

## **Sweco Danmark A/S**

Granskoven 8

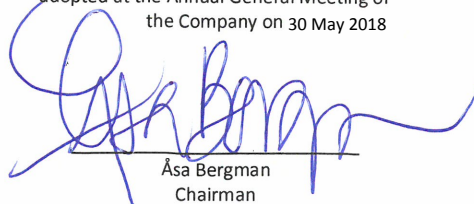
2600 Glostrup

CVR No. 48233511

## **Annual Report 2017**

48. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 30 May 2018



Asa Bergman  
Chairman

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## Management's Statement

Today, Management has considered and adopted the Annual Report of Sweco Danmark A/S for the financial year 1 January 2017 - 31 December 2017.

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 assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

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

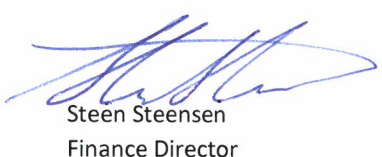
We recommend that the Annual Report be adopted at the Annual General Meeting.

Glostrup, 23 April 2018

### Board of Executives



Dariush Rezai  
CEO




Steen Steensen  
Finance Director

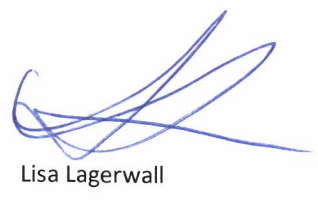
### Board of Directors



Åsa Bergman  
Chairman



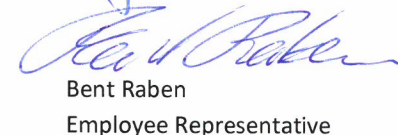
Jonas Dahlberg  
Deputy Chairman



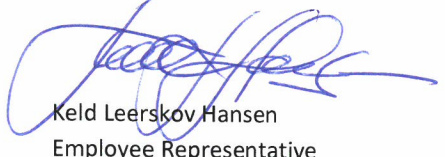
Lisa Lagerwall



Dariush Rezai  
CEO



Bent Raben  
Employee Representative



Keld Leerskov Hansen  
Employee Representative

## Independent Auditor's Report

### To the Shareholders of Sweco Danmark 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 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Sweco Danmark A/S for the financial year 1 January 2017 - 31 December 2017, which comprise an income statement, balance sheet, statement of changes in equity, notes and 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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.

#### 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 auditors' 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

## Independent Auditor's Report

it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

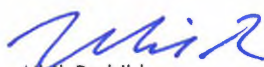
As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- \* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- \* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions, that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 2018

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**  
CVR-No. 33771231



Ulrik Ræbild  
State Authorised Public Accountant  
mne33262



Claus Damhave  
State Authorised Public Accountant  
mne34166

## Company details

<b>Company</b>	Sweco Danmark A/S Granskoven 8 2600 Glostrup
CVR No.	48233511
Date of formation	5 October 1970
Registered office	Glostrup
Financial year	1 January 2017 - 31 December 2017
<b>Board of Directors</b>	Åsa Bergman, Chairman Jonas Dahlberg, Deputy Chairman Lisa Lagerwall Dariush Rezai, CEO Bent Raben, Employee Representative Keld Leerskov Hansen, Employee Representative
<b>Board of Executives</b>	Dariush Rezai, CEO Steen Steensen, Finance Director
<b>Administration Company</b>	Sweco Danmark Holding ApS Granskoven 8 DK 2600 Glostrup
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-No.: 33771231

## Management's Review

### The Company's principal activities

Sweco Danmark A/S [the Company] is among the largest consulting engineering companies in Denmark. We provide consultancy, design & engineering and management services in a broad range of market sectors related to the built and natural environment.

Established in Sweden in 1903, the Sweco Group is listed on the Stockholm Nasdaq. The Sweco Group is the leading engineering company in Europe with approximately 14,500 employees and annual income of €1.7Bn. Sweco operates on 7 main markets, Sweden, Norway, Finland, Denmark, The Netherlands, Central Europe and Western Europe.

Our consultancy and services are diverse - ranging from architecture, infrastructure, structural engineering, building service systems, energy, water and environment, industry, project management and IT for urban development. A detailed profile and presentation of the Sweco Group are available at [www.swecogroup.com](http://www.swecogroup.com).

### The Sweco strategies

When you are easy to work with and have the right expertise, you have excellent prospects for becoming a sought-after consultant. Sweco's business model is decentralised and is based on being close to our customers. Every customer should feel that Sweco's consultants have an in-depth understanding of their business. Only then can we be the truly committed business partner who stands ready to create value for the customer in all facets of urban development. That is why the strategy relies on following three pillars:

- Customer Focus
- Internal Efficiency
- Best People

### Vision

"To become Europe's most respected knowledge Company in the fields of consulting engineering, environmental technology and architecture."

### Customer Promise

"The most approachable and committed partner with recognised expertise."

### Core Values

"Sweco's core values of curiosity, commitment and responsibility are words that define and strengthen the Group's identity and underpin our corporate culture. They provide guidance in the company's day-to-day work and create clarity in all projects."

## Management's Review

### Financial performance

The Company posted an operating profit of DKK 31 million for 2017, equivalent to an operating margin of 2,9%. This is DKK 34 million down from 2016 (DKK65 million) mainly due to writedown on projects and cost for restructuring. The performance in 2017 was not at an acceptable level.

In 2017 the revenue remained flat compared to 2016 (DKK 1.048 million vs. DKK 1.096 million) mainly driven by a selective approach to project-onboarding.

The average number of full-time employees decreased to 977 in 2017 from 1.018 in 2016.

Staff costs went down by 2,5% from DKK 674 million in 2016 to DKK 657 million in 2017, primarily due to the decrease in number of full-time employees.

### Balance sheet and cash resources

The Company's equity and balance sheet total at 31 December 2017 were DKK 125 million and DKK 610 million, respectively, equivalent to a solvency ratio of 20,5% . The decrease in equity compared to 2016 is attributed to the low result of the financial year 2017. It is proposed that the Annual General Meeting adopt a resolution to declare and pay dividends of DKK 34 million relating to the financial year 2017 .

During the financial year, the Company cash decreased from DKK 229 million to DKK 224 million at year-end.

The Company's cash resources, consisting of cash and cash equivalents recorded DKK 224 million in 2017 are considered fully adequate to ensure continued operations.

The Company's average trade working capital percentage showed an all time low for the year.

### Risks

The Company is affected by a range of commercial, operational and financial risks, managed and mitigated through a comprehensive risk management and insurance setup.

### Statement on Corporate Social Responsibility

As the Company is a subsidiary of Sweco AB, we follow the Group implemented CSR policies. These can found on <http://www.sweco.se/en/IR/corporate-social-responsibility/>.

### Corporate Governance

As the Company is a subsidiary of Sweco AB, we follow the Group implemented CSR policies. These can found on <http://www.sweco.se/en/IR/corporate-governance/>.

### Statement on the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act

The current state as of 31/12 2017 is that 1 (one) of the four members (who are elected at the General Meeting) of the Board of Directors is female. The current state can be defined as equal gender representation. The Company defines other management levels as all employees with direct people-management responsibility.

Åsa Bergman elected to the board April 2018 and 2 (two) of the four members of the Board of Directors are female.

The company has a Gender Policy, with the purpose of reaching an equal gender composition in all management levels. Efforts in 2017 have included the following initiatives and activities:

- Employer branding at technical universities represented by both male and female representatives from Sweco,
- Various activities aiming increasing female representation in higher technical educational institutions and subsequent workplaces,
- Targeted maternity transition to ensure continuous career-path for female managers and employees,
- Internal female role-model communication,
- Non-discriminative hiring-process aimed at onboarding qualified female candidates ensuring an increased gender composition in favour of the underrepresented gender.



## Management's Review

### Expectations for the future

The financial performance in 2018 is to be viewed in the light of the improving economic outlook in the Danish market. In general, market conditions for 2018 are forecasted to remain largely at par with 2017.

In 2018 we predict that prices in the market for consulting engineering services will continue to be under pressure, however somewhat offset by an increase in activity in the private new-building industry. The market for transportation/infrastructure as well as the water and energy sectors are expected to be in line with 2017. The prospects of better macroeconomics development in Denmark combined with improved market conditions, leads to a positiv outlook on results for 2018.

### Material changes in the Company's operations and financial matters

Within 1H 2017 both the President and the CFO of the Company was replaced.

### Exceptional circumstances

No exceptional circumstances have affected the recognition or the measurement.

### Consolidated accounts

External financial reporting for The Company only comprises this Company, and therefore does not involve the preparation of consolidated financial statements. This is due to the fact that The Company and its subsidiaries are part of the Sweco Group, which undertakes the same core business as The Company, i.e. engineering consultancy services. For further information about the financial performance and position of the overall Sweco Group please refer to [www.swecogroup.com](http://www.swecogroup.com) or consolidated financial statements.

### Post financial year events

After the end of the financial year, no events have occurred which may have changed the financial position of the Company substantially.

After the end of the financial year Sweco Danmark A/S has made an aquisition of Aarstiderne Arkitekter.

### Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement other than described under accounting policies.

## Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows (DKKm):

	2017	2016	2015	2014	2013
Net turnover	1.048	1.096	1.106	1.046	1.089
EBITA	37	73	15	6	55
Operating profit/loss (EBIT)	31	65	-4	-3	46
Financial income	3	5	4	8	5
Profit/loss for the year	35	57	8	11	43
Total assets	610	626	626	601	725
Total equity	125	136	128	160	214
Net interest-bearing receivable (+)/debt (-)	293	210	252	240	291
Cash flow:					
Operating activities	48	9	62	3	77
Investing activities, property, plant and equipment	-13	-9	-11	-15	-12
Financing activities, incl. dividend	-48	-42	-42	-44	13
Net cash flow for the year	-4	-42	10	-52	76
Avg. number of full-time employees	987	1.018	1.071	1.042	1.069
EBITA margin (%)	3,53	6,64	1,40	0,60	5,00
Operating (profit) margin (%)	2,96	5,89	-0,34	-0,27	4,27
Return on equity (ROE) (%)	26,82	45,11	5,60	6,40	18,80
Solvency ratio (%)	20,50	21,70	20,50	26,70	29,50
Liquidity ratio	1,25	1,32	1,25	1,48	1,49
Equity value per share of nominal DKK 1	1,99	2,17	1,89	2,55	3,41

Key figures and financial ratios have been calculated in accordance with the "Recommendations & Financial Ratios 2015" of the Danish Finance society.

Comparative figures 2013-2015 have not been adapted to the changed accounting policies.

Definitions:

EBITA margin: Earnings before interest, tax and amortisation (EBITA) divided by revenue.

Operating margin: Operating profit divided by revenue.

Return on equity: Profit after tax divided by average equity.

Solvency (or equity) ratio: Equity divided by total assets.

### **Key Figures and Financial Ratios**

Liquidity ratio (or current ratio): Current assets divided by short-term liabilities other than provisions.

Equity value per share: Year-end equity per share of nominal DKK 1.

## Accounting Policies

### Reporting Class

The Annual Report of Sweco Danmark A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Company has also decided not to include an cash flow statement due to Danish Financial Statements Act §86, 4.

The Company has also decided not to include the note for Fees for auditors elected of the general meeting due to Danish Financial Statements Act §96, 3.

For the above information the Company point to the Annual Report for Sweco AB.

### Changed accounting policies, estimates and errors

Accounting policies has been changed as follows:

Prior years investments in group enterprises have been measured at cost. Dividends that exceed accumulated earnings of the group enterprise during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

In 2017 the equity investments in group enterprises are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

The impact of the change in accounting policies is immaterial and therefore adjusted through income statement. Furthermore comparative figures are not adjusted.

Apart from this, accounting policies remain unchanged from last year.

### Consolidated Financial Statements

The Company meets the conditions for not preparing Consolidated Financial Statements which is why these have been omitted due to Danish Financial Statements Act §112.

### Reporting currency

The Annual Report is presented in Danish kroner.

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

### Derivative financial instruments

Derivative financial instruments are measured at cost and subsequently at fair value at initial recognition in the Balance Sheet. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and fulfilling the criteria for hedging the fair value of a recognised asset or liability are recognised in the Income Statement together with any changes in the fair value of the hedged asset or liability.

## Accounting Policies

Changes in the fair value of derivative financial instruments classified as and fulfilling the conditions for hedging future assets and liabilities are recognised in other receivables or other payables and in equity. In the event that the future transaction results in the recognition of assets or liabilities, any amounts previously recognised in equity will be transferred to the cost of the asset or the liability, respectively. In the event that the future transaction results in income or expenses, any amounts previously recognised in equity will be transferred to the Income Statement in the period in which the hedged item affects the Income Statement.

For derivative financial instruments that do not fulfil the conditions for treatment as hedging instruments, changes in the fair value will continually be recognised in the Income Statement.

## General Information

### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

### Lease agreements

The company has signed leases on buildings, cars and other equipment. These have been concluded under normal market conditions. Based on individual agreements, management has assessed whether these leases should be accounted for as financial or operational lease.

## Income Statement

### Revenue

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.

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably.

## Accounting Policies

Other sales revenues are recognised as revenue according to the invoicing principle.

Revenue is measured at the consideration received and recognised exclusive VAT.

### Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

### Other external expenses

Other external expenses comprise expenses regarding sale and administration.

### Staff cost

Staff costs comprise wages and salaries, pensions and social security costs.

### Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Concessions, patents, licenses, trademarks and other similar rights	10 years
Properties	20-50 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-10 years

Land is not amortised.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

### Income from investments in group enterprises

Income from investments in group enterprises includes the proportionate share of the profit for the year.

### Income from investments in associates

Income from investments in associates comprises dividends received from associates to the extent they do not exceed the accumulated earnings in the associate during the ownership period.

### Financial income and expenses

Finance income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Finance income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish companies in the group are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

## Accounting Policies

### Balance Sheet

#### Intangible assets

Other intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

#### Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

#### Investments in group enterprises

Equity investments in group enterprises are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

#### Investments in associates

Investment in associates are measured at cost. Dividends that exceed accumulated earnings of the associates during the ownership period are treated as a reduction of the cost. If cost exceeds the net realizable value, a write-down to this lower value will be performed.

#### Other investments

Other investments are measured at the market value at the balance sheet date if they are listed, or at an estimated fair value if they are not. Deposits are measured at cost.

#### Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

#### Supply of services in progress

Supply of services in progress is measured at the selling price of the work performed. The stage of completion is determined on the basis of direct and indirect costs incurred in relation to expected total costs.

The value of the individual supplies in progress less invoicing on account is classified as receivables if the amounts are positive and as payables if the amounts are negative.

Deduction for loss is determined as the total expected contract loss, irrespective of the share actually performed.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

## Accounting Policies

### Prepayments

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

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### Equity

Proposed dividend for the year is recognised as a separate item in equity.

### Provisions

#### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

#### Other provisions

Other provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

Provisions that are expected to be settled later than a year from the balance sheet date are measured at the present value and the expected payments. Other provisions are measured at net realisable value.

### Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

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

### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent financial years.

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.



## Income Statement

	Note	2017 DKK '000	2016 DKK '000
Revenue	1	1.048.431	1.096.040
Other operating income		918	225
Other external expenses	2	-344.950	-338.181
<b>Gross result</b>		<b>704.399</b>	<b>758.084</b>
Employee benefits expense	3	-656.779	-674.425
Depreciation, amortisation expense and impairment losses of property, plant and equipment, and intangible assets recognised in profit or loss	4	-16.157	-19.157
<b>Operating profit</b>		<b>31.463</b>	<b>64.502</b>
Income from investments in group enterprises and associates		7.305	2.946
Other finance income from group enterprises		25	30
Finance income		11.825	11.793
Finance expenses		-8.538	-7.317
<b>Profit before tax</b>		<b>42.080</b>	<b>71.954</b>
Tax expense	5	-7.199	-14.526
<b>Profit</b>		<b>34.881</b>	<b>57.428</b>

## Balance Sheet 31 December 2017

	Note	2017 DKK '000	2016 DKK '000
<b>Assets</b>			
Acquired intangible assets	6	1.867	5.369
<b>Intangible assets</b>		<b>1.867</b>	<b>5.369</b>
Land and buildings	7	14.579	15.618
Fixtures, fittings, tools and equipment	8	18.229	16.779
Leasehold improvements	9	371	476
<b>Property, plant and equipment</b>		<b>33.179</b>	<b>32.873</b>
Long-term investments in group enterprises	10, 11	23.825	16.510
Long-term investments in associates	11, 12	21	16
Other long-term investments	13	571	526
Deposits, investments		5.363	5.208
<b>Investments</b>		<b>29.780</b>	<b>22.260</b>
<b>Fixed assets</b>		<b>64.826</b>	<b>60.502</b>
Raw materials and consumables		813	556
<b>Inventories</b>		<b>813</b>	<b>556</b>
Short-term trade receivables		247.350	248.929
Contract work in progress	14	59.578	72.133
Short-term receivables from group enterprises		7.386	4.864
Short-term receivables from associates		13	12
Other short-term receivables		1.801	3.892
Prepayments	15	3.698	6.228
<b>Receivables</b>		<b>319.826</b>	<b>336.058</b>
<b>Cash and cash equivalents</b>		<b>224.456</b>	<b>228.955</b>
<b>Current assets</b>		<b>545.095</b>	<b>565.569</b>
<b>Assets</b>		<b>609.921</b>	<b>626.071</b>

## Balance Sheet 31 December 2017

	Note	2017 DKK '000	2016 DKK '000
<b>Liabilities and equity</b>			
Contributed capital		62.801	62.801
Retained earnings		28.088	27.207
Proposed dividend recognised in equity		34.000	46.000
<b>Equity</b>		<b>124.889</b>	<b>136.008</b>
Provisions for deferred tax	16	29.038	38.024
Other provisions	17	2.988	3.694
<b>Provisions</b>		<b>32.026</b>	<b>41.718</b>
Mortgage debt		18.865	20.707
<b>Long-term liabilities other than provisions</b>	18	<b>18.865</b>	<b>20.707</b>
Short-term part of long-term liabilities other than provisions	18	1.834	1.856
Prepayments received for work in progress	14	209.040	189.013
Trade payables		34.047	35.270
Payables to group enterprises		9.188	5.493
Tax payables		12.938	17.051
Other payables		167.094	178.955
<b>Short-term liabilities other than provisions</b>		<b>434.141</b>	<b>427.638</b>
<b>Liabilities other than provisions within the business</b>		<b>453.006</b>	<b>448.345</b>
<b>Liabilities and equity</b>		<b>609.921</b>	<b>626.071</b>
Proposed distribution of results	19		
Events after the balance sheet date	20		
Contingent liabilities	21		
Collaterals and assets pledged as security	22		
Liabilities under off-balance sheet leases	23		
Related parties	24		

## Sweco Danmark A/S

### Statement of changes in Equity

DKK '000

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2017	62.801	27.207	46.000	136.008
Dividend paid			-46.000	-46.000
Profit		34.881		34.881
<b>Equity 31 December 2017</b>	<b>62.801</b>	<b>62.088</b>	<b>0</b>	<b>124.889</b>

The share capital has remained unchanged for the last 5 years.

The share capital consists of 62.800.896 shares of a nominal value of DKK 1. No shares carry any special rights.

## Notes

	2017 DKK '000	2016 DKK '000
<b>1. Revenue</b>		
Sales value for rendering services to customers	1.032.678	1.086.951
Other revenue	15.753	9.089
	<u>1.048.431</u>	<u>1.096.040</u>
The majority of activities is in Denmark. As a result no market segmentation on the revenue has been prepared.		
<b>2. Other external expenses</b>		
Project costs	202.151	212.665
External expenses	142.799	125.516
	<u>344.950</u>	<u>338.181</u>
<b>3. Employee benefits expense</b>		
Wages and salaries	604.968	622.756
Post-employment benefit expense	43.833	42.895
Social security contributions	7.978	8.774
	<u>656.779</u>	<u>674.425</u>
Management	7.074	15.287
Board of directors	50	50
	<u>7.124</u>	<u>15.337</u>
Average number of employees	<u>987</u>	<u>1018</u>
<b>4. Depreciation, amortisation expenses and impairment</b>		
Software	5.053	8.222
Fixture, fittings, tools and equipment	9.961	9.776
Buildings	1.039	1.039
Leasehold improvements	104	120
	<u>16.157</u>	<u>19.157</u>
<b>5. Tax expense</b>		
Tax on net profit	15.507	18.152
Adjustments of deferred tax	-8.443	-3.880
Adjustments of tax prior years	678	6.580
Adjustments of deferred tax prior years	-543	-6.326
	<u>7.199</u>	<u>14.526</u>

## Notes

	2017 DKK '000	2016 DKK '000
<b>6. Acquired intangible assets</b>		
Cost at the beginning of the year	58.295	80.048
Addition during the year, incl. improvements	1.551	1.063
Disposal during the year	-2.247	-22.816
<b>Cost at the end of the year</b>	<b>57.599</b>	<b>58.295</b>
Depreciation and amortisation at the beginning of the year	-52.926	-67.519
Amortisation for the year	-5.053	-8.223
Reversal of impairment losses and amortisation of disposed assets	2.247	22.816
<b>Impairment losses and amortisation at the end of the year</b>	<b>-55.732</b>	<b>-52.926</b>
<b>Carrying amount at the end of the year</b>	<b>1.867</b>	<b>5.369</b>
<b>7. Land and buildings</b>		
Cost at the beginning of the year	65.749	65.749
<b>Cost at the end of the year</b>	<b>65.749</b>	<b>65.749</b>
Depreciation and amortisation at the beginning of the year	-50.131	-49.092
Amortisation for the year	-1.039	-1.039
<b>Impairment losses and amortisation at the end of the year</b>	<b>-51.170</b>	<b>-50.131</b>
<b>Carrying amount at the end of the year</b>	<b>14.579</b>	<b>15.618</b>
<b>8. Fixtures, fittings, tools and equipment</b>		
Cost at the beginning of the year	102.054	95.031
Addition during the year, incl. improvements	11.452	8.180
Disposal during the year	-522	-1.157
<b>Cost at the end of the year</b>	<b>112.984</b>	<b>102.054</b>
Depreciation and amortisation at the beginning of the year	-85.275	-76.642
Amortisation for the year	-9.961	-9.776
Reversal of impairment losses and amortisation of disposed assets	481	1.143
<b>Impairment losses and amortisation at the end of the year</b>	<b>-94.755</b>	<b>-85.275</b>
<b>Carrying amount at the end of the year</b>	<b>18.229</b>	<b>16.779</b>

## Notes

	2017 DKK '000	2016 DKK '000
<b>9. Leasehold improvements</b>		
Cost at the beginning of the year	4.531	4.531
<b>Cost at the end of the year</b>	<b>4.531</b>	<b>4.531</b>
Depreciation and amortisation at the beginning of the year	-4.179	-3.936
Amortisation for the year	-105	-119
Reversal of impairment losses and amortisation of disposed assets	124	0
<b>Impairment losses and amortisation at the end of the year</b>	<b>-4.160</b>	<b>-4.055</b>
<b>Carrying amount at the end of the year</b>	<b>371</b>	<b>476</b>
<b>10. Long-term investments in group enterprises</b>		
Cost at the beginning of the year	27.802	27.802
<b>Cost at the end of the year</b>	<b>27.802</b>	<b>27.802</b>
Depreciation and amortisation at the beginning of the year	-13.148	-15.572
Change due to change in accounting policies	3.458	0
Net profit for the year	4.524	2.424
Other adjustments	-682	0
<b>Impairment losses and amortisation at the end of the year</b>	<b>-5.848</b>	<b>-13.148</b>
Negative equity at the end of the year: Set off against receivables	1.871	1.856
<b>Negative equity at the end of the year: Set off against receivables</b>	<b>1.871</b>	<b>1.856</b>
<b>Carrying amount at the end of the year</b>	<b>23.825</b>	<b>16.510</b>

## Notes

**11. Disclosure in long-term investments in group enterprises and associates**

DKK '000

*Group enterprises*

<b>Name</b>	<b>Registered office</b>	<b>Share held in %</b>	<b>Equity</b>	<b>Profit</b>
A/S af 20/11 1980	Denmark	100,00	-8.705	-216
Sweco Pavement Consultants AS	Norway	100,00	9.511	969
Sweco Pavement Consultants AB	Sweden	100,00	6.962	1.126
GSA Gesellschaft für Strassenanalyse GmbH	Germany	100,00	7.352	2.444
			<b>15.120</b>	<b>4.323</b>

*Associates*

<b>Name</b>	<b>Registered office</b>	<b>Share held in %</b>	<b>Equity</b>	<b>Profit</b>
	Czech Republic			
PavEx Consulting s.r.o.	Republic	50,00	10	133
Odeon A/S	Denmark	21,75	5.342	992
			<b>5.352</b>	<b>1.125</b>

Share of ownership states the Parent Company's part of the share capital and the voting rights.

	<b>2017</b>	<b>2016</b>
	<b>DKK '000</b>	<b>DKK '000</b>
<b>12. Long-term investments in associates</b>		
Cost at the beginning of the year	67	67
<b>Cost at the end of the year</b>	<b>67</b>	<b>67</b>
Depreciation and amortisation at the beginning of the year	-51	-51
Reversal of prior years' impairment losses and amortisation	5	0
<b>Impairment losses and amortisation at the end of the year</b>	<b>-46</b>	<b>-51</b>
<b>Carrying amount at the end of the year</b>	<b>21</b>	<b>16</b>
<b>13. Other long-term investments</b>		
Cost at the beginning of the year	368	394
Disposal during the year	0	-26
<b>Cost at the end of the year</b>	<b>368</b>	<b>368</b>
Fair value adjustments at the beginning of the year	158	146
Adjustments for the year	45	12
<b>Fair value adjustments at the end of the year</b>	<b>203</b>	<b>158</b>
<b>Carrying amount at the end of the year</b>	<b>571</b>	<b>526</b>



## Notes

	2017 DKK '000	2016 DKK '000
<b>14. Contract work in progress</b>		
Sales value of work	2.872.619	2.896.912
Progress billings on contracts in progress	-3.022.081	-3.013.792
<b>Net value of contract work</b>	<b>-149.462</b>	<b>-116.880</b>
<i>Recognised as follows in the balance sheet:</i>		
Net receivables	59.578	72.133
Net liabilities	-209.040	-189.013
	<b>-149.462</b>	<b>-116.880</b>
<b>15. Prepayments</b>		
Prepaid other	668	1.245
Prepaid insurance	747	2.503
Prepaid IT services	517	943
Prepaid facility management	1.766	1.537
<b>Balance at the end of the year</b>	<b>3.698</b>	<b>6.228</b>
<b>16. Provisions for deferred tax</b>		
Cost at the beginning of the year	38.024	48.230
Deferred tax during the year	-8.443	-3.880
Adjustments prior years	-543	-6.326
<b>Balance at the end of the year</b>	<b>29.038</b>	<b>38.024</b>
<b>17. Other provisions</b>		
Provision at the beginning of the year	3.694	11.194
Used	-706	-7.500
<b>Balance at the end of the year</b>	<b>2.988</b>	<b>3.694</b>

Other provisions consist of cost of warranty commitments, loss on work in progress, restructuring and anniversary bonuses.

## Notes

**18. Long-term liabilities**

DKK '000

	Due after 1 year	Due within 1 year	Due after 5 years
Mortgage debt	18.865	1.834	11.473
	<b>18.865</b>	<b>1.834</b>	<b>11.473</b>

**19. Proposed distribution of results**

Proposed dividend recognised in equity	34.000	46.000
Retained earnings	881	11.428
<b>Distribution of profit</b>	<b>34.881</b>	<b>57.428</b>

**20. Events after the balance sheet date**

After the end of the financial year Sweco Danmark A/S made an acquisition of Aarstiderne Arkitekter.

**21. Contingent liabilities**

Suretyship for sister company's future operating lease payments DKKm 41 (2016 DKKm 46).

Liabilities of joint ventures with joint and several liability DKKm 26 (2016 DKKm 27).

Liability for bank guarantees as security for received prepayments related to projects etc. DKKm 62 (2016 DKKm 67).

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Sweco Danmark Holding ApS which is the administration company in the joint taxation.

**22. Collaterals and assets pledges as security**

Carrying amount of property pledged as security for mortgage debt of DKKm 23 is DKKm 15 (2016 DKKm 16).

**23. Liabilities under off-balance sheet leases**

The company has entered into operating leases relating to leases of premises, some of which with non-terminability expiring in the years 2018 - 2020. The minimum lease payments are fixed, however subject to price indexation. DKKm 7,7 (2016 DKKm 8,4).

For the years 2018 - 2019 the company has entered into non-terminable operating leases relating to plant and equipment. The minimum lease payments are fixed. DKKm 0,038 (2016 DKKm 1,4).

## Notes

### 24. Related parties

The trading transactions with related parties are made at market conditions.

Applying the exemption only to state transactions not on market conditions with related parties due to Danish Financial Statements Act § 98, 7.

Control:

Sweco Danmark Holding ApS, Denmark, holds 100% of the share capital and the voting rights.

Sweco AB (publ), Sweden, is the ultimate parent company. The consolidated financial statements are published on [www.swecogroup.com](http://www.swecogroup.com).

Other related parties:

No member of the Board of Directors or the Executive Board holds shares in the Company.