

COWI GULF A/S

Parallelvej 2

2800 Kongens Lyngby

CVR-nr. 12296878

Annual Report 2021

35th financial year

The annual report was presented and
adopted at the annual general meeting of
the company on the 23 February 2022



Charlotte Bertelsen
Chairman

COWI GULF A/S

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Statement by the Board of Directors and Executive Board

Today, the Board of Directors and the Executive Board considered and approved the annual report for the financial year 1 January – 31 December 2021 of COWI Gulf A/S. The annual report has been prepared in accordance with the Danish Financial Statements Act. In our opinion, the accounting policies applied are appropriate and the accounting estimates made are adequate.

Furthermore, we find the overall presentation of the financial statement to be true and fair. In our opinion, the annual report gives a true and fair view of the company's assets, liabilities, equity and the activities for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

In our opinion, the management's review gives a fair presentation of the issues covered and describes the company's most material risks and uncertainties.

The annual report is recommended for approval at the annual general meeting.

Kongens Lyngby, 23 February 2022

Executive Board



Kent Edvin Pedersen
Chief Executive Officer

Board of Directors



Klaus Winther Ringgaard
Chairman



Jotham Vizard
Vice chairman



Henrik Andersen

Independent Auditor's Report

To the shareholders in COWI GULF A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of COWI Gulf A/S for the financial year 1 January – 31 December 2021, which comprise a summary of significant accounting policies, profit and loss account, balance sheet, statements of changes in equity and notes ("financial statements").

Basis for opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statement

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

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the company or cease operations, or has realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial statement

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 no 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 this financial statements.


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


- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than of 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 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 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 related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 23 February 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33771231


Jesper Møller Langvad
State Authorised
Public Accountant
mne21328


Søren Alexander
State Authorised
Public Accountant
mne42824

COWI GULF A/S

Company Information

The Company

COWI GULF A/S
Parallelvej 2
2800 Kongens Lyngby
56 40 00 00
12296878
30 June 1988
Lyngby-Tårnbæk

Telephone
Company Registration No.
Date of foundation
Registered office

Executive Board

Klaus Winther Ringgard, Chairman
Jotham Vizard , Vice chairman
Henrik Andersen

Board of Directors

Kent Edvin Pedersen, Chief Executive Officer

Auditing

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Standvejen 44
2900 Hellerup

Ownership

The company is 100% owned by COWI International A/S

Consolidated financial statement

The company is included in the consolidated financial statements for COWI Holding A/S Company Registration No. 32892973

The consolidated financial statements for COWI Holding A/S can be obtained at the following address:

COWI Holding A/S
Parallelvej 2
2800 Kongens Lyngby

Management Review

The company's principal services

The company's principal services consist of advisory engineering in the Gulf regions through the three local branch offices Dubai, Abu Dhabi and Bahrain.

Development in activities and financial matters

The profit for the year for the fiscal year 1 January to 31 December 2021 is DKKt 3,923 and the total balance at 31 December 2021 is DKKt 31,768 with an equity of DKKt 27,253.

Events after the balance sheet date

No events have occurred since the balance sheet date that have a material impact on the company's financial position at 31 December 2021.

Expectations for 2022

The company have decided to close its local activities in the UAE and Bahrain before end 2022. The market exit will happen gradually and take due consideration of COWI's active projects in the Middle East, the risk exposure and cost of exit.

Management has assessed that it has adequate financing in connection with the scaling down of the offices, and consequently, has prepared the financial statement based on the going concern assumption.

Accounting policies

Reporting Class

The 2021 annual report for COWI Gulf A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for medium-sized enterprises in reporting class B, and elective choice of certain provisions applying to reporting class C.

The annual accounts have been prepared according to the same accounting policies as last year.

Reporting currency

The functional currency is Danish kroner (DKK). All other currencies are considered foreign currency.

Translation policies

Transactions in foreign currencies are translated by applying standard rates approximating the foreign exchange rates ruling at the transaction dates. Exchange differences arising between the exchange rates ruling at the transaction date and the rates prevailing at the date of payment are recognised in the profit and loss account as financial income or financial expenses.

General information

Recognition and measurement

Income is recognised in the profit and loss account as earned. Value adjustments of financial assets and liabilities which are measured at fair value are also recognised in the profit and loss account. The same applies to all expenses, including amortisation, depreciation and impairment losses.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow 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 the future economic benefits will flow out of the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are at cost. Subsequently, assets and liabilities are measured as described for each individual item below.

Profit and loss account

Gross profit/Gross loss

The company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit/gross loss consists of revenue, other operating income and external expenses.

Summary of depreciation periods for Intangible assets

	Useful life	Residual value
Software	3 years	0%

Summary of depreciation periods for property, plant and equipment

	Useful life	Residual value
Technical installations, operating and other equipment	3-10 year	0%

The basis of depreciation is determined by considering the asset's residual value after the end of the useful life of

Accounting policies

the asset, less any writedowns. The depreciation period and the residual value are determined at the at the acquisition date and reassessed annually. If the residual value exceeds the asset's book value, the depreciation discontinues.

Profit and loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by selling costs and the book value at the time of sale. Profit and loss is recognised in the profit and loss account under other operating income or other operating expenses, respectively.

Net financials

Financial income and expenses include interest, financial expenses related to finance leases, realised and unrealised foreign exchange rate adjustments as well as amortisation of long-term receivables.

Income tax for the year

Income tax for the year, consists of current tax and deferred tax for the year, is recognised in the profit and loss account and recognised directly in the equity.

Balance sheet

Intangible Assets

Software are measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over 3 year.

Property, plant and equipment

Technical installations, operating and other equipment are measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over 3-10 year.

Contract work in progress

Contract work in progress is recognised in the balance sheet net of amounts invoice on account.

Gross work in progress is measured at the selling price of the work performed. The selling price is stated in proportion to the state of completion at the balance sheet date and the total expected profit on the individual projects (the percentage-of-completion method). Under this principle, the expected profit on the individual projects is recognised in the profit and loss account on a continuing basis by reference to the stage of completion.

The stage of completion is measured by reference to the proportion that project expenses (in hours) incurred for work performed to date bear to the estimated total project expenses (in hours). Where total project expenses are likely to exceed the total turnover from a project, the expected loss is recognised as an expense in the profit and loss account. The share of work in progress etc. performed in working partnerships is included in work in progress.

Receivables

Accounts receivable are measured at the lower of amortised cost and net realisable value corresponding to the nominal value of writedowns for bad and doubtful debts.

Writedowns for bad and doubtful debts are calculated on the basis of an individual assessment of each receivable, and an additional general provision is made in respect of trade account receivable

Prepayments

End-of-period adjustments required by accrual accounting and recognised as prepayments made under assets include payments made in respect of subsequent financial year, typically prepaid rent, insurance premiums, subscriptions etc.

Equity

Dividends expected to be distributed for the year are recorded in a separate item under equity.

Accounting policies

Financial debts

Fixed-rate loans and loans from credit institutions intended to be held to maturity are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, borrowings are stated at amortised cost corresponding to the capitalised value using the effective interest method. The difference between the proceeds and the nominal value (the capital loss) is recognised in the profit and loss account over the term of the loan. Other accounts payable are measured at amortised cost, materially corresponding to nominal value.

Current tax receivables and current tax liabilities

Current tax liabilities and current tax receivables are recognised net in the balance sheet as tax computed on taxable income for the year adjusted for tax on taxable income for previous years.

Contingencies and other financial commitments

Contingencies and other financial commitments are not recognised in the balance sheet but appear only in the notes.

COWI GULF A/S

Profit and loss account for 1 January – 31 December

DKKt	Note	2021	2020
Gross profit/Gross loss		19,372	26,075
Employee expenses	1	-16,730	-28,127
Amortisation, depreciation and impairment losses		-22	-24
Operating profit		2,620	-2,076
Financial income	2	1,739	427
Financial expenses	3	-395	-2,782
Profit before tax		3,964	-4,431
Tax on profit for the year		-41	-131
Profit for the year		3,923	-4,562
Proposed distribution of profit for the year			
Retained earnings		3,923	-4,562
Distribution of profit for the year		3,923	-4,562

COWI GULF A/S

Balance sheet at 31 December 2021

DKKt	Note	2021	2020
Assets			
Software	4	0	12
Intangible asset		0	12
Technical installations, operating and other equipment	5	0	17
Property, plant and equipment		0	17
Deposits	6	615	817
Financial assets		615	817
Total non-current assets		615	846
Accounts receivable, services		1,915	10,395
Contract work in progress	7	1,102	6,328
Accounts Receivables, COWI group companies		8,416	7,009
Tax receivables		12	12
Other receivables		289	197
Prepayments	8	849	1,253
Receivables		12,583	25,194
Cash		18,570	15,968
Total current assets		31,153	41,162
Total assets		31,768	42,008

Balance sheet at 31 December 2021

DKKt	Note	2021	2020
Equity and liabilities			
Share capital	9	2,400	2,400
Retained earnings		24,853	21,025
Equity		27,253	23,425
Contract work in progress	7	167	3,003
Accounts payable, suppliers		284	151
Accounts payable, COWI group companies		240	7,695
Other accounts payable		3,824	7,734
Short-term debt		4,515	18,583
Total debt		4,515	18,583
Total liabilities and equity		31,768	42,008
Contingent liabilities	10		
Contingencies and other financial commitments	11		
Related party transactions and ownership	12		
Events after the balance sheet date	13		

Statement of changes in Equity

DKKt	Share capital	Retained earnings	Total
Equity at 1 January 2020	2,400	25,407	27,807
Profit for the year		-4,562	-4,562
Foreign exchange adjustment		180	180
Equity at 1 January 2021	2,400	21,025	23,425
Profit for the year		3,923	3,923
Foreign exchange adjustment		-95	-95
Equity at 31 December 2021	2,400	24,853	27,253

Notes

DKKt	2021	2020
1. Employee expenses		
Salaries and wages	15,220	26,152
Social security	501	831
Other employee expenses	1,009	1,144
	<u>16,730</u>	<u>28,127</u>
<i>Remuneration:</i>		
Executive Board	0	1,428
	<u>0</u>	<u>1,428</u>
The board members appointed at the General Meeting receive salary in COWI A/S.		
Average number of employees	<u>22</u>	<u>39</u>
Number of employees at 31 December	<u>14</u>	<u>29</u>
2. Financial income		
Foreign exchange adjustments	<u>1,739</u>	<u>427</u>
	<u>1,739</u>	<u>427</u>
3. Financial expenses		
Interest expenses, Intercompany	42	43
Foreign exchange adjustments	353	2,739
	<u>395</u>	<u>2,782</u>
4. Software		
Cost at 1 January	25	28
Foreign exchange adjustments	-108	-3
Disposals	83	0
Cost at 31 December	<u>0</u>	<u>25</u>
Amortisation and impairment losses at 1 January	-13	-5
Foreign exchange adjustments	109	1
Amortisation and impairment losses	-13	-9
Disposals	-83	0
Amortisation and impairment losses at 31 December	<u>0</u>	<u>-13</u>
Carrying amount at 31 December	<u>0</u>	<u>12</u>

Notes

DKKt	2021	2020
5. Technical installations, operating and other equipment		
Cost at 1 January	2,091	3,055
Foreign exchange adjustments	353	-964
Disposals	-2,444	0
Cost at 31 December	0	2,091
Amortisation and impairment losses at 1 January	-2,074	-3,021
Foreign exchange adjustments	-353	961
Amortisation and impairment losses	-9	-15
Disposals	2,436	0
Amortisation and impairment losses at 31 December	0	-2,074
Carrying amount at 31 December	0	17
6. Deposits		
Cost at 1 January	817	987
Foreign exchange adjustments	57	-86
Disposals	279	-88
Additions	20	4
Carrying amount at 31 December	615	817
7. Contract work in progress		
Contract work in progress, net	935	3,325
<i>Recognised in the balance sheet as:</i>		
Contract work in progress (assets)	1,102	6,328
Contract work in progress (liabilities)	-167	-3,003
	935	3,325
8. Prepayments		
Insurance premiums	512	428
Rent	109	498
Other	228	327
Prepayments at 31 December	849	1,253
9. Share capital		
The share capital consists of shares of each DKK 1.000 or multiples thereof. No shares are assigned special rights.		
There have been no changes to the share capital for the last five years.		

Notes

10. Contingent liabilities

By virtue of its business operations, COWI Gulf A/S is a party to legal disputes that can be expected in the course of its business operations. The management keeps all such involvements under constant review and makes provisions accordingly.

The Danish companies in the COWI Group are jointly and severally liable for taxes on the Group's jointly-taxed income etc. COWI Holding A/S functions as the management company in terms of joint taxation, and the total amount is stated in the annual report.

11. Contingencies and other financial commitments

No contingencies or other financial commitments exist at 31 December 2021.

12. Related party transactions and ownership

COWI International A/S owns all shares in COWI Gulf A/S.

COWI International A/S does not carry any independent business, and no material transactions are conducted between COWI International A/S and COWI Gulf A/S.

Apart from usual intercompany transactions and usual management remuneration, no transactions were made during the year with the Board of Directors, the Executive Board, managerial employees, principal shareholders, other group companies or other related parties. Transactions with related parties at arm's length has not been disclosed in accordance with section 98 C(7) of the Danish Financial Statements Act.

13. Events after the balance sheet date

No events have occurred since the balance sheet date that have a material impact on the company's financial position at 31 December 2021.