# Annual Report 2020

NIRAS Gruppen A/S
Sortemosevej 19
DK-3450 Allerød
CVR 73 43 22 19

The Annual Report was approved at the Parent Company's Annual General Meeting on 13 April 2021.

**Chairman of the meeting**

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# Company information

| | |
|---|---|
| **Company** | NIRAS Gruppen A/S<br>Sortemosevej 19<br>3450 Allerød<br>Denmark<br><br>Municipality of registered office: Allerød<br><br>Tel.: +45 4810 4200<br>www.niras.com<br>niras@niras.com<br><br>Central Business Register (CVR) No.: 73 43 22 19<br><br>Financial year 1 January - 31 December |
| **Board of Directors** | Jens Maaløe, Chairman<br>Lisbeth Knudsen<br>Kjeld Zacho Jørgensen<br>Søren Fournaise Eriksen<br>Michael Rosenvold<br>Peter Anders Breum *<br>Tine Sværdborg *<br>Susanne Lyngberg Nilsson *<br><br>* Employee elected |
| **Executive Board** | Carsten Toft Boesen |
| **Auditors** | PricewaterhouseCoopers<br>Strandvejen 44<br>2900 Hellerup<br>Denmark |

# Management’s statement

Today, the Board of Directors and the Executive Board have considered and adopted the Annual Report of NIRAS Gruppen 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 Group Financial Statements and the Parent Company’s 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 Group's and the Company's operations and the Group's cash flows 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.

Allerød, 18 March 2021

**Executive Board**

Carsten Toft Boesen
CEO

**Board of Directors**

| | | |
|---|---|---|
| Jens Maaløe<br>Chairman | Lisbeth Knudsen | Kjeld Zacho Jørgensen |
| Søren Fournaise Eriksen | Michael Rosenvold | Peter Anders Breum * |
| Tine Sværdborg * | Susanne Lyngberg Nilsson * | |

# Independent auditor's report

To the shareholder of NIRAS Gruppen A/S

**Opinion**
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of NIRAS Gruppen A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, summary of significant accounting policies and notes, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

**Basis for Opinion**
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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 ex-press 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 Financials Statements Act.

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

**Management's Responsibilities for the Financial Statements**
Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

- 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.

Hellerup, 18 March 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Kaare von Cappeln
State Authorised Public Accountant
mne11629

# Key figures and financial ratios for the Group

| DKK thousand (unless otherwise stated) | 2020 | 2019 | 2018 | 2017 * | 2016 * |
|---|---|---|---|---|---|
| **Income statement** | | | | | |
| Gross Revenue | 2,205,576 | 2,278,470 | 2,204,381 | 2,125,136 | 1,473,730 |
| Value of own production | 1,704,180 | 1,774,230 | 1,742,611 | 1,646,866 | 1,105,602 |
| EBITDA | 132,284 | 89,217 | 74,564 | 63,071 | 62,700 |
| EBITA | 116,273 | 72,237 | 60,510 | 50,430 | 56,400 |
| EBIT | 101,013 | 56,202 | 46,828 | 39,378 | 43,644 |
| Net financial items | - 15,199 | 630 | 69 | - 11,203 | 5,596 |
| Net profit for the year | 62,249 | 42,676 | 33,320 | 20,327 | 39,191 |
| **Balance sheet** | | | | | |
| Goodwill | 68,738 | 42,367 | 56,778 | 41,364 | 17,696 |
| Contract work in progress | 200,304 | 210,153 | 212,646 | 239,116 | 173,027 |
| Trade and other receivables | 494,844 | 580,367 | 583,160 | 641,541 | 352,163 |
| Contract work in progress, receivables and prepayments, net | 365,315 | 532,869 | 506,504 | 530,284 | 246,396 |
| Net current assets | 569,352 | 446,757 | 334,742 | 341,375 | 319,578 |
| Cash, cash equivalents and securities | 659,982 | 333,168 | 285,467 | 262,207 | 360,181 |
| Total assets | 1,500,637 | 1,252,508 | 1,230,762 | 1,258,029 | 944,249 |
| Equity | 471,123 | 423,333 | 378,924 | 343,776 | 288,471 |
| Prepayments received | 329,833 | 257,651 | 289,302 | 350,373 | 278,794 |
| **Cash flow** | | | | | |
| Cash flow from operating activities | 330,214 | 23,262 | 88,208 | - 73,322 | 34,296 |
| Investments in property, plant and equipment | 6,015 | 37,794 | 25,627 | 9,283 | 9,520 |
| **Employees** | | | | | |
| Average number of employees | 2,181 | 2,332 | 2,355 | 2,206 | 1,475 |
| **Financial ratios** | | | | | |
| EBITA/FTE | 53 | 31 | 26 | 23 | 38 |
| EBITDA margin (%) | 7.8 | 5.0 | 4.3 | 3.8 | 5.7 |
| EBITA margin (%) | 6.8 | 4.1 | 3.5 | 3.1 | 5.1 |
| EBIT margin (%) | 5.9 | 3.2 | 2.7 | 2.4 | 3.9 |
| Current ratio | 1.7 | 1.7 | 1.4 | 1.4 | 1.6 |
| Return on equity (%) | 13.9 | 10.6 | 9.2 | 6.4 | 14.3 |
| Equity ratio (%) | 31.4 | 33.8 | 30.8 | 27.3 | 30.6 |
| Proposed dividend | 10,000 | - | 6,250 | - | 57,096 |

*As of 1 January 2017, the Company merged with Alectia A/S. The merger was effected using the book value method. In consequence, the comparative figures for 2016 have not been restated.

For definitions, see the accounting policies.

# Management's review

**Principal activity**
The Parent Company is the holding company of a string of companies offering engineering consultancy services from offices in Denmark, Sweden, Norway, Finland, the UK, Germany, the Netherlands, Serbia and Poland as well as a number of African, South-East Asian and Latin American countries.

**Development during the financial year**
The Group's own production decreased by DKK 70.1 million to DKK 1,704.2 million, while operating profit (EBITA) increased to DKK 116.3 million, up by DKK 44.0 million or 61%, reflecting a combination of efficiency improvements achieved during the year and lower overall cost. On top of a satisfactory performance in 2019, the operating profit was further improved across all sectors in 2020. A strong performance increased the EBITA margin to 6.8% in 2020 coming from 4.1% in 2019.

Profit before tax increased by DKK 29.0 million to DKK 85.8 million. Net profit reached DKK 62.2 million, up from DKK 42.7 million in 2019.

An improved cash flow for 2020 was achieved through the positive impact from operating activities, driven mainly by the operating profit and working capital optimisations. However, the cash flow was also positively impacted by COVID-19 governmental cash support, primarily related to postponed payments of VAT and employee taxes. The majority of the COVID-19 cash support was received from the Danish government and amounted to DKK 88.0 million.

The Danish activities recorded a slight decrease in revenue but an improved operating profit due to productivity gains and cost savings compared to the previous year.

The international units recorded unchanged revenue and improved operating profit.

Efforts continued to be made in 2020 to expand the activities in Norway, Sweden and the UK and the efforts were deemed successful. Especially our operation in Norway has achieved very satisfactory growth and profit in the infrastructure sector. Overall, activities outside Denmark made a positive contribution to the Group's financial performance, a trend that is expected to continue in 2021. The expectations for 2020 prior to the COVID-19 situation were an operating profit (EBITA) of DKK 85-100 million and a realised EBITA of 116.3 million in 2020 is by management considered very satisfactory.

**Uncertainty in connection with recognition and measurement**
Contract work in progress is measured including estimates of the stage of completion. In the course of a project, positive or negative variances may occur compared to the estimates applied.

Goodwill impairment test is based on estimated future cash flows, discount rates and growth rates. Such estimates are subject to uncertainty and changes may have a major impact.

No significant uncertainties other than those described above exist in respect of the Annual Report.

**Exceptional circumstances**
No exceptional circumstances have affected the Annual Report.

**Risk management**
The Group uses a risk management system to systematically identify and implement measures to prevent particular risks relating to projects and IT security. Furthermore three additional overall risk areas have been identified and measures are being established to manage and prioritise preventive actions. The five areas including underlying risk drivers are being documented and assessed with the aim of having a global risk overview, which is assessed by the management and approved by the NIRAS board. The five risk areas are 1) Project delivery 2) IT & data 3) Market & reputation 4) Finance 5) People and facilities.

*Project delivery risks:*
The key operational risks of the Group relate to the ability to maintain a high level of activity by securing project inflow and fair earnings on the individual projects by professional project management. Furthermore ensuring competent and knowledgeable staff. The group operates with a risk model within project delivery where every project is evaluated prior to contracts signing based on six risk drivers; Market, Organisation, Delivery, Contract terms, Timeline and Project economy.

As part of NIRAS Fundamentals, all issues and challenges are addressed openly across functions and professions. Identified risks are assessed by the project owner and project manager, and projects are categorised in four categories, where category four contains projects with the highest risk. At the end of December 2020, 13 projects were categorised as category four projects and 28 projects were categorised as category three projects.

Risk classification documented in the risk log makes risks and preventive actions transparent and enables the organisation to take calculated risks. The risk assessment for each project is evaluated regularly by the management and updated in the project documentation for projects with the highest level of risk.

Principles for risk management are applicable for both offers and projects and the internal risk log is a central tool in managing the project delivery risks.

*IT & Data risks:*
During the last two years, the Group has established several new measures to reduce the risk within IT Security and GDPR. Within IT security, the overall risk drivers have been identified and preventive actions have been taken. The desired level of security has been defined, considering user-friendliness and implementation cost, and there has been a satisfactory progress on the specified activities. The target is constantly moving and therefore the need for new and more extensive preventive actions is changing as well. The progress is assessed together with PwC.

GDPR is managed through a newly implemented GDPR tool, where all policies and data processing agreements are stored. Awareness campaigns have been performed, and updated policies will be published in NIRAS accordingly.

*Market & Reputation risks:*
A central risk driver for the Group's reputation in the market is compliance and Integrity management. This is referred to in the next section; Statement on corporate social responsibility.

*Financial risks:*
As a consequence of its operating activities, the Group is exposed to fluctuations in the exchange rate and, to a lesser extent, interest rate with the most significant exchange rate, interest rate and credit risks being attributable to commercial factors. The Group seeks to minimise exchange rate risks by issuing invoices and paying costs in the same currency. However, as this is not always possible, operational exchange rate risks exist. No forward exchange contracts were in effect at the end of the financial period.

Other risk divers within Finance are balance sheet exposure, fraud and errors, ERP and related system performance and credit risk. It is Group policy to maximise cash resources and reduce credit risk by receiving prepayments etc., where possible.

*People and Facilities risks:*
The combination of professional skills and the ability to translate knowledge into relevant solutions are key to the Group's value creation and innovative performance as well as to the continued development of the individual employees. Targeted efforts are made to ensure accumulation and internal sharing of both existing and new knowledge to the benefit of the individual projects, the well-being of employees and, ultimately, customer satisfaction.

We continue our commitment to attract, retain and develop highly skilled employees and to invest in their professional and personal development. Overall, our employees are highly skilled, and employees holding a degree longer than three years constitute 82% of our staff.

Risks related to travel, working abroad and work environment are assessed as part of the Group's global travel policy and Duty of Care processes. The working environment (HSE) is regulated and monitored locally by individual HSE-bodies based on local legal requirements. Inspections and incidents are recorded and reported and, if applicable, corrective actions are taken.

**Statement on Corporate Social Responsibility**
The Group is a signatory to and supports the UN Global Compact and is committed to Corporate Social Responsibility in connection with the execution of projects. Moreover, Corporate Social Responsibility is a key focus area of our HR policies. For a more detailed description and in accordance with section 99a.-(7) of the Danish Financial Statements Act, reference is made to NIRAS' "Communication on Progress 2020" to the UN Global Compact. The Communication on Progress is available on NIRAS' corporate website at http://www.niras.com/about-niras/csr/global-compact.aspx.

The Group is also committed to its ethical responsibility concerning both ordinary business ethics and anti-corruption measures. The Group's policies in this field appear from NIRAS' Business Integrity and Ethics Policy, which forms an integral part of NIRAS'

Integrity Management System together with specific procedures. All employees are required to comply with the Group's policies and to follow the procedures outlined in the management system, and all new employees must prior to their employment confirm their consent and acceptance of the policies. The Integrity Management System and the Business Integrity and Ethics Policy are in compliance with the international anti-corruption measures defined by the OECD, FIDIC, Transparency International and the United Nations.

In addition to a description of NIRAS' Business Integrity and Ethics Policy and the related procedures, NIRAS' Integrity Management System provides due diligence procedures for the screening of partners and subcontractors as well as templates and declarations to be filled in and signed by partners and subcontractors. The management system also contains a whistleblowing function and an online anti-corruption tutorial. All executive officers, heads of business units, new employees and existing employees working outside Western Europe are committed to complete the tutorial.

The Group's ethical policies are codified in a statement signed by the Chairman of the Board of Directors and the CEO. The statement and the manual for NIRAS' Integrity Management System are available on the corporate website at https://www.niras.com/about-niras/corporate-social-responsibility/.

NIRAS' Integrity Management System is regularly reviewed and updated, most recently in December 2020 to cater for changed email addresses and revision of templates on Confirmation of Compliance.

NIRAS' Compliance Unit consists of three staff members with managerial responsibility. It refers directly to NIRAS' CEO. The unit is divided into two sub-units dealing with compliance issues inside and outside the Nordic countries, respectively.

In 2020, we continued strengthening the awareness of NIRAS' ethical policies and procedures by, among other things, adding an introduction to the relevant documents, including the online anti-corruption tutorial, to NIRAS' new onboarding intranet site, and by conducting a webinar for all NIRAS' employees working outside of the Nordic countries. The webinar will be repeated in 2021 for staff mainly working in the Nordic countries.

The awareness of the risk of corruption among NIRAS' employees continues to rise, resulting in an increased number of reported cases for further investigation. None of these cases concerned internal violations of our Business Integrity and Ethics Policy in 2020.

NIRAS' procedures on cases related to sexual harassment and bulling have been revised such that cases now reside under NIRAS' HR department. In 2020, two cases were reported and investigated, leading to appeals to the alleged offenders.

In NIRAS, we strive to prevent UN human rights violations, both in the choice of projects undertaken by the Group, in the execution of the projects and in the choice of any partners and subcontractors. Our Ethics Policy ensures that all projects are screened for any human rights issues before they are undertaken. By being a signatory to the UN Global Compact, NIRAS is committed to actively promote an understanding of the importance of human rights compliance. NIRAS' human rights efforts are also detailed in our annual report, "Communication on Progress 2020", to the UN Global Compact.

**Sustainability**

The Group is fundamentally committed to sustainability and continuously strives to reduce the environmental footprint of the Group's own operating and consultancy activities. The UN's 17 Sustainable Development Goals (SDGs) have been integrated into NIRAS' strategies and services. The Group's internal SDG initiatives are primarily contributing to the following five SDGs:

SDG#3 Good Health and well-being. Employees are NIRAS' most important resource. Therefore, the Group strives to offer a good physical working environment and working stations, strengthen efforts preventing stress and continue the funding and visibility of exercise opportunities and social clubs.

SDG #4 Quality education. NIRAS will actively inspire employees to maintain a high level of competence and identify and cooperate with relevant educational institutions. The Group is implementing a new Learning Management System (LMS) to support a structured training and curriculum inventory. A dedicated fund for specific competence development has been established by the Group.

SDG #5 Gender equality. In NIRAS, we have a collective responsibility to ensure that employees are treated equally. This encompasses reviewing payment statistics for men and women, promoting role models and providing mentor opportunities. Furthermore, we strive to ensure equal representation of women and men in our talent program and other educational activities.

SDG #12 Responsible consumption and production. NIRAS is obligated to reduce its use of resources. Therefore, requirements for procurement have been incorporated in our procurement policy and suppliers are asked to disclose their own sustainability efforts and objectives.

SDG #13 Climate action. NIRAS has a responsibility to reduce CO2 emissions and has set the goal of being CO2 neutral in scope 1 and 2 latest by 2030. NIRAS reports on scope 3 in the annual climate accounts and has launched initiatives to reduce its scope 3 footprint. NIRAS' climate accounts are available on the corporate website at: https://www.niras.com/about-niras/corporate-social-responsibility/.

**Quality management systems**
NIRAS owns and maintains an established Quality and Project Management System, which is in accordance with the requirements described in the international quality management systems standard EN ISO 9001:2015. The system defines the fundamental quality requirements, responsibilities and tasks dedicated to everyone, who fulfils a role in projects.

A number of companies and business units in the NIRAS Group have acquired and maintain certification to the EN ISO 9001:2015 standard.

**Research and development activities**
The Group focuses on continuous development and innovation for the purpose of promoting NIRAS' position within its various areas of expertise. In keeping with this aim, the Group regularly takes on PhD students who work with specific issues and development projects. By end of December 2020, the NIRAS ALECTIA Foundation supported five PhD-projects within different sectors.

**Representation of underrepresented gender**
The current composition of the Board of Directors is three women, hereof one appointed by the general assembly and four men. The target is at least one woman on the Board in 2022. Accordingly, with the current composition, the target has been achieved.

The target for the management levels in the NIRAS Group, and therefore in the Danish entity, NIRAS A/S, is a gender ratio that reflects the general gender ratio in NIRAS A/S. In NIRAS A/S, the proportion of women is 33% while the proportion of women at management level is 23%, which is an increase from the previous year. Despite the higher proportion, the target has not yet been achieved. In order to increase the proportion of female managers, the gender balance will be supported by a number of initiatives. To enable a more independent daily routine for our employees and their families, flexible working hours have been introduced and working from home has been made possible by providing sufficient communication tools and IT infrastructure. NIRAS wants to attract new female managers and develop existing female employees to become managers. Attention will be dedicated to this issue in the year to come.

Qualities and skills remain the most important criteria when appointing members to the Board of Directors, managers and employees.

**Treasury shares**
At 31 December 2020, the Parent Company held treasury shares of a nominal value of 841,500 at a value of DKK 11,638,000. The holding accounts for 3% of the Parent Company's share capital.

In 2020, the Parent Company sold equity interests of a nominal value of 921,500 at a price of DKK 13,280,000.

The holding of treasury shares was acquired as security for the option scheme for the Group's executive officers.

**Outlook**
The productivity in the project delivery is expected to improve in 2021. The expectation is a 5-10% increase in fee earnings with a lesser increase in production cost. In 2020, the Group was able to save costs due to the COVID-19 situation, but we do not expect that the group will be able to continue the same level of cost saving in 2021. Some costs are postponed onto 2021 and other costs, especially within facility, will go back to same level as before the COVID-19 situation.

The expected growth in 2021 is based on a combination of organic growth and acquisitions. In January, the acquisition of Alfa Nordic, a life science consultancy firm, was concluded and more acquisitions are expected to be processed in 2021. This, together with a strategic focus on organic growth across the Group, will not be enough to secure improved profit performance compared to 2020 due to the expected cost-increase. In 2021, the Group therefore expects a decline in operating profit of 10-15% compared to the record high level achieved in 2020.

# Accounting policies

## Basis of preparation

The Annual Report of NIRAS Gruppen 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 accounting policies applied remain unchanged from last year.

Danish Kroner (DKK) is NIRAS Gruppen A/S's functional and presentation currency. The consolidated financial statements are presented in DKK thousand.

**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 that exist at the balance sheet date.

**Consolidated Financial Statements**

The Consolidated Financial Statements comprise the Parent Company NIRAS Gruppen A/S and subsidiaries in which NIRAS Gruppen A/S directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates.

Intercompany balances, income and expenses, unrealised gains and losses and dividends resulting from intercompany transactions are eliminated in full.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

**Business combinations**

The acquisition method of accounting is used to account for all business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of an acquisition over the fair value of the net identifiable assets acquired is recorded as goodwill. Any negative balance is recognised in the income statement at the date of acquisition.

Positive and negative balances from an acquisition emerged as a result of changes in the recognition and measurement of net assets are adjusted up to 12 months after the date of acquisition. Such adjustments are also reflected in the value of goodwill or negative goodwill, including amortisation already charged. In addition, the change in contingent consideration in the value of goodwill or negative goodwill is also adjusted.

**Minority interests**
Items of the subsidiaries are recognised in the Consolidated Financial Statements by 100%. The minority interests' proportionate share of the subsidiaries' results, and equity is adjusted annually and is stated as part of proposed appropriation of profits and as a part of equity.

**Foreign currency translation**
On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised as Financial Income and Expenses in the Income Statement.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date
- income and expenses for each income statement are translated at average exchange rates (or approximate average rates)
- all resulting exchange differences resulting from the difference between closing and average rates and between opening and closing rates are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised as a separate component of equity. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**Leasing**
Leases of property, plant and equipment where all substantial risks and rewards of ownership are transferred to the Group are classified as finance leases. Finance leases are capitalised at the leases' inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are allocated between the liability and finance charges to achieve a constant rate of interest on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term taking into consideration bargain purchase options.

All other leases are classified as operating leases. Payments made under operating leases are charged to the income statement over the period of the lease.

**Segment information**
Information is provided for geographical markets (primary segment) and business segments (secondary segment). The segment information follows the Group's accounting policies and internal financial reporting.

**Incentive schemes**
The value of stock option schemes for the Executive Board and other executive officers is not recognised in the income statement. The most important details of the schemes are disclosed in the notes.

## Income Statement

**Gross revenue**
The revenue from fixed price contracts is recognised based on the stage of completion, entailing that revenue corresponds to the selling price of the work performed during the year (percentage of completion method). This method is used when all income

and expenses relating to the contract and the stage of completion at the balance sheet date can be reliably determined, and it is probable that economic benefits, including payments, will flow to the company.

Revenue is shown as net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

**Other external expenses**
Other external expenses comprise advertising, administration, rent of leasehold, provisions for bad debt, other leases, etc.

**Staff expenses**
Staff expenses comprise wages and salaries as well as other payroll expenses.

**Amortisation, depreciation and impairment losses**
Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

**Financial income and expenses**
Financial income and expenses comprise interest income and expenses, realised and unrealised foreign currency translation adjustments, market value adjustment of securities and surcharges and allowances under the tax prepayment scheme.

**Income from subsidiaries**
The Parent Company's share of the profits or losses of enterprises is recognised in the income statement after elimination of unrealised intercompany profits or losses with the deduction or addition of amortisation of consolidated goodwill.

**Tax on profit or loss for the year**
Tax on profit or loss for the year, consisting of current tax for the year and deferred tax for the year, is recognised in the income statement by the portion attributable to profit or loss for the year, and directly in equity by the portion attributable to equity transactions. Tax recognised in the income statement is classified as either tax on income or loss from ordinary activities or other taxes.

Any change in deferred tax as a result of changes in tax rates is recognised in the income statement.

The Parent Company is jointly taxed with fully owned Danish subsidiaries. The tax effect of the joint taxation with subsidiaries is allocated to profitable as well as loss-making enterprises in proportion to their taxable income (fully allocated with a refund for tax losses). Jointly taxed entities are included in the joint taxation scheme.

## Balance Sheet

**Goodwill and group goodwill**
Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is amortised on a straight-line basis over the estimated economic life determined based on Management's experience in the relevant business areas. The amortisation period is 5-10 years and is based on the Group's experience in and assessment of the useful life of the individual investment. Acquired enterprises with strong market positions and long-term earnings profiles have the longest amortisation period.

**Patents, trademarks, know-how, licences and software**
Intellectual property rights acquired in the form of patents, trademarks, know-how and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised over the remaining patent period, while trademarks and knowhow are amortised over a maximum of 10 years. Licences are amortised over the term of the licence, however not exceeding 20 years. Amortisation is made on a straight-line basis over the amortisation period.

Software is measured at cost less accumulated amortisation and impairment losses over a maximum period of 5 years. Amortisation is made on a straight-line basis over the amortisation period.

Where the recoverable amount is lower than the carrying amount, patents and licences are written down to the recoverable amount.

Gains and losses resulting from the sale of patents and licences, etc., are determined as the difference between the selling prices less cost of sales and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement under project costs when they relate to adjustments of amortisation previously made or under operating income when the selling price exceeds the original cost.

**Property, plant and equipment**
Property, plant and equipment are measured at cost plus revaluation less accumulated depreciation and impairment losses.

Costs comprise purchase price and any costs directly attributable to the acquisition plus costs for preparing the asset until the date when the asset is available for use.

The basis of depreciation is calculated based on cost less estimated residual value after the end of useful life. Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets:

| | |
|---|---|
| Land and buildings | 100 years |
| Leasehold improvements | 5-10 years or over the actual lease term |
| Fixtures and fittings, tools and equipment | 3-5 years |

The depreciation period and residual value are reassessed annually.

Gains and losses on disposal of property, plant and equipment are determined as the difference between the selling prices less cost of sales and the carrying amount at the time of sale. Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

**Impairment losses relating to non-current assets**
The carrying amounts of intangible assets and property, plant and equipment are reviewed annually to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

**Investments in subsidiaries and associates**
Investments in subsidiaries and associates are recognised and measured according to the equity method. This entails that investments are measured at the proportionate share of the equity value of the enterprises, see above under consolidated financial statements, with the addition or deduction of the residual value of positive goodwill and the deduction or addition of unrealised intercompany profits and losses.

Subsidiaries and associates with negative equity value are measured at DKK 0, and any receivables from those enterprises are written down by the Parent Company's share of the negative equity value to the extent that the amounts are deemed to be uncollectible. If the negative equity value exceeds the receivable, the residual amount is recognised under provisions for liabilities to the extent that the Parent Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

The total net revaluation of investments in subsidiaries and associates is transferred to the reserve for net revaluation of investments to the extent that the carrying amounts exceed the cost.

On acquisition of subsidiaries, the purchase method is applied, see the description above under consolidated financial statements.

**Receivables**
Receivables comprise trade receivables and other receivables. On initial recognition, receivables are measured at the transaction price and subsequently at amortised cost, which usually equals the nominal value less any loss allowance for bad debts.

**Contract work in progress**
Contract work in progress is measured at the selling price of the work performed based on the stage of completion. The stage of completion is calculated based on the share of costs incurred in proportion to the estimated total costs of the individual contract. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised in the income statement.

Where it is not possible to determine a reliable selling price, the selling price is measured at the lower of costs incurred and net realisable value.

Prepayments and payments received on account are deducted from the selling price. Each individual contract is recognised in the balance sheet in receivables or liabilities, depending on whether the net asset value, calculated as the selling price less amounts invoiced on account, is positive or negative.

Costs related to sales work and contract negotiations are recognised in the income statement as incurred.

**Prepayments and accrued income (assets)**
Prepayments and accrued income recognised under assets comprise prepaid expenses concerning subsequent financial years. Prepayments and accrued income are measured at amortised cost, usually equivalent to nominal value.

**Securities**
Securities and equity investments recognised as current assets comprise listed bonds and shares, which are measured at fair value at the balance sheet date. Fair value is calculated using the most recently quoted selling price.

**Cash and cash equivalents**
Cash and cash equivalents include cash on hand, interest free deposits held at call with the Danish Tax Agency and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Equity**
Dividend is recognised as a liability at the time of declaration at the Annual General Meeting. Dividend proposed for the financial year is recognised as a separate item under equity.

**Treasury shares**
Purchases and sales of treasury shares are recognised directly in equity. A capital reduction by way of cancellation of treasury shares reduces the share capital by an amount corresponding to the nominal value of the shares and increases retained earnings. Dividends on treasury shares are recognised directly in equity as retained earnings.

**Provision**
A provision is recognised when the Group has a legal or constructive obligation as a result of an event occurring on or before the balance sheet date, and it is probable that economic benefits will be required to settle the obligation.

Provisions are recognised for warranty commitments cost for warranty claims related to projects. The cost comprises insurance policy excess and warranty commitments for warranty claims in which the Group expects to have to pay costs of remediation, etc.

**Deferred tax assets and liabilities**
Deferred tax is recognised for all temporary differences between the carrying amounts and the tax base of assets and liabilities. However, deferred tax is not recognised for temporary differences relating to the amortisation of goodwill disallowed for tax purposes and other items if, except in the case of acquisitions, they arose at the date of acquisition without any impact on net profit or loss or taxable income.

Deferred tax is measured based on the tax rules and tax rates applicable when the deferred tax becomes current tax according to the legislation in force at the balance sheet date. In cases where the tax base can be determined under alternative taxation rules, deferred tax is measured based on the intended use of the asset or settlement of the obligation.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at their anticipated net realisable value, either by elimination in tax on future earnings or by offsetting against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

**Current tax receivables and liabilities**
Current tax receivables and liabilities are recognised in the balance sheet as calculated tax on taxable income for the year, adjusted for tax on taxable income for previous years and tax paid on account. Surcharges and allowances under the tax prepayment scheme are recognised in the income statement under financial income and expenses.

**Financial liabilities**
Financial liabilities are measured at amortised cost, which is usually equivalent to nominal value.

## Cash flow statement

The consolidated cash flow statement is presented according to the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are determined as operating profit adjusted for non-cash operating items, changes in working capital and income tax paid.

Cash flows from investing activities include payments relating to the acquisition and sale of enterprises and activities and purchases and sales of intangible assets, property, plant and equipment and investments. The cash flow statement includes cash flows relating to acquisitions from the date of acquisition and cash flows relating to disposals recognised up to the time of sale.

Cash flows from financing activities include changes in the size or composition of the consolidated share capital and the related costs as well as the raising of loans, repayments on interest-bearing debt and distribution of dividends to shareholders.

Cash and cash equivalents include cash at bank and in hand as well as short-term securities with an insignificant price risk less short-term bank debt.

The cash flow statement cannot be derived solely from the published financial statements.

## Financial ratios

The financial ratios have been prepared in accordance with the guidelines set out by Danish Finance Society (Den Danske Finansanalytikerforening (DDF)).

$$\text{EBITA/FTE} = \frac{\text{Operating profit excl. amortisation x 100}}{\text{Average number of employees}}$$

$$\text{EBITDA margin} = \frac{\text{Operating profit excl. depreciation and amortisation x 100}}{\text{Value of own production}}$$

$$\text{EBITA margin} = \frac{\text{Operating profit excl. amortisation x 100}}{\text{Value of own production}}$$

$$\text{EBIT margin} = \frac{\text{Operating profit x 100}}{\text{Value of own production}}$$

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

$$\text{Equity ratio} = \frac{\text{Equity x 100}}{\text{Total assets}}$$

# Financial statements for Group and Parent Company

## Income Statement

| Note | DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|---|
| | Gross revenue | 2,205,576 | 2,278,470 | - | - |
| | Project expenses | - 501,396 | - 504,240 | - | - |
| 1 | **Value of own production** | **1,704,180** | **1,774,230** | **-** | **-** |
| | Other external expenses | - 228,462 | - 273,056 | - 8,760 | - 9,104 |
| 2 | Staff expenses | - 1,347,647 | - 1,411,957 | - | - |
| 3 | Depreciation and amortisation | - 31,271 | - 33,015 | - 17 | - |
| | **Operating profit before special items** | **96,800** | **56,202** | **- 8,777** | **- 9,104** |
| 4 | Other operating income | 4,213 | - | - | - |
| | **Operating profit (EBIT)** | **101,013** | **56,202** | **- 8,777** | **- 9,104** |
| 5 | Profit from subsidiaries | - | - | 71,902 | 47,496 |
| | **Profit before financial income and expenses** | **101,013** | **56,202** | **63,125** | **38,392** |
| 6 | Financial income | 6,049 | 4,250 | 638 | 3,290 |
| 7 | Financial expenses | - 21,248 | - 3,620 | - 4,778 | - 4,894 |
| | **Profit before tax** | **85,814** | **56,832** | **58,985** | **36,788** |
| 8 | Income tax | - 23,565 | - 14,156 | 3,128 | 2,943 |
| 9 | **Net profit for the year** | **62,249** | **42,676** | **62,113** | **39,731** |

# Balance Sheet

## Assets

| Note | DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|---|
| | Goodwill | 68,738 | 42,367 | - | - |
| | Trademarks and know-how | 5,422 | - | - | - |
| | Software | 14,301 | 14,059 | 245 | - |
| 10 | **Intangible assets** | **88,461** | **56,426** | **245** | **-** |
| | Land and buildings | 183 | 1,657 | - | - |
| | Leasehold improvements | 15,186 | 17,909 | - | - |
| | Fixtures and fittings, tools and equipment | 15,113 | 18,228 | - | - |
| 11 | **Property, plant and equipment** | **30,482** | **37,794** | **-** | **-** |
| 12 | Investments in subsidiaries | - | - | 576,202 | 522,487 |
| | Other securities | 14,312 | 21,740 | 434 | 7,591 |
| | Receivables from group enterprises | - | - | 59,292 | 59,014 |
| | Deposits | 12,252 | 12,860 | - | - |
| | **Financial assets** | **26,564** | **34,600** | **635,928** | **589,092** |
| | **Non-current assets** | **145,507** | **128,820** | **636,173** | **589,092** |
| | Trade receivables | 432,614 | 529,442 | 14 | - |
| 13 | Contract work in progress | 200,304 | 210,153 | - | - |
| | Receivables from group enterprises | - | - | 24,652 | 20,244 |
| | Income tax receivable | 580 | 704 | - | - |
| 8 | Deferred tax asset | 872 | 868 | 5,654 | 5,654 |
| | Other receivables | 20,642 | 17,621 | 64 | 354 |
| 14 | Prepayments and accrued income | 40,136 | 31,732 | 100 | - |
| | **Receivables** | **695,148** | **790,520** | **30,484** | **26,252** |
| 15 | **Securities** | **46,014** | **47,114** | **46,014** | **44,110** |
| | **Cash and cash equivalents** | **613,968** | **286,054** | **38,172** | **7,176** |
| | **Current assets** | **1,355,130** | **1,123,688** | **114,670** | **77,538** |
| | **Total assets** | **1,500,637** | **1,252,508** | **750,843** | **666,630** |

## Equity and liabilities

| Note | DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|---|
| 16 | Share capital | 25,000 | 25,000 | 25,000 | 25,000 |
| | Reserves | - 4,176 | - | 14,215 | 7,362 |
| | Retained earnings | 438,915 | 384,330 | 420,524 | 376,968 |
| | Proposed dividend for the year | 10,000 | - | 10,000 | - |
| | **Equity attributable to shareholders of Parent Company** | **469,739** | **409,330** | **469,739** | **409,330** |
| | Minority interests | 1,384 | 14,003 | - | - |
| | **Equity** | **471,123** | **423,333** | **469,739** | **409,330** |
| 8 | Deferred tax | 113,320 | 102,701 | - | - |
| 17 | Other provisions | 27,883 | 9,636 | 13,963 | - |
| 12 | Provision for negative investments in subsidiaries | - | - | 13,380 | 14,348 |
| | **Provisions** | **141,203** | **112,337** | **27,343** | **14,348** |
| | Other payables | 102,533 | 39,907 | - | - |
| 18 | **Long term liabilities** | **102,533** | **39,907** | **-** | **-** |
| 13 | Prepayments received from customers | 329,833 | 257,651 | - | - |
| | Trade payables | 170,684 | 174,197 | 1,419 | - |
| | Payables to group enterprises | - | - | 251,730 | 232,255 |
| | Income tax | 7,721 | 3,332 | 612 | 2,596 |
| 19 | Other payables | 277,540 | 241,751 | - | 8,101 |
| | **Current liabilities** | **785,778** | **676,931** | **253,761** | **242,952** |
| | **Total liabilities** | **888,311** | **716,838** | **253,761** | **242,952** |
| | **Total equity and liabilities** | **1,500,637** | **1,252,508** | **750,843** | **666,630** |

| | |
|---|---|
| | **Other notes** |
| 20 | Contingent liabilities |
| 21 | Changes in working capital |
| 22 | Acquisitions |
| 23 | Fees to the auditor elected at the Annual General Meeting |
| 24 | General Meeting |
| 25 | Subsequent events |

# Cash flow statement

| Note | DKK thousand | Group 2020 | Group 2019 |
|---|---|---|---|
| | Operating profit | 101,013 | 56,202 |
| | Depreciation and amortisation | 32,139 | 34,963 |
| 21 | Change in working capital | 205,479 | - 60,917 |
| | Change to provisions and other adjustments | 15,648 | - |
| | **Cash flow from operating activities before interest and tax** | **354,279** | **30,248** |
| | Interest income received | 6,049 | 1,494 |
| | Interest expenses paid | - 21,248 | - 3,620 |
| | Income tax paid | - 8,866 | - 4,860 |
| | **Cash flow from operating activities** | **330,214** | **23,262** |
| | Investment in intangible assets and property, plant and equipment | - 44,813 | - 23,114 |
| | Disposal of property, plant and equipment | 4,302 | 1,212 |
| | Investment in other financial assets | 8,036 | 6,630 |
| 22 | Acquisition of businesses | - 40,724 | - 972 |
| | **Cash flow from investing activities** | **- 73,199** | **- 16,244** |
| | Change in long term liabilities | 62,557 | 39,907 |
| | Purchase and sales of treasury shares | 13,492 | 7,026 |
| | Dividends paid | - 6,250 | - 6,250 |
| | **Cash flow from financing activities** | **69,799** | **40,683** |
| | **Total cash flow** | **326,814** | **47,701** |
| | **Cash and cash equivalents at 1 January** | **333,168** | **285,467** |
| | **Cash and cash equivalents at 31 December** | **659,982** | **333,168** |

The Group has an undrawn credit facility of DKK 20,000 thousand.

# Statement of changes in equity

**Group**

| DKK thousand | Share capital | Reserve for Foreign currency translation adjustments | Retained earnings | Proposed dividend | Equity attributable to share-holders of Parent Company | Minority interests | Total equity |
|---|---|---|---|---|---|---|---|
| Equity 1 January 2020 | 25,000 | - | 384,330 | - | 409,330 | 14,003 | 423,333 |
| Profit for the year | - | - | 62,113 | - | 62,113 | 136 | 62,249 |
| Foreign currency translation adjustment related to foreign subsidiaries | - | - 4,176 | 1,929 | - | - 2,247 | - 147 | - 2,394 |
| Acquisition | - | - | - | - | - | - 3,204 | - 3,204 |
| Dividend paid | - | - | - 6,250 | - | - 6,250 | - | - 6,250 |
| Tax effects | - | - | - 424 | - | - 424 | - | - 424 |
| Treasury shares | - | - | 13,492 | - | 13,492 | - | 13,492 |
| Proposed dividend | - | - | - 10,000 | 10,000 | - | - | - |
| Correction of Minority Interests, beginning of year | - | - | - 6,275 | - | - 6,275 | - 9,404 | - 15,679 |
| **Equity 31 December 2020** | **25,000** | **- 4,176** | **438,915** | **10,000** | **469,739** | **1,384** | **471,123** |

**Parent Company**

| DKK thousand | Share capital | Reserve for net revaluation of investments | Retained earnings | Proposed dividend | Total equity |
|---|---|---|---|---|---|
| Equity 1 January 2020 | 25,000 | 7,362 | 376,968 | - | 409,330 |
| Profit for the year | - | 11,029 | 51,084 | - | 62,113 |
| Foreign currency translation adjustment related to foreign subsidiaries | - | - 4,176 | 1,929 | - | - 2,247 |
| Dividend paid | - | - | - 6,250 | - | - 6,250 |
| Tax effects | - | - | - 424 | - | - 424 |
| Treasury shares | - | - | 13,492 | - | 13,492 |
| Proposed dividend | - | - | - 10,000 | 10,000 | - |
| Correction of Minority Interests, beginning of year | - | - | - 6,275 | - | - 6,275 |
| **Equity 31 December 2020** | **25,000** | **14,215** | **420,524** | **10,000** | **469,739** |

# Notes

## 1 Segment information

| | Group | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Gross Revenue | | | | Value of own production | | | |
| **DKK thousand** | **2020** | | **2019** | | **2020** | | **2019** | |
| **Business segments** | | | | | | | | |
| Building | 595,449 | 27% | 679,619 | 30% | 604,255 | 35% | 644,641 | 36% |
| Infrastructure | 292,030 | 13% | 263,089 | 12% | 220,372 | 13% | 212,834 | 12% |
| Utilities | 260,891 | 12% | 248,598 | 11% | 251,817 | 15% | 234,926 | 13% |
| Process Industry | 310,873 | 14% | 269,612 | 12% | 210,068 | 12% | 217,938 | 12% |
| Environment, Water and Energy | 185,774 | 8% | 214,617 | 9% | 180,242 | 11% | 203,451 | 11% |
| Development Consulting | 499,100 | 23% | 542,914 | 24% | 177,549 | 10% | 203,768 | 11% |
| Informatics | 61,459 | 3% | 60,021 | 3% | 59,878 | 4% | 56,672 | 3% |
| | **2,205,576** | | **2,278,470** | | **1,704,180** | | **1,774,230** | |
| **Geography** | | | | | | | | |
| Denmark | 1,382,833 | 63% | 1,466,730 | 64% | 1,285,248 | 75% | 1,353,435 | 76% |
| Sweden | 213,302 | 10% | 220,798 | 10% | 145,391 | 9% | 139,146 | 8% |
| United Kingdom | 195,906 | 9% | 154,797 | 7% | 88,869 | 5% | 66,149 | 4% |
| Norway | 118,296 | 5% | 105,085 | 5% | 57,462 | 3% | 66,528 | 4% |
| Germany | 99,429 | 5% | 104,925 | 5% | 22,620 | 1% | 34,329 | 2% |
| Finland | 60,323 | 3% | 67,051 | 3% | 25,100 | 1% | 25,744 | 1% |
| Netherlands | 44,144 | 2% | 40,908 | 2% | 34,196 | 2% | 44,471 | 3% |
| Poland | 39,845 | 2% | 62,942 | 3% | 11,031 | 1% | 11,344 | 1% |
| Greenland | 3,877 | 0% | 5,014 | 0% | 181 | 0% | 419 | 0% |
| Other countries | 47,621 | 2% | 50,220 | 2% | 34,084 | 2% | 32,665 | 2% |
| | **2,205,576** | | **2,278,470** | | **1,704,180** | | **1,774,230** | |

## 2 Staff expenses

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Wages and salaries | - 1,183,445 | - 1,229,507 | - | - |
| Pension contributions | - 127,887 | - 134,456 | - | - |
| Other social security costs | - 36,315 | - 47,994 | - | - |
| | **- 1,347,647** | **- 1,411,957** | **-** | **-** |
| Remuneration for registered members of the Executive Board and the Board of Directors | 7,286 | 6,614 | 1,515 | 1,698 |
| Average number of employees | 2,181 | 2,332 | - | - |

**Incentive schemes**

The members of the Group's Executive Board and other executive officers are paid bonuses based on the consolidated operating profit.

As at 30 June 2019, nine executive officers of the Group were granted 19,500 options each for the purchase of 1 B share in NIRAS Gruppen A/S, two executive officers were granted 17,145 options each for the purchase of 1 B share in NIRAS Gruppen A/S and one executive officer was granted 25,000 options for the purchase of 1 B share in NIRAS Gruppen A/S, a total of 234,790 share options. The options can be exercised on 30 June 2022 and the purchase price is fixed at DKK 16.331 per share excl. dividend of DKK 0.25 paid in the period, a total of DKK 3,775 thousand.

As at 30 September 2018, 12 executive officers of the Group were granted 19,500 options each for the purchase of 1 B share in NIRAS Gruppen A/S, one executive officer of the Group was granted 25,000 options for the purchase of 1 B share in NIRAS Gruppen A/S, and two executive officers were granted 17,145 options each for the purchase of 1 B share in NIRAS Gruppen A/S, a total of 293,290 share options. The options can be exercised on 30 September 2021 and the purchase price is fixed at DKK 15.322 per share excl. dividend of DKK 0.50 paid in the period, a total of DKK 4,347 thousand.

The exercise of options is conditional on continued employment. Options are granted to retain employees.

## 3 Depreciation and amortisation

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Land and buildings | - 12 | - 36 | - | - |
| Leasehold improvements | - 3,041 | - 3,362 | - | - |
| Fixtures and fittings, tools and equipment | - 7,147 | - 6,772 | - | - |
| Software | - 5,799 | - 6,661 | - 17 | - |
| Gain/(loss) on sale of operating equipment | - 12 | - 149 | - | - |
| **Depreciation** | **- 16,011** | **- 16,980** | **- 17** | **-** |
| Goodwill | - 14,713 | - 15,912 | 1,170 | - |
| Trademarks and know-how | - 547 | - 123 | - | - |
| **Amortisation** | **- 15,260** | **- 16,035** | **1,170** | **-** |
| | **- 31,271** | **- 33,015** | **1,153** | **-** |

## 4 Other operating income

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Salary compensation | 3,158 | - | - | - |
| Operating expenses compensation | 69 | - | - | - |
| Other compensations | 14 | - | - | - |
| Gain on disposal of shares in subsidiaries | 972 | - | - | - |
| | **4,213** | **-** | **-** | **-** |

Compensations received are related to Covid-19 government grants from foreign group subsidiaries.

## 5 Profit from subsidiaries

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Profit from subsidiaries | - | - | 85,513 | 58,929 |
| Amortisation of group goodwill | - | - | - 10,861 | - 11,433 |
| Adjustement to other provisions related to acquisitions | - | - | - 3,722 | - |
| Gain on disposal of shares in subsidiaries | - | - | 972 | - |
| | **-** | **-** | **71,902** | **47,496** |

## 6 Financial income

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Interest income external | 601 | 1,894 | - | - |
| Interest income from NIRAS Group companies | - | - | - | 934 |
| Foreign exchange gain | 4,825 | - | 399 | - |
| Capital gain on securities | 623 | 2,356 | 239 | 2,356 |
| | **6,049** | **4,250** | **638** | **3,290** |

## 7 Financial expenses

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Interest expense external | - 1,667 | - 1,860 | - 426 | - 23 |
| Interest expenses to NIRAS Group companies | - | - | - 208 | - 4,871 |
| Foreign exchange loss | - 16,543 | - 1,715 | - 1,279 | - |
| Capital loss on securities | - 3,038 | - 45 | - 2,865 | - |
| | **- 21,248** | **- 3,620** | **- 4,778** | **- 4,894** |

## 8 Income tax

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Current tax | - 13,924 | - 7,324 | 2,593 | 1,484 |
| Deferred tax | - 9,964 | - 9,055 | - | - 125 |
| **Tax on profit for the year** | **- 23,888** | **- 16,379** | **2,593** | **1,359** |
| Adjustment related to previous years | 323 | 2,223 | 535 | 1,584 |
| | **- 23,565** | **- 14,156** | **3,128** | **2,943** |
| **Provision for deferred tax** | | | | |
| Deferred tax asset at 1 January 2020 | - 102,101 | - 94,775 | 5,654 | 4,731 |
| Foreign currency translation adjustment | - 58 | - 102 | - | - |
| Adjustment of deferred tax, Income Statement | - 9,083 | - 6,952 | - | 923 |
| Adjustment of deferred tax, Equity | - | - 3 | - | - |
| Addition from acquisitions | - 1,402 | 2 | - | - |
| Adjustment related to previous years | 196 | - 3 | - | - |
| | **- 112,448** | **- 101,833** | **5,654** | **5,654** |
| **Recognised as follows:** | | | | |
| Deferred tax asset | 872 | 868 | 5,654 | 5,654 |
| Deferred tax | - 113,320 | - 102,701 | - | - |
| | **- 112,448** | **- 101,833** | **5,654** | **5,654** |
| **Specified on balance sheet items:** | | | | |
| Intangible assets | - 6,200 | - 2,751 | - | |
| Property, plant and equipment | 2,701 | 1,218 | - | |
| Financial assets | 12 | - | - | |
| Contract work in progress | - 198,458 | - 200,778 | - | |
| Other current net assets | 2,755 | 2,625 | - | |
| Provisions and other liabilities | 5,684 | 4,248 | - | |
| Tax loss carried forward | 81,058 | 93,605 | 5,654 | 5,654 |
| | **- 112,448** | **- 101,833** | **5,654** | **5,654** |

Deferred tax assets, including tax value of tax loss allowed for carryforward, are measured at the value at which the asset is expected to be realised, either by elimination in tax of future earnings or by offsetting against deferred tax liabilities.

## 9 Net profit for the year

| DKK thousand | 2020 | 2019 | 2020 | 2019 |
|---|---|---|---|---|
| **Proposed distribution of net profit for the year** | | | | |
| Proposed dividend | 10,000 | - | 10,000 | - |
| Minority interests | 136 | 2,945 | - | - |
| Retained earnings | 52,113 | 39,731 | 52,113 | 39,731 |
| | **62,249** | **42,676** | **62,113** | **39,731** |

## 10 Intangible assets

| DKK thousand | Goodwill | Trademarks and know-how | Software | Total |
|---|---|---|---|---|
| | | Group | | |
| Cost at 1 January 2020 | 182,726 | - | 57,031 | 239,757 |
| Foreign currency translation adjustment | 1,583 | - | - | 1,583 |
| Additions from acquired companies | - | - | 154 | 154 |
| Additions | 25,630 | 5,970 | 7,198 | 38,798 |
| Disposals | - 32,545 | - | - 19,309 | - 51,854 |
| Correction beginning of year | 25,689 | - | - | 25,689 |
| **Cost at 31 December 2020** | **203,083** | **5,970** | **45,074** | **254,127** |
| Depreciation and amortisation at 1 January 2020 | - 140,362 | - | - 42,972 | - 183,334 |
| Foreign currency translation adjustment | - 1,427 | - | - | - 1,427 |
| Depreciation and amortisation | - 14,826 | - 548 | - 5,799 | - 21,173 |
| Disposals | 32,546 | - | 17,998 | 50,544 |
| Correction beginning of year | - 10,276 | - | - | - 10,276 |
| **Depreciation and amortisation at 31 December 2020** | **- 134,345** | **- 548** | **- 30,773** | **- 165,666** |
| **Carrying amount at 31 December 2020** | **68,738** | **5,422** | **14,301** | **88,461** |
| Depreciation and amortisation period in number of years | 5-10 | 10 | 3-5 | |

## 11 Property, plant and equipment

| DKK thousand | Land and buildings | Leasehold improvements | Fixtures and fittings, tools and equipment | Total |
|---|---|---|---|---|
| | | Group | | |
| Cost at 1 January 2020 | 2,093 | 30,586 | 76,513 | 109,192 |
| Foreign currency translation adjustment | - 108 | - 263 | - 800 | - 1,171 |
| Additions from acquired companies | - | 154 | 2,744 | 2,898 |
| Additions | 60 | 697 | 5,258 | 6,015 |
| Disposals | - 1,420 | - 234 | - 17,355 | - 19,009 |
| **Cost at 31 December 2020** | **625** | **30,940** | **66,360** | **97,925** |
| Depreciation at 1 January 2020 | - 436 | - 12,677 | - 58,285 | - 71,398 |
| Foreign currency translation adjustment | - | 126 | 614 | 740 |
| Depreciation from acquired companies | - | - 26 | - 1,869 | - 1,895 |
| Depreciation | - 6 | - 3,041 | - 7,919 | - 10,966 |
| Disposals | - | - 136 | 16,153 | 16,017 |
| Write-downs | - | - | 59 | 59 |
| **Depreciation and amortisation at 31 December 2020** | **- 442** | **- 15,754** | **- 51,247** | **- 67,443** |
| **Carrying amount at 31 December 2020** | **183** | **15,186** | **15,113** | **30,482** |
| Depreciation period in number of years | 100 | 5-10 | 3-5 | |

## 12 Investments in subsidiaries

| DKK thousand | Parent Company 2020 | 2019 |
|---|---|---|
| Cost at 1 January 2020 | 500,777 | 490,725 |
| Additions | 70,301 | 10,099 |
| Disposals | - 36,112 | - 47 |
| Correction beginning of year | 13,641 | - |
| **Cost at 31 December 2020** | **548,607** | **500,777** |
| | | |
| Revaluation at 1 January 2020 | 7,362 | - 8,769 |
| Foreign currency translation adjustment | - 4,176 | 3,110 |
| Dividends from subsidiaries | - 62,520 | - 34,475 |
| Profit from subsidiaries | 85,513 | 58,929 |
| Amortisation of group goodwill | - 10,861 | - 11,433 |
| Disposals | 7,646 | - |
| Correction beginning of year | - 8,749 | - |
| **Revaluation at 31 December 2020** | **14,215** | **7,362** |
| | | |
| **Carrying amount at 31 December 2020** | **562,822** | **508,139** |
| | | |
| **Recognised as follows:** | | |
| Investments in subsidiaries | 576,202 | 522,487 |
| Provision for negative investments in subsidiaries | - 13,380 | - 14,348 |
| | **562,822** | **508,139** |

## 12 Investments in subsidiaries - continued

**Investments are specified on subsidiaries:**

| Name | Registered office | Voting share and equity interest |
|---|---|---|
| NIRAS A/S | Allerød, Denmark | 100% |
| Multi Media Consulting A/S | Allerød, Denmark | 100% |
| NIRAS IPR A/S | Allerød, Denmark | 100% |
| NIR-PEN A/S | Allerød, Denmark | 100% |
| NIRAS Mapping A/S | Allerød, Denmark | 100% |
| NIRAS AB | Norrköping, Sweden | 100% |
| NIRAS Sweden AB | Stockholm, Sweden | 100% |
| FM Konsulterna AB | Gothenborg, Sweden | 100% |
| HydraCon Sverige AB | Uppsala, Sweden | 100% |
| NIRAS Norge AS | Stavanger, Norway | 100% |
| NIRAS-IP Consult GmbH | Stuttgart, Germany | 100% |
| NIRAS Greenland A/S | Nuuk, Greenland | 100% |
| NIRAS Finland OY | Vantaa, Finland | 100% |
| NIRAS Polska Sp. Z.o.o. | Warsaw, Poland | 100% |
| NIRAS IC Sp. Z.o.o. | Warsaw, Poland | 100% |
| NIRAS Consulting Ltd. | Cambridge, UK | 100% |
| NIRAS Fraenkel Ltd. | Dorking, UK | 100% |
| NIRAS Group (UK) Ltd. | Ascot, UK | 100% |
| V.M. Engineering UK Ltd. | Bury, UK | 100% |
| LTS International Ltd. | Edinburgh, UK | 100% |
| PEAL Management Holdings Limited | Derbyshire, UK | 100% |
| Integrated Food Projects Limited | Derbyshire, UK | 100% |
| Structural Design Associates Ltd. | Derbyshire, UK | 100% |
| IFP Construction Limited | Derbyshire, UK | 100% |
| NIRAS Africa Ltd. | Nairobi, Kenya | 100% |
| NIRAS Limited | Lilongwe, Malawi | 100% |
| NIRAS Australia Pty. Ltd. | Melbourne, Australien | 100% |
| LLC NIRAS Ukraine | Kiev, Ukraine | 100% |
| NIRAS Zambia Ltd. | Lusaka, Zambia | 100% |
| NIRAS Tanzania Ltd. | Dar-es-Salaam, Tanzania | 100% |
| NIRAS Mocambique Lda. | Maputo, Mozambique | 100% |
| NIRAS Asia Manila Inc. | Manila, Philippines | 100% |
| NIRAS America Latina S.A.S | Bogota, Colombia | 100% |
| RCEE-NIRAS JSC | Hanoi, Vietnam | 50% |
| PT NIRAS International Consulting Indonesia | Jakarta, Indonesia | 100% |
| NIRAS Serbia D.o.o. | Beograd, Serbia | 100% |
| NIRAS Taiwan Ltd. | Taipei City, Taiwan | 100% |
| NIRAS International Consulting Belgium Sprl. | Brussels, Belgium | 100% |
| V.M. Engineering B.V. | Rosmalen, Netherlands | 100% |
| NIRAS International Consulting Uganda Limited | Kampala, Uganda | 100% |

## 13 Contract work in progress

| | Group | | Parent Company | |
|---|---|---|---|---|
| **DKK thousand** | **2020** | **2019** | **2020** | **2019** |
| Selling price of production | 3,328,554 | 3,372,777 | - | - |
| Invoiced on account | - 3,458,083 | - 3,420,275 | - | - |
| | **- 129,529** | **- 47,498** | **-** | **-** |
| Contract work in progress | 200,304 | 210,153 | - | - |
| Prepayments received from customers | - 329,833 | - 257,651 | - | - |
| | **- 129,529** | **- 47,498** | **-** | **-** |

## 14 Prepayments and accrued income

Prepayments comprises prepaid expenses related to operational leases, insurance premiums, subscriptions and interest.

## 15 Securities

| | Group | | Parent Company | |
|---|---|---|---|---|
| **DKK thousand** | **2020** | **2019** | **2020** | **2019** |
| Listed bonds etc. | 46,014 | 47,114 | 46,014 | 44,110 |
| | **46,014** | **47,114** | **46,014** | **44,110** |

## 16 Share capital

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | A shares | | B shares | | Share capital | |
| **Nominal values in DKK thousand** | **Number of** | **Nominal value** | **Number of** | **Nominal value** | **Number of** | **Nominal value** |
| Shares of DKK 1,000,000 | 7 | 7,000 | 2 | 2,000 | 9 | 9,000 |
| Shares of DKK 100,000 | 21 | 2,100 | 13 | 1,300 | 34 | 3,400 |
| Shares of DKK 50,000 | - | - | 20 | 1,000 | 20 | 1,000 |
| Shares of DKK 20,000 | 100 | 2,000 | 96 | 1,920 | 196 | 3,920 |
| Shares of DKK 10,000 | 53 | 530 | 158 | 1,580 | 211 | 2,110 |
| Shares of DKK 5,000 | 250 | 1,250 | 278 | 1,390 | 528 | 2,640 |
| Shares of DKK 1,000 | 1,151 | 1,151 | 1,223 | 1,223 | 2,374 | 2,374 |
| Shares of DKK 500 | 340 | 170 | 421 | 211 | 761 | 381 |
| Shares of DKK 100 | 151 | 15 | 1,133 | 113 | 1,284 | 128 |
| Shares of DKK 50 | 200 | 10 | 321 | 16 | 521 | 26 |
| Shares of DKK 10 | 303 | 3 | 1,302 | 13 | 1,605 | 16 |
| Shares of DKK 5 | 300 | 2 | 300 | 2 | 600 | 3 |
| Shares of DKK 1 | 500 | 1 | 1,500 | 2 | 2,000 | 2 |
| | **3,376** | **14,231** | **6,767** | **10,769** | **10,143** | **25,000** |

The share capital is divided into A and B shares with nominal values as specified above. A shares with nominal value of DKK 1 carry 10 votes and B shares with nominal value of DKK 1 carry one vote.

A share capital increase of DKK 7,000 thousand was completed in 2017 in connection with the merger between NIRAS and ALECTIA. No subsequent share capital movements has been completed.

The Company's holding of treasury shares accounts for 3,4% (2019: 7,1%) of the nominal share capital.

Treasury shares have been acquired from the NIRAS Foundation to be used for the incentive scheme for executive officers. The total price of the acquisition of treasury shares was DKK 11,538 thousand.

## 17 Other provisions

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Other provisions at 1 January 2020 | 9,636 | 9,578 | - | - |
| Additions | 20,447 | 3,163 | 13,963 | - |
| Used | - 2,200 | - 3,105 | - | - |
| Reversed | - | - | - | - |
| | **27,883** | **9,636** | **13,963** | **-** |
| **Specified as follows:** | | | | |
| Owner-employee compensation related to acquisitions | 3,722 | - | 3,722 | - |
| Earn out related to acquisitions | 10,241 | - | 10,241 | - |
| Restoration liabilities related to leases | 6,957 | 5,605 | - | - |
| Own risk on insurance | 6,016 | 3,250 | - | - |
| Warranty | 947 | 781 | - | - |
| | **27,883** | **9,636** | **13,963** | **-** |

## 18 Long term liabilities

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Due 1-5 years | 48,830 | - | - | - |
| Due after 5 years | 53,703 | 39,907 | - | - |
| | **102,533** | **39,907** | **-** | **-** |
| **Specified as follows:** | | | | |
| Holiday pay obligations (due after one year) | 102,533 | 39,907 | - | - |
| | **102,533** | **39,907** | **-** | **-** |

## 19 Other payables

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Holiday pay obligations | 52,797 | 117,558 | - | - |
| Accrued wages, pensions, social contributions and payroll tax | 169,474 | 63,278 | - | - |
| Withholding tax and VAT | 51,889 | 50,321 | - | - |
| Deferred considerations | - | 8,724 | - | 8,101 |
| Accrued expenses | 3,380 | 1,870 | - | - |
| | **277,540** | **241,751** | **-** | **8,101** |

## 20 Contingent liabilities

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| **Guarantees** | | | | |
| Payment guarantees | 88,412 | 99,878 | - | - |
| | **88,412** | **99,878** | **-** | **-** |
| Payment guarantees issued to third parties related to payments received for contract work in progress. | | | | |
| **Operational lease liabilities** | | | | |
| Due 0-1 year | 37,777 | 28,146 | - | - |
| Due 1-5 years | 81,018 | 60,540 | - | - |
| Due after 5 years | 4,984 | 19,473 | - | - |
| | **123,779** | **108,159** | **-** | **-** |
| Operational leases related to rent of office premises, vehicles and office equipment are entered into for the period 2021 - 2026. | | | | |

The Parent Company and jointly registered Danish Group subsidiaries are jointly and severally liable for the total Danish VAT liability. The VAT liability of the Parent company amounts to DKK 33,906 thousand (2019: DKK 33,349 thousand).

The Company and the Group subsidiaries are jointly and severally liable for tax payable on the Group's income, etc., subject to joint taxation. The total income tax payable appears from the annual report of NIRAS Gruppen A/S, which acts as the administration company of the joint taxation scheme. Any subsequent adjustments to income taxes may increase the liability of the Company.

The Parent company has issued statements of support for some of its subsidiaries. According to the statements, the Parent company guarantees that the subsidiaries will have the required liquidity at its disposal up to 31 December 2021.

The Group is a stakeholder in the owners' association 'Hotel Tannishus' (title No. 38-i), Tannishus, Denmark. The Group has a 1/73 share.

The Group makes a provision under Other provisions corresponding to the expected insurance excess for projects in which there is a risk of exposure to liability. In addition, the Group is involved in a few legal proceedings. The outcome of the legal proceedings is not expected to have any significant impact on the Group's financial position.

The Group regularly enters into partnerships and joint ventures subject to joint and several liability. The Group a partner in 51 joint ventures with a total contract amount of DKK 618,532 thousand. The Group owns different shares in the joint ventures.

The Group regularly enters into partnerships and joint ventures subject to joint and several liability. According to Management, these obligations are insignificant.

## 21 Changes in working capital

| DKK thousand | Group 2020 | Group 2019 |
|---|---|---|
| Change in contract work in progress and prepayments from customers | 76,092 | - 29,158 |
| Change in other receivables | 108,448 | 7,933 |
| Change in current liabilities | 20,939 | - 39,692 |
| | **205,479** | **- 60,917** |

## 22 Acquisitions

| DKK thousand | Group 2020 | Group 2019 |
|---|---|---|
| Intangible assets | - | - |
| Property, plant and equipment | 550 | - |
| Financial assets | - | - |
| Current receivables | 23,538 | - |
| Securities | - | - |
| Cash and cash equivalents | 9,178 | - |
| Provisions | - | - |
| Long term liabilities | - 69 | - |
| Short term liabilities | - 18,198 | - |
| **Net assets acquired** | **14,999** | **-** |

## 23 Fees to the auditor elected at the Annual General Meeting

| DKK thousand | Group 2020 | Group 2019 | Parent Company 2020 | Parent Company 2019 |
|---|---|---|---|---|
| Audit | 1,350 | 1,388 | 50 | 50 |
| Other assurance engagements | 910 | 1,313 | - | - |
| Tax advisory services | 192 | 238 | - | - |
| Other services | 1,143 | 863 | - | - |
| | **3,595** | **3,802** | **50** | **50** |

## 24 General Meeting

Share capital of the Group is owned by NIRAS ALECTIA Fonden, Sortemosevej 19, 3450 Allerød, Denmark, and key employees. No employee owns more than 5%.

Other related parties include the company's Board of Directors, Executive Board, subsidiaries and associates.

In accordance with section 98C(3) of the Danish Financial Statements Act, the Company has omitted to describe transactions with related parties.

Transactions with related parties have been made on market terms.

## 25 Subsequent events

On 15 January 2021, the Parent Company acquired 100% of the shares in AlfaNordic Group A/S, a group of engineering advisory companies with an estimated revenue of DKK 100,000 thousand and approximately 80 employees.

Other than as set out above, we are not aware of events subsequent to 31 December 2020, which are expected to have a material impact on the Group's financial position.

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**Peter Anders Breum**
**Bestyrelsesmedlem**
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*IP: 77.241.xxx.xxx*
*2021-03-22 11:13:34Z*
NEM ID

**Michael Rosenvold**
**Bestyrelsesmedlem**
*Serienummer: PID:9208-2002-2-387989224684*
*IP: 185.118.xxx.xxx*
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NEM ID

**Kaare von Cappeln**
**Revisor**
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**Søren Fournaise Eriksen**
**Bestyrelsesmedlem**
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NEM ID

**Jens Maaløe**
**Bestyrelsesformand**
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**Susanne Nilsson**
**Bestyrelsesmedlem**
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**Lisbeth Knudsen**
**Bestyrelsesmedlem**
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*IP: 83.94.xxx.xxx*
*2021-03-22 16:47:30Z*
NEM ID

**Carsten Toft Boesen**
**Adm. Direktør**
*Serienummer: PID:9208-2002-2-630744189614*
*IP: 83.151.xxx.xxx*
*2021-03-23 08:00:43Z*
NEM ID

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**Kjeld Zacho Jørgensen**
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*2021-03-23 08:51:00Z*
bankID

**Tine Sværdborg**
**Bestyrelsesmedlem**
*Serienummer: CVR:37295728-RID:96338628*
*IP: 62.198.xxx.xxx*
*2021-03-24 12:11:05Z*
NEM ID

**Jacob Fromm Christiansen**
**Revisor**
*Serienummer: PID:9208-2002-2-280994644017*
*IP: 83.136.xxx.xxx*
*2021-03-25 08:49:09Z*
NEM ID

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