

Sweco Danmark A/S

Ørestads Boulevard 41

2300 Copenhagen S

CVR No. 48233511

Annual Report 2020

51. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 4 May 2021

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 2020 - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

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, 28 April 2021

Board of Executives

Dariusz Rezai
CEO

Steen Steensen
Finance Director

Board of Directors

Åsa Bergman
Chairman

Johan Olof Stålnacke
Vice Chairman

Lisa Lagerwall
Member

Dariusz Rezai
Member

Bent Raben
Employee Representative

Sonja Marie Overgaard
Employee Representative

Independent Auditors' 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 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020 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 2020 - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis of opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's 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 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 Auditors' Report

The auditor's responsibility 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 judgment 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, 28 April 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33771231

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Jesper Bo Winther
State Authorised Public Accountant
mne26864

Company Information

Company

Sweco Danmark A/S
Ørestads Boulevard 41
2300 Copenhagen S
48233511
5 October 1970
Copenhagen
1 January 2020 - 31 December 2020

CVR No.

Date of formation

Registered office

Financial year

Board of Directors

Åsa Bergman
Johan Olof Stålnacke
Lisa Lagerwall
Dariush Rezai, CEO
Bent Raben
Sonja Marie Overgaard

Board of Executives

Dariush Rezai, CEO
Steen Steensen, 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, The Sweco Group 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. Sweco produces sustainable buildings, efficient infrastructure and access to electricity and clean water. With more than 17,500 experts in Europe. 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 21 billion (EUR 2 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 March 2020 Sweco Danmark A/S acquired KANT Arkitekter A/S. The acquisition and merge of KANT Arkitekter A/S has impacted the figures for 2020.

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of TDKK 67,438 and the Balance Sheet at 31 December 2020 a balance sheet total of TDKK 829,325 and an equity of TDKK 282,611.

The outlook for 2020 given in the Annual Report for 2019 was that the outbreak of Covid-19 would have a negative impact on both revenue and profit for 2020. Revenue and profit exceed the outlook for 2020 given in the Annual Report for 2019. Profit for 2020 is at same level as in 2019, when adjusting for sale of property in 2019.

Stable market despite Covid-19

The market in Denmark was affected by the Covid-19 pandemic with delayed and cancelled projects, especially in the International business, but there were still several segments with satisfactory development. Demand in the water and environmental sectors remained stable, driven by climate-related services in the larger cities. The energy market remained relatively weak. The infrastructure market was stable, although demand slowed down in the residential construction sector during the year. The ongoing integration of our engineering and architecture operations has been successful and a new Architectural acquisition was made in the beginning of 2020. We are seeing strong demand in the market for our combined offering.

Management's Review

We have during 2020 worked 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.

Staff costs increased to TDKK 797,629 in 2020 from TDKK 760,671 in 2019. The average number of full-time employees increased to 1,201 in 2020 from 1,135 in 2019.

Balance sheet and cash resources

The Company's equity and total assets at 31 December 2020 were TDKK 282,611 and TDKK 829,325 respectively, equivalent to a solvency ratio of 34.14 %. It is proposed that the Annual General Meeting adopt a resolution to declare and pay dividends of TDKK 30,000 relating to the financial year 2020.

During the financial year, the Company cash decreased to TDKK 165,863 compared to TDKK 171,727 last year.

The Company's cash resources, consisting of cash and cash equivalents amounts to TDKK 165,863 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.

Environment

The company is part of Sweco Group. Reporting of environmental data is published in Annual Report of Sweco AB.

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.

Management's Review

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.

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

Sustainability is important for us. In 2020 Sweco Danmark participated in a joint partnership, that has created a Danish baseline for how to measure and develop on UN's 17 SDG's as a nation. The project has raised the awareness about the SDG's in the Danish population. As the Company is a subsidiary of Sweco AB, we follow the Group implemented CSR policies. For further information please see Annual Report for Sweco AB.

Corporate Governance

As the Company is a subsidiary of Sweco AB, we follow the Group implemented Corporate Governance policies. 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 2020 is that 2 (two) of the four 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 all employees with direct people-management responsibility.

Our goal is to achieve and sustain a management composition which reflects the diversity in the company and our markets. We believe diversity is a prerequisite to be competitive in our markets. Efforts in 2020 have included the following initiatives and activities:

- Conducting a gender diversity study, with the aim to investigate if and/or to which extent our employees experience equal opportunities in the company
- Defining a salary policy directly addressing equality, including but not limited to gender
- Non-discriminative hiring-process aimed at onboarding qualified female candidates ensuring an increased gender composition in favour of the underrepresented gender.

The result of the efforts within the last 2-3 years has resulted in the female share of total staff increasing from 28 % in 2018 to 31 % in 2020 and specifically for managers increasing from 21 % to 28 % within the same period.

Expectations for the future

The financial performance in 2021 is to be viewed in the light of the continued outbreak of Covid-19. In 2020 the company have been able to maintain business activities at the same level as in 2019. Management is forecasting revenue and profit in 2021 in line with 2020.

Material changes in the Company's operations and financial matters

Sweco Danmark A/S has in 2020 acquired KANT Arkitekter A/S with 85 employees.

Exceptional circumstances

There are no exceptional circumstances in 2020.

Management's Review

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, the company have divested Årstiderne Arkitekter AS, in Norway. The divestment will not have a material impact on the result for 2021.

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):

	2020	2019	2018	2017	2016
Revenue	1,299	1,244	1,228	1,048	1,096
EBITA	103	107	75	37	73
Operating profit/loss (EBIT)	91	99	69	31	65
Financial income	-3	-1	3	3	5
Profit/loss for the year	67	78	62	35	57
Total assets	829	749	856	610	626
Total equity	283	265	312	125	136
Net interest-bearing receivable(+)/debt (-)	166	172	178	204	206
Avg. number of full-time employees	1,201	1,135	1,140	987	1,018
EBITA margin (%)	7.93	8.60	6.11	3.53	6.66
Operating (profit) margin (%)	7.01	7.96	5.62	2.96	5.93
Return on equity (ROE) (%)	24.45	27.04	28.38	26.82	43.18
Solvency ratio (%)	34.14	35.38	36.45	20.49	21.73
Liquidity ratio	1.17	1.38	1.39	1.25	1.32
Equity value per share of nominal DKK 1	4.51	4.22	4.97	1.99	2.17

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

In 2018 the Company merged with Årstiderne Arkitekter and Sweco Architects A/S. Comparative figures have not been adapted.

In 2020 the Company merged with KANT Arkitekter A/S. Comparative figures have not been adapted. Comparative figures for 2016-2017 have not been amended due to changed accounting policies in 2018.

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 2020 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.

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.

Accounting Policies

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.

The amortisation period for goodwill has been set to 20 years because of strategically acquired enterprise which hold a strong market positions 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	10 years	0%
Goodwill	20 years	0%
Properties	20-50 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5-10 years	0%

Land is not amortised.

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

Income from investments in group enterprises

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

Income from investments in associates

Income from investments in associates 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.

Accounting Policies

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.

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.

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.

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.

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.

Accounting Policies

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	2020 TDKK	2019 TDKK
Revenue	1	1,298,845	1,244,360
Other operating income	2	0	12,787
Other external expenses	3	-383,786	-373,625
Gross result		915,059	883,522
Employee benefits expense	4	-797,629	-760,671
Depreciation, amortisation expense and impairment losses of property, plant and equipment, and intangible assets recognised in profit or loss	5	-26,369	-23,364
Profit from ordinary operating activities		91,061	99,487
Income from investments in group enterprises and associates		433	2,936
Other finance income		5,213	3,997
Finance expences		-8,564	-5,358
Profit from ordinary activities before tax		88,143	101,062
Tax expense	6	-20,705	-23,039
Profit		67,438	78,023

Sweco Danmark A/S

Balance Sheet as of 31 December

	Note	2020 TDKK	2019 TDKK
Assets			
Acquired intangible assets	7	1,403	1,979
Goodwill	8	217,778	121,705
Intangible assets		219,181	123,684
Land and buildings	9	0	0
Fixtures, fittings, tools and equipment	10	29,523	34,408
Leasehold improvements	11	4,492	5,641
Property, plant and equipment		34,015	40,049
Long-term investments in group enterprises	12.13	25,274	31,693
Long-term investments in associates	13.14	1,197	1,181
Other long-term investments	15	521	464
Deposits, investments		7,015	6,412
Investments		34,007	39,750
Fixed assets		287,203	203,483
Raw materials and consumables		784	926
Inventories		784	926
Short-term trade receivables		254,252	268,177
Contract work in progress	16	100,427	80,926
Short-term receivables from group enterprises		5,635	7,270
Other short-term receivables		5,928	8,246
Prepayments	17	9,233	8,388
Receivables		375,475	373,007
Cash and cash equivalents		165,863	171,727
Current assets		542,122	545,660
Assets		829,325	749,143

Sweco Danmark A/S

Balance Sheet as of 31 December

	Note	2020 TDKK	2019 TDKK
Liabilities and equity			
Contributed capital		62,801	62,801
Reserve for net revaluation according to the equity method		1,109	1,093
Retained earnings		188,701	151,279
Proposed dividend recognised in equity		30,000	50,000
Equity		282,611	265,173
Provisions for deferred tax	18	79,746	59,958
Other provisions	19	1,762	3,243
Provisions		81,508	63,201
Other payables		0	26,275
Long-term liabilities other than provisions	20	0	26,275
Short-term part of long-term liabilities other than provisions	20	0	0
Debt to other credit institutions		31	94
Prepayments received for work in progress	16	129,402	159,414
Trade payables		37,795	40,596
Payables to group enterprises		4,552	2,740
Tax payables		13,640	28,816
Other payables		279,786	162,834
Short-term liabilities other than provisions		465,206	394,494
Liabilities other than provisions within the business		465,206	420,769
Liabilities and equity		829,325	749,143
Proposed distribution of results	21		
Events after the balance sheet date	22		
Contingent liabilities	23		
Collaterals and assets pledged as security	24		
Liabilities under off-balance sheet leases	25		
Related parties	26		

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 2020	62,801	1,093	151,279	50,000	265,173
Dividend paid				-50,000	-50,000
Profit		16	67,422		67,438
Dividend proposed			-30,000	30,000	0
Equity 31 December 2020	62,801	1,109	188,701	30,000	282,611

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

The share capital consists of 62,800,896 shares of a nominal value of DKK 1. No shares carry any special rights.

Notes

	2020 TDKK	2019 TDKK
1. Revenue		
Architects division	305,330	235,347
Engineering divisions	978,428	983,163
Other income	15,087	25,850
	<u>1,298,845</u>	<u>1,244,360</u>
<p>The majority of activities are in Denmark. As a result no market segmentation on the revenue has been prepared.</p>		
2. Other operating income		
Profit on sale of assets	0	12,787
	<u>0</u>	<u>12,787</u>
3. Other external expenses		
Project costs	208,474	205,182
External expenses	175,312	168,443
	<u>383,786</u>	<u>373,625</u>
4. Employee benefits expense		
Wages and salaries	731,766	699,047
Post-employment benefit expense	56,203	51,464
Social security contributions	9,660	10,160
	<u>797,629</u>	<u>760,671</u>
<i>Hereof remuneration to management</i>		
Management	6,746	5,847
Board of directors	50	50
	<u>6,796</u>	<u>5,897</u>
Average number of employees	<u>1,201</u>	<u>1,135</u>
5. Depreciation, amortisation expenses and impairment		
Software	1,019	1,051
Fixture, fittings, tools and equipment	13,308	14,665
Leasehold improvements	656	729
Finance leased equipment	250	251
Goodwill	11,136	6,668
	<u>26,369</u>	<u>23,364</u>
6. Tax expense		
Tax on net profit	11,053	31,141
Adjustments of deferred tax	9,652	-11,198
Adjustments of tax prior years	0	1,826
Adjustments of deferred tax prior years	0	1,270
	<u>20,705</u>	<u>23,039</u>

Notes

	2020	2019
	TDKK	TDKK
7. Acquired intangible assets		
Cost at the beginning of the year	58,676	58,931
Addition during the year, incl. improvements	443	1,221
Disposal during the year	0	-1,476
Cost at the end of the year	59,119	58,676
Depreciation and amortisation at the beginning of the year	-56,697	-57,122
Amortisation for the year	-1,019	-1,051
Reversal of impairment losses and amortisation of disposed assets	0	1,476
Impairment losses and amortisation at the end of the year	-57,716	-56,697
Carrying amount at the end of the year	1,403	1,979
8. Goodwill		
Cost at the beginning of the year	133,374	133,374
Addition in connection with merger and purchase of enterprise	107,209	0
Cost at the end of the year	240,583	133,374
Depreciation and amortisation at the beginning of the year	-11,669	-5,001
Amortisation for the year	-11,136	-6,668
Impairment losses and amortisation at the end of the year	-22,805	-11,669
Carrying amount at the end of the year	217,778	121,705
9. Land and buildings		
Cost at the beginning of the year	0	53,561
Disposal during the year	0	-53,561
Cost at the end of the year	0	0
Depreciation and amortisation at the beginning of the year	0	-40,140
Amortisation for the year	0	0
Reversal of impairment losses and amortisation of disposed assets	0	40,140
Impairment losses and amortisation at the end of the year	0	0
Carrying amount at the end of the year	0	0

Notes

	2020	2019
	TDKK	TDKK
10. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	104,559	97,808
Addition in connection with merger and purchase of enterprise	7,294	0
Addition during the year, incl. improvements	8,251	9,448
Disposal during the year	-8,499	-2,697
Cost at the end of the year	111,605	104,559
Depreciation and amortisation at the beginning of the year	-70,151	-57,135
Addition in connection with merger and purchase of enterprise	-6,843	0
Amortisation for the year	-13,558	-14,916
Reversal of impairment losses and amortisation of disposed assets	8,470	1,900
Impairment losses and amortisation at the end of the year	-82,082	-70,151
Carrying amount at the end of the year	29,523	34,408
Of the booked value end of 2020, TDKK 59 is Finance leased assets.		
11. Leasehold improvements		
Cost at the beginning of the year	6,910	7,679
Addition during the year, incl. improvements	0	1,525
Disposal during the year	-699	-2,294
Cost at the end of the year	6,211	6,910
Depreciation and amortisation at the beginning of the year	-1,269	-2,816
Amortisation for the year	-656	-729
Reversal of impairment losses and amortisation of disposed assets	206	2,276
Impairment losses and amortisation at the end of the year	-1,719	-1,269
Carrying amount at the end of the year	4,492	5,641
12. Long-term investments in group enterprises		
Cost at the beginning of the year	29,610	29,610
Cost at the end of the year	29,610	29,610
Revaluations at the beginning of the year	185	0
Net profit for the year	-185	185
Revaluations at the end of the year	0	185
Depreciation and amortisation at the beginning of the year	0	-2,424
Net profit for the year	378	2,424
Other adjustments	-6,612	0
Impairment losses and amortisation at the end of the year	-6,234	0
Negative equity at the end of the year: Set off against receivables	1,898	1,898
Negative equity at the end of the year: Set off against receivables	1,898	1,898
Carrying amount at the end of the year	25,274	31,693

Notes

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

Group enterprises

Name	Registered office	Share held in %	Equity TDKK	Profit TDKK
A/S af 20/11 1980	Denmark	100.00	-9,335	-201
Sweco Asset Management Technologies AS	Norway	100.00	6,149	246
Sweco Asset Management Technologies AB	Sweden	100.00	9,088	71
GSA Gesellschaft für Strassenanalyse GmbH	Germany	100.00	9,728	1,127
Årstiderne Arkitekter AS	Norway	100.00	309	-1,251
			15,939	-8

Associates

Name	Registered office	Share held in %	Equity TDKK	Profit TDKK
PavEx Consulting s.r.o.	Czech Republic	50.00	11	-28
Odeon A/S	Denmark	21.75	5,415	1,036
Projektgruppen Akutcenter Viborg ApS	Denmark	25.63	54	0
			5,480	1,008

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

	2020 TDKK	2019 TDKK
14. Long-term investments in associates		
Cost at the beginning of the year	88	67
Addition during the year, incl. improvements	0	21
Cost at the end of the year	88	88
Revaluations at the beginning of the year	1,093	1,121
Revaluations for the year	16	-28
Revaluations at the end of the year	1,109	1,093
Depreciation and amortisation at the beginning of the year	0	-11
Reversal of prior years' impairment losses and amortisation	0	11
Impairment losses and amortisation at the end of the year	0	0
Carrying amount at the end of the year	1,197	1,181
15. 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	96	134
Adjustments for the year	57	-38
Fair value adjustments at the end of the year	153	96
Carrying amount at the end of the year	521	464

Notes

	2020	2019
	TDKK	TDKK
16. Contract work in progress		
Sales value of work	3,701,730	3,659,446
Progress billings on contracts in progress	-3,730,705	-3,737,934
Net value of contract work	-28,975	-78,488
Recognised as follows in the balance sheet:		
Net receivables	100,427	80,926
Net liabilities	-129,402	-159,414
	-28,975	-78,488
17. Prepayments		
Prepaid other	841	1,337
Prepaid insurance	1,217	119
Prepaid IT services	194	373
Prepaid facility management	6,981	6,559
Balance at the end of the year	9,233	8,388
18. Provisions for deferred tax		
Cost at the beginning of the year	59,958	69,886
Additions during the year	10,136	0
Deferred tax during the year	9,652	-11,198
Adjustments prior years	0	1,270
Balance at the end of the year	79,746	59,958
19. Other provisions		
Provision at the beginning of the year	3,243	3,088
Addition	259	155
Used	-1,740	0
Balance at the end of the year	1,762	3,243
Other provisions consist of cost of warranty commitments, loss on work in progress, restructuring and anniversary bonuses.		
20. Long-term liabilities		
Other payables		
Due after 5 years	0	0
Due between 1 and 5 years	0	26,275
Long term liabilities	0	26,275
Due within 1 year	0	0
	0	26,275
21. Proposed distribution of results		
Proposed dividend recognised in equity	30,000	50,000
Reserve for net revaluation according to the equity method	16	-17
Retained earnings	37,422	28,040
Distribution of profit	67,438	78,023

Notes

22. Events after the balance sheet date

After the end of the financial year, the company have sold Årstiderne Arkitekter AS in Norway. The divestment will not have a material impact on the result in 2021.

23. Contingent liabilities

Suretyship for sister company's future operating lease payments DKKm 28 (2019 DKKm 33).

Debt of joint ventures with joint and several liability DKKm 28 (2019 DKKm 50)

Liability for bank guarantees as security for received prepayments related to projects etc. DKKm 32 (2019 DKKm 40).

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.

24. Collaterals and assets pledges as security

No securities or mortgages exist at the balance sheet data.

25. 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 2021 - 2030. The minimum lease payments are fixed, however subject to price indexation DKKm 177 (2019 DKKm 186).

The company has operating leases of vehicles with future payments end of 2020 of DKKm 5 (2019 DKKm 10).

26. Related parties

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

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

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

Sweco AB (publ), Sweden, is the ultimate parent company. The consolidated financial statements are published on www.sweco.se.

Other related parties:

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