

Artelia A/S

BUDDINGEVEJ 272, 2860 SØBORG

Annual Report 2022

CVR 64 04 56 28



The annual report was submitted and approved by the general meeting on the 15 March 2023.

Chairman of the meeting, Karen Gaarden

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Entity details

Entity

Artelia A/S

Buddingevej 272

2860 Søborg

Business Registration No.: 64045628

Registered office: Søborg

Financial year: 01.01.2022 - 31.12.2022

Phone number: +4544576000

URL: www.arteliagroup.dk

Board of Directors

Benoît Jean Édouard Clocheret, Chairman

Jean-Pierre Marie Courel

Antoine Pigot

Karen Gaarden Sørensen

Mette Sofie Ottesen

Johannes S. Steffensen

Executive Board

Christian Listov-Saabye, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Artelia A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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

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

Buddinge, 15.03.2023

Executive Board

Christian Listov-Saabye

CEO

Board of Directors

Benoît Jean Édouard Clocheret

Chairman

Jean-Pierre Marie Courel

Antoine Pigot

Karen Gaarden Sørensen

Mette Sofie Ottesen

Johannes S. Steffensen

Independent auditor's report

To the shareholders of Artelia A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Artelia A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 15.03.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	1,009,717	897,210	781,428	750,315	689,233
Gross profit/loss	753,346	679,933	596,125	551,933	526,798
Operating profit/loss	53,499	67,335	57,273	53,208	43,425
Net financials	(5,094)	754	(1,262)	4,150	-1,097
Profit/loss for the year	35,758	54,288	42,128	41,077	29,177
Balance sheet total	471,385	447,543	483,652	404,763	376,937
Investments in property, plant and equipment	8,540	3,455	2,967	4,509	3,447
Equity	125,904	135,167	123,416	127,857	107,244
Cash flows from operating activities	20,150	14,438	90,781	36,854	31,896
Cash flows from investing activities	(78,578)	(3,943)	(3,931)	(6,792)	(3,422)
Cash flows from financing activities	10,375	(92,057)	(18,288)	(5,767)	(17,380)
Average number of employees	1,163	994	875	823	781
Ratios					
Gross margin (%)	74.61	75.78	76.29	73.56	76.43
Net margin (%)	3.54	6.05	5.39	5.47	4.23
Solvency ratio (%)	26.71	30.16	25.52	31.59	28.45
Return on equity (%)	27.39	42.14	33.53	64.20	29.60

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

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Solvency ratio (%):

Equity * 100

Total assets

Return on equity (%):

Profit/loss for the year * 100

Average equity

Primary activities

Artelia is a multidisciplinary consulting firm providing consultancy within the following business areas: Buildings, Energy & Industry, and Infrastructure. In 2022 Artelia reached 1100 employees. The firm is part of Artelia Group - a multidisciplinary consulting group specialising in the sectors of building, infrastructure, water, energy, and industry with more than 7000 employees worldwide. Internationally, the group has offices in more than 40 countries, primarily in Europe.

Artelia Denmark is lead in the Artelia Business Unit Nordic, which consist of Artelia Denmark, LBP Engineering in Denmark, and Dr. Techn. Olav Olsen in Norway. Artelia A/S was former know as MOE A/S. The name was changed in March 2023 in order to clarify the group relationship.

Artelia's consultancy is based on a high degree of professionalism, trust, and dialogue. Clients include both private and public companies, organisations and developers.

The managers in Artelia, ranging from the Executive Management to Group Technical Directors, are co-owners of Artelia Group, which is 100% owned by its managers and employees.

Artelia Denmark

Our business activities take place from our headquarters in Copenhagen and regional offices in Vordingborg, Næstved, Fredericia, Odense, Aarhus and Aalborg. In May, the pharma consultant LBP Engineering A/S with 50 employees was acquired, and Vipperød was added as a new location.

Artelia Denmark's geographical organisation, with offices in all regions of Denmark, provides a local anchor for the company and a proximity to clients and employees. The way we are organized also provides us with extensive knowledge of local markets and the development of each region.

Vision and Strategy

Artelia Denmark makes up the main part of the business unit Nordics in Artelia Group. Our goal is to develop into a strong consultant in the entire Nordic region. Our growth is to be based on an even stronger position in Denmark and Norway, as well as development in the additional Nordic countries.

Our growth and development will take place alongside our continued contributions to a sustainable societal development while maintaining our unique, transparent, and innovative work culture, with the ambition to become an even better workplace and aim to be the best in our business.

Development in activities and finances

Artelia has in 2022 continued a positive development with growth in all our three business areas - Buildings, Energy & Industry and Infrastructure.

Development in the Business Areas in Artelia Denmark

In general

Artelia has a strategic goal to develop new consultancy services focusing on the needs of our clients.

Services are in general targeted towards a more sustainable development of society, as the climate agenda is a key benchmark for the world we look towards. Artelia already has a large market share and see a great future potential in several services within sustainability, including LCA, materials technology, CO2 reduction and green conversion.

Artelia participates in initiatives via memberships and support of industry initiatives such as Bæredygtig Beton

Initiativ (Sustainable Concrete Initiative), Green Building Council and Foreningen for Byggeriets Samfundsansvar (The Danish Association for Responsible Construction).

Digital solutions are an integrated part of our business and form part of our consultancy as well as the foundation of our projects. Our digital tools are part of the key to delivering more sustainable projects, as several of the tools can calculate the CO2 impact for the given project.

Buildings

The market is generally still ok. There are possibilities in the private market and the amount of public procurement is decreasing due to the economic challenges that are currently affecting our society. The largest private customers include pension companies, investors and developers have decreased the investment level compared with the booming years before, but there are still possibilities in the market.

New legal requirements for embedded CO2 in new construction will enter into force in 2023. Artelia focuses on being able to advise on the new CO2 requirements in construction projects. We are developing tools to calculate the CO2 impact of different parts of a building and generate data for the total CO2 accounts for a building. We have an internal knowledge center for wood construction, where a wide range of specialists work to create new knowledge and solutions in wood construction.

Both the processes and the materials in the industry must be changed with a focus on sustainable development. Shortage of labor negatively affects recruitment of talents.

Infrastructure

The market for infrastructure within our many and varied disciplines has been positive in 2022. In general, we have had full employment in all business areas, but also fierce competition with great price pressure in a market with many players and a shortage of labor.

In general, the level of investment in the infrastructure area was high in 2022.

Part of our specialist consultancy is exported to the Nordic countries and France in collaborations with the Artelia Group. Here we have contributed to continuous expansion of the infrastructure, promotion of greener forms of transport such as cycling, optimization of public transport and mobility solutions that reduce the CO2 footprint.

Energy & Industry

The energy market is in the middle of a historic change process characterized by an increased focus on fossil-free energy production. There is demand for consultancy within minimizations of CO2 emissions, energy planning, renewable energy production, energy storage, Power to X and streamlining of existing energy production facilities. Artelia works on many levels by virtue of our position as one of the leading advisers in the field, where our specialists help roll out district heating, modernize the electricity grid, build more climate-friendly production units and introduce new technologies such as Power to X and Carbon Capture.

The market is rapidly changing, but with great potential. There is a shortage of specialists who can take on projects within the many new business areas. The market for industry is growing, and has great potential, especially in heavy industries and Pharma, with a great growth in projects. Therefore, LBP Engineering became part of Artelia in 2022, with expertise in pharmaceutical engineering. Based on LBP, Artelia has during 2022 established an independent pharma division.

Digitisation and Automation

Digitisation and the use of data characterises the development of Artelia, significantly. Automation, BIM and ICT are central elements to the ongoing efforts to better serve clients while, at the same time, improving the quality of projects and reducing costs. Digital solutions are an integrated part of our consulting services and are delivered at all levels.

Artelia has designed in 3D in all business areas for a long time and, as the development progresses, more dimensions are integrated into our models. This creates more efficient project processes while it makes up significantly better preconditions for an interdisciplinary coordination between fields.

In 2022 we have continued our focus on digital collaboration tools. Sharing our design work and 3D models directly with our clients and being able to work together in the same models have improved the corporation significantly.

We continue to see great opportunities to develop, improve and streamline our project execution and, not least, raise the bar for sustainability, through digital tools and automation processes.

Profit/loss for the year in relation to expected developments

The financial result is in line with our expectations and are regarded as satisfactory. Revenue for the Artelia Denmark Group totals DKK 1,009.7 mio. in 2022 against DKK 897.2 mio. in 2021.

Revenue for the parent company Artelia Denmark totals DKK 950 mio. in 2022 against DKK 875.2 mio. in 2021. Net profit for the year after tax totals DKK 35.8 mio. against DKK 54.3 mio. last year.

Unusual circumstances affecting recognition and measurement

The annual report is not affected by any special circumstances and there is no significant uncertainty regarding the preparation of the annual report. We considered the result satisfactory.

Outlook

In 2023, we expect group revenue in the range between DKK 1,075 mio. and DKK 1,125 mio. with net profit (EBIT) above 2022. The market will be affected by consequences of the instability in the world and economical challenges due to inflation and at the same time lack of new employees, but we still expect to be able to gain market share and to expand our business due to our strong position and reputation.

Use of financial instruments

General Risks

Artelia's most significant operating risks are related to ensuring constant work for all employees as well as reasonable earnings for each activity.

Artelia's project managers apply the Artelia Project Model and related tools to identify and initiate preventive actions and manage risks.

Artelia's revenue is generated from the sale of consultancy hours primarily in the Danish markets and from contracts on commissions of projects that Artelia has extensive experience in running. Consequently, Artelia's risk position is relatively modest.

Financial Risks

As a result of its operations and financing, Artelia is exposed to changes in exchange rates and interest rates. It is Artelia's policy not to actively speculate in financial risks. Consequently, Artelia's financial management focuses solely on the management of financial risks already taken.

Foreign Currency Risks

Artelia's Philippine subsidiary is affected by fluctuations in exchange rates, with revenue being generated primarily in foreign currency, while costs including wages are incurred in local currency.

Activities performed by the Danish parent company and the Norwegian subsidiary are not directly affected by exchange rate fluctuations, as the primary part of revenues and most of the costs, including wages, are held in local currency.

Artelia is also affected by exchange rate fluctuations, as foreign subsidiaries' earnings are converted into Danish kroner on the basis of the average exchange rates, at the end of the year, and the Balance Sheet is converted into Danish kroner on the basis of the closing exchange rate.

The majority of Artelia's commissions are invoiced in Danish kroner (DKK), and most costs are kept in Danish kroner, why the overall currency risk is limited.

Interest Rate and Credit Risks

Artelia is self-financing and has no interest-bearing debt, except for debt to our mother company. Interest and credit risks are assessed to be minimal.

Knowledge resources

Knowledge and the ability to utilize knowledge for value-creating solutions is essential for Artelia. We work purposefully with knowledge sharing and competence development.

Through policies and procedures in our project model, it is ensured that knowledge is shared and stored securely. All employees are introduced to our policies and code of conduct, all of which are available on our intranet.

The employees constitute the group's knowledge resource, and their commitment is crucial for the development of the business. We develop the employee's competencies on an ongoing basis and offer training and courses through the Artelia Academy. Professional knowledge sharing and professional communities are driven by appointed competence directors who ensure congruence between professional methods.

Our employee turnover is below industry level, which is a strategic focus area that is being worked on to maintain with more efforts. Artelia has a structured on-boarding process, a buddy set up for new employees, and an informal culture with a high degree of freedom and flexibility for the individual employee. It is our ambition to become an even better workplace and we focus though involvement of our employees on improvement in the three pillars: Work, Social and Care.

Environmental performance

Artelias direct impact on the environment is related to operation of our office buildings and transportation. Most buildings have DGNB certificates.

To reduce Artelia's carbon footprint we have purchased Climate Certificated that guarantee that all our consumption of power (electricity) in all our offices I Denmark is produced with renewable energy like wind, sun or hydropower. So far the certificates are valid until 2024.

Artelia is covered by Artelia's Ecovadis 2022 Gold Sustainability rating, which can be found on <https://www.Arteliagroup.com/en/group/responsible-company/designing-world-kinder-people-and-more-mindful-environment>.

Artelia's Climate Report 2022 describes the goals achieved.

The report appears on <https://www.Arteliagroup.dk/omos/samfundsansvar/>.

The environmental performance does not impose a risk.

Research and development activities

Artelia works towards continued development of expertise, services and processes. This is done through continued education, on-the-job learning and strategic recruitments as well as allocation of financial resources for development.

We continue to participate in development and research collaborations with university students and Industrial PhD candidates in collaboration with universities and other institutions of higher education and foundations.

We engage in strategic development with industrial companies in areas as indoor climate, carbon reduction and sustainability.

Group relations

Denmark

In May, the pharma consultant LBP with 50 employees was acquired. LBP has strong competences within process consultancy for the pharmaceutical industry and is a good match for Artelia's other competences. The plan is to merge LBP with Artelia in 2023.

Norway

In 2022 our subsidiary MOE Norway suffered from some difficult projects, and it was necessary to make a turnaround and reduce the number of employees.

MOE Norway was sold to and merge with our sister company Olav Olsen by July 1.

The financial results for the first half of 2022 remain unsatisfactory.

PTS

The Artelia PTS (PTS) subsidiary in the Philippines provides a platform for increased competitiveness and resource security in the Danish market. Simultaneously, PTS is a local consultant helping to solve the need for sustainable energy and construction in the Philippines. In 2021 PTS and Artelia Philippines joined forces and is operating as one unit with two offices led by primarily PTS management.

Statutory report on corporate social responsibility

Our CSR Policy is founded on a wish to contribute to "Designing solutions for a positive life" and to act responsibly and respectably in conduct of our business. Business model is described on page 9 – Primary activities.

Our social responsibility is based on the UN Global Compact's 10 principles regarding human rights, worker's rights, environment and anti-corruption. We have implemented our policies in our Code of Ethics where ethics, integrity, human-, and worker's rights and anti-corruption are addressed. Training in Code of Ethics has been ongoing in 2022 and we expect it to continue in 2023 as part of the onboarding program to ensure all employees have knowledge of the policies.

The Compliance Program of Artelia Group, includes the Business & Compliance Heat Map which sets forth the business and compliance rules of engagement applicable to all Artelia Group companies. The Heat Map is based upon Corruption Perception Index published by Transparency International.

The Compliance & Business Heat Map also includes a modus operandi for the identification and analysis of

projects and/or clients, subcontractors, cocontractors, partners, where Artelia Group considers doing business. The outcome of the Heat Map is to provide an overview to clearly and quickly identify the countries in which Artelia Group considers doing business, with or without restrictions.

We have determined that the risks of Artelia Denmark to impact negatively humans' rights, workers' rights and anticorruption are low due to the business and compliance heat map that we have implemented.

We contribute to the fulfilment of the UN's 17 Global Sustainable.

Development Goals which form the basis of our CSR goals and which we use as a tool for measuring sustainability in our daily operations. Being part of Artelia Group, we are committed to carbon emission reduction with SBTi (Science Based Target Initiative).

We focus on the consulting industry's responsibility for societal development, and we are actively working to maintain our position as one of the leading consultants for responsible and innovative building and civil engineering. In Denmark we have provided consultancy to the Danish government's climate partnership.

In 2021 Artelia signed the Confederation of Danish Industry's Gender Diversity Pledge. With our signature, we commit to work actively to create more gender diversity in management and boards of directors in Denmark. We agree to follow 16 principles for promoting gender diversity. During 2022 we have increased the number of women in leading positions to nearly 30% getting closer to our target on the overall percentage of genders in Artelia.

We assess the risk to be the availability of skilled workforce to achieve our goals of growth. Modern workplace and flexibility are means to mitigate.

In 2022 we have continued focusing on reducing Carbon footprint. Therefore, we launched an initiative "Artelia Building LCA", a tool to calculate CO2 footprint related to projects and building materials. The tool has been tested in 2022 and is ready to be used during 2023.

Furthermore, to reduce Artelia's carbon footprint we have purchased Climate Certificates that guarantee that all our consumption of power (electricity) in all our offices in Denmark is produced with renewable energy like wind, sun, or hydropower. So far, the certificates are valid until 2024.

According to Artelia's Climate Report 2022 we have achieved a CO2 reduction of 43% related to 2017 baseline. Reduction goals for 2023 have been defined in our CSR Policy 2023. Artelia's Climate Report 2022 will be finalized in March 2023. COVID-19 still influences the carbon footprint positively because of reduced travel.

Our CSR Policy 2023 is available to all on Artelia's website <https://www.arteliagroup.dk/omos/samfundsansvar/>, in both Danish and English as well as on local websites and for all employees on local intranets.

We assess the risk to be low regarding environmental impact related to our business.

Data ethics

Creation, processing, handling, and distribution of data for our clients is the core business in Artelia. We have profound respect for our client's data, and we do our best to handle the data in a secure and respectful way. In Artelia's Data Security Handbook, which all employees are obliged to follow, there are guidelines to prevent cyberattack, and the necessary measures for backup and recovery and furthermore instructions in how to handle data.

In Artelia's GDPR policies there are guidelines for how we shall respect our employees and client's personal data.

In Artelias Code of Ethics it is clearly stated that all employees must respect confidential information and only share client's information with relevant parties. Artelias Code of Ethics complement our GDPR guidelines in the sense that it frames how we in Artelia want to conduct our business in a human, respectful and moral way, some basic rules for how to behave in society.

All large projects must be approved by the Risk Evaluation Board. The risk evaluation covers Sustainable Development Goals (SDGs), Technical Aspects, Human Resources, Economic Aspects, Legal Aspects, Ethics & Media Aspects and Social & Environmental Responsibility Aspects.

We consider Artelia Data ethics to be covered by the initiative described, even we have not formulated a specific standalone policy for data ethics.

Statutory report on the underrepresented gender

Artelia believes that diversity among its employees and management contributes positively to the working environment and strengthens Artelia's performance.

Artelia's Board members consist of 1 woman and 3 men, corresponding to a 25/75% gender composition. The employee-elected Board members consist of 1 woman and 1 man. Thus, the total Board of Directors consists of 2 women and 4 men.

We strive to ensure a gender balance in our management positions that reflects the general gender composition in Artelia. For 2022, these numbers were 66% men and 34% women. The management teams include the Executive Board, Functional Managers, Division Managers and Business Managers.

At the end of 2022, 29% of the top management positions (Management Group, Operating Managers and Business Managers) are held by women.

In the recruitment process of new employees and managers, the goal is to have candidates of both genders represented in the competition for the position in question.

We know the field of engineering is dominated by men; therefore, we also do what we can to attract more women to choose the engineering path. Among other things, we are involved in "Engineer the Future", where we have talented people talking about the engineering profession in primary school and at the youth education institutions.

Events after the balance sheet date

No events have occurred subsequent to the financial year, which would have material impact on the financial position of the company.

Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue	1	1,009,717,465	897,210,425
Other operating income		215,900	533,287
Other external expenses	2	(256,587,176)	(217,811,071)
Gross profit/loss		753,346,189	679,932,641
Staff costs	3	(684,205,854)	(603,282,404)
Depreciation, amortisation and impairment losses	4	(15,641,347)	(9,315,178)
Operating profit/loss		53,498,988	67,335,059
Other financial income	5	799,755	2,358,324
Other financial expenses	6	(5,893,425)	(1,604,410)
Profit/loss before tax		48,405,318	68,088,973
Tax on profit/loss for the year	7	(12,647,258)	(13,800,732)
Profit/loss for the year	8	35,758,060	54,288,241

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired rights		22,114	114,723
Goodwill		64,064,236	15,671,883
Intangible assets	9	64,086,350	15,786,606
Land and buildings		14,478,177	14,544,017
Other fixtures and fittings, tools and equipment		9,984,396	7,228,391
Property, plant and equipment	10	24,462,573	21,772,408
Other investments		441,613	441,613
Other receivables		11,056,671	11,178,060
Financial assets	11	11,498,284	11,619,673
Fixed assets		100,047,207	49,178,687
Trade receivables		247,974,054	195,387,307
Contract work in progress	12	23,744,646	30,486,535
Receivables from group enterprises		10,078,000	22,553,145
Deferred tax	13	1,013,762	4,436,939
Other receivables		4,099,540	3,629,374
Tax receivable		2,852,129	1,837,733
Prepayments	14	10,409,543	21,543,391
Receivables		300,171,674	279,874,424
Other investments		0	27,074,251
Investments		0	27,074,251
Cash		71,166,524	91,415,660
Current assets		371,338,198	398,364,335
Assets		471,385,405	447,543,022

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	15	2,099,000	2,099,000
Translation reserve		(218,251)	(197,052)
Retained earnings		99,023,552	88,265,492
Proposed dividend for the financial year		25,000,000	45,000,000
Equity		125,904,301	135,167,440
Deferred tax	13	95,914,410	83,545,508
Other provisions	16	7,221,578	7,556,109
Provisions		103,135,988	91,101,617
Other payables		6,750,000	1,206,700
Non-current liabilities other than provisions	17	6,750,000	1,206,700
Current portion of non-current liabilities other than provisions	17	8,143,623	1,500,000
Bank loans		262,084	155,006
Contract work in progress	12	46,244,444	51,086,061
Trade payables		36,729,726	46,497,262
Payables to group enterprises		24,371,081	799,788
Tax payable		424,032	0
Other payables		119,420,126	120,029,148
Current liabilities other than provisions		235,595,116	220,067,265
Liabilities other than provisions		242,345,116	221,273,965
Equity and liabilities		471,385,405	447,543,022
Unrecognised rental and lease commitments	19		
Assets charged and collateral	20		
Transactions with related parties	21		
Group relations	22		
Subsidiaries	23		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	2,099,000	(197,052)	88,265,492	45,000,000	135,167,440
Ordinary dividend paid	0	0	0	(45,000,000)	(45,000,000)
Exchange rate adjustments	0	(21,199)	0	0	(21,199)
Profit/loss for the year	0	0	10,758,060	25,000,000	35,758,060
Equity end of year	2,099,000	(218,251)	99,023,552	25,000,000	125,904,301

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		53,498,988	67,335,059
Amortisation, depreciation and impairment losses		15,641,347	9,315,178
Other provisions		(334,531)	3,607,118
Working capital changes	18	(39,287,253)	(50,545,812)
Cash flow from ordinary operating activities		29,518,551	29,711,543
Financial income received		718,337	1,874,180
Financial expenses paid		(5,812,009)	(1,120,358)
Taxes refunded/(paid)		(4,275,307)	(16,027,663)
Cash flows from operating activities		20,149,572	14,437,702
Acquisition etc. of intangible assets		0	(49,222)
Acquisition etc. of property, plant and equipment		(5,745,960)	(3,442,081)
Sale of property, plant and equipment		65,000	0
Acquisition of enterprises		(72,469,269)	0
Paid deposits		(427,383)	(452,016)
Cash flows from investing activities		(78,577,612)	(3,943,319)
Free cash flows generated from operations and investments before financing		(58,428,040)	10,494,383
Incurrence of debt to group enterprises		43,188,498	0
Dividend paid		(45,000,000)	(45,000,000)
Long-term payables incurred		12,186,932	(47,056,950)
Cash flows from financing activities		10,375,430	(92,056,950)
Increase/decrease in cash and cash equivalents		(48,052,610)	(81,562,567)
Cash and cash equivalents beginning of year		118,334,905	199,800,015
Currency translation adjustments of cash and cash equivalents		622,143	97,457
Cash and cash equivalents end of year		70,904,438	118,334,905

Cash and cash equivalents at year-end are composed of:

Cash	71,166,524	91,415,660
Securities	0	27,074,251
Short-term bank loans	(262,086)	(155,006)
Cash and cash equivalents end of year	70,904,438	118,334,905

Notes to consolidated financial statements

1 Revenue

	2022 DKK	2021 DKK
Denmark	957,416,068	849,676,745
Abroad	52,301,397	47,533,680
Total revenue by geographical market	1,009,717,465	897,210,425
Building	583,936,947	541,393,264
Energy & industry	193,497,391	137,704,202
Infrastructure	232,283,127	218,112,959
Total revenue by activity	1,009,717,465	897,210,425

2 Fees to the auditor appointed by the Annual General Meeting

The total fees for the parent company's auditors elected at the annual general meeting is included in the audit fees in the consolidated financial statements of Artelia Global, 16 rue Simone Veil, 93400 Saint Ouen, France, in which MOE Group and MOE A/S are fully consolidated.

3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	658,759,449	582,406,565
Pension costs	15,509,386	11,816,186
Other social security costs	9,937,019	9,059,653
	684,205,854	603,282,404

Average number of full-time employees	1,163	994
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	Remuneration of manage- ment 2022 DKK	Remuneration of manage- ment 2021 DKK
Executive Board	3,610,321	3,594,622
Board of Directors	66,838	75,000
	3,677,159	3,669,622

4 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	11,684,744	5,808,736
Depreciation on property, plant and equipment	4,021,603	3,506,442
Profit/loss from sale of intangible assets and property, plant and equipment	(65,000)	0
	15,641,347	9,315,178

5 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	130,508	0
Other interest income	352,467	175,120
Exchange rate adjustments	0	576,772
Fair value adjustments	257,650	1,448,087
Other financial income	59,130	158,345
	799,755	2,358,324

6 Other financial expenses

	2022	2021
	DKK	DKK
Financial expenses from group enterprises	224,535	30,499
Other interest expenses	3,954,788	1,101,897
Exchange rate adjustments	131,155	107,870
Fair value adjustments	1,582,947	364,144
	5,893,425	1,604,410

7 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	2,995,020	3,072,495
Change in deferred tax	9,686,348	10,621,235
Adjustment concerning previous years	(34,110)	107,002
	12,647,258	13,800,732

8 Proposed distribution of profit/loss

	2022	2021
	DKK	DKK
Ordinary dividend for the financial year	25,000,000	45,000,000
Retained earnings	10,758,060	9,288,241
	35,758,060	54,288,241

9 Intangible assets

	Acquired rights DKK	Goodwill DKK
Cost beginning of year	2,546,616	54,896,148
Exchange rate adjustments	(63,368)	0
Additions	0	59,720,456
Disposals	0	(2,110,225)
Cost end of year	2,483,248	112,506,379
Amortisation and impairment losses beginning of year	(2,431,893)	(39,224,265)
Exchange rate adjustments	61,659	265,741
Amortisation for the year	(90,900)	(11,593,844)
Reversal regarding disposals	0	2,110,225
Amortisation and impairment losses end of year	(2,461,134)	(48,442,143)
Carrying amount end of year	22,114	64,064,236

10 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	22,783,376	38,614,071
Addition through business combinations etc	0	2,794,280
Exchange rate adjustments	0	(267,631)
Additions	504,750	5,241,210
Disposals	0	(305,048)
Cost end of year	23,288,126	46,076,882
Depreciation and impairment losses beginning of year	(8,239,358)	(31,385,680)
Addition through business combinations etc	0	(1,645,789)
Exchange rate adjustments	0	84,947
Depreciation for the year	(570,591)	(3,451,012)
Reversal regarding disposals	0	305,048
Depreciation and impairment losses end of year	(8,809,949)	(36,092,486)
Carrying amount end of year	14,478,177	9,984,396

11 Financial assets

	Other investments DKK	Other receivables DKK
Cost beginning of year	441,613	10,335,942
Addition through business combinations etc	0	293,346
Additions	0	427,383
Cost end of year	441,613	11,056,671
Carrying amount end of year	441,613	11,056,671

12 Contract work in progress

	2022 DKK	2021 DKK
Contract work in progress	2,284,253,347	2,218,900,072
Progress billings	(2,306,753,145)	(2,239,499,598)
Transferred to liabilities other than provisions	46,244,444	51,086,061
	23,744,646	30,486,535

13 Deferred tax

	2022 DKK	2021 DKK
Property, plant and equipment	3,808,702	3,664,327
Provisions	8,111,982	2,309,785
Liabilities other than provisions	(108,476,902)	(98,355,037)
Tax losses carried forward	(396,389)	3,996,534
Other taxable temporary differences	2,051,990	9,275,822
Deferred tax	(94,900,617)	(79,108,569)

Changes during the year	2022 DKK	2021 DKK
Beginning of year	(79,108,569)	(68,626,291)
Recognised in the income statement	(12,647,258)	(10,621,235)
Recognised directly in equity	(3,144,790)	138,957
End of year	(94,900,617)	(79,108,569)

Deferred tax has been recognised in the balance sheet as follows	2022 DKK	2021 DKK
Deferred tax assets	1,013,793	4,436,939
Deferred tax liabilities	(95,914,410)	(83,545,508)
	(94,900,617)	(79,108,569)

Deferred tax assets

14 Prepayments

Accrued income and deferred expenses comprise prepaid insurance, subscriptions and other costs.

15 Contributed capital

	Number	Nominal value DKK
Contributed capital	10,495	2,099,000
	10,495	2,099,000

16 Other provisions

Other provisions comprise long-term provisions regarding projects and retirement obligations with an expected maturity amount of DKK 0 in 2022.

17 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK
Other payables	8,143,623	1,500,000	6,750,000
	8,143,623	1,500,000	6,750,000

18 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in receivables	(19,841,370)	(43,013,841)
Increase/decrease in trade payables etc.	(19,445,883)	(7,531,971)
	(39,287,253)	(50,545,812)

19 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	54,273,747	70,011,037

20 Assets charged and collateral

The Group has provided securities in bank deposits of DKK 93 thousands at 31 December 2022.

21 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Artelia Global

16 rue Simone Veil
93400 Saint Ouen
France

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Artelia A/S
Buddingevej 272
2860 Søborg, Denmark

The consolidated financial statements of Artelia Holding SAS may be ordered at this address:
Artelia Holding SAS
2 Avenue Lacassagne
69003 Lyon, France

23 Subsidiaries

	Registered in	Ownership %
Ejendomsselskabet Næstvedvej 1, Vordingborg ApS	Denmark	100.00
Artelia PST Ltd.	Philippines	100.00
LBP ENGINEERING A/S	Denmark	100.00

Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue	1	949,957,403	875,372,760
Other external expenses		(246,891,881)	(223,334,897)
Gross profit/loss		703,065,522	652,037,863
Staff costs	2	(637,213,225)	(576,569,821)
Depreciation, amortisation and impairment losses	3	(7,937,443)	(6,565,917)
Operating profit/loss		57,914,854	68,902,125
Income from investments in group enterprises		(4,294,389)	694,477
Other financial income	4	787,751	2,446,333
Other financial expenses	5	(5,851,420)	(1,431,158)
Profit/loss before tax		48,556,796	70,611,777
Tax on profit/loss for the year	6	(12,798,736)	(16,323,536)
Profit/loss for the year	7	35,758,060	54,288,241

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Goodwill		4,751,035	9,852,702
Intangible assets	8	4,751,035	9,852,702
Land and buildings		6,053,635	6,400,833
Other fixtures and fittings, tools and equipment		6,626,971	5,447,103
Property, plant and equipment	9	12,680,606	11,847,936
Investments in group enterprises		91,178,193	23,024,511
Other investments		441,613	441,613
Other receivables		11,249,827	10,822,442
Financial assets	10	102,869,633	34,288,566
Fixed assets		120,301,274	55,989,204
Trade receivables		226,614,709	190,608,476
Contract work in progress	11	19,756,131	28,084,516
Receivables from group enterprises		13,292,883	32,268,770
Other receivables		3,037,261	1,865,351
Tax receivable		3,721,246	1,934,687
Prepayments	12	8,914,556	20,438,778
Receivables		275,336,786	275,200,578
Other investments	13	0	27,074,072
Investments		0	27,074,072
Cash		59,975,835	79,887,681
Current assets		335,312,621	382,162,331
Assets		455,613,895	438,151,535

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		2,099,000	2,099,000
Retained earnings		98,805,301	88,068,440
Proposed dividend for the financial year		25,000,000	45,000,000
Equity		125,904,301	135,167,440
Deferred tax	14	95,497,190	83,262,228
Other provisions	15	6,653,272	7,047,849
Provisions		102,150,462	90,310,077
Other payables		6,750,000	220,193
Non-current liabilities other than provisions	16	6,750,000	220,193
Current portion of non-current liabilities other than provisions	16	8,143,623	1,500,001
Bank loans		213,544	140,406
Contract work in progress	11	45,294,200	49,122,711
Trade payables		33,729,928	46,231,264
Payables to group enterprises		24,562,607	1,094,175
Other payables	17	108,865,230	114,365,268
Current liabilities other than provisions		220,809,132	212,453,825
Liabilities other than provisions		227,559,132	212,674,018
Equity and liabilities		455,613,895	438,151,535
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Related parties with controlling interest	20		
Transactions with related parties	21		

Parent statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	2,099,000	88,068,440	45,000,000	135,167,440
Ordinary dividend paid	0	0	(45,000,000)	(45,000,000)
Exchange rate adjustments	0	(21,199)	0	(21,199)
Profit/loss for the year	0	10,758,060	25,000,000	35,758,060
Equity end of year	2,099,000	98,805,301	25,000,000	125,904,301

Notes to parent financial statements

1 Revenue

	2022	2021
	DKK	DKK
Denmark	923,653,319	849,679,940
Abroad	26,304,084	25,692,820
Total revenue by geographical market	949,957,403	875,372,760
Buildings	576,567,892	523,257,010
Energy & Industry	141,106,384	137,546,829
Infrastructure	232,283,127	214,568,921
Total revenue by activity	949,957,403	875,372,760

2 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	617,583,878	559,283,032
Pension costs	11,802,709	10,536,360
Other social security costs	7,826,638	6,750,429
	637,213,225	576,569,821

Average number of full-time employees	971	869
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	Remuneration of Manage- ment 2022 DKK	Remuneration of Manage- ment 2021 DKK
Executive Board	3,610,321	3,594,622
Board of Directors	66,834	75,000
	3,677,155	3,669,622

3 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	5,101,667	3,721,667
Depreciation on property, plant and equipment	2,895,776	2,844,250
Profit/loss from sale of intangible assets and property, plant and equipment	(60,000)	0
	7,937,443	6,565,917

4 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	278,970	109,353
Other interest income	192,001	153,776
Exchange rate adjustments	0	576,772
Fair value adjustments	257,650	1,448,087
Other financial income	59,130	158,345
	787,751	2,446,333

5 Other financial expenses

	2022	2021
	DKK	DKK
Financial expenses from group enterprises	224,535	752,025
Other interest expenses	3,912,783	207,119
Exchange rate adjustments	131,155	107,870
Fair value adjustments	1,582,947	364,144
	5,851,420	1,431,158

6 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	597,816	2,435,493
Change in deferred tax	12,234,962	13,781,041
Adjustment concerning previous years	(34,042)	107,002
	12,798,736	16,323,536

7 Proposed distribution of profit and loss

	2022	2021
	DKK	DKK
Ordinary dividend for the financial year	25,000,000	45,000,000
Retained earnings	10,758,060	9,288,241
	35,758,060	54,288,241

8 Intangible assets

	Goodwill DKK
Cost beginning of year	37,285,031
Cost end of year	37,285,031
Amortisation and impairment losses beginning of year	(27,432,329)
Amortisation for the year	(5,101,667)
Amortisation and impairment losses end of year	(32,533,996)
Carrying amount end of year	4,751,035

9 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	11,679,212	33,775,871
Additions	0	3,728,443
Disposals	0	(242,473)
Cost end of year	11,679,212	37,261,841
Depreciation and impairment losses beginning of year	(5,278,378)	(28,328,766)
Depreciation for the year	(347,199)	(2,548,577)
Reversal regarding disposals	0	242,473
Depreciation and impairment losses end of year	(5,625,577)	(30,634,870)
Carrying amount end of year	6,053,635	6,626,971

10 Financial assets

	Investments in group enterprises DKK	Other investments DKK	Other receivables DKK
Cost beginning of year	46,550,542	441,613	10,822,442
Additions	72,469,269	0	427,383
Disposals	(28,155,299)	0	0
Cost end of year	90,864,512	441,613	11,249,825
Impairment losses beginning of year	(23,526,030)	0	0
Exchange rate adjustments	(21,198)	0	0
Amortisation of goodwill	(6,492,177)	0	0
Share of profit/loss for the year	2,197,788	0	0
Reversal regarding disposals	28,155,299	0	0
Impairment losses end of year	313,682	0	0
Carrying amount end of year	91,178,194	441,613	11,249,825
Goodwill or negative goodwill recognised during the financial year	59,313,202		

11 Contract work in progress

	2022 DKK	2021 DKK
Contract work in progress	2,275,930,190	2,146,876,604
Progress billings	(2,301,468,259)	(2,167,914,799)
Transferred to liabilities other than provisions	45,294,200	49,122,711
	19,756,131	28,084,516

12 Prepayments

Accrued income and deferred expenses comprise prepaid insurance, subscriptions and other costs.

13 Other investments

Other investments comprises listed securities measured at fair value. The total fair value adjustment in 2022 amounts to DKK which is recognised in the income statement.

14 Deferred tax

	2022 DKK	2021 DKK
Changes during the year		
Beginning of year	83,262,228	69,473,514
Recognised in the income statement	12,234,962	13,788,714
End of year	95,497,190	83,262,228

Deferred tax relates to property, plant and equipment, work in progress and other provisions.

15 Other provisions

Other provisions comprise long-term provisions regarding projects with an expected maturity amount of DKK 0 in 2023.

16 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK
Other payables	8,143,623	1,500,001	6,750,000
	8,143,623	1,500,001	6,750,000

17 Other payables

	2022 DKK	2021 DKK
VAT and duties	26,467,414	22,614,918
Wages and salaries, personal income taxes, social security costs, etc. payable	81,609,275	89,752,683
Other costs payable	788,541	1,011,169
	108,865,230	113,378,770

18 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	51,038,686	64,465,670

19 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities.

20 Related parties with controlling interest

Artelia Holding SAS, 2 Avenue Lacassagne, 69003 Lyon, France, owns all shares in the Entity, thus exercising control.

21 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year, and the annual report is presented in DKK.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of

receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff. Staff costs are less government reimbursements.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The parent company and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent company acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

The Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised straight-line over its estimated useful life, and are reassessed annually. The amortisation periods used are 5-25 years.

The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategic acquirees with a strong market position and an expected longterm earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise patents and licenses.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement, however, for a maximum of 10 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

	Useful life	Residual value
Buildings	20-50 years	0-20 %
Other fixtures and fittings, tools and equipment	3-20 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the

reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of the investments and fair value of assets and liabilities arising from acquisitions.

Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised straight-line over its estimated useful life, and are reassessed annually. The amortisation periods used are 5-25 years.

The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

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

Receivables

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

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Contract work in progress

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

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

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

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

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Other investments (current assets)

Other current asset investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. Writedown takes place to the recoverable amount if this value is lower than the carrying amount.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.