

AART

# Annual Report 2024

**01.10.2023 – 30.09.2024**

**The Annual General Meeting adopted the annual report on 06.02.2025**

**Chairman of the General Meeting:**
Torben Skovbjerg

**AART architects A/S**
**Mariane Thomsensgade 1C, 9.**
**8000 Aarhus C**
**CVR. no. 25686705**

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# Entity details

### Entity

AART Architects A/S
Mariane Thomsens Gade 1 C, 9.
8000 Aarhus C

Business Registration No.: 25686705
Registered office: Aarhus
Financial year: 01.10.2023 - 30.09.2024

### Board of Directors

Anders Tyrrestrup
Lars Dige Knudsen
Torben Skovbjerg Larsen
Anders Strange

### Executive Board

Torben Skovbjerg Larsen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of AART Architects A/S for the financial year 01.10.2023 - 30.09.2024.

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 30.09.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2023 - 30.09.2024.

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.

Aarhus, 06.02.2025

**Executive Board**

**Torben Skovbjerg Larsen**

**Board of Directors**

**Anders Tyrrestrup**

**Lars Dige Knudsen**

**Torben Skovbjerg Larsen**

**Anders Strange**

# Independent auditor's report

**To the shareholders of AART Architects A/S**

## Opinion

We have audited the consolidated financial statements and the parent financial statements of AART Architects A/S for the financial year 01.10.2023 - 30.09.2024, 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 30.09.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.10.2023 - 30.09.2024 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 06.02.2025

**Deloitte**
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

**Lars Andersen**
State Authorised Public Accountant
Identification No (MNE) mne34506

**Kasper Vildrich Jessen**
State Authorised Public Accountant
Identification No (MNE) mne42784

# Management commentary

## Financial highlights

| | 2023/24<br>DKK'000 | 2022/23<br>DKK'000 | 2021/22<br>DKK'000 | 2020/21<br>DKK'000 | 2019/20<br>DKK'000 |
|---|---|---|---|---|---|
| **Key figures** | | | | | |
| Revenue | 273,125 | 292,690 | 239,216 | 146,970 | 121,808 |
| Gross profit/loss | 167,272 | 188,906 | 159,339 | 103,740 | 88,453 |
| Earnings before interests, tax, depreciations and amortisations (EBITDA) | 3,078 | 11,618 | 11,993 | 12,432 | 7,692 |
| Operating profit/loss | (3,817) | 5,103 | 7,373 | 9,318 | 4,867 |
| Net financials | (1,578) | (1,179) | (1,738) | (42) | (494) |
| Earnings before tax (EBT) | (5,394) | 3,923 | 5,635 | 9,275 | 4,373 |
| Profit/loss for the year | (5,020) | 2,396 | 3,454 | 7,243 | 3,525 |
| Profit for the year excl. minority interests | (5,189) | 1,260 | 2,827 | 6,845 | 3,439 |
| Balance sheet total | 124,904 | 132,896 | 136,243 | 72,837 | 63,144 |
| Investments in property, plant and equipment | 2,128 | 3,284 | 5,830 | 3,080 | 606 |
| Equity | 28,958 | 36,267 | 31,310 | 28,016 | 21,863 |
| | | | | | |
| **Ratios** | | | | | |
| Gross margin (%) | 61.24 | 64.54 | 66.61 | 70.59 | 72.62 |
| Net margin (%) | (1.84) | 0.82 | 1.44 | 4.93 | 2.89 |
| Equity ratio (%) incl. minority interets | 23.18 | 27.29 | 22.98 | 38.46 | 34.62 |

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

**Equity ratio (%) incl. minority interests:**
Equity * 100
Balance sheet total

## Primary activities

AART Architects operates as an architectural firm, engaging in projects and related activities both domestically and internationally, as determined by the Board of Directors.

## Development in activities and finances

As one of Scandinavia's leading independent architectural firms, AART faced a challenging financial year, marked by a decrease in both revenue and results due to an uncertain market across the region. A lower level of activity in several segments contributed to a decline in revenue and a negative financial outcome. While we have experienced varied activity in both the public and private sector projects in Denmark, activity in Norway and Sweden was significantly limited due to difficult market conditions.

The fourth quarter showed slight improvements, though ongoing uncertainties, driven by high interest rates and escalating construction costs, continued to pose challenges. Despite the constrained environment, AART has focused on strengthening its core competencies. Investments were made to expand expertise in sustainability, transformation, space planning, landscape architecture, and impact-driven design. Furthermore, we welcomed several experienced leaders and specialists into key roles across our offices.

In early 2024, we finalized the updated version of our strategy, Fast Forward / Reinforcing Impact, setting ambitious goals to enhance AART's position as a leader in impact-based architecture. Looking ahead, we plan to launch a new, comprehensive strategy in early 2025, with the objective of solidifying our position as the leading Scandinavian advisor in impact-based architecture and our independent standing amidst industry consolidation. Supported by our multidisciplinary services, a robust pipeline of over three million square meters under development, and offices in Aarhus, Copenhagen, Roskilde, Frederikssund, Oslo, and Stockholm, we are poised for growth.

## Profit/loss for the year in relation to expected developments

AART achieved a revenue of 273 million DKK, a 7% decline compared to the previous year. While this confirms our status as one of Scandinavia's largest partner-owned architectural firms, the year's financial results fell below expectations. EBITDA closed just above 3 million DKK, with an EBT of -5.4 million DKK. The financing of the acquisition of Mangor & Nagel still influences the result. Despite these outcomes, the financial performance remains unsatisfactory, and measures are being taken to improve profitability in the coming year.

### Intellectual capital resources

Our employees are the cornerstone of our success, delivering impact-driven architectural solutions every day. We prioritize monitoring, evaluating, and enhancing employee motivation and satisfaction through annual surveys, aligning with our ambition to be Scandinavia's most meaningful architectural workplace. This year's meaningfulness survey reflected strong results, highlighting a sense of purpose, belonging, and opportunities for personal growth despite external challenges.

Our specialist teams span various fields, including building typologies, transformation, urban planning, landscape design, sustainability, and impact assessment. Central to our impact-driven approach is the Effektkompas™, a strategic tool that ensures measurable social, economic, and environmental outcomes throughout project phases. By leveraging this tool, we translate client visions into architecture that delivers tangible impact.

### Research and development activities

In 2024, we continued to advance our R&D efforts. As the first Scandinavian architecture firm to establish an impact-focused team in 2018, we have built strong partnerships with academic institutions to explore architecture's broad potential for creating sustainable impact.

This year, we expanded our business PhD portfolio to include Social Commissioning, which examines how to enhance the social lifecycle of buildings. Conducted in collaboration with Aarhus University and BUILD, this project complements our latest business PhD projects ongoing research initiatives, Catalyst and Revalue, further cementing our leadership in documenting architecture's societal and environmental impact.

**Particular risks**

The past three years have underscored the unpredictability of global crises, from COVID-19 to geopolitical tensions and economic volatility. These events, coupled with persistent inflation, high construction costs, and market sensitivity, continue to pose risks. Additionally, increasing conflicts and legal disputes within the construction industry present challenges. However, a modest improvement in the labor market offers optimism for future recruitment efforts. We remain vigilant in risk assessments to navigate these uncertainties effectively.

## Outlook

Despite continued market challenges, we approach 2025 with cautious optimism. Our diversified portfolio, strong local presence across Scandinavia, and expertise in both public and private sectors provide a solid foundation for growth. Early next year, we will unveil a new strategy aimed at strengthening AART's role as a leader in impact-based architecture and as an independent advisor in a consolidating industry. We also aim to solidify our reputation as Scandinavia's most desirable architectural workplace. While we anticipate up to a 10% decline in revenue, we project an EBT ranging between 2-5 million DKK.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Consolidated income statement for 2023/24

| | Notes | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|---|
| Revenue | | 273,125,428 | 292,689,737 |
| Other operating income | | 2,193,848 | 2,062,588 |
| Other external expenses | | (108,047,582) | (105,846,564) |
| **Gross profit/loss** | | **167,271,694** | **188,905,761** |
| | | | |
| Staff costs | 1 | (164,193,460) | (177,264,681) |
| Depreciation, amortisation and impairment losses | 2 | (6,894,839) | (6,538,336) |
| **Operating profit/loss** | | **(3,816,605)** | **5,102,744** |
| | | | |
| Other financial income | | 185,924 | 318,923 |
| Other financial expenses | | (1,763,791) | (1,498,408) |
| **Profit/loss before tax** | | **(5,394,472)** | **3,923,259** |
| | | | |
| Tax on profit/loss for the year | 3 | 374,631 | (1,527,396) |
| **Profit/loss for the year** | 4 | **(5,019,841)** | **2,395,863** |

# Consolidated balance sheet at 30.09.2024

## Assets

| | Notes | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|---|
| Goodwill | | 20,306,131 | 23,616,203 |
| **Intangible assets** | 5 | **20,306,131** | **23,616,203** |
| | | | |
| Other fixtures and fittings, tools and equipment | | 4,108,593 | 6,052,123 |
| Leasehold improvements | | 660,889 | 400,805 |
| **Property, plant and equipment** | 6 | **4,769,482** | **6,452,928** |
| | | | |
| Other investments | | 1,169,662 | 1,195,142 |
| Deposits | | 2,683,388 | 3,023,153 |
| Other receivables | | 1,329,250 | 1,790,794 |
| **Financial assets** | 7 | **5,182,300** | **6,009,089** |
| | | | |
| **Fixed assets** | | **30,257,913** | **36,078,220** |
| | | | |
| Trade receivables | | 67,101,099 | 66,493,728 |
| Contract work in progress | 8 | 18,284,502 | 19,566,400 |
| Other receivables | | 1,581,327 | 750,323 |
| Tax receivable | | 431,000 | 678,761 |
| Prepayments | 9 | 6,412,600 | 8,154,436 |
| **Receivables** | | **93,810,528** | **95,643,648** |
| | | | |
| **Cash** | | **835,907** | **1,173,647** |
| | | | |
| **Current assets** | | **94,646,435** | **96,817,295** |
| | | | |
| **Assets** | | **124,904,348** | **132,895,515** |

## Equity and liabilities

| | Notes | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|---|
| Contributed capital | | 500,000 | 500,000 |
| Translation reserve | | (129,994) | 0 |
| Retained earnings | | 21,330,797 | 26,529,497 |
| Proposed dividend for the financial year | | 0 | 1,000,000 |
| **Equity belonging to Parent's shareholders** | | **21,700,803** | **28,029,497** |
| **Equity belonging to minority interests** | | **7,257,269** | **8,237,193** |
| **Equity** | | **28,958,072** | **36,266,690** |
| Deferred tax | 10 | 17,828,820 | 18,192,912 |
| Other provisions | 11 | 550,000 | 500,000 |
| **Provisions** | | **18,378,820** | **18,692,912** |
| Bank loans | | 4,975,000 | 8,650,000 |
| **Non-current liabilities other than provisions** | 12 | **4,975,000** | **8,650,000** |
| Current portion of non-current liabilities other than provisions | 12 | 3,675,000 | 3,675,000 |
| Bank loans | | 16,243,876 | 8,477,197 |
| Prepayments received from customers | | 191,399 | 151,049 |
| Contract work in progress | 8 | 6,775,767 | 7,616,857 |
| Trade payables | | 24,641,286 | 21,828,604 |
| Other payables | 13 | 21,065,128 | 27,537,206 |
| **Current liabilities other than provisions** | | **72,592,456** | **69,285,913** |
| **Liabilities other than provisions** | | **77,567,456** | **77,935,913** |
| **Equity and liabilities** | | **124,904,348** | **132,895,515** |
| Fair value information | 15 | | |
| Unrecognised rental and lease commitments | 16 | | |
| Assets charged and collateral | 17 | | |
| Non-arm's length related party transactions | 18 | | |
| Subsidiaries | 19 | | |

# Consolidated statement of changes in equity for 2023/24

| | Contributed capital DKK | Translation reserve DKK | Retained earnings DKK | Proposed dividend for the financial year DKK | Equity belonging to Parent's shareholders DKK |
|---|---|---|---|---|---|
| Equity beginning of year | 500,000 | 0 | 26,529,497 | 1,000,000 | 28,029,497 |
| Ordinary dividend paid | 0 | 0 | 0 | (1,000,000) | (1,000,000) |
| Exchange rate adjustments | 0 | (129,994) | 0 | 0 | (129,994) |
| Group contributions etc. | 0 | 0 | 0 | 0 | 0 |
| Other entries on equity | 0 | 0 | (9,715) | 0 | (9,715) |
| Profit/loss for the year | 0 | 0 | (5,188,985) | 0 | (5,188,985) |
| **Equity end of year** | **500,000** | **(129,994)** | **21,330,797** | **0** | **21,700,803** |

| | Equity belonging to minority interests DKK | Total DKK |
|---|---|---|
| Equity beginning of year | 8,237,193 | 36,266,690 |
| Ordinary dividend paid | (1,431,670) | (2,431,670) |
| Exchange rate adjustments | (2,432) | (132,426) |
| Group contributions etc. | 285,034 | 285,034 |
| Other entries on equity | 0 | (9,715) |
| Profit/loss for the year | 169,144 | (5,019,841) |
| **Equity end of year** | **7,257,269** | **28,958,072** |

# Consolidated cash flow statement for 2023/24

| | Notes | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|---|
| Operating profit/loss | | (3,816,605) | 5,102,744 |
| Amortisation, depreciation and impairment losses | | 6,894,839 | 6,515,336 |
| Other provisions | | 50,000 | 0 |
| Working capital changes | 14 | (2,535,012) | (6,319,725) |
| Exchange rate adjustments | | (109,502) | (301,107) |
| **Cash flow from ordinary operating activities** | | **483,720** | **4,997,248** |
| | | | |
| Financial income received | | 185,924 | 318,923 |
| Financial expenses paid | | (1,738,311) | (1,448,283) |
| Taxes refunded/(paid) | | 258,300 | (1,061,456) |
| **Cash flows from operating activities** | | **(810,367)** | **2,806,432** |
| | | | |
| Acquisition etc. of property, plant and equipment | | (2,128,384) | (3,284,263) |
| Sale of property, plant and equipment | | 189,023 | 23,000 |
| Disposal of enterprises | | 0 | 5,999,990 |
| Loans | | 0 | (1,511,643) |
| Repayments received | | 466,945 | 0 |
| **Cash flows from investing activities** | | **(1,472,416)** | **1,227,084** |
| | | | |
| **Free cash flows generated from operations and investments before financing** | | **(2,282,783)** | **4,033,516** |
| | | | |
| Loans raised | | 7,766,679 | 2,879,642 |
| Repayments of loans etc. | | (3,675,000) | (9,675,000) |
| Dividend paid | | (2,431,670) | (3,059,464) |
| Group contributions etc. | | 285,034 | 0 |
| **Cash flows from financing activities** | | **1,945,043** | **(9,854,822)** |

| | | |
|---|---|---|
| **Increase/decrease in cash and cash equivalents** | **(337,740)** | **(5,821,306)** |
| Cash and cash equivalents beginning of year | 1,173,647 | 6,994,953 |
| **Cash and cash equivalents end of year** | **835,907** | **1,173,647** |
| Cash and cash equivalents at year-end are composed of: | | |
| Cash | 835,907 | 1,173,647 |
| **Cash and cash equivalents end of year** | **835,907** | **1,173,647** |

# Notes to consolidated financial statements

## 1 Staff costs

| | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|
| Wages and salaries | 143,071,162 | 154,953,155 |
| Pension costs | 15,824,341 | 15,737,919 |
| Other social security costs | 5,297,957 | 6,573,607 |
| | **164,193,460** | **177,264,681** |

| | | |
|---|---|---|
| Average number of full-time employees | 231 | 257 |

| | Remuneration of management 2023/24<br>DKK | Remuneration of management 2022/23<br>DKK |
|---|---|---|
| Executive Board | 1,736,964 | 2,876,426 |
| Board of Directors | 150,000 | 250,000 |
| | **1,886,964** | **3,126,426** |

## 2 Depreciation, amortisation and impairment losses

| | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|
| Amortisation of intangible assets | 3,310,072 | 3,310,071 |
| Depreciation on property, plant and equipment | 3,584,767 | 3,228,265 |
| | **6,894,839** | **6,538,336** |

## 3 Tax on profit/loss for the year

| | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|
| Change in deferred tax | (364,092) | 1,864,948 |
| Adjustment concerning previous years | (10,539) | (337,552) |
| | **(374,631)** | **1,527,396** |

## 4 Proposed distribution of profit/loss

| | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|
| Ordinary dividend for the financial year | 0 | 1,000,000 |
| Retained earnings | (5,188,985) | 259,924 |
| Minority interests' share of profit/loss | 169,144 | 1,135,939 |
| | **(5,019,841)** | **2,395,863** |

## 5 Intangible assets

| | Goodwill<br>DKK |
|---|---|
| Cost beginning of year | 33,832,623 |
| **Cost end of year** | **33,832,623** |
| Amortisation and impairment losses beginning of year | (10,216,420) |
| Amortisation for the year | (3,310,072) |
| **Amortisation and impairment losses end of year** | **(13,526,492)** |
| **Carrying amount end of year** | **20,306,131** |

## 6 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment<br>DKK | Leasehold improvements<br>DKK |
|---|---|---|
| Cost beginning of year | 14,498,764 | 1,593,231 |
| Exchange rate adjustments | (47,051) | 0 |
| Additions | 1,414,896 | 713,488 |
| Disposals | (5,949,380) | (3,133,524) |
| **Cost end of year** | **9,917,229** | **(826,805)** |
| Depreciation and impairment losses beginning of year | (8,446,641) | (1,192,426) |
| Exchange rate adjustments | 9,011 | 0 |
| Depreciation for the year | (3,131,365) | (453,402) |
| Reversal regarding disposals | 5,760,359 | 3,133,522 |
| **Depreciation and impairment losses end of year** | **(5,808,636)** | **1,487,694** |
| **Carrying amount end of year** | **4,108,593** | **660,889** |

## 7 Financial assets

| | Other investments DKK | Deposits DKK | Other receivables DKK |
|---|---|---|---|
| Cost beginning of year | 170,000 | 3,023,153 | 1,790,794 |
| Exchange rate adjustments | 0 | 0 | 5,401 |
| Additions | 0 | 41,960 | 0 |
| Disposals | 0 | (381,725) | (466,945) |
| **Cost end of year** | **170,000** | **2,683,388** | **1,329,250** |
| Revaluations beginning of year | 1,025,142 | 0 | 0 |
| Impairment losses for the year | (25,480) | 0 | 0 |
| **Revaluations end of year** | **999,662** | **0** | **0** |
| **Carrying amount end of year** | **1,169,662** | **2,683,388** | **1,329,250** |

## 8 Contract work in progress

| | 2023/24 DKK | 2022/23 DKK |
|---|---|---|
| Contract work in progress | 472,480,678 | 403,891,726 |
| Progress billings | (460,971,943) | (391,942,183) |
| Transferred to liabilities other than provisions | 6,775,767 | 7,616,857 |
| | **18,284,502** | **19,566,400** |

## 9 Prepayments

Prepayments comprises costs incurred relating to the subsequent financial year.

## 10 Deferred tax

| | 2023/24 DKK | 2022/23 DKK |
|---|---|---|
| Property, plant and equipment | (1,224,855) | (493,000) |
| Receivables | 29,694,808 | 26,189,561 |
| Tax losses carried forward | (10,641,133) | (7,503,649) |
| **Deferred tax** | **17,828,820** | **18,192,912** |

| **Changes during the year** | 2023/24 DKK | 2022/23 DKK |
|---|---|---|
| Beginning of year | 18,192,912 | 16,327,964 |
| Recognised in the income statement | (364,092) | 1,864,948 |
| **End of year** | **17,828,820** | **18,192,912** |

## 11 Other provisions

The company is a party to individual cases which have not yet been concluded, with which there is still uncertainty about the outcome of the cases. An assessment has been made of the individual cases and provision has been made in cases where it has been deemed necessary.

## 12 Non-current liabilities other than provisions

| | Due within 12 months 2023/24 DKK | Due within 12 months 2022/23 DKK | Due after more than 12 months 2023/24 DKK |
|---|---|---|---|
| Bank loans | 3,675,000 | 3,675,000 | 4,975,000 |
| | **3,675,000** | **3,675,000** | **4,975,000** |

Due after 5 years: 0 DKK

## 13 Other payables

| | 2023/24 DKK | 2022/23 DKK |
|---|---|---|
| VAT and duties | 3,968,975 | 3,357,877 |
| Wages and salaries, personal income taxes, social security costs, etc. payable | 1,516,222 | 5,519,627 |
| Holiday pay obligation | 4,656,694 | 4,869,804 |
| Other costs payable | 10,923,237 | 13,789,898 |
| | **21,065,128** | **27,537,206** |

## 14 Changes in working capital

| | 2023/24 DKK | 2022/23 DKK |
|---|---|---|
| Increase/decrease in receivables | 1,925,124 | (3,666,771) |
| Increase/decrease in trade payables etc. | (4,460,136) | (2,652,954) |
| | **(2,535,012)** | **(6,319,725)** |

## 15 Fair value information

| | Unlisted shares of capital DKK |
|---|---|
| Fair value end of year | 1,169,662 |
| Unrealised fair value adjustments recognised in the income statement | (25,480) |

## 16 Unrecognised rental and lease commitments

| | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|
| Total liabilities under rental or lease agreements until maturity | 63,398,671 | 64,533,032 |

## 17 Assets charged and collateral

Bank loans are secured by a floating charge capped at TDKK 15,000 in operating equipment, fixures and fittings, inventories and unsecured claims.

The book value of the assets amounts to TDKK 30,472 (2022/23: TDKK 27,887).

## 18 Non-arm's length related party transactions

Transactions with related parties are only disclosed in the annual report if they are not on arm's length terms. Transactions between AART Architects A/S and related parties are on arm's length terms.

## 19 Subsidiaries

| | Registered in | Corporate form | Ownership % |
|---|---|---|---|
| AART Architects DK West A/S | Aarhus | A/S | 100.00 |
| AART Architects DK EAST A/S | Frederikssund | A/S | 70.00 |
| AART Architects NO AS | Norway | AS | 100.00 |
| AART Architects AB | Sweden | AB | 76.00 |
| AART Designers ApS | Aarhus | ApS | 75.00 |

# Parent income statement for 2023/24

| | Notes | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|---|
| Other external expenses | | (163,962) | (296,081) |
| **Gross profit/loss** | | **(163,962)** | **(296,081)** |
| Staff costs | 1 | (150,000) | (250,000) |
| **Operating profit/loss** | | **(313,962)** | **(546,081)** |
| Income from investments in group enterprises | | (3,969,477) | 2,299,380 |
| Other financial income | | 40,500 | 26,250 |
| Other financial expenses | 2 | (1,290,586) | (1,335,965) |
| **Profit/loss before tax** | | **(5,533,525)** | **443,584** |
| Tax on profit/loss for the year | 3 | 344,540 | 816,340 |
| **Profit/loss for the year** | 4 | **(5,188,985)** | **1,259,924** |

# Parent balance sheet at 30.09.2024

## Assets

| | Notes | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|---|
| Investments in group enterprises | | 40,699,423 | 49,892,401 |
| Other receivables | | 1,329,250 | 1,526,250 |
| **Financial assets** | 5 | **42,028,673** | **51,418,651** |
| **Fixed assets** | | **42,028,673** | **51,418,651** |
| Deferred tax | 6 | 1,817,878 | 1,496,163 |
| Other receivables | | 96,122 | 0 |
| Tax receivable | | 520,643 | 561,000 |
| Joint taxation contribution receivable | | 457,050 | 1,827,191 |
| Prepayments | 7 | 0 | 5,679 |
| **Receivables** | | **2,891,693** | **3,890,033** |
| **Current assets** | | **2,891,693** | **3,890,033** |
| **Assets** | | **44,920,366** | **55,308,684** |

## Equity and liabilities

| | Notes | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|---|
| Contributed capital | | 500,000 | 500,000 |
| Reserve for net revaluation according to equity method | | 0 | 2,989,892 |
| Retained earnings | | 21,200,803 | 23,539,605 |
| Proposed dividend for the financial year | | 0 | 1,000,000 |
| **Equity** | | **21,700,803** | **28,029,497** |
| Bank loans | | 4,975,000 | 8,650,000 |
| **Non-current liabilities other than provisions** | 8 | **4,975,000** | **8,650,000** |
| Current portion of non-current liabilities other than provisions | 8 | 3,675,000 | 3,675,000 |
| Bank loans | | 4,744,199 | 5,585,838 |
| Trade payables | | 14,400 | 13,000 |
| Payables to group enterprises | | 9,249,072 | 7,575,026 |
| Joint taxation contribution payable | | 434,225 | 1,619,502 |
| Other payables | | 127,667 | 160,821 |
| **Current liabilities other than provisions** | | **18,244,563** | **18,629,187** |
| **Liabilities other than provisions** | | **23,219,563** | **27,279,187** |
| **Equity and liabilities** | | **44,920,366** | **55,308,684** |
| Contingent liabilities | 9 | | |
| Assets charged and collateral | 10 | | |
| Non-arm's length related party transactions | 11 | | |

# Parent statement of changes in equity for 2023/24

| | Contributed capital DKK | Reserve for net revaluation according to the equity method DKK | Retained earnings DKK | Proposed dividend for the year DKK | Total DKK |
|---|---|---|---|---|---|
| Equity beginning of year | 500,000 | 2,989,892 | 23,539,605 | 1,000,000 | 28,029,497 |
| Ordinary dividend paid | 0 | 0 | 0 | (1,000,000) | (1,000,000) |
| Exchange rate adjustments | 0 | (129,994) | 0 | 0 | (129,994) |
| Other entries on equity | 0 | 0 | (9,715) | 0 | (9,715) |
| Dividends from group enterprises | 0 | (5,987,086) | 5,987,086 | 0 | 0 |
| Transfer to reserves | 0 | 7,190,688 | (7,190,688) | 0 | 0 |
| Profit/loss for the year | 0 | (4,063,500) | (1,125,485) | 0 | (5,188,985) |
| **Equity end of year** | **500,000** | **0** | **21,200,803** | **0** | **21,700,803** |

# Notes to parent financial statements

## 1 Staff costs

| | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|
| Wages and salaries | 150,000 | 250,000 |
| | **150,000** | **250,000** |

| | | |
|---|---|---|
| Average number of full-time employees | 0 | 0 |

## 2 Other financial expenses

| | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|
| Financial expenses from group enterprises | 321,167 | 255,233 |
| Other interest expenses | 966,378 | 1,080,732 |
| Exchange rate adjustments | 3,041 | 0 |
| | **1,290,586** | **1,335,965** |

## 3 Tax on profit/loss for the year

| | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|
| Change in deferred tax | (95,308) | (608,163) |
| Adjustment concerning previous years | 0 | (488) |
| Refund in joint taxation arrangement | (249,232) | (207,689) |
| | **(344,540)** | **(816,340)** |

## 4 Proposed distribution of profit and loss

| | 2023/24<br>DKK | 2022/23<br>DKK |
|---|---|---|
| Ordinary dividend for the financial year | 0 | 1,000,000 |
| Retained earnings | (5,188,985) | 259,924 |
| | **(5,188,985)** | **1,259,924** |

## 5 Financial assets

| | Investments in group enterprises DKK | Other receivables DKK |
|---|---|---|
| Cost beginning of year | 46,902,509 | 1,526,250 |
| Additions | 893,578 | 0 |
| Disposals | 0 | (197,000) |
| **Cost end of year** | **47,796,087** | **1,329,250** |
| Revaluations beginning of year | 2,989,893 | 0 |
| Exchange rate adjustments | (129,994) | 0 |
| Amortisation of goodwill | (2,825,232) | 0 |
| Share of profit/loss for the year | (1,144,245) | 0 |
| Dividend | (5,987,086) | 0 |
| **Revaluations end of year** | **(7,096,664)** | **0** |
| **Carrying amount end of year** | **40,699,423** | **1,329,250** |

The carrying amount of the group goodwill is TDKK 16,629 (2022/23: TDKK 19,455).

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 6 Deferred tax

| | 2023/24 DKK | 2022/23 DKK |
|---|---|---|
| Tax losses carried forward | 1,817,878 | 1,496,163 |
| **Deferred tax** | **1,817,878** | **1,496,163** |

| Changes during the year | 2023/24 DKK | 2022/23 DKK |
|---|---|---|
| Beginning of year | 1,496,163 | 888,000 |
| Recognised in the income statement | 321,715 | 608,163 |
| **End of year** | **1,817,878** | **1,496,163** |

**Deferred tax assets**
The company's tax losses carried forward is recognized as a deferred tax asset, since this is expected to be used within the foreseeable future.

## 7 Prepayments

Costs incurred relating to the subsequent financial year.

## 8 Non-current liabilities other than provisions

| | Due within 12 months 2023/24 DKK | Due within 12 months 2022/23 DKK | Due after more than 12 months 2023/24 DKK |
|---|---|---|---|
| Bank loans | 3,675,000 | 3,675,000 | 4,975,000 |
| | **3,675,000** | **3,675,000** | **4,975,000** |

Due after 5 years: 0 DKK

## 9 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, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

## 10 Assets charged and collateral

The company has provided security in shares of one of the group entreprises as at security for the bankdebt.

The carrying amount of investments in group enterprise is TDK 19,104 (2022/23: TDKK 22,107)

The company has provided a unrestricted gurantee of payment on behalf of other group entreprises bankdebt. The balance of the group entreprises consitutes a net deposit.

## 11 Non-arm's length related party transactions

Transactions with related parties are only disclosed in the annual report if they are not on arm's length terms. Transactions between AART Architects A/S and related parties are on arm's length terms.

# Accounting policies

### Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

### 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.

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.

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 classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as 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).

**Other operating income**

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

**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 salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

**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, as well as gains and losses from the sale of intangible assets as well as 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 internal profits or losses.

**Other financial income**
Other financial income comprises interest income on receivables from group enterprises, exchange gains on securities, payables and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**
Other financial expenses comprise interest expenses on payables to group enterprises, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**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 is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities 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 straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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

**Property, plant and equipment**
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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 |
|---|---|
| Other fixtures and fittings, tools and equipment | 3-5 years |
| Leasehold improvements | 5-10 years |

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**
In the parent financial statements, investments in group enterprises are recognised and measured 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 and losses.
Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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 listed securities which are measured at fair value (market price) at the balance sheet date and unlisted 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 project 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 under 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 as well as financecosts 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.

**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.

**Joint taxation contributions payable or receivable**
Current joint taxation contributions payable or receivable are 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.

**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. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management’s proposal for distribution of profit/loss.

**Minority interests**
On initial recognition, minority interests are measured at the minority interests’ share of the acquiree’s net assets measured at fair value. No goodwill related to the minority interests’ equity interests in the acquiree is recognised.

**Other provisions**
Other provisions comprise anticipated costs of 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.

**Prepayments received from customers**
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

## Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as 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 income taxes paid.

Cash flows from investing activities comprise purchase, development and sale etc of property, plant and equipment.

Cash flows from financing activities comprise changes in the related costs as well as the instalments on interest-bearing debt, deposits on sales of minorities, and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank loans.

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**Cover** DTU Bygning 208. **Photographer** Laura Stamer

