

## **Sweco Danmark A/S**

Granskoven 8

2600 Glostrup

CVR No. 48233511

## **Annual Report 2015**

46. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 17 May 2016



Tomas Carlsson  
Chairman

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## Management's Statement

Today, the Board of Directors and the Executive Board have considered and adopted the Annual Report of Sweco Danmark A/S for the financial year 1 January 2015 - 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

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, 21 April 2016

### Executive Board

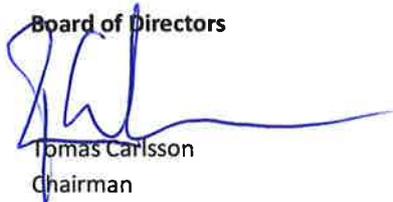


John Chubb  
President



Steen Pinnerup  
Finance Director

### Board of Directors



Tomas Carlsson  
Chairman



Jonas Dahlberg  
Deputy chairman



John Chubb  
President



Bent Raben  
Employee Representative



Keld Leerskov Hansen  
Employee Representative

## Independent Auditor's Report

To the shareholder of Sweco Danmark A/S

### Report on the financial statements

We have audited the financial statements of Sweco Danmark A/S for the financial year 01-01-2015 - 31-12-2015 which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### Management's responsibility 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish auditor regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualifications.

#### Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

#### Statement on management's review

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 21-04-2016

Deloitte Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

  
Tim Kjær Hansen

State Authorised Public Accountant

Sweco Danmark A/S

## Company details

Company	Sweco Danmark A/S Granskoven 8 DK-2600 Glostrup
CVR No.	48233511
Date of formation	5 October 1970
Registered office	Glostrup
Financial year	1 January 2015 - 31 December 2015
Board of Directors	Tomas Carlsson, Chairman Jonas Dahlberg, Deputy chairman John Chubb, President Bent Raben, Employee Representative Keld Leerskov Hansen, Employee Representative
Executive Board	John Chubb, President Steen Pinnerup, Finance Director
Administration company	Sweco Danmark Holding ApS Granskoven 8 DK-2600 Glostrup
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 DK-2300 København S CVR-no.: 33963556

## 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
- The Most Talented Employees

### *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."

### Financial performance

The Swedish Sweco Group acquired the Grontmij Group as of 1/10 2015. Grontmij A/S underwent a subsequent rebranding and traded as Sweco Danmark A/S from 5/10 2015.

In 2015 the revenue increased by 5.7% to DKK 1.106 million.

The average number of full-time employees increased by 3% to 1,071 in 2015.

Continued efforts to optimize business operations and overhead lead to restructuring of support functions during 2015, which will yield full year benefit in 2016. Staff costs went up by 3.5% from DKK 649 million in 2014 to DKK 671 million in 2015, predominately due to increase in total full-time employees and change in Managing Director.

The Company posted an operating profit of DKK -4 million for 2015, equivalent to an operating margin of -0.3%. This was DKK 1 million down from 2014 (DKK -3 million), mainly attributed to non-recurring costs related to restructuring and balance sheet revaluation in relation to the acquisition by Sweco Group.

## Management's Review

The Profit before tax dropped to DKK 2 million, from DKK 11 million recorded in 2014, mainly due to profit from sales of the Chinese subsidiary in 2014 and changes in net financial items.

Tax on profit for the year comprises tax paid abroad, adjustments of income regarding prior years and calculated Danish corporate income tax.

### *Balance sheet and cash resources*

The Company's equity and balance sheet total at 31 December 2015 were DKK 128 million and DKK 626 million, respectively, equivalent to a solvency ratio of 20.5%. The decrease in equity compared to 2014 is attributed to distribution of dividend of DKK 40 million pertaining to the financial year 2014 and effect of change in accounting policy related to goodwill of DKK 23 million. It is proposed that the Annual General Meeting adopt a resolution to declare and pay dividends of DKK 40 million relating to the financial year 2015.

During the financial year, the Company cash increased by DKK 10 million to DKK 270 million at year-end. The increase is explained by improved operating cash flow from operations partly offset by dividend paid.

Investing activity reduced liquidity by DKK 11 million, mainly due to investments in software and plant and equipment. Financing activity decreased liquidity by DKK 42 million, mainly due to payment of dividends for 2014.

Interest-bearing net receivables increased from DKK 240 million in 2014 to DKK 252 million in 2015, mainly attributable to the change in cash position.

The Company's cash resources, consisting of cash and cash equivalents recorded DKK 270 million in 2015 and are considered fully adequate to ensure continued operations.

### 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

In connection with the recent Sweco Group acquisition we have been presented with the Sweco Group CSR guidelines and policies. These are currently being implemented and imbedded in the Company. It is therefore premature to report on actions relating to that policy, progress and performance. We expect to report on CSR in our annual report for 2016.

To ensure that the Company's employees act in compliance with the business ethics to which the Sweco Group is committed, the Company has implemented the Sweco Group Code of Conduct. Sweco's Code of Conduct is an integral part of the Company's management system. The Code of Conduct can be found on <http://www.swecogroup.com/en/Sweco-group/About-Sweco/Responsibility/>. We expect to be able to report on above in our annual report for 2016.

The Sweco Group CSR Policy being implemented can be found at <http://www.swecogroup.com/en/Sweco-group/About-Sweco/Responsibility/>.

The Company's strongest contribution to reducing environmental impacts on society is via the consultancy services we provide to our customers. Environmental considerations can be taken into account at all stages of a project, from concept to operation, where we continuously have the possibility to identify, prioritise and reduce environmental impacts.

The Company follows the Sweco Group adherence to UN Global Compact principles on human rights. The Company takes into account the religion, culture, working conditions and traditions and respects fundamental freedoms and rights. The Company views diversity as essential in creating an innovative and inspiring working environment and actively promotes equal rights and opportunities in the workplace regardless of a.o. gender, ethnic origin, nationality, religious belief, disability, sexual orientation and age.

## Management's Review

The Company's management systems have been certified in accordance with the most recognized international standards for quality management, environmental management and health and safety management entitled ISO 9001, ISO 14001 and OHSAS 18001.

### Corporate governance

Being part of the Sweco Group, the Company is in compliance with the Corporate Governance program managed and implemented by the Sweco Group.

More information related to the Sweco Group Corporate Governance can be found on:

<http://www.swecogroup.com/en/sweco-group/investors/Corporate-Governance/>

### Target figures and policies for the underrepresented gender

The Company targets to reach 33% of the underrepresented gender (i.e. women) represented in the the Company Supervisory Board excluding employee representatives by 2020. The current state is that 0 (zero) of the three members are women. The current Supervisory Board composition instated with the recent acquisition has not met the target of 33% in 2015. However meeting the target by 2020 is deemed realistic.

With the recent acquisition by Sweco, it has been premature for the Company to formalize specific policies and standards for the underrepresented gender in other managerial levels. The Company will during 2016 work with Sweco Group to implement and disseminate policies and guidelines hereunder.

### Expectations for the future

The financial performance in 2016 is to be viewed in the light of the continued low economic growth experienced in the Danish market. In general, market conditions for 2016 are forecasted to remain largely at par with 2015. It is expected to leverage and capitalize on the Sweco brand during 2016 to consolidate the Danish market position as one of the leading engineering consultancy companies in Denmark.

In 2016 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 2015. The prospects of a modest macroeconomic improvement in Denmark combined with the expected development in market conditions, provide the basis for an expected performance for 2016 in line with or above the result recorded for 2015.

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

As of 1 February 2015 the board of Directors of the Company decided to replace acting Managing Director Søren Larsen with John Chubb.

As of 1 October 2015 Sweco Group acquired Grontmij Group including Grontmij A/S. As of 5 October 2015 Grontmij A/S has changed name to Sweco Danmark A/S. Hence the ultimate parent Company of the Company is Sweco AB.

### Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

### Consolidation

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.

## Management's Review

### Post financial year events

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

### 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 (DKK m):

	2015	2014	2013	2012	2011
Revenue	1.106	1.046	1.089	1.070	1.085
Operating profit exclusive of amortisation of intangible assets (EBITA)	15	6	55	44	58
Operating profit/loss (EBIT)	-4	-3	46	30	51
Finance items, net	4	8	5	5	1
Profit for the year	8	11	43	23	36
Total assets	626	601	725	722	711
Total equity	128	160	214	241	247
Net interest-bearing receivable (+)/debt (-)	252	240	291	300	277
Cash flows:					
Operating activities	62	3	77	69	105
Investing activities	-11	-12	-14	-9	-19
Investments in property, plant and equipment	-11	-15	-12	-11	-11
Financing activities	-42	-44	13	-3	-3
Net cash flow for the year	10	-52	76	58	83
EBITA margin (%)	1,40	0,60	5,00	4,10	5,40
Profit (Operating) margin (%)	-0,34	-0,27	4,27	2,76	4,72
Return on equity (ROE) (%)	5,60	6,40	18,80	9,40	15,10
Solvency (Equity) ratio (%)	20,50	26,70	29,50	33,40	34,70
Liquidity ratio	125	148	149	153	158
Equity value per share of nominal DKK 1	2	3	3	4	4

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

Comparative figures 2011-2013 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.

Equity ratio: Equity divided by total assets.

Liquidity ratio (or current ratio): Current assets divided by current liabilities.

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 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as of 10 December 2015 consolidated act no. 1580 (applying the exemption for implementation for financial year 2015) 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.

### Changed accounting policies, estimates and errors

Accounting policies has been changed as follows:

- Reporting framework has been changed from the International Financial Reporting Standards (IFRS)  
to

The Danish Financial Statements Act as of 10 December 2015 consolidated act no. 1580  
Except recognition and measurement of goodwill there are no changes in recognition and measurement.

The original 2014 goodwill is restated due to change in accounting policies with the following effects (in DKK '000):

	Profit	Assets	Deferred tax	Equity
2014	11.295	624.629	-67.126	182.598
Change in accounting policies (goodwill)	0	-23.548	1.204	-22.344
Adjusted 2014	<u>11.295</u>	<u>601.081</u>	<u>-65.922</u>	<u>160.254</u>

Comparative figures (2014) have been adapted to the changed accounting policies.

### 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 Finance Income and Expenses.

## Accounting Policies

### 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.

#### Accounting estimates and assumptions

In connection with the practical application of the accounting policies described, management must carry out estimates and set out assumptions affecting assets and liabilities as well as contingent liabilities. Management bases its estimates on historical experience and other assumptions deemed reasonable under the given circumstances.

#### Write-down of assets

When there is an indication of a reduction in the profitability of an asset an impairment test is performed for the assets in question and write-downs are made if necessary. In performing the impairment test the value is based on budgets, business plans and projections for 5 years. Key parameters are hourly rates, productivity, discount rate and perpetual growth rate.

#### Expected lifetime for assets

The expected lifetime for intangible assets and property, plant and equipment is determined based on past experience and expectations for future use of the assets.

#### Amounts due from and to customers for rendering services

The measurement of amounts due from and to customers for rendering services recognised in the statement of financial position as an asset of DKK 55.8 million (DKK 80.1 million in 2014) and a liability of DKK 182.2 million (DKK 134.8 million in 2014), respectively, was affected by the assessment of the stage of completion and, therefore, by the extent of future income and expenses for the individual projects.

#### Trade receivables

Trade receivables are valued including write-downs for non-collectable debtors. The write-downs are partly specific and are based on knowledge of the customers, the historical payments and the complying with previous agreements.

## Accounting Policies

### 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.

### Provisions and contingencies

Provisions amounting to DKK 11.1 million (DKK 6.4 million in 2014) comprised provisions for anniversary bonuses, claims regarding completed projects and projects disposed in sale of activity. The company has made its best estimate of the expenses to be incurred to discharge these obligations. Assessments have been obtained from external advisers where relevant. This has enabled the identification of the probable outcomes and thus the drain on company resources.

### Deferred tax

Following the future gradual reductions to the Danish corporate income tax rate management has made its best estimate as to when balance sheet items included in tax base for calculation of deferred taxes are expected to be subject to corporate taxation. For each year the actual corporate income tax rate is applied. Effect to deferred tax due from tax rate changes are subject to assessments on whether to be recognized to comprehensive income or directly to equity.

## Income Statement

### Revenue

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. The revenue is calculated exclusive of VAT, charges and discounts.

Income from delivery of services is recognised as revenue as the service is delivered.

### Other operating income and expenses

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

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.

### Other external expenses

Other external expenses comprise expenses regarding sale and administration.

### Staff costs

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

## Accounting Policies

### 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
Goodwill	5 years
Property	50 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-10 years

Land is not amortised.

### Income from investments in group enterprises and associates

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

### Finance 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).

## Balance Sheet

### Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

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

### 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.

### Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate 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.

### Other investments

Other securities and equity 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.

## Accounting Policies

### Inventories

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

### Contract work in progress

Contract work 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 part 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.

### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

### 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 reflected as a separate item under 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 crystallise 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.

## Accounting Policies

### 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.

### Accruals and deferred income, equity and liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the 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	2015 DKK '000	2014 DKK '000
Revenue	1	1.106.116	1.046.161
Other operating income		0	10
Other external expenses	2	<u>-407.808</u>	<u>-380.825</u>
Gross result		<u>698.308</u>	<u>665.346</u>
Staff costs	3	-671.449	-648.750
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	4	<u>-30.655</u>	<u>-19.350</u>
Operating profit		-3.796	-2.754
Income from investments in group enterprises and associates		1.117	6.007
Income from other investments and receivables that are fixed assets		0	12
Other finance income from group enterprises		48	62
Finance income	5	14.031	12.990
Finance expenses	6	<u>-9.781</u>	<u>-5.549</u>
Profit before tax		1.619	10.768
Tax expense on ordinary activities	7	<u>6.410</u>	<u>527</u>
Profit		<u>8.029</u>	<u>11.295</u>
Proposed distribution of results			
Proposed dividend recognised in equity		40.000	40.000
Retained earnings		<u>-31.971</u>	<u>-28.705</u>
		<u>8.029</u>	<u>11.295</u>

## Balance Sheet as of 31 December

	Note	2015 DKK '000	2014 DKK '000
Assets			
Acquired intangible assets	8	<u>12.529</u>	<u>27.152</u>
Intangible assets		<u>12.529</u>	<u>27.152</u>
Land and buildings	9	16.657	17.696
Fixtures, fittings, tools and equipment	10	18.389	22.903
Leasehold improvements	11	<u>595</u>	<u>609</u>
Property, plant and equipment		<u>35.641</u>	<u>41.208</u>
Long-term investments in group enterprises	12, 13	12.230	11.113
Long-term investments in associates	13, 14	16	16
Long-term receivables from group enterprises		1.840	1.825
Other long-term investments	15	540	545
Deposits, investments		<u>5.160</u>	<u>4.983</u>
Investments		<u>19.786</u>	<u>18.482</u>
Fixed assets		<u>67.956</u>	<u>86.842</u>
Raw materials and consumables		<u>377</u>	<u>436</u>
Inventories		<u>377</u>	<u>436</u>
Short-term trade receivables		212.898	159.003
Contract work in progress	16	55.792	80.137
Short-term receivables from group enterprises		8.889	4.051
Short-term receivables from associates		18	14
Other short-term receivables		4.805	4.849
Deferred income		<u>5.191</u>	<u>4.845</u>
Receivables		<u>287.593</u>	<u>252.899</u>
Cash and cash equivalents	17	<u>270.458</u>	<u>260.904</u>
Current assets		<u>558.428</u>	<u>514.239</u>
Assets		<u>626.384</u>	<u>601.081</u>

## Balance Sheet as of 31 December

	Note	2015 DKK '000	2014 DKK '000
Liabilities and equity			
Contributed capital	18	62.801	62.801
Retained earnings	19	25.482	57.453
Proposed dividend recognised in equity	20	40.000	40.000
Equity		<u>128.283</u>	<u>160.254</u>
Provisions for deferred tax	21	48.230	65.922
Other provisions	22	11.194	6.405
Provisions		<u>59.424</u>	<u>72.327</u>
Mortgage debt		<u>0</u>	<u>24.103</u>
Long-term liabilities other than provisions	23	<u>0</u>	<u>24.103</u>
Short-term part of long-term liabilities other than provisions		24.070	1.583
Prepayments received for work in progress	16	182.206	134.839
Trade payables		34.339	36.221
Payables to group enterprises		19.487	12.623
Tax payables		14.687	5.305
Other payables	24	163.888	153.826
Short-term liabilities other than provisions		<u>438.677</u>	<u>344.397</u>
Liabilities other than provisions within the business		<u>438.677</u>	<u>368.500</u>
Liabilities and equity		<u>626.384</u>	<u>601.081</u>
Events after the balance sheet date	25		
Contingent liabilities	26		
Collaterals and assets pledged as security	27		
Liabilities under off-balance sheet leases	28		
Related parties	29		

## Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2015	62.801	57.453	40.000	160.254
Dividend	0	-40.000	40.000	0
Dividend paid	0	0	-40.000	-40.000
Profit	0	8.029	0	8.029
Equity 31 December 2015	<u>62.801</u>	<u>25.482</u>	<u>40.000</u>	<u>128.283</u>

## Notes

	2015 DKK '000	2014 DKK '000
<b>1. Revenue</b>		
Sales value for rendering services to customers	1.099.566	1.038.967
Other revenue	6.550	7.195
	<u>1.106.116</u>	<u>1.046.162</u>
<b>2. Other external costs</b>		
Project costs	246.601	225.012
External expenses	161.183	155.813
Losses sold equipment	24	0
	<u>407.808</u>	<u>380.825</u>
<b>3. Staff costs</b>		
Wages and salaries	619.201	597.932
Post-employment benefit expense	42.982	41.228
Social security contributions	9.266	9.590
	<u>671.449</u>	<u>648.750</u>
<i>Hereof remuneration to management</i>		
Executive Board	9.119	4.325
Board of Directors	50	50
	<u>9.169</u>	<u>4.375</u>
Average number of employees	<u>1.071</u>	<u>1.042</u>
Management and other executives receive bonus depending on the net profit of the year and achievement of defined personal targets.		
<b>4. Depreciation, amortisation expenses and impairment</b>		
Software	19.109	8.920
Fixture, fittings, tool and equipment	10.390	9.215
Buildings	1.039	1.040
Leasehold improvements	117	175
	<u>30.655</u>	<u>19.350</u>
<b>5. Finance income</b>		
Interest on short-term bank deposits	6.418	7.687
Interest on receivables	12	14
Interest on refunded/reclaimed VAT and other receivables	0	486
Accrued profit from value adjustments on refinancing of mortgage debt	28	28
Gain from currency translation adjustments	7.573	4.775
	<u>14.031</u>	<u>12.990</u>

## Notes

	2015 DKK '000	2014 DKK '000
<b>6. Finance expenses</b>		
Interest on bank borrowings, mortgage debt and finance leases	2.315	1.113
Interest on other debt	875	1.003
Loss from currency translation adjustments	6.586	3.433
Fair value adjustment on other investments	5	0
	<u>9.781</u>	<u>5.549</u>
<b>7. Tax expense</b>		
Tax on net profit	9.110	3.636
Adjustments of deferred tax	-10.479	-1.328
Adjustments of tax prior years	2.172	153
Adjustments of deferred tax prior years	-7.213	-2.988
	<u>-6.410</u>	<u>-527</u>
<b>8. Acquired intangible assets</b>		
Cost at the beginning of the year	75.562	71.617
Addition during the year, incl. improvements	5.133	3.945
Disposal during the year	-647	0
Cost at the end of the year	<u>80.048</u>	<u>75.562</u>
Depreciation and amortisation at the beginning of the year	-48.410	-39.490
Amortisation for the year	-19.109	-8.920
Impairment losses and amortisation at the end of the year	<u>-67.519</u>	<u>-48.410</u>
Carrying amount at the end of the year	<u>12.529</u>	<u>27.152</u>
<b>9. Land and buildings</b>		
Cost at the beginning of the year	65.749	65.749
Cost at the end of the year	<u>65.749</u>	<u>65.749</u>
Depreciation and amortisation at the beginning of the year	-48.053	-47.013
Amortisation for the year	-1.039	-1.040
Impairment losses and amortisation at the end of the year	<u>-49.092</u>	<u>-48.053</u>
Carrying amount at the end of the year	<u>16.657</u>	<u>17.696</u>

## Notes

	2015 DKK '000	2014 DKK '000
<b>10. Fixtures, fittings, tools and equipment</b>		
Cost at the beginning of the year	89.208	83.315
Addition during the year, incl. improvements	5.900	10.421
Disposal during the year	-77	-4.528
Cost at the end of the year	<u>95.031</u>	<u>89.208</u>
Depreciation and amortisation at the beginning of the year	-66.305	-61.618
Amortisation for the year	-10.390	-9.215
Reversal of impairment losses and amortisation of disposed assets	53	4.528
Impairment losses and amortisation at the end of the year	<u>-76.642</u>	<u>-66.305</u>
Carrying amount at the end of the year	<u>18.389</u>	<u>22.903</u>
<b>11. Leasehold improvements</b>		
Cost at the beginning of the year	4.428	4.079
Addition during the year, incl. improvements	103	349
Cost at the end of the year	<u>4.531</u>	<u>4.428</u>
Depreciation and amortisation at the beginning of the year	-3.819	-3.644
Amortisation for the year	-117	-175
Impairment losses and amortisation at the end of the year	<u>-3.936</u>	<u>-3.819</u>
Carrying amount at the end of the year	<u>595</u>	<u>609</u>
<b>12. Long-term investments in group enterprises</b>		
Cost at the beginning of the year	30.618	31.732
Disposal during the year	-2.816	-1.115
Transfers during the year to other items	0	1
Cost at the end of the year	<u>27.802</u>	<u>30.618</u>
Depreciation and amortisation at the beginning of the year	-19.505	-24.720
Amortisation for the year	-15	-17
Reversal of impairment losses and amortisation of disposed assets	2.816	628
Reversal of prior years' impairment losses and amortisation	1.132	4.604
Impairment losses and amortisation at the end of the year	<u>-15.572</u>	<u>-19.505</u>
Carrying amount at the end of the year	<u>12.230</u>	<u>11.113</u>

## Notes

## 13. Disclosure in long-term investments in group enterprises and associates

*Group enterprises*

Name	Registered office	Share held in %	Equity	Profit
A/S af 20/11 1980	Denmark	100,00	-8.272	-217
Sweco Pavement Consultants AS	Norway	100,00	7.793	710
Sweco Pavement Consultants AB	Sweden	100,00	4.839	423
GSA Gesellschaft für Strassenanalyse mbH	Germany	100,00	4.866	1.637
Grontmij Vietnam Ltd., disposed in 2015	Vietnam	100,00	0	0
			<u>9.226</u>	<u>2.553</u>

*Associates*

Name	Registered office	Share held in %	Equity	Profit
PavEx Consulting s.r.o.	Czech Republic	50,00	-183	128
Odeon A/S	Denmark	22,00	4.778	955
			<u>4.595</u>	<u>1.083</u>

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

## Notes

	2015 DKK '000	2014 DKK '000
<b>14. Long-term investments in associates</b>		
Cost at the beginning of the year	67	67
Cost at the end of the year	<u>67</u>	<u>67</u>
Depreciation and amortisation at the beginning of the year	-51	-51
Impairment losses and amortisation at the end of the year	<u>-51</u>	<u>-51</u>
Carrying amount at the end of the year	<u>16</u>	<u>16</u>
<b>15. Other long-term investments</b>		
Cost at the beginning of the year	394	394
Cost at the end of the year	<u>394</u>	<u>394</u>
Fair value adjustments at the beginning of the year	151	141
Adjustments for the year	<u>-5</u>	<u>10</u>
Fair value adjustments at the end of the year	<u>146</u>	<u>151</u>
Carrying amount at the end of the year	<u>540</u>	<u>545</u>
<b>16. Contract work in progress</b>		
Sales value of work	2.767.142	2.707.259
Progress billings on contracts in progress	<u>-2.893.556</u>	<u>-2.761.961</u>
Net value of contract work	<u>-126.414</u>	<u>-54.702</u>
<i>Progress billings are divided as follows in the balance sheet:</i>		
Net receivables	55.792	80.137
Net liabilities	<u>-182.206</u>	<u>-134.839</u>
	<u>-126.414</u>	<u>-54.702</u>
<b>17. Cash and cash equivalents</b>		
Bank balances in Cash Pooling Arrangement with Group enterprises	259.881	253.220
Other cash and bank balances	<u>10.577</u>	<u>7.684</u>
	<u>270.458</u>	<u>260.904</u>

**18. Contributed capital**

The share capital is composed of 62.800.896 shares of nominal DKK 1 or multiples thereof. No shares are attributed to special rights.

## Notes

	2015 DKK '000	2014 DKK '000
<b>19. Retained earnings</b>		
Balance at the beginning of the year	57.453	108.502
Correction at the beginning of the year	0	-22.344
Disposals during the year	-40.000	-40.000
Profit of the year	8.029	11.295
Balance at the end of the year	<u>25.482</u>	<u>57.453</u>
<b>20. Proposed dividend for the financial year</b>		
Balance at the beginning of the year	40.000	42.800
Additions during the year	40.000	40.000
Disposals during the year	-40.000	-42.800
Balance at the end of the year	<u>40.000</u>	<u>40.000</u>
<b>21. Provisions for deferred tax</b>		
Cost at the beginning of the year	65.922	71.440
Change due to change in accounting policies	0	-1.204
Deferred tax during the year	-9.549	-2.856
Adjustment due to future tax rate reduction	-930	-1.458
Adjustment prior years	-7.213	0
Balance at the end of the year	<u>48.230</u>	<u>65.922</u>
<b>22. Other provisions</b>		
Provision for anniversary bonuses	2.990	2.990
Claims regarding completed projects	1.998	2.698
Provision regarding disposed activities	6.206	717
Balance at the end of the year	<u>11.194</u>	<u>6.405</u>
<b>23. Long-term liabilities</b>		
Mortgage debt has been refinanced.		
In the period from 31 December 2015 until 1 April 2016 a part of the mortgage debt has been replaced with a bridge loan for DKKm 8,9. New mortgage debt on DKKm 24 from 1 April 2016 hereof due within 1 year DKKm 1,9 and due after 5 years DKKm 13.		
<b>24. Other payables</b>		
Holiday pay and overtime accruals	94.526	95.611
Withholding tax and social charges	2.655	3.710
VAT	19.536	14.508
Wages and salaries	24.878	22.352
Other payables	22.293	17.644
	<u>163.888</u>	<u>153.825</u>

## Notes

### 25. Events after the balance sheet date

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

### 26. Contingent liabilities

Suretyship for sister company's future operating lease payments DKKm 57 (2014 DKKm 58).

Liabilities of joint ventures with joint and several liability DKKm 30 (2014 DKKm 35).

Liability for bank guarantees as security for received prepayments related to projects etc. DKKm 101 (2014 DKKm 108).

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.

### 27. Collaterals and assets pledged as security

Carrying amount of property pledged as security for mortgage debt of DKKm 24 is DKKm 17 (2014 DKKm 18).

### 28. 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 2016 - 2019. The minimum lease payments are fixed, however subject to price indexation. DKKm 6,7 (2014 DKKm 6,8).

For the years 2016 - 2017 the company has entered into non-terminable operating leases relating to plant and equipment. The minimum lease payments are fixed. DKKm 3,3 (2014 DKKm 4,9).

### 29. 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.

#### 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.