(560,092,448)	(635,962,831)
Transferred to liabilities other than provisions	41,157,547	58,326,651
	<b>36,411,819</b>	<b>59,733,051</b>

## 10 Prepayments

Prepayments consists of prepaid costs for 2023.

## 11 Other payables

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Holiday pay obligation	3,908,413	4,120,850
	<b>3,908,413</b>	<b>4,120,850</b>

## 12 Non-current liabilities other than provisions

	<b>Due within 12</b>	<b>Due after</b>	<b>Outstanding</b>
	<b>months</b>	<b>more than 12</b>	<b>after 5 years</b>
	<b>2023</b>	<b>months</b>	<b>2023</b>
	<b>DKK</b>	<b>2023</b>	<b>DKK</b>
Other payables	68,888	3,908,413	3,908,413
	<b>68,888</b>	<b>3,908,413</b>	<b>3,908,413</b>

## 13 Unrecognised rental and lease commitments

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Liabilities under rental or lease agreements until maturity in total	435,000	766,657

## 14 Contingent liabilities

A chattel mortgage registered to the mortgager of DKK 10,000 thousand has been provided as collateral for bank debt secured upon fixtures and fittings, operating equipment and goodwill. The carrying amount of the assets provided as collateral amounting to DKK 113 thousand at 31 December 2023. A charge has been provided as collateral for bank debt secured upon unsecured claims of DKK 13,000 thousand. The carrying amount of the assets provided as collateral amounting to DKK 42,954 thousand at 31 December 2023.

The Company is a party to cases typical for the construction business and participates in construction projects and tenders. These can result in material claims on the project as a whole, where the company might be held liable. The Company tries to address these risks by means of insurance. If the Company should be held financially responsible, a provision will be made in this respect.

A claim typically runs over a long period of time, causing high uncertainty of the outcome, and costs related to the claim.

The company is involved in 3 contracts where public entities are project owners, of which 1 contract has resulted in arbitration claim, and the 2 other contracts are under dispute and ongoing. For all 3 contracts the outcome of the disputes are uncertain and thus provisions, if any, are based on management best estimates.

The Company participates in two consortium agreements in which the participants are jointly and severally liable.

### 15 Related parties with controlling interest

P+W Denmark ApS, Copenhagen, Denmark & Komplementarselskabet SHL ApS, Copenhagen, Denmark have a participating interest.

### 16 Transactions with related parties

	<b>Parent</b>	<b>Subsidiaries</b>	<b>Other related</b>
	<b>DKK</b>	<b>DKK</b>	<b>parties</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Revenue from IC-projects administered by IC-companies (income)	0	0	7,502,662
Management fee/IT allocations (expense)	7,489,726	0	0
Reimbursement of personnel cost (income)	0	0	4,453,099
Receivables	0	0	24,996,488
Liabilities other than provisions	15,064,514	57,844	0

### 17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Perkins & Will Inc, Chicago, USA.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Perkins & Will Inc, Chicago, USA

Copies of the consolidated financial statements of Perkins & Will Inc may be ordered at the following address:  
Perkins & Will Inc, Chicago, USA.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Material uncertainty related to recognition and measurement

The main accounting areas where the recognition and measurement can be affected by estimates and subject to uncertainty are:

Revenue related to contract work in progress (projects), which are measured at the selling price of work performed, are recognized based on the stage of completion of work performed.

Provision for disputes are measured at best estimate of the related cost to settle liabilities at the balance sheet date.

The stage of completion, provision for disputes and expected earnings is based on estimates as well as expected future events and is thus subject to uncertainty.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Revenue

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **Production costs**

Productions costs include salaries and fees for architects, construction designers and draughtsmen as well as direct costs, e.g. insurance and travelling expenses, etc.

### **Cost of sales**

Cost of sales comprise of fees for architects, construction designers and draughtsmen as well as direct cost, e.g. insurance and travelling expenses, etc. paid to subcontractors.

### **Administrative expenses**

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

### **Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

## **Balance sheet**

### **Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years
Software	3 years

Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources. Provision for disputes are measured at best estimate of the related cost to settle liabilities at the balance sheet date.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises of bank deposits.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Perkins + Will Inc., 410 North Michigan Avenue, Suite 1600, Chicago, IL 60611, USA.