

Sweco Danmark A/S

Ørestads Boulevard 41

2300 Copenhagen S

CVR No. 48233511

Annual Report 2023

54. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 26 April 2024

Åsa 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 2023 - 31 December 2023.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities, and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

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.

Copenhagen, 22 April 2024

Board of Executives

Dariusz Rezai
CEO

Jeppe Allert Madsen
Finance Director

Board of Directors

Åsa Bergman
Chairman

Johan Olof Stålnacke
Vice Chairman

Lisa Lagerwall
Member

Dariusz Rezai
Member

Bent Raben
Employee Representative

Thomas Byskov Grove
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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Sweco Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the financial statements, our responsibility is to read Management's 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.

Independent Auditor's Report

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events 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, 22 April 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Gösta Gauffin
State Authorised Public Accountant
mne45821

Company Information

Company

Sweco Danmark A/S
Ørestads Boulevard 41
2300 Copenhagen S
CVR No. 48233511
Date of formation 5 October 1970
Registered office Copenhagen
Financial year 1 January 2023 - 31 December 2023

Board of Directors

Åsa Bergman
Johan Olof Stålnacke
Lisa Lagerwall
Dariush Rezai, CEO
Bent Raben
Thomas Byskov Grove

Board of Executives

Dariush Rezai, CEO
Jeppe Allert Madsen, Finance Director

Administration Company

Sweco Danmark Holding ApS
Ørestads Boulevard 41
2300 Copenhagen S

Auditors

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 engineering and architecture consultancy 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.

Founded in Sweden in 1958, Sweco AB is listed on the Large Cap list of Nasdaq OMX Stockholm since 1998. Sweco plans and designs the sustainable communities and cities of the future. Together with our clients and the collective knowledge of our 22,000 architects, engineers and other specialists, we co-create solutions to address urbanisation, capture the power of digitalisation and make our societies more sustainable. Sweco operates on 8 core markets, Sweden, Norway, Finland, Denmark, Belgium, Germany, The Netherlands and the UK. Sweco is Europe's leading engineering and architecture consultancy, with sales of approximately SEK 29 billion (EUR 2.5 billion).

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 of the Sweco Group is available in the Annual Report of Sweco AB.

Sweco model

The key to our success is the way we work and do business. It is our operating model, the Sweco Model. The Sweco Model has been our guiding star ever since the company was founded. The Sweco Model consists of four cornerstones. Each cornerstone describes the way we work and do business. They have evolved over time based on what makes us successful and stand out in competition. The Sweco Model is a way of working based on a culture of simplicity, with empowered teams focusing on our clients and our employees. Our four cornerstones:

- Client Focus
- Best People
- Internal Efficiency
- Decentralised Organisation

Development in activities and financial matters

In September 2023 it was announced that the Company intend to acquire OJ Rådgivende Ingeniører A/S incl. the subsidiary OJ Brandrådgivning A/S. After approval by the Danish Authorities, the acquisition took place 2 October 2023. The acquisition has only marginally impacted the figures for 2023.

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of TDKK 161,067 and the Balance Sheet at 31 December 2023 a balance sheet total of TDKK 1,036,782 and an equity of TDKK 460,623.

Management was forecasting revenue and profit in 2023 in line with 2022. Revenue and profit have exceeded the outlook for 2023 given in the Annual Report for 2022.

The Danish market was overall good during the year. Activity within the public sector increased moderately, while most of the private sector remained stable during the year. The industry market showed increasing demand, mainly driven by large investments in pharma. The weakness in the residential building segment continued, while the commercial and public building segments were stable.

We have in 2023 continued the work with projects within sustainability in relation to the UN's 17 global goals for sustainable development and a report of the work of Sweco was published in 2020. This is a key component of our work and a demand from our customers.

Management's Review

Staff costs increased to TDKK 1,040,956 in 2023 from TDKK 931,425 in 2022. The average number of full-time employees increased to 1,489 in 2023 from 1,385 in 2022.

Balance sheet and cash resources

The Company's equity and total assets at 31 December 2023 were TDKK 460,623 and TDKK 1,036,782 respectively, equivalent to a solvency ratio of 44,5%. It is proposed that the Annual General Meeting adopt a resolution to declare and pay dividends of TDKK 25,000 relating to the financial year 2023.

During the financial year, the Company cash decreased to TDKK 24,475 compared to TDKK 112,974 last year.

The Company's cash resources, consisting of cash, cash equivalent and credit facilities at year-end are considered fully adequate to ensure continued operations.

Knowledge resources

The ability to offer development, opportunities and an engaging corporate culture to all employees is crucial to our continued success and customer satisfaction. Focus is on development, performance, expertise, knowledge sharing and leadership. Among other things, we offer new staff/employees training courses from day one through Sweco Academy and with the support of experienced colleagues and managers.

Skills development and knowledge sharing are also vital for Sweco's success. Employees' expertise and ability to translate their knowledge into optimal solutions for customers is the core of the Company's business and distinguishes Sweco from its competitors. Shortcomings in knowledge sharing may result in risks such as low quality in customer deliveries. Knowledge and processes for knowledge sharing and cooperation are therefore a strategic priority for Sweco. The learning and experience exchange take place primarily through work on the projects. All employee development is focused on performance, knowledge, and knowledge sharing. Sweco has a large number of processes and tools for knowledge sharing.

Research and development activities

The Company has during the financial year, maintained programs and software which is used to help customers to measure loads on surface areas like roads, tracks etc. Another focus area is to develop IT solutions to our customers which can help customers managing waste solutions.

Financial risks and finance policy

Financial risk

To control and minimise the financial risks to which the Company is exposed, the Board of Directors has drawn up a finance policy that is revised and adopted at least once a year. The policy regulates the division of responsibilities between local companies and the corporate finance department and specifies the financial risks that the Company is permitted to take and how these risks are to be managed. Surplus cash is invested primarily in fixed income instruments in the money market, with low credit risk and high liquidity as required criteria. Transaction exposure for customer projects is hedged primarily through forward exchange contracts.

Market risk

Market risk is the risk for fluctuations in the value of financial investments due to changes in market prices. Sweco's policy minimises this risk by limiting the average fixed-interest term of financial investments to 120 days.

Management's Review

Currency risk

The Company's exposure to currency risk is primarily related to potential exchange rate fluctuations in contracted and anticipated payment flows in foreign currencies. The objective of managing currency risk is to minimise the effects of exchange rate movements on the Company's profit and financial position. The Company normally has a natural risk coverage in that both sales and expenses are denominated in local currency. In cases where contracts are entered into in a non-local currency, the contracted and anticipated payment flows are hedged through forward exchange contracts after matching incoming and outgoing payments in the same currency.

Statement on Corporate Social Responsibility in accordance with section 99a of the Danish Financial Statements Act

With reference to section 99a(7) of the Danish Financial Statements Act and to the Sustainability Report of Sweco AB (publ), the Company has not disclosed this information in its own Management's Review. For further information please see Annual Report for Sweco AB.

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

The current state of 31/12 2023 is that 2 (two) of the four (4) members (who are elected at the General Meeting) of the Board of Directors are female. The current state can be defined as equal gender representation.

The Company defines other management levels as Board of Executives and managers reporting to Board of Executives. The current state of other management levels is defined as equal gender representation.

	2023
Average number of full-time employees	1,489
Female	33%
Male	67%
Target for share of female	40%
Target year	2040
Board of directors	4
Female	50%
Male	50%
Other management levels	18
Female	39%
Male	61%

We aim to cultivate and maintain a management structure that mirrors the diversity within our organization and the markets we serve. We are of the firm conviction that diversity is essential for market competitiveness. Our initiatives from previous years have been carried forward into 2023 and will be ongoing activities. They include:

- Maintain our process of an annual pay review to approve a fair distribution of pay increases across genders with the aim of ensuring that any pay gaps do not arise.
- Maintain and educate in our compensation guideline that explicitly promotes equality, not limited to gender considerations.
- Conduct and follow up on our annual employee survey to measure employee perceptions of equal opportunities in the workplace with an emphasis on, but not limited to, gender equality.
- Maintain our career development program for selected employees who demonstrate high potential and performance to promote their growth and career advancement.
- Continue to explore opportunities to improve our recruitment procedures to support equality, not limited to gender considerations.

Additional measures taken in 2023 are:

- Follow-up on use of our parental leave policy to ensure equal entitlements for male and female staff members.

Management's Review

- Expand our project academy that equips participants with the skills to manage more intricate and challenging projects.
- Screening of job advertisements prior to publication to ensure the language used is free from gender bias.

Mandatory report for Data Ethics in accordance with section 99d of the Danish Financial Statements Act

Sweco Danmark A/S is the only Danish company in the Sweco Group which is covered by the mandatory report. All data is considered business critical and will never be shared or be made available to third parties outside Sweco Group, unless it is data which Sweco Danmark A/S has a statutory and/or contractual obligation to submit.

Management will adopt a policy on Data Ethics when Sweco Group adopts a policy for Data Ethics. Management sees no immediate need for adopting a stand-alone policy on Data Ethics for one Danish company. This needs to be coordinated by Sweco Group. Sweco Danmark A/S will adopt a policy on Data Ethics according to Sweco Group policy and guidelines. Management will continue to monitor the topic closely for the purpose of adopting a policy on Data Ethics in the future.

Expectations for the future

Management is forecasting profit in 2024 in line with 2023.

Material changes in the Company's operations and financial matters

Sweco Danmark A/S has in 2023 acquired OJ Rådgivende Ingeniører A/S incl. subsidiary OJ Brandrådgivning A/S with a total of app. 325 employees.

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 the Annual Report of Sweco AB.

Subsequent events

After the end of the financial year, no events have occurred which may have changed the financial position of the Company substantially. It is planned to merge OJ Rådgivende Ingeniører A/S and OJ Brandrådgivning A/S into Sweco Danmark A/S, with the latter as the continuing legal company, during 2024.

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):

	2023	2022	2021	2020	2019
Revenue	1,744	1,558	1,387	1,299	1,244
EBITA	219	186	138	103	107
Operating profit/loss (EBIT)	202	172	125	91	99
Financial income	7	0	-3	-3	-1
Profit/loss for the year	161	132	97	67	78
Total assets	1,037	830	786	829	749
Total equity	461	412	349	283	265
Capex - property, plant and equipment	13	13	17	8	11
Net interest-bearing receivable(+)/debt (-)	-75	113	134	166	172
Avg. number of full-time employees	1,489	1,385	1,273	1,201	1,135
EBITA margin (%)	12.56	11.94	9.95	7.93	8.60
Operating (profit) margin (%)	11.58	11.04	9.01	7.01	7.96
Return on equity (ROE) (%)	36.88	34.69	30.70	24.45	27.04
Solvency ratio (%)	44.46	49.64	44.40	34.14	35.38
Liquidity ratio	1.10	1.30	1.37	1.17	1.38
Equity value per share of nominal DKK 1	7.34	6.56	5.56	4.51	4.22

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

In 2020 the Company merged with KANT Arkitekter A/S. Comparative figures have not been adapted.

In 2022 the Company merged with Via Trafik Rådgivning A/S. Comparative figures have not been adapted.

In 2023 the Company has acquired OJ Rådgivende Ingeniører A/S and OJ Brandrådgivning A/S.

Comparative figures have not been adapted.

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.

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 2023 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 a 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 remain unchanged from last year.

Business Combinations

Newly acquired or newly established businesses are included in the financial statements from the acquisition date or formation. The acquisition date is the date when control of the business is transferred to the Group. Upon acquisition of the business of which we obtain control, the acquisition method is applied, according to which the identified assets, liabilities and contingent liabilities are measured at their fair values.

The acquisition cost/income of an enterprise consists of the fair value of the consideration payable/receivable. This includes the fair value of the consideration already paid/received, the deferred consideration and the contingent consideration.

Any subsequent adjustment of contingent consideration is recognised directly in the income statement, unless the adjustment is the result of new information about conditions prevailing at the acquisition date, and this information becomes available up to 12 months after the acquisition date.

Transaction costs are recognised directly in the income statement when incurred as administrative costs.

When acquisition costs differ from the fair values of the assets, liabilities and contingent liabilities identified on acquisition, any positive differences (goodwill) are recognised in the balance sheet under intangible assets and any negative differences (negative goodwill) are recognised in the income statement as a special non-recurring item.

If, on the acquisition date, there are any uncertainties with respect to identifying or measuring acquired assets, liabilities or contingent liabilities or uncertainty with respect to determining their cost, initial recognition will be made on the basis of estimated values. Such estimated values may be adjusted, or additional assets or liabilities may be recognised up to 12 months after the acquisition date, if new information becomes available about conditions prevailing on the acquisition date, which would have affected the calculation of values on that day, had such information been known.

Consolidated Financial Statements

With reference to § 112 of the Danish Financial Statements Act, no Consolidated Financial Statement have been prepared because the Group enterprises are subsidiaries of a higher-ranking group.

Reporting currency

The Annual Report is presented in Danish kroner.

Accounting Policies

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.

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.

- Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.
- The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.
- All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Accounting Policies

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. Other sales revenues are recognised as revenue according to the invoicing principle. Revenue is measured and recognised exclusive VAT.

Other operating income

Other operating income 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.

Goodwill is amortised on a straight-line basis over the estimated economic useful life, based on the business case for the acquisition. It is determined based on the management's experiences within the individual business areas. The amortisation period for goodwill has been set to 20 years because of strategically acquired enterprises which holds a strong market position and a long-term earnings profile.

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	Residual Value
Concessions, patents, licenses, trademarks and other similar rights	3-10 years	0%
Goodwill	20 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5-10 years	0%

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.

Accounting Policies

Income from investments in associates

Income from investments in associates includes a proportionate share of the profit for the year.

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 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 subsidiaries 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 are 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.

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.

Accounting Policies

Investments in associates

Investment in associates 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.

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 are 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.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Prepayments

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

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 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.

Accounting Policies

Deferred tax assets, including the tax base of tax losses allowed for carry forward, 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

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the Company has a legal or actual obligation as a result of a past event, 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.

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.

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.

Accruals and deferred income entered as 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.

Sweco Danmark A/S

Income Statement

	Note	2023 TDKK	2022 TDKK
Revenue	1	1,743,859	1,557,943
Other operating income	2	16	0
Other external expenses	3	<u>-469,427</u>	<u>-425,885</u>
Gross result		<u>1,274,448</u>	<u>1,132,058</u>
Employee benefits expense	4	-1,040,956	-931,425
Depreciation, amortisation expense and impairment losses of property, plant and equipment, and intangible assets recognised in profit or loss	5	<u>-31,235</u>	<u>-28,501</u>
Profit from ordinary operating activities		<u>202,257</u>	<u>172,132</u>
Income from investments in group enterprises and associates		9,150	2,263
Other finance income	6	3,285	1,288
Finance expenses	7	<u>-5,516</u>	<u>-3,328</u>
Profit from ordinary activities before tax		<u>209,176</u>	<u>172,355</u>
Tax expense	8	<u>-48,109</u>	<u>-40,227</u>
Profit		<u>161,067</u>	<u>132,128</u>

Sweco Danmark A/S

Balance Sheet as of 31 December

	Note	2023 TDKK	2022 TDKK
Assets			
Acquired intangible assets	9	6,935	9,075
Goodwill	10	227,134	241,576
Intangible assets		234,069	250,651
Fixtures, fittings, tools and equipment	11	25,760	27,657
Leasehold improvements	12	6,346	6,638
Property, plant and equipment		32,106	34,295
Long-term investments in group enterprises	13.14	262,752	18,403
Long-term investments in associates	14.15	1,991	1,747
Other long-term investments	16	820	701
Deposits, investments	17	5,144	4,955
Investments		270,707	25,806
Fixed assets		536,882	310,752
Raw materials and consumables		2,205	2,491
Inventories		2,205	2,491
Short-term trade receivables		347,159	274,420
Contract work in progress	18	96,070	109,975
Short-term receivables from group enterprises		2,950	3,159
Other short-term receivables		2,856	4,443
Prepayments	19	24,185	11,766
Receivables		473,220	403,763
Cash and cash equivalents		24,475	112,974
Current assets		499,900	519,228
Assets		1,036,782	829,980

Sweco Danmark A/S

Balance Sheet as of 31 December

	Note	2023 TDKK	2022 TDKK
Liabilities and equity			
Contributed capital		62,801	62,801
Reserve for net revaluation according to the equity method		5,646	1,659
Retained earnings		367,176	235,096
Proposed dividend recognised in equity		25,000	112,000
Equity		460,623	411,556
Provisions for deferred tax	20	20,915	18,161
Other provisions	21	1,355	1,559
Provisions		22,270	19,720
Debt to group enterprises	22	98,511	0
Long-term liabilities other than provisions		98,511	0
Debt to other credit institutions		50	42
Prepayments received for work in progress	18	96,669	90,448
Trade payables		87,886	48,407
Payables to group enterprises		12,290	6,558
Tax payables		35,740	80,126
Other payables		222,743	173,123
Short-term liabilities other than provisions		455,378	398,704
Liabilities other than provisions within the business		553,889	398,704
Liabilities and equity		1,036,782	829,980
Proposed distribution of results	23		
Events after the balance sheet date	24		
Contingent liabilities	25		
Collaterals and assets pledged as security	26		
Liabilities under off-balance sheet leases	27		
Related parties	28		

Sweco Danmark A/S

Statement of changes in Equity

	Contributed Capital TDKK	Reserve for net revaluation according to the equity method TDKK	Retained earnings TDKK	Proposed dividend recognised in Equity TDKK	Total TDKK
Equity 1 January 2023	62,801	1,659	235,096	112,000	411,556
Dividend paid				-112,000	-112,000
Profit		3,987	157,080		161,067
Dividend proposed			-25,000	25,000	0
Equity 31 December 2023	62,801	5,646	367,176	25,000	460,623

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.

Sweco Danmark A/S

Notes

	2023	2022
	TDKK	TDKK
1. Revenue		
Architects divisions	240,314	315,735
Engineering divisions	1,486,555	1,219,189
Other income	16,990	23,019
	<u>1,743,859</u>	<u>1,557,943</u>

The majority of activities are in Denmark. As a result no market segmentation on the revenue has been prepared.

2. Other operating income

Profit on sale of assets	16	0
	<u>16</u>	<u>0</u>

3. Other external expenses

Project costs	220,850	187,834
External expenses	248,577	238,051
	<u>469,427</u>	<u>425,885</u>

4. Employee benefits expense

Wages and salaries	953,362	853,936
Post-employment benefit expense	75,761	65,796
Social security contributions	11,833	11,693
	<u>1,040,956</u>	<u>931,425</u>

Hereof remuneration to management

Salaries	5,833	5,459
Pension	469	461
Bonus	1,749	1,625
Share savings scheme (Sweco AB)	224	373
Fee to Board of directors	50	50
	<u>8,325</u>	<u>7,968</u>

Average number of employees	<u>1,489</u>	<u>1,385</u>
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The Management participate in Sweco AB long term Share Savings Schemes directed at senior executives in the Sweco Group. Under the schemes participants can use their own funds to acquire Class B shares (saving share) in Sweco AB up to 5-10 % of the participants annual base salary for the year. If conditions of the share schemes are met, then the participant will receive 1 Class B (Matching) share per saving share. Management can receive further Class B shares (Performance) if certain performance criterias are met. This can be between 1-3 performance shares per saving share depending on position. Board members employed by Sweco AB are not included in numbers below. For further information about the share savings schemes, please see annual report of Sweco AB. Granting of shares takes place at the end of retention period on the fourth business day after announcement of year-end report.

Share savings scheme - Danish management	2023	2022	2021	2020
Maximum no. of Matching Shares	2,708	2,967	2,162	1,778
Maximum no. of Performance Shares	8,124	8,901	6,055	5,334
Estimated total cost TDKK	333	293	281	297
Retention period	Dec 23 - Feb 27	Dec 22 - Feb 26	Dec 21 - Feb 25	Dec 20 - Feb 24

Notes

	2023	2022
	TDKK	TDKK
5. Depreciation, amortisation expenses and impairment		
Software	2,134	1,762
Fixture, fittings, tools and equipment	13,209	13,186
Leasehold improvements	1,288	920
Finance leased equipment	162	202
Goodwill	14,442	12,431
	<u>31,235</u>	<u>28,501</u>
6. Other finance income		
Finance income from group enterprises	1,815	190
Other finance income	1,470	1,098
	<u>3,285</u>	<u>1,288</u>
7. Finance expenses		
Finance expenses to group enterprises	1,950	59
Other finance expenses	3,566	3,269
	<u>5,516</u>	<u>3,328</u>
8. Tax expense		
Tax on net profit	45,355	82,664
Adjustments of deferred tax	2,754	-42,443
Adjustments of tax prior years	0	105
Adjustments of deferred tax prior years	0	-99
	<u>48,109</u>	<u>40,227</u>
9. Acquired intangible assets		
Cost at the beginning of the year	14,046	52,835
Addition during the year, incl. improvements	0	8,637
Disposal during the year	-1,128	-47,426
Cost at the end of the year	<u>12,918</u>	<u>14,046</u>
Depreciation and amortisation at the beginning of the year	-4,971	-50,635
Amortisation for the year	-2,134	-1,762
Reversal of impairment losses and amortisation of disposed assets	1,122	47,426
Impairment losses and amortisation at the end of the year	<u>-5,983</u>	<u>-4,971</u>
Carrying amount at the end of the year	<u>6,935</u>	<u>9,075</u>

Notes

	2023 TDKK	2022 TDKK
10. Goodwill		
Cost at the beginning of the year	288,841	240,583
Addition in connection with merger and purchase of enterprise	0	48,258
Cost at the end of the year	288,841	288,841
Depreciation and amortisation at the beginning of the year	-47,265	-34,834
Amortisation for the year	-14,442	-12,431
Impairment losses and amortisation at the end of the year	-61,707	-47,265
Carrying amount at the end of the year	227,134	241,576
11. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	108,532	99,797
Addition in connection with merger and purchase of enterprise	0	640
Addition during the year, incl. improvements	11,625	9,213
Disposal during the year	-1,933	-1,118
Cost at the end of the year	118,224	108,532
Depreciation and amortisation at the beginning of the year	-80,875	-67,886
Addition in connection with merger and purchase of enterprise	0	-525
Amortisation for the year	-13,372	-13,387
Reversal of impairment losses and amortisation of disposed assets	1,783	923
Impairment losses and amortisation at the end of the year	-92,464	-80,875
Carrying amount at the end of the year	25,760	27,657
Of the booked value end of 2023, TDKK 120 is Finance leased assets.		
12. Leasehold improvements		
Cost at the beginning of the year	9,732	6,091
Addition during the year, incl. improvements	1,033	3,673
Disposal during the year	-320	-32
Cost at the end of the year	10,445	9,732
Depreciation and amortisation at the beginning of the year	-3,094	-2,206
Amortisation for the year	-1,288	-920
Reversal of impairment losses and amortisation of disposed assets	283	32
Impairment losses and amortisation at the end of the year	-4,099	-3,094
Carrying amount at the end of the year	6,346	6,638

Notes

	2023 TDKK	2022 TDKK
13. Long-term investments in group enterprises		
Cost at the beginning of the year	22,437	27,802
Addition during the year	239,200	0
Disposal during the year	0	-5,365
Cost at the end of the year	261,637	22,437
Revaluations at the beginning of the year	-4,034	-6,573
Net profit for the year	11,534	1,726
Amortisation of goodwill	-2,628	0
Received dividends	-3,757	-4,552
Disposals during the year	0	5,365
Revaluations at the end of the year	1,115	-4,034
Carrying amount at the end of the year	262,752	18,403
Remaining goodwill amount included in value end of period	207,642	0

14. Disclosure in long-term investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in %
Sweco Asset Management Technologies AS	Norway	100.00
Sweco Asset Management Technologies AB	Sweden	100.00
GSA Gesellschaft für Strassenanalyse GmbH	Germany	100.00
OJ Rådgivende Ingeniører A/S	Denmark	100.00
OJ Brandrådgivning A/S	Denmark	100.00

Associates

Name	Registered office	Share held in %
PavEx Consulting s.r.o.	Czech Republic	50.00
Odeon A/S	Denmark	21.75
Projektgruppen Akutcenter Viborg ApS	Denmark	25.63

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

Notes

	2023 TDKK	2022 TDKK
15. Long-term investments in associates		
Cost at the beginning of the year	88	88
Cost at the end of the year	88	88
Revaluations at the beginning of the year	1,659	1,337
Revaluations for the year	244	322
Revaluations at the end of the year	1,903	1,659
Carrying amount at the end of the year	1,991	1,747
16. Other long-term investments		
Cost at the beginning of the year	368	368
Cost at the end of the year	368	368
Fair value adjustments at the beginning of the year	333	165
Adjustments for the year	119	168
Fair value adjustments at the end of the year	452	333
Carrying amount at the end of the year	820	701
17. Deposits		
Cost at the beginning of the year	4,955	5,109
Addition during the year	189	0
Disposal during the year	0	-154
Cost at the end of the year	5,144	4,955
18. Contract work in progress		
Sales value of work	3,679,850	3,280,352
Progress billings on contracts in progress	-3,680,449	-3,260,825
Net value of contract work	-599	19,527
Recognised as follows in the balance sheet:		
Net receivables	96,070	109,975
Net liabilities	-96,669	-90,448
	-599	19,527
19. Prepayments		
Prepaid other	2,144	4,052
Prepaid insurance	10,615	251
Prepaid IT services	901	70
Prepaid facility management	10,525	7,393
Balance at the end of the year	24,185	11,766

Notes

	2023 TDKK	2022 TDKK
20. Provisions for deferred tax		
Cost at the beginning of the year	18,161	60,670
Additions during the year	0	33
Deferred tax during the year	2,754	-42,443
Adjustments prior years	0	-99
Balance at the end of the year	20,915	18,161

21. Other provisions

Provision at the beginning of the year	1,559	1,414
Addition	15	195
Used	-219	-50
Balance at the end of the year	1,355	1,559

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

22. Long-term liabilities other than provisions

Debt to group enterprises

Due after 5 years	0	0
Due between 1 and 5 years	98,511	0
Long term liabilities	98,511	0
Due within 1 year	0	6,558
	98,511	6,558

23. Proposed distribution of results

Proposed dividend recognised in equity	25,000	112,000
Reserve for net revaluation according to the equity method	3,987	322
Retained earnings	132,080	19,806
Distribution of profit	161,067	132,128

24. Events after the balance sheet date

No major events have taken place after the end of the financial year.

It is planned to merge OJ Rådgivende Ingeniører A/S and OJ Brandrådgivning A/S into Sweco Danmark A/S, with the latter as the continuing legal company, during 2024.

Notes

25. Contingent liabilities

Suretyship for sister company's future operating lease payments DKKm 13 (2022 DKKm 18).

Debt of joint ventures with joint and several liability DKKm 28 (2022 DKKm 27)

Liability for bank guarantees as security for received prepayments related to projects etc. DKKm 16 (2022 DKKm 32).

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.

The Company is on an ongoing basis a party to disputes, lawsuits and similar issues. It is the management's opinion that these cases will not have a significant impact on the company's financial position.

26. Collaterals and assets pledges as security

No securities or mortgages exist at the balance sheet data.

27. 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 2024 - 2034. The minimum lease payments are fixed, however subject to price indexation DKKm 252 (2022 DKKm 255).

The company has operating leases of vehicles with future payments end of 2023 of DKKm 6 (2022 DKKm 6).

28. 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 can be obtained by contacting:

Sweco AB

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SE-100 26 Stockholm

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