

COWI GULF A/S

Parallevej 2

2800 Kongens Lyngby

CVR-no. 12296878

Annual Report 2023

37th financial year

The annual report was presented and adopted at the annual general meeting of the company on 10 April 2024

Thomas Levin
Chair

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 2023 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 2023 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, 10 April 2024

Executive Board

Kent Edvin Pedersen
Chief Executive Officer

Board of Directors

Klaus Winther Ringgaard
Chair

Jotham Vizard
Vice chair

Søren Adamsen

Independent Auditor's Report

To the shareholders of 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 2023, and the results of the Company's operations for the financial year 1 January – 31 December 2023 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 2023, which comprise a summary of significant accounting policies, income statement, 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, 10 April 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33771231

Søren Alexander
State Authorised
Public Accountant
mne42824

Jeff Boye Ibsen
State Authorised
Public Accountant
mne49859

COWI GULF A/S

Company Information

The Company

COWI GULF A/S
Parallelvej 2
2800 Kongens Lyngby
Telephone 56 40 00 00
Company Registration No. 12296878
Date of foundation 30 June 1988
Registered office Lyngby-Taarbæk

Board of Directors

Klaus Winther Ringgard, Chair
Jotham Vizard, Vice chair
Søren Adamsen

Executive Board

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 statements

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 two local branch offices in Abu Dhabi and Bahrain and Contract Management Services through the local branch office in Dubai.

Development in activities and financial matters

The profit for the year for the fiscal year 1 January to 31 December 2023 is DKK -557 thousand and the total balance at 31 December 2023 is DKK 21,496 thousand with an equity of DKK 13,487 thousand.

Events after the balance sheet date

No events of material importance to the Group's consolidated financial statements have occurred after the reporting date at 31 December 2023.

Expectations for 2024

The company have decided to close its local activities in UAE and Bahrain. 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 2023 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.

Foreign currency translation

The financial statements for the company are presented in thousands of Danish kroner (DKK). The functional currency is DKK.

Transactions in foreign currencies are initially translated into the primary economic environment in which the company operates (the functional currency), applying rates approximating the exchange rates at the transaction date. Exchange rate adjustments arising due to differences between the rates at the transaction date and the rates at the payment date are recognised in financial income or financial costs in the income statement. Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at exchange rates prevailing at the balance sheet date. Exchange rate adjustments arising due to differences between the rates at the balance sheet date and the transaction date are recognised as financial income or financial expenses in the income statement.

Recognition and measurement

Income is recognised in the income statement as earned. Costs incurred in generating the revenue for the year are recognised in the income statement, 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 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 measured as described for each individual item below.

Certain financial assets and liabilities are measured at amortised cost to achieve a constant effective interest rate over the life of the asset or liability. Amortised cost is stated as original cost less any repayments plus or minus the cumulative amortisation of any difference between cost and nominal amount. In this way, capital losses and gains are amortised over the life of the asset or liability. Recognition and measurement take into consideration anticipated losses and risks 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.

Income statement

Gross profit

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 consists of revenue, project costs and external costs.

Revenue

Revenue is determined on the basis of the selling price of work performed for the year. Revenue is shown net of value-added tax, returns, rebates and discounts and not recognised until reliably measurable. The amount of revenue is not considered to be reliably measurable until all conditions relating to the sale have been resolved.

As the completion of the individual projects generally progresses over several financial periods, the percentage-of-

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Accounting policies

completion method is applied for recognition of revenue. Accordingly, revenue and profit are recognised on work performed to date as a percentage of the total work to be performed, measured at costs.

Project costs

Project costs include costs directly attributable to projects, including travel, external and other costs, but excluding employee costs.

External cost

External costs include administrative, office, marketing as well as other costs, including provision for bad and doubtful debts.

Other operating income

Other operating income include items of a secondary nature compared with the company's main activities.

Financial income and costs

Financial income and costs include interest and realised and unrealised foreign exchange gains and losses.

Income tax for the year

The company is jointly taxed with the consolidated entities in the COWI Group, including foreign subsidiaries of COWI Holding A/S.

Income tax for the year, consists of current tax and deferred tax for the year, and is recognised in the income statement.

Balance sheet

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 stage 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 income statement on a continuing basis by reference to the stage of completion.

The stage of completion is measured at the proportion of the project expenses (costs) related to the contract incurred, relative to the estimated total project expenses. Where total project expenses are likely to exceed the total turnover from a project, the expected loss is recognised as an expense in the income statement. The company's share of work in progress performed in working partnerships is included proportionally in work in progress.

Receivables

Receivables are recognised initially at fair value and subsequently measured at net realisable value, corresponding to amortised cost less provision for bad and doubtful debts.

Provisions 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 accounts receivables.

Prepaid expenses

Prepaid expenses consist of expenses paid relating to subsequent financial years and consist primarily of prepaid rent, insurance premiums and subscriptions.

Accounting policies

Equity

Reserve for exchange rate translations

The translation reserve comprises exchange rate adjustments arising on the translation of the financial statements of foreign entities from their functional currencies into DKK.

Upon full or partial realisation of the net investment in foreign entities, exchange adjustments are recognised in the income statement.

Dividends

The management's proposed dividend distribution for the year is disclosed as a separate equity item.

Financial liabilities

Other accounts payable are measured at amortised cost, materially corresponding to nominal value.

Current tax receivables and liabilities and deferred tax

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.

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between the carrying amount and tax base of assets and liabilities.

Contingent liabilities

Contingent liabilities are not recognised in the balance sheet but are disclosed only in the notes.

COWI GULF A/S

Income statement 1 January – 31 December

DKKt	Note	2023	2022
Gross profit		12,127	13,338
Other operating income		67	0
Employee costs	1	-12.750	-15,217
Operating profit		-556	-1,879
Financial income	2	618	4,472
Financial costs	3	-543	-3,889
Profit before tax		-481	-1,296
Tax on profit for the year		-76	-12
Profit for the year		-557	-1,308
Proposed distribution of profit for the year:			
Retained earnings		-557	-1,308
Distribution of profit for the year		-557	-1,308

COWI GULF A/S

Balance sheet at 31 December

DKKt	Note	2023	2022
Assets			
Deposits	4	88	500
Non-current financial assets		88	500
Total non-current assets		88	500
Trade receivables		841	1,621
Contract work in progress	5	1,090	1,114
Receivables from group entities		10,938	21,219
Tax receivables		0	1
Other receivables		180	375
Prepaid expenses	6	493	602
Total receivables		13,542	24,932
Cash		7,866	7,718
Total current assets		21,408	32,650
Total assets		21,496	33,150

COWI GULF A/S

Balance sheet at 31 December

DKKt	Note	2023	2022
Equity and liabilities			
Share capital	7	2,400	2,400
Reserve for currency translations		7,376	7,302
Retained earnings		711	4,268
Proposed dividend		3,000	12,000
Equity		<u>13,487</u>	<u>25,970</u>
Contract work in progress	5	618	97
Trade payables		10	8
Amounts owed to group entities		3,476	3,127
Tax liabilities		75	0
Other accounts payables		3,830	3,948
Current liabilities		<u>8,009</u>	<u>7,180</u>
Total liabilities		<u>8,009</u>	<u>7,180</u>
Total equity and liabilities		<u>21,496</u>	<u>33,150</u>
Contingent liabilities	8		
Related party transactions and ownership	9		

Statement of changes in Equity

DKKt	Share capital	Reserve for exchange rate translation	Retained earnings	Dividend	Total
Equity at 1 January 2022	2,400	7,276	17,577	0	27,253
Profit for the year			-1,309		-1,309
Foreign exchange adjustment		26			26
Proposed dividend			-12,000	12,000	0
Equity at 1 January 2022	2,400	7,302	4,268	12,000	25,970
Profit for the year			-557		-557
Foreign exchange adjustment		74			74
Paid dividend			-3,000	-12,000	-12,000
Equity at 31 December 2023	2,400	7,376	711	3,000	13,487

COWI GULF A/S

Notes

DKKt	2023	2022
1. Employee costs		
Salaries and wages	11,118	13,404
Social security	675	721
Other employee costs	957	1,092
Employee costs	12,750	15,217
The Board of Directors and Executive Board receive salary in COWI A/S.		
Average number of employees	11	13
Number of employees at 31 December	10	11
2. Financial income		
Interest income, Intercompany	353	71
Foreign exchange adjustments	265	4,401
Financial income	618	4,472
3. Financial costs		
Interest costs, Intercompany	0	51
Foreign exchange adjustments	543	3,838
Financial costs	543	3,889
4. Deposits		
Cost at 1 January	500	615
Foreign exchange adjustments	-16	39
Disposals	-396	-154
Carrying amount at 31 December	88	500
5. Contract work in progress		
Selling price of contract work in progress	9,998	46,596
Invoiced on account	-9,526	-45,579
Net contract work in progress	472	1,017
<i>Recognised in the balance sheet as:</i>		
Contract work in progress (assets)	1,090	1,114
Contract work in progress (liabilities)	-618	-97
Net contract work in progress at 31 December	472	1,017

Notes

DKKt	2023	2022
6. Prepaid expenses		
Insurance premiums	173	249
Rent	86	91
Other	234	262
Prepaid expenses at 31 December	493	602

7. 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.

8. 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 Group's companies are jointly and severally liable for tax on the Group's jointly-taxed income etc. The total amount appears in the annual report for COWI Holding A/S, which is the management company in the joint taxation.

9. Related party transactions and ownership

COWI International A/S owns all shares in 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.