COWI Holding A/S

Parallelvej 2
2800 Kongens Lyngby

Annual Report 2021

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Chairman

COWI

ANNUAL REPORT 2021

COWI

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MANAGEMENT'S REVIEW

In 2021, COWI delivered another strong result in line with our financial guidance and an improvement from 2020 on several parameters. The very satisfactory performance was proof of our structured customer interaction, our project execution and dedicated employees, which all act as value creators with customers, COWI and shareholders.

As the COVID-19 pandemic continued to distress societies, we continued to make an extra effort to be close to our customers and understand their concerns and situation to identify how we can support them on their projects. Our customers acknowledged this effort, and customer satisfaction reached its highest level ever while our order book reached close to DKK 5 billion, also the highest level ever.

Equally important, we dedicated more attention to project execution to strengthen our profitability. The impact of these efforts was best illustrated by improved project earnings and reduced write-downs as well as predictability in project execution, driving customer satisfaction. On top of this, our operational excellence processes and project management tools were further matured and embedded across the organisation. We now have plenty of valid data enabling us to carry out predictive analyses, which will improve our decision-making, allowing us to better forecast project outcomes and make the right decisions upfront. This will further strengthen our project execution and profitability.

COWI is a people business, and we would not have been able to deliver these remarkable results without dedicated employees, who have shown a tremendous willingness to go that extra mile for our customers and deliver on our promises. All in all, we are very pleased with both our performance and results in 2021.

GREEN TRANSITION ACCELERATED

In 2021, investments in the green transition accelerated. Both public and private entities allocated significantly more resources to securing green energy and green infrastructure solutions. For example, the Danish parliament decided to initiate a DKK 200 billion investment in an artificial energy island and wind farms in the North Sea and allocate DKK 850 million to the development of Power-to-X (green hydrogen) projects in Denmark and in the EU. Euroconstruct, a research institute, estimated that investments in renewable energy and water (climate protection) jumped to EUR 35 billion in our Scandinavian and UK markets in 2021, an increase of ten per cent compared to 2020.

COWI benefitted from the tail wind in our markets, and we also won many new projects driven by our expertise within the green transition. Among other things, COWI was awarded the contract for supporting the development of the first European gigawatt-scale Power-to-X facilities in Esbjerg, Denmark. The facility will use renewable resources to produce up to 600,000 tonnes of green ammonia that can be used as feedstock for fertiliser production and as green fuel for shipping. COWI was also contracted to do pre-FEED (front end engineering and design) studies for a carbon capture solution to be installed in five energy-from-waste sites across the UK. When installed, the carbon footprint will be reduced by approx. 1.5 MT CO_2 savings per year.

In the coming years, the high investment level in the green transition is expected to increase further: Both because the EU and governments will release more than EUR 1 trillion in funding to investments in the green transition, and because private entities, like pension funds, will refocus their investments towards green projects in order to honour their commitment to sustainability. This is promising for COWI. We have much to offer in terms of contributing to solving the biggest problems and challenges of our time in close collaboration with our customers and partners. Our market opportunities have never been better.

NEW VALUES ROOTED

At the beginning of 2021, our updated values were launched, articulating how COWI conducts business, guiding our decision-making and clearly stating how we want to behave. To ensure a true commitment to the values, they are now part of the annual evaluation of any employee alongside the employee's performance and professional and personal development.

NEW VISION

As part of our new strategy, COWI launched a new vision in late 2021 – *together, we shape a sustainable and liveable world.* The vision is our overall guiding star that sets the long-term direction for our entire business. The internal feedback from employees was overwhelmingly positive, sparking a high engagement in dialogues about what it takes to achieve this vision (see section about COWI's new strategy).

NEW GROWTH STRATEGY

In late 2021, a new company strategy was approved by the Board of Directors. The strategy lays out how we will accelerate our growth based on the green transition. With immediate effect, we refrain from entering new assignments within exploration and production of fossil energy as well as from assignments within transmission and storage facilities dedicated to fossil fuels. COWI will focus on assisting our customers in their journey and transition towards sustainability. Today, more than 50 per cent of our revenue from new projects comes from projects focusing on improved sustainability. A key target in the strategy is that within three to five years, 100 per cent of COWI's revenue must come from such projects, supporting the drive towards sustainability. A key target in the strategy is that within three to five years, 100 per cent of COWI's revenue must come from such projects supporting the drive towards sustainability.

Another cornerstone is to maintain our focus on with whom and where we do business. For instance, we have seen the positive financial impact of building even closer relationships with key customers and closing or scaling down our presence and activities in the Middle East and Africa where the risks of doing business is higher. This dedicated focus on key customers in Scandinavia, the UK and North America will become more notable going forward.

In addition, we have selected four market segments where we have the potential to be a leader within sustainable solutions:

› Sustainable energy
› Large infrastructure
› Large buildings
› Water and climate adaptation.

Being a market leader means that we are recognised by the market and are better positioned for upcoming tenders; we can build and utilise economies of scale across the organisation; and we are visible and attractive to talent.

Based on these market leader positions, we build a strong brand and reputation, develop innovative digital solutions, and attract and retain the best people, and we expect that it will have a significant positive impact on our financial performance. In the mid-term horizon (three to five years), we aim at being a top quartile performer in our peer group. This means we will deliver a total shareholder return exceeding 15 per cent annually; an EBITA margin exceeding ten per cent; an annual organic growth exceeding five per cent; as well as 80 per cent cash conversion.

At www.cowi.com, you can find more information about COWI's new strategy.

ATTRACTING THE RIGHT TALENT

In 2021, the fight for talent intensified significantly, and employee turnover increased to 16.3 per cent on average in the Group, up from 13.5 per cent in 2020. This was not only related to COWI and the engineering consultancy business, rather a general trend. Fortunately, COWI had the strongest employer brand among its peers in Denmark in 2021, according to Universum - a leading research institute that ranks companies based on their employer brand attractiveness among graduates and professionals. The result was an outcome of our investments and strategic work to build a strong employer brand in our core markets and ensure that COWI is top of mind among candidates. These efforts, combined with offering exciting projects and a good working environment, meant that COWI was able to expand its workforce despite a heated job market.

DIGITALISATION ON FAST-TRACK

The digitalisation of COWI took a leap step in 2021. The way we use BIM (building information modelling) on our projects is getting more and more advanced. We have developed several digital products, and our digital communities, working on new innovative ideas, have more than 1,800 unique members. For example, three digital sustainability tools (life-cycle assessment tools) are ready to be launched, and customers can now, from the first sketches to the final design, estimate the life-cycle carbon footprint of their buildings. These tools allow us to have a much more insightful dialogue with customers about the climate impact of various materials.

2021 also marked the third and final year of our sponsorship of Urbantech. Urbantech is a non-equity, pilot-focused accelerator programme, bringing together start-ups from around the world to accelerate the development of sustainable cities. In the three-year period, we collaborated with 12 start-ups, four of which we will continue to work with. This collaboration will most likely turn into a partnership, focusing on commercialising the solutions we have created together. For example, together with InfoTiles, we have developed Green Dash, a digital product that gives Danish municipalities real data insights into traffic patterns from 140,000 cars in Denmark. These insights are key in planning new infrastructure and moving people from cars to public and green transportation.

STRONG EBIT AND CASH FLOW

We delivered a strong result in 2021. The turnover amounted to DKK 6,569 million, which was a slight increase, compared to DKK 6,430 million in 2020. The organic growth was 0.6 per cent. The EBITDA margin was 8.5 per cent, compared to 8.6 per cent in 2020. EBIT for the year was DKK 356 million, up from DKK 350 million in 2020, corresponding to an EBIT margin of 5.4 per cent, compared to 5.5 per cent in 2020. The operating cash flow was DKK 366 million.

The result was negatively affected by DKK 138 million related to the ongoing arbitration case in Oman. The figures above are exclusive of these costs.

The performance in our five business lines varied during the course of the year: Some exceeded targets and others still have unrealised potential.

BUSINESS LINE DENMARK

Business Line Denmark delivered a robust performance, driven by a high level of activity across all business units. The productivity was, however, negatively impacted by increased employee turnover and a high level of short-term sickness in the second half of the year. Turnover was at the same level as 2020, and divestment of subsidiaries in Africa was realised. In 2021, the order book increased by DKK 184 million to DKK 1,261 million. The strong development of the order book was an outcome of a more analytical approach to tenders and negotiated contracts.

BUSINESS LINE INTERNATIONAL

Business Line International delivered a performance significantly above expectations, driven by buoyant market conditions within all business units and our ability to catch the many opportunities and execute projects according to customer expectation.

Our UK business as well as Transportation International had a strong year, and in North America, the business really caught traction in the second half of the year. The renewable energy market was also developing very positively and drove organic growth as investments in the green transition started to kick in. The order book almost doubled in 2021, and the profitability was positively impacted by the withdrawal from the Middle East and, not least, strong project execution.

BUSINESS LINE NORWAY

The Norwegian market remained buoyant in 2021, and all business units delivered robust performances with a particularly strong development within the transportation sector, confirming our strong foothold in the market. This position enabled us to win an increasing number of large infrastructure contracts. Also, our strong position within buildings was to a large extent driven by two complex prestige projects: The Stavanger University Hospital and the new Governmental Headquarters in Norway. Over the past years, we have invested greatly in our market organisation, which started to pay off: Our customer satisfaction keeps growing and our winning rate is seeing positive development. Entering 2022, we have strengthened our organisation within energy and renewables since this area is expected to grow significantly as the government and customers accelerate the green transition.

BUSINESS LINE SWEDEN

Business Line Sweden continued the turnaround of the business. This included bringing in senior leaders with a proven track record in the market, training the market organisation in a new sales concept, and focusing on strengthening recruitment and retention. Significant progress was made during the year, both in terms of growing the order book, improving billability through the year, and exercising consistently strong project execution and increased customer focus, all of which led to a significant increase in customer satisfaction. However, the tough start of the year could not be recovered, and the financial result was below the ambitions for 2021.

BUSINESS LINE ARKITEMA

Business Line Arkitema delivered below expectations in the first half of 2021, and we were not able to reach a result in line with the ambitions for the full year, despite a solid increase in the order book and restored profitability in the second half. The collaboration with COWI was further developed, and a strong combined go-to-market plan was initiated, leading to a number of significant joint project wins, including a framework agreement for energy optimisation for Lejerbo, a non-profit housing association. Furthermore, time and resources were dedicated to bringing Arkitema on to the same integrated IT platform as the rest of the COWI Group. To bolster our market position in Sweden, Arkitema acquired Swedish architectural firm KUB Arkitekter, based in Gothenburg. Arkitema now has three offices in Sweden and six in Scandinavia.

OMAN EFFECT ON RESULTS

COWI's result of the year continues to be negatively affected by costs related to the ongoing arbitration in Oman (DKK 138 million). In 2020, the effect was DKK 32 million.

The costs associated with the arbitration case are unrelated to daily operations, and our comments on the development of our results and operating cash flow in the above section are thus related to our performance, excluding these costs.

In 2018, the COWI-Larsen Joint Venture submitted its statement of claim, and in 2019, the Omani government (MOT) submitted its statement of defence and counter-claim.

COWI expects the arbitration to be completed in late 2022.

PROCESS AND QUALITY

In 2021, we maintained our focus on project execution and adoption of project management tools. The Project Checklist, a project-specific overview of project management activities and standard tools, was launched and implemented in the second half of 2021 – marking a quantum leap in how project managers are supported. It is based on a risk-adaptive digital platform and aligned processes across the Group.

The COWI Risk Management Tool enjoys wide adoption throughout the Group, supporting project managers in active risk management, including mitigating risks related to OHS (occupational health and safety) and HSES (health, safety and environment) through the entire life-cycle of the project. The audit function was centralised during 2021, so a dedicated team of lead auditors conducted audits across the business, facilitating knowledge sharing and improved pattern recognition regarding areas of improvements. This team was supplemented with group-wide desk audits enabling early response to work-process deviations.

In yet another year marked by the COVID-19 pandemic, OHS activities continued to ensure a working environment that both supports and reflects the employees' needs and ensures optimal service to our customers. The aim to have the entire COWI Group ISO 45001-certified progressed as planned.

EMPLOYEE ENGAGEMENT

COWI's key resource is our employees. As the COVID-19 pandemic continued to impact our business, people and societies, we had to enter into lockdowns according to national guidelines in each country of permanent presence. Consequently, we had to practise hybrid work and reduce work-related socialising. However, our employees demonstrated outstanding commitment, and these challenging working conditions and new ways of working did not impact employee engagement, which remained high with an engagement score of 76 (76 in 2020).

One reason for the continued high engagement was the strong efforts from leaders to manage the pandemic-related challenges such as isolation and working from home, and strike the right balance in a hybrid working environment to the benefit of customers, employees and COWI. This was further supported by a strong IT platform across the entire Group, enabling a virtual working environment and continued interaction with customers.

DEVELOPING LEADERS AND EMPLOYEES

Investing in our leaders and employees is key to the future success of our business. In 2021, most of our training sessions were severely challenged by the pandemic, which forced us to turn classroom courses into online training sessions. The transition showed that while many courses can be conducted online, some training must remain physical to achieve the needed outcome.

COWI Academy provides training in a wide range of subjects, among other things customer centricity; leadership; project management (PM); digitalisation; green transition; and diversity and inclusion. In 2021, 469 (160 in 2020) employees completed the academy's PM courses. To reduce our carbon footprint and due to limited geographical accessibility, most of the PM courses are now executed as online classes combined with social learning through various applications and virtual learning videos.

Our courses are attended by participants from all parts of COWI. We firmly believe that networking across our business is a cornerstone in building our One COWI mindset, which is a prerequisite to being able to understand and meet customer needs. Therefore, we attach great importance to creating learning environments where employees from across the Group, regardless of the pandemic, can meet, learn and socialise virtually. In total, 2,184 (1,650 in 2020) employees completed one or more instructor-led courses organised by COWI Academy during 2021.

TALENT DEVELOPMENT

Networking and social learning are at the heart of our top talent programme ACCELERATOR, and we managed to gather the participants in person for two training events in Denmark to transform learning matter into new energy for the participants. As with everything else in the 'new normal', participants, sponsors and mentors managed to participate with a sustainable response to the programme's building blocks, except the mobility element. Furthermore, COWI's executive vice presidents have supported ACCELERATOR by inviting participants to step up and join forces with top management on strategy, organisation and leadership. Finally, the programme has been evaluated and approved to commence generation four starting up in 2022.

DIVERSITY STILL IN FOCUS

It is COWI's aspiration to have a truly diverse workforce where all employees have equal opportunities regardless of gender, age, race, religion, nationality, ethnic and social origin, disability, political or sexual orientation. COWI views diversity as a competitive advantage. A breadth in employees adds more perspectives to our business and organisation and leads to a better contribution to the development of services and solutions valued by customers and society. Today, we number 82 different nationalities across all career levels.

It is COWI's ambition that the composition of management reflects the diversity of our business and markets.

Specifically, regarding gender diversity, we continued our efforts to have more women in senior positions. As regards COWI's Board of Directors – excluding employee-elected board members – three out of six members were female. COWI has the overall target that the share of female managers should reflect the share of female employees. In 2021, we achieved the target, with a share of female managers of 27 per cent (28 per cent in 2020). However, the number varies greatly across business lines. For instance, in Business Line Denmark, 29 per cent of all managers were female, while in Business Line International, only 12 per cent of all managers were female. Therefore, we will continue to invest in and prioritise the development of more female managers.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR, and sustainability in particular, is key to our vision. In many ways, they are integrated in the projects we carry out for our customers.

On the following pages, we present our business model, our CSR risk assessment (i.e. the CSR issues linked to the business model, explanations of how to apply mitigating actions) and, finally, the key performance indicators (KPIs) we use to follow up on various risks. In our Communication on Progress towards the UN Global Compact, we outline our policies, actions, results and KPIs within the above areas of corporate social responsibility. The report is available at https://www.cowi.com/about/corporate-governance/cop.

Cutting down the carbon emissions caused by COWI's own activities remains a key priority. Our target is to become 100 per cent carbon neutral by 2050 (without the current use of off-setting) and to lower emissions by 70 per cent by 2030, compared to our 2008 baseline. The annual carbon report calculates emissions related to energy consumption, business travel, purchasing of goods, employee commuting and waste management and shows good progress towards the goal. Especially the decision to limit business travel is significantly impacting the carbon result in a positive way.

In 2021, our annual CO_2 emissions were 11,130 tonnes of CO_2 -eq. covering all scopes, down by 82 per cent, compared to our 2008 baseline. In 2020, they amounted to 10,558 tonnes of CO_2-eq., and in 2008 (baseline year) they were estimated at 61,240 tonnes of CO_2-eq.

The five per cent increase from 2020 to 2021 can be explained by improved data collection for emissions related to purchasing of goods, including IT equipment for employees' home offices.

DATA ETHICS

In COWI, we commit to using and processing data in an ethically acceptable way in all aspects of our business. Our work with data ethics is governed by our data ethics policy, as well as our internal policies and standard operating procedures. Our data ethics policy is available at https://www.cowi.com/about/csr-and-compliance/data-ethics-policy.

REMUNERATION OF THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

The members of the Board of Directors received a fixed annual remuneration determined by comparing remuneration levels in similar major Danish companies. At the general meeting in 2021, it was decided to pay members of the Board of Directors an annual remuneration of DKK 235,000. The Vice Chairman received DKK 470,000 and the Chairman DKK 705,000.

In 2021, the Board of Directors received a total remuneration of DKK 2.8 million, and the Executive Board a total remuneration of DKK 27 million. Remunerations in 2021 were in line with COWI's remuneration policy for the Board of Directors and the Executive Board, which is available at www.cowi.com.

In conclusion, we should be proud of how COWI has developed in the past few years. The efforts in recent years to wind down activities outside our strategic focus and to improve our ability to execute with effect enable us to change our mindset from clean-up to investment. Today, we stand out as a company continuously delivering robust results thanks to our customer centricity, strong employer brand and high-quality project execution. With these fundamentals in place, we have created a strong platform for future growth where we, together with customers and business partners, will shape a sustainable and liveable world.

On behalf of the Executive Board
Lars-Peter Søbye, Chief Executive Officer

COWI'S BUSINESS MODEL

AND CSR RISK ASSESSMENT

SOCIETY

GLOBAL/NATIONAL ECONOMIES and POLITICAL ENVIRONMENTS constitute the framework conditions for all aspects of COWI's market presence. The CSR risks presented by the framework are MITIGATED by living COWI's vision and practising our values. This is key to navigating in a constantly changing political environment and ensure a flexible and digitalised organisation which can adapt quickly to new project conditions.

HOW WE FOLLOW UP

› Management and employee knowledge of vision and values is scored in COWI's annual engagement survey.

MARKETS

As a global player in diverse GEOGRAPHIES and with diverse CUSTOMERS, COWI's employees face a number of CSR risks, ranging from their personal security to the customers' business environment and CSR approaches. These risks are MITIGATED by the Executive Board's approval of the geographical location of the projects and COWI's safety organisation. COWI is a signatory of the UN Global Compact, thus a responsible business environment, including anti-corruption, is a key focal point vis-à-vis customers.

HOW WE FOLLOW UP

› COWI's Executive Board applies the Transparency International Corruption Perception Index (CPI) to decision-making on geographic presence.
› In 2021, COWI launched an updated code of conduct for suppliers aligned with the UN Global Compact principles.

SERVICES

To supply our customers with state-of-the art sustainable solutions, we need to be able to recruit and retain highly COMPETENT EMPLOYEES and attract strong and responsible PARTNERS. We MITIGATE the risk of losing such employees through leadership and by creating a great place to work. We MITIGATE the risk of attracting inappropriate partners through our screening process and by making sure that our code of conduct is upheld.

HOW WE FOLLOW UP

› Ongoing efforts are made to ensure an inclusive working environment where the composition of management reflects the diversity of our business and markets.
› All training activities in COWI Academy are monitored regarding content and participants.

VALUE CREATION

COWI's success in the market depends on understanding and meeting our customers' needs and providing sustainable solutions through RESPONSIBLE PROJECT MANAGEMENT. The risks associated with this are MITIGATED by ensuring that COWI has a vibrant and strong professional environment, which always provides high-quality, innovative and sustainable solutions. Responsible project management entails that quality management is integrated in every phase of project execution and is therefore a strong mitigating factor.

HOW WE FOLLOW UP

› The Project Checklist and COWI Risk Management Tool support project managers in mitigating risks regarding projects, OHS and HSES throughout the entire life cycle of the project.
› Quality management is ensured through ISO certification, recertification, and regular audits.
› Customer satisfaction is followed closely through the Net Promoter Score.

IMPACT

COWI's core business is to deliver projects based on the requirements of customers and society at large. As a business, COWI also makes a FOOTPRINT in the societies we operate in. In 2006, COWI signed the Global Compact. Since then, we have strived to MITIGATE our impact on society by reducing our footprint and contributing to the SDGs through actively working with and implementing the UN guiding principles and policies.

HOW WE FOLLOW UP

› COWI projects are classified according to their relevance and contribution to achieving the SDGs.
› Sustainability targets and tools are systematically integrated into projects.
› The SDG framework is widely used as a framework for our customer dialogue.
› We closely follow up on the KPIs to which our external suppliers for catering, facilities and transportation have committed themselves.

Further information about COWI's business model and CSR risk assessment is available in the COP report (Communication on Progress) for 2021 at www.cowi.com/about/corporategovernance/cop.

COWI'S SERVICES

COWI is a leading consulting group providing services within engineering, environmental science, economics and architecture. Together with our customers and partners, we shape a sustainable and liveable world.

INDUSTRY
- Process industry
- Data centres
- Industrial buildings
- Forest industry
- Food industry
- Manufacturing industry
- Carbon capture and storage.

PLANNING
- Reality capture and surveying
- Urban development
- Area development and property rights
- Project management consultancy
- Traffic and transportation planning
- GIS and IT
- Economics and management.

ENVIRONMENT
- Strategic environmental consultancy
- Nature
- Waste and resources
- Contaminated sites
- Environmental impact assessments
- Environment, health and safety
- Sustainability
- Climate change
- Urbanisation
- Digitalisation and technology.

WATER
- Water supply
- Wastewater treatment
- Water and natural resources management
- Dewatering and geophysics
- Flooding
- Drainage
- Stormwater tunnelling
- Climate change
- Climate adaptation
- Sustainability
- Urbanisation
- Digitalisation and technology.

INFRASTRUCTURE
- Bridges
- Tunnels
- Ports and marine structures
- Railways
- Metros
- Light rails
- Roads and highways
- Airports
- Digitalisation and technology.

ENERGY
- Wind energy
- Solar photovoltaic energy
- Biomass and waste-to-energy
- Green fuels, Power-to-X
- Carbon capture, storage and utilisation
- District heating and cooling
- Energy storage and transmission
- Climate change.

BUILDINGS
- Hospitals
- Residential buildings
- Cultural and educational buildings
- Commercial buildings
- Transport hubs
- Industrial buildings
- Data centres
- Project management consultancy
- Airports.

ARCHITECTURE
- Hospitals
- Housing
- Educational projects
- Domiciles
- Urban design
- Cultural projects
- Laboratories
- Commercial buildings
- Industrial buildings
- Historic and protected buildings.

FINANCIAL RATIOS

The financial ratios stated in “Key figures and financial ratios” have been calculated as follows:

EBITDA margin

$$\frac{\text{Operating profit/loss excluding depreciation and amortisation x 100}}{\text{Net turnover}}$$

Operating margin (EBIT margin)

$$\frac{\text{Operating profit/loss x 100}}{\text{Net turnover}}$$

Return on invested capital (ROIC)

$$\frac{\text{Operating profit/loss x 100}}{\text{Average invested capital including goodwill}}$$

Equity ratio

$$\frac{\text{Equity, end of year x 100}}{\text{Total assets, end of year}}$$

Return on equity

$$\frac{\text{COWI's share of profit/loss for the year x 100}}{\text{Average equity}}$$

Book value per share

$$\frac{\text{Equity}}{\text{Nominal shareholding (excluding treasury shares)}}$$

KEY FIGURES AND FINANCIAL RATIOS

KEY FIGURES AND FINANCIAL RATIOS FOR THE COWI GROUP

	2017 DKKm	2018 DKKm	2019 DKKm	2020 DKKm	2021 DKKm	2021 EURm
KEY FIGURES						
DKK/EUR rate at 31 December 2021						743.65
NET TURNOVER	6,052	6,203	6,623	6,430	6,569	883
Operating profit before interest, tax,depreciation, amortisation (EBITDA)	427	475	380	524	419	56
Operating profit before amortisation (EBITA)	363	404	303	449	347	47
Operating profit on ordinary activities	248	287	173	323	223	30
OPERATING PROFIT (EBIT)	247	283	169	318	219	29
Net financial items including profit/loss after tax in associates	(30)	(4)	2	(14)	(4)	(1)
PROFIT BEFORE TAX FOR THE YEAR	217	279	171	305	214	29
PROFIT FOR THE YEAR	144	190	100	212	146	20
Goodwill	637	568	820	743	671	90
Other non-current assets	354	335	369	338	351	47
Current assets	2,465	2,666	2,645	2,908	2,805	377
TOTAL ASSETS	3,456	3,569	3,834	3,990	3,827	515
Share capital	282	282	287	287	287	39
EQUITY	1,222	1,338	1,330	1,434	1,469	198
Provisions	381	409	424	518	562	76
Long-term debt	0	2	80	201	10	1
Short-term debt	1,853	1,820	2,000	1,837	1,786	240
Cash flow from operating activities	433	343	341	869	229	31
Investment in property, plant and equipment	(106)	(73)	(81)	(56)	(56)	(8)
Other investments	(143)	(42)	(396)	(24)	(353)	(47)
Cash flow from investing activities, net	(249)	(115)	(477)	(79)	(409)	(55)
FREE CASH FLOW	183	228	(136)	790	(180)	(24)
Cash flow from financing activities	(89)	(242)	90	(267)	(266)	(36)
CASH FLOW FOR THE YEAR	94	(14)	(46)	523	(446)	(60)
FINANCIAL RATIOS						
EBITDA margin	7.1%	7.7%	5.7%	8.1%	6.4%	
Operating margin (EBIT margin)	4,1%	4.6%	2.6%	5.0%	3.3%	
Return on invested capital	20.6%	24.4%	11.1%	22.7%	21.4%	
Equity ratio	35.4%	37.5%	34.7%	35.9%	38.4%	
Return on equity	12.2%	14.9%	7.5%	15.3%	10.1%	
Book value per share in DKK	437.2	478.9	496.2	536.9	560.0	
AVERAGE NUMBER OF EMPLOYEES	6,599	6,691	7,171	6,927	6,746	

FINANCIAL REVIEW

STRONG RESULT IN 2021

STRONG RESULT IN 2021

COWI's results for 2021, excluding costs related to the Oman arbitration case, were solid. The operating profit (EBIT), excluding costs related to the Oman arbitration case, was on par with the 2020 level, which led to a satisfactory EBIT margin of 5.4 per cent, compared to 5.5 per cent in 2020. Operating cash flow, excluding costs related to the Oman arbitration case, was strong at DKK 366 million, though below the cash flow of DKK 901 million in 2020, the difference largely driven by postponed tax and VAT payments from public support initiatives in 2020. Net turnover was DKK 6,569 million, compared to DKK 6,430 million in 2020. Turnover increased by 2.2 per cent, and the organic growth was 0.6 per cent, compared to 0.9 per cent in 2020.

Including costs related to the Oman arbitration case, EBIT was DKK 219 million, compared to DKK 318 million in 2020; operating cash flow was DKK 229 million, compared to DKK 869 million in 2020; and COWI's EBIT margin was 3.3 per cent, compared to 5.0 per cent in 2020. Net turnover was unaffected by the costs related to the Oman arbitration case.

As mentioned in the management's review on page 6, the result and the operating cash flow for the year were negatively affected by costs related to the Oman arbitration case (DKK 138 million in 2021, up from DKK 32 million in 2020). Net turnover was unaffected by this. The arbitration case costs are unrelated to daily operations, and therefore management's comments on the development of COWI's operational results in the following sections exclude these costs. However, management's comments on the development of COWI's non-operational costs include the costs of the Oman arbitration proceedings.

Business Line International delivered an outstanding 2021 result. Business Line Denmark and Business Line Norway delivered solid results. Business Line Sweden also improved its financial results, but a very weak Q1 could not be recovered and the financial performance was below expectation. Business Line Arkitema had a very disappointing start to the year, but built momentum in the second half of the year. However, full year was significantly below the 2020 result.

DEVELOPMENT IN NET TURNOVER FROM 2020 TO 2021 PER BUSINESS LINE

BUSINESS LINE	2020 DKKm	2021 DKKm	GROWTH %	GROWTH DKKm
Denmark	2,247	2,097	(7%)	(150)
International	1,496	1,739	16%	243
Norway	1,248	1,393	12%	145
Sweden	920	797	(13%)	(123)
Arkitema	548	613	12%	65
Other	(30)	(70)	-	(41)
Total	6,430	6,569	2%	139

DEVELOPMENT IN TURNOVER (Organic growth)

	GROWTH	DKKm
Net turnover 2020		6,430
Organic growth	0.6%	41
Foreign exchange rate impact	1.9%	121
Divestments and acquisition of enterprises	(0.4%)	(24)
Net turnover 2021	2.2%	6,569

NET TURNOVER

Net turnover in the COWI Group increased in 2021 by DKK 139 million, up by 2.2 per cent, to DKK 6,569 million compared to 2020. The increase was mainly driven by the impact of foreign exchange rates, which was DKK 121 million. Excluding foreign exchange impact, divestments and acquisitions, organic growth was 0.6 per cent (0.9 per cent in 2020).

OWN PRODUCTION

The Group's own production improved slightly to DKK 5,657 million, compared to DKK 5,504 million in 2020, and was positively impacted by net foreign currency effects of DKK 104 million. Excluding the net foreign exchange impact, own production grew by 0.9 per cent.

OPERATING EXPENSES

The COWI Group's main operating expense, employee expenses, increased by 2.5 per cent and totalled DKK 4,441 million in 2021. External expenses increased by 3.9 per cent and totalled DKK 669 million.

Amortisation, depreciation and impairment losses amounted to DKK 200 million and were primarily attributable to amortisation of goodwill, as well as

DEVELOPMENT IN HEADCOUNT

BUSINESS LINE:	2020	2021	CHANGE
Denmark	2,621	2,687	66
International	1,354	1,494	140
Norway	1,239	1,234	(5)
Sweden	905	778	(127)
Arkitema	563	617	54
Total headcount, end of year	6,682	6,810	128

depreciation on technical installations, operating and other equipment. Total operating expenses amounted to DKK 5,315 million, an increase of two per cent compared to 2020.

EBITDA MARGIN

In 2021, the COWI Group posted a strong operating profit before interest, tax, depreciation and amortisation (EBITDA) of DKK 557 million, compared to DKK 555 million in 2020. EBITDA margin was 8.5 per cent.

EBIT MARGIN

In 2021, the COWI Group posted an outstanding operating profit (EBIT) of DKK 356 million, compared to DKK 350 million in 2020, corresponding to a two per cent increase. EBIT margin was 5.4 per cent.

CASH FLOW

Cash flow from operating activities amounted to a strong DKK 366 million, down from DKK 901 million in 2020. Cash flow from investing activities amounted to a negative DKK 409 million in 2021 and related primarily to investments in marketable securities. Free cash flow was negative at DKK 180 million, down by DKK 970 million compared to 2020. The cash flow was negatively affected by a DKK 147 million payment of postponed tax and VAT payments from public support initiatives in 2020 (impact in 2020 was a positive DKK 147 million). At 31 December 2021, the Group's total financial resources, which comprise cash and cash equivalents, as well as undrawn committed credit facilities, amounted to DKK 1,423 million, compared to 2,311 million at the end of 2020.

DEVELOPMENT IN HEADCOUNT

At the end of 2021, COWI had 6,810 employees, compared to 6,682 at the end of 2020, an increase of 128 employees, corresponding to 1.9 per cent.

The following comments on non-operational results include the costs incurred by the arbitration proceedings in Oman.

NET FINANCIAL INCOME AND TAX

The Group's net financial items including profit after tax in associates increased by DKK 9 million compared to 2020. Profit before tax amounted to DKK 214 million, compared to DKK 305 million in 2020. The Group's tax on profit for the year amounted to an expense of DKK 69 million, corresponding to an effective tax rate in 2021 of 32 per cent, compared to 31 per cent in 2020. From 2011 up to and including 2020 (the period of commitment), the Group applied international joint taxation regulations. The decision whether to continue international joint taxation will be made in 2022.

PROFIT FOR THE YEAR

Profit for the year was DKK 146 million or 32 per cent lower than the 2020 result, driven by increased costs for the Oman arbitration case.

BALANCE SHEET

The Group's total assets at the end of 2021 amounted to DKK 3,827 million, a decrease of DKK 163 million compared to 2020, corresponding to 4.1 per cent.

Net working capital as percentage of turnover increased to six per cent in 2021, compared to four per cent in 2020. At the end of 2021, total net working capital was DKK 394 million, up from DKK 282 million in 2020, or an increase of 40 per cent. The Group's total cash and cash equivalents, including the securities portfolio, amounted to DKK 915 million, equivalent to 24 per cent of the Group's total assets. Equity at 31 December 2021 amounted to DKK 1,469, corresponding to an equity ratio of 38.4 per cent, up from 35.9 per cent in 2020.

Equity was positively affected by the financial results for the year of DKK 146 million, foreign exchange adjustments of DKK 26 million and other adjustments of DKK 1 million. Equity was negatively affected by value adjustments of financial instruments of DKK 3 million, by net purchase of treasury shares of DKK 26 million, net effect of share-based programmes DKK 42 million and distributed dividends of DKK 67 million. In total, equity increased by DKK 35 million, compared to 2020.

BOOK VALUE PER SHARE AND DIVIDEND

At the end of 2021, book value per share increased to DKK 560.0, an increase of 4.3 per cent and the highest level to date. The Board of Directors proposes that dividends amounting to DKK 26 per share (excluding treasury shares), up from DKK 25 in 2020, are distributed, corresponding to 4.6 per cent of the share price for 2021 and at the same level as 2020.

CAPITAL AND SHARE STRUCTURE

COWI Holding's management finds that the current capital and share structure is appropriate for the shareholders and the company, and that it supports the company's strategy and long-term value creation.

The share capital amounts to DKK 287 million, of which DKK 200 million are class A shares and DKK 87 million are class B shares. Class A shares carry ten votes for each DKK 100 share, while class B shares carry one vote for each DKK 100 share. All class A shares are owned by COWIfonden, which supports research and development within engineering. COWI Holding A/S owns DKK 24 million worth of class B shares (classified as treasury shares), the employees own DKK 37 million worth of class B shares in total, while COWIfonden owns DKK 226 million worth of classes A and B shares in total.

UNCERTAINTY IN RESPECT OF RECOGNITION AND MEASUREMENT

CONTRACT WORK IN PROGRESS

Measurement of the company's work in progress includes estimates of stages of determination of completion. For large-scale projects in particular, the actual realisation may result in material positive or negative variances in relation to the recognised estimates.

GOODWILL

Goodwill impairment tests require estimates to be made in respect of future cash flows, discount rates and growth rates. A degree of uncertainty attached to such estimates and any changes made to them can have major implications.

DEBTORS

The management performs provisions for bad and doubtful debts on the basis of the risk of loss resulting from customers' inability and willingness to pay. If the customers' financial conditions deteriorate, resulting in reduced ability to pay, additional write-downs may be required in the future. As the management continuously assesses customers' creditworthiness, terms of payment and risk of loss, the uncertainty attached to write-downs for bad and doubtful debts is considered insignificant.

TAX ON PROFIT FOR THE YEAR AND DEFERRED TAX

Tax on profit/loss for the year and deferred tax include some uncertainty, especially with regard to the taxation of foreign branches. The local taxation of branches is based on highly complex legislation, often with no or little guidance on interpretation, which inherently leads to some uncertainty in relation to any such recognised taxes.

RISK AND RISK MANAGEMENT

The COWI Group's risk exposure falls into market risks, operational risks, financial risks, liquidity risks and other risks.

MARKET RISKS

We endeavour to minimise risks resulting from changes in the political landscape and in economic trends by maintaining a balanced project portfolio. The balanced portfolio entails spreading risks across geographical areas in our core markets, service areas, segments and public/private sectors.

Changes in the political landscape is a diminishing risk due to COWI's geographical focus.

OPERATIONAL RISKS

We minimise losses on projects by focusing on project execution and by conducting not only a risk assessment of each individual project and contract, but also by applying such project management and supervisory skills as the assessment requires. Contracts with subcontractors and partners can constitute a risk in the event of failure to deliver on time, within budget and to expected standards. We endeavour to minimise risks by means of dedicated project management, screening/due diligence of subcontractors and customers, continuous dialogue with customers, careful selection of projects and contract monitoring. Overcapacity in relation to the scope of projects in progress is a risk, which we manage through backlog assessment and pipeline management. We use professional liability insurance to limit the risks associated with criteria specified by customers, partners and subcontractors. We have an IT security policy and an IT contingency plan in place to safeguard our central IT systems from damage and threats. We review the plan annually.

FINANCIAL RISKS

We endeavour to minimise foreign exchange risks related to our projects by matching, to the extent possible, the income and expenses in the same currency in the individual projects. In addition, significant net foreign exchange positions arising from business operations are hedged by currency hedging. The translation risk relating to investments in subsidiaries is not hedged. Interest rate risk is limited as a result of COWI's limited net interest-bearing debt. Our securities portfolio forms part of an external portfolio management programme which is managed within set parameters and where the majority of the investments are made in short-duration Danish bonds. Acquisitions are part of the COWI Group's growth strategy. We have developed a structured acquisition and divestment process as well as a valuation method and integration strategy to minimise acquisition-related risks and systematically follow up on completed acquisitions.

LIQUIDITY RISKS

Liquidity risk is the risk that adequate liquidity is unavailable. COWI has a policy determining the short-term and long-term liquidity requirements to ensure that the Group has sufficient liquidity to fund the anticipated development in COWI's volume of business and activities. In the management's opinion, the COWI Group has sufficient liquidity to ensure the continued operation and development of COWI's activities.

OTHER RISKS

COWI provides services to public and private customers in many parts of the world. Our reliability and trustworthiness as a consulting company depend heavily on our commercial integrity. We therefore adhere to our Business Integrity Management System, which sets out a code of conduct (including bribery, corruption, fraud, conflicts of interests etc.) defining best practices for all units, managers and employees.

RISK MANAGEMENT

In addition to the above risk management activities, we have guidelines for risk management in our best practice code for corporate governance. Overall strategic risk management is based on a risk profile which we update once a year for the Board of Directors to assess, discuss and classify. We set 12-month goals for modifications to risk profiles within selected areas of risk.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Internal control and risk management systems in connection with the financial reporting procedures are described below.

CONTROL ENVIRONMENT

Responsibility and authorities are defined in the Board of Directors' instructions to the Executive Board and adopted policies. The Board of Directors approves COWI's communication and financial risk management policies, as well as the company's risk management policy. The Executive Board approves all other policies and procedures, and the responsible functions issue guidelines and monitor the use of all policies and procedures. Systems are in place to ensure adequate segregation of duties in the Finance department.

The organisational structure and internal guidelines form the control environment.

RISK ASSESSMENT

There is a relatively higher risk of error for the items in the financial statements that are based on estimates or generated through complex processes, compared to other items. A detailed risk assessment with the purpose of identifying these items and specifying the scope of the attached risks is coordinated by the Group's Internal Control function. The high-risk items include primarily work in progress, claims and tax liabilities concerning branches and permanent establishments abroad.

CONTROL ACTIVITIES

The aim of the control activities is to prevent, discover and correct any errors and irregularities. The activities are integrated in COWI's accounting and reporting procedures and include, e.g., procedures for certification, authorisation, approval, reconciliation, analysis of results, segregation of incompatible duties, controls concerning IT applications and general IT controls. COWI has standards for internal control, i.e. standards for control activities concerning the presentation of financial statements. All risk assessments and related controls are linked to the Group's strategy and goals.

INFORMATION AND COMMUNICATION

COWI maintains information and communication systems to ensure that the presentation of the financial statements is accurate and complete. The Group's accounting rules and procedures for the presentation of the financial statements are set out in specifications and instructions. Accounting and other reporting instructions, including procedures for budgets and monthly financial statements, are updated as required. They are available – together with other policies which are relevant for internal control of financial reporting such as the policy on project budgeting – to finance employees and other relevant employees on the Group's corporate portal.

MONITORING

COWI uses a management control system to monitor the company's results, and this makes it possible at an early stage to identify and correct any errors and irregularities in the presentation of the financial statements, including disclosed weaknesses in the internal controls, any non-compliance with procedures, policies etc.

Compliance with the Group's accounting policies is monitored on an ongoing basis at Group and legal entity level, and periodical compliance visits are performed, based on size and risk assessments.

OUTLOOK FOR 2022

COVID-19 continued to affect our core markets in 2021. However, economies have – in general – bounced back from the pandemic faster than first expected, and today, labour shortage, bottlenecks in global supply chains, and increasing inflation rates challenge the upswing. Economic uncertainty remains, but with the European Green Deal, the Biden Bipartisan Infrastructure Deal as well as new national investments plans in Scandinavia and the UK, we expect that developments within energy, utility and transportation infrastructure, and the green transition will continue to provide tail wind for customer demands.

The Danish economy recovered strongly from the COVID-19 crisis in 2021, seeing a rapid rebound of private consumption and an all-time high employment level. Growth is expected to continue, but a lack of labour might challenge economic activity. Still, a stable to positive growth is expected in all markets, especially within energy and transportation infrastructure as a result of the DKK 160 billion national transportation plan and continued investments in the green transition. Moreover, the Danish parliament decided to initiate a DKK 200 billion investment in an artificial energy island and wind farms in the North Sea.

In 2021, a significant win was the Green Deal framework agreement, which will see COWI and partners supporting Energinet in strengthening the power grid and establishing new piping systems for the transportation of green gases. We also won framework agreements within the utility sector for both HOFOR and Novafos. Another significant win at the end of 2021 was the EU-funded Infrastructure Projects Facility IPF11 for Western Balkan. Our winning proposal included a climate change screening at the initiation of each infrastructure project to respond to the EU green agenda also governing the EU external collaboration.

In Norway, the economy also bounced back from the pandemic and is predicted to stay on the growth track. By 2033, the government will allocate NOK 1,200 billion to new transportation infrastructure. This we expect to fuel growth for our business, mainly within railways and roads, which already in 2021 resulted in several wins for, e.g., the Norwegian Public Roads Administration. In the buildings sector, we expect negative (residential market) to moderate (non-residential market) growth just as the renewable-energy market is expected to grow significantly due to increasing green investments.

The Swedish economy caught up with pre-pandemic levels in 2021 and is projected to grow further in 2022. The outlook for construction, however, is sluggish with stagnant or slightly declining activity expected for all segments, except for renewables and decarbonisation of the industrial sector, for which the outlook is moderate. To meet the electricity demand from the transition to a green economy, increased investments in energy infrastructure and power distribution are expected. Within transportation infrastructure, SEK 900 billion investments are proposed towards 2033. During 2021, COWI secured a contract with the Swedish Transport Administration for the development of the Södertörn Crosslink south of Stockholm.

The UK economy has been severely affected by the COVID-19 crisis, but is expected to reach pre-pandemic levels at the beginning of 2022. A surge in energy prices, combined with supply and labour shortages, exacerbated by

Brexit, has driven up inflation. As price pressures show signs of becoming persistent, the monetary policy is expected to be tightened to bring down inflation over the medium term. Successfully getting the inflation rate back in check without hampering the potential growth of the economy is important to ensuring market stability.

In 2021, COWI secured a contract related to the Coire Glas project in Invergarry, Scotland – a proposed hydro pumped storage scheme with a potential capacity of up to 1,500 MW that, when realised, will become a major project contributing to the transition to net-zero carbon emissions. The construction outlook is positive for all market segments, and moving forward, we expect growth, especially driven by investments in energy and transportation infrastructure – not least as a result of the government's GBP 650 billion investment plan over the next decade.

In the US, the USD 1.2 trillion Biden Bipartisan Infrastructure Deal will deliver USD 550 billion of federal investments in America's ageing infrastructure over five years, including USD 110 billion for roads, bridges, and major infrastructure projects within renewable energy and power infrastructure. During 2021, COWI secured the George Massey Tunnel Replacement Project in Canada and a major climate-mitigation infrastructure project, the Fargo-Moorhead Area Diversion Project, in the US. In the coming years, we expect growth in the North American market driven by large infrastructure projects as well as clean energy.

THE GREEN TRANSITION WILL CONTINUE TO DRIVE BUSINESS

Overall, the outlook for 2022 looks promising and stable, and we expect to see a modest organic growth and an EBIT margin similar to that in 2021 – that is, at a stable, but high level.

Today, our order backlog of signed projects is up by around 14 per cent, compared to 2020, and our pipeline of identified future projects is close to DKK 10 billion, considering each identified project's expected size and win probability.

In 2021, more than half of our order intake came from projects contributing to the green transition, and within the next three to five years, we aim to have 100 per cent of our turnover come from sustainable projects as both public and private investments in infrastructure and the green transition will continue to fuel customer demands across our core markets.

COWI HOLDING A/S CONSOLIDATED FINANCIAL STATEMENTS 2021

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT OF THE COWI GROUP FOR 1 JANUARY - 31 DECEMBER

DKK '000	NOTE	2021	2020
Net turnover	2	6,568,646	6,429,858
Project expenses		(911,306)	(926,294)
OWN PRODUCTION	2	5,657,340	5,503,564
Other operating income	3	13,629	34,817
External expenses		(806,768)	(675,995)
Employee expenses	4	(4,440,547)	(4,333,343)
Amortisation, depreciation and impairment losses	5	(200,361)	(205,661)
OPERATING PROFIT ON ORDINARY ACTIVITIES		223,293	323,382
Other operating expenses	6	(4,755)	(5,093)
OPERATING PROFIT		218,538	318,288
Profit after tax in associates		204	153
Financial income	7	94,677	95,091
Financial expenses	8	(99,053)	(108,816)
PROFIT BEFORE TAX		214,366	304,716
Tax on profit for the year	9	(68,461)	(92,961)
PROFIT FOR THE YEAR		145,905	211,755

BALANCE SHEET

BALANCE SHEET OF THE COWI GROUP AT 31 DECEMBER

DKK '000	NOTE	2021	2020
Goodwill		670,547	743,281
Software and licences		59,711	64,743
Own-developed products		12,623	14,825
Intangible assets in progress		51,779	13,510
INTANGIBLE ASSETS	10	794,660	836,359
Technical installations, operating and other equipment		166,435	184,314
PROPERTY, PLANT AND EQUIPMENT	11	166,435	184,314
Investments in associates	12	6,093	5,444
Other investments and securities		6,604	6,273
Deposits		48,220	49,042
FINANCIAL ASSETS	13	60,917	60,759
TOTAL NON-CURRENT ASSETS		1,022,012	1,081,432
Accounts receivable		1,273,394	1,151,950
Contract work in progress	14	332,227	428,253
Receivables from associates		1	3
Other receivables		88,834	74,907
Tax receivables		46,246	39,396
Deferred tax assets	15	30,200	31,108
Prepayments	16	119,023	105,176
RECEIVABLES		1,889,925	1,830,793
MARKETABLE SECURITIES	17	609,493	332,248
CASH	29	305,514	745,432
TOTAL CURRENT ASSETS		2,804,932	2,908,473
TOTAL ASSETS		3,826,944	3,989,905

BALANCE SHEET

BALANCE SHEET OF THE COWI GROUP AT 31 DECEMBER

DKK ‘000	NOTE	2021	2020
Share capital	18	286,594	286,594
Treasury shares	19	(24,259)	(19,456)
Reserve for currency translations		3,123	(25,944)
Reserve for hedging transactions		0	3,091
Retained earnings		1,135,318	1,123,150
Proposed dividend		68,207	66,784
EQUITY		1,468,983	1,434,219
Deferred tax	15	426,369	424,651
Provisions for incentive programmes and pension liabilities	20	11,061	4,778
Other provisions	21	80,822	88,301
PROVISIONS		518,252	517,730
Credit institutions		979	1,267
Other long-term liabilities		9,125	7,532
Other debt		0	192,391
LONG-TERM DEBT	22	10,104	201,190
Credit institutions		23,768	2,902
Contract work in progress	14	524,730	493,580
Accounts payable, suppliers		255,304	254,483
Amounts owed to associates		26,878	21,132
Corporate income tax payable		38,730	53,085
Other debt	23	960,195	1,011,584
SHORT-TERM DEBT		1,829,605	1,836,766
TOTAL DEBT		1,839,709	2,037,956
TOTAL EQUITY AND LIABILITIES		3,826,944	3,989,905
General accounting policies	1		
Fees to auditors	24		
Financial instruments	25		
Contingencies and other financial commitments	26		
Related party transactions	27		
Board of Directors and Executive Board	28		
Cash and cash equivalents	29		
Events after the balance sheet date	30		
Entities in the COWI Group	31		

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY OF THE COWI GROUP

DKK '000	Share capital	Treasury shares	Reserve for currency translations	Reserve for hedging transactions	Retained earnings	Dividend	Total
EQUITY AT 1 JANUARY 2020	286,594	(18,588)	-	-	1,002,847	58,961	1,329,814
Distributed dividend					(278)	(58,961)	(59,239)
Profit for the year					211,754		211,754
Foreign exchange adjustment, foreign subsidiaries			(25,944)				(25,944)
Net effect of share-based programmes					(13,127)		(13,127)
Other adjustments					(1,567)		(1,567)
Value adjustment of hedging instruments				3,091			3,091
Purchase of treasury shares		(868)			(9,695)		(10,563)
Proposed dividend					(66,784)	66,784	0
EQUITY AT 1 JANUARY 2021	286,594	(19,456)	(25,944)	3,091	1,123,150	66,784	1,434,219
Distributed dividend					5	(66,784)	(66,779)
Profit for the year					145,905		145,905
Foreign exchange adjustment, foreign subsidiaries			29,067				29,067
Net effect of share-based programmes					(42,459)		(42,459)
Other adjustments					(2,272)		(2,272)
Value adjustment of hedging instruments				(3,091)	170		(2,921)
Purchase of treasury shares		(4,803)			(20,974)		(25,777)
Proposed dividend					(68,207)	68,207	0
EQUITY AT 31 DECEMBER 2021	286,594	(24,259)	3,123	0	1,135,318	68,207	1,468,983

CASH FLOW STATEMENT

CASH FLOW STATEMENT OF THE COWI GROUP

DKK '000	NOTE	2021	2020
Operating profit		218,538	318,288
Amortisation, depreciation and impairment losses for the year		200,361	205,661
Value adjustments (net) etc.		(46,294)	(43,269)
Other provisions and allowances for the year		76,178	86,653
OPERATING PROFIT ADJUSTED FOR NON-CASH MOVEMENT		448,783	567,333
Net financial income received for the year		(11,796)	(13,284)
Income taxes paid		(72,458)	(46,103)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL		364,529	507,946
Change in contract work in progress		127,925	128,672
Change in deposits		798	5,266
Change in accounts receivable, services		(121,192)	42,217
Change in accounts payable, suppliers		341	(65,591)
Change in other receivables and prepayments		(27,132)	54,451
Change in other debt and deferred income		(116,482)	196,237
CASH FLOW FROM OPERATING ACTIVITIES		228,787	869,198
Acquisition of intangible assets		(71,388)	(50,839)
Sales of intangible assets		462	10,495
Acquisition of property, plant and equipment		(55,872)	(55,640)
Disposal of property, plant and equipment		3,509	18,830
Disposal of subsidiaries and associates		0	21,052
Acquisition of subsidiaries and associates		(15,117)	(11,296)
Disposal of other fixed asset investments		(237)	617
Change in marketable securities		(269,935)	(12,381)
CASH FLOW FROM INVESTING ACTIVITIES		(408,578)	(79,162)
FREE CASH FLOW		(179,791)	790,036
Raising of bank loan, net etc.		(179,016)	(192,688)
Distributed dividend		(66,779)	(59,239)
Amounts owed to associates		5,746	(2,670)
Amounts owed to group enterprises		0	(1,982)
Purchase/sale of treasury shares		(25,775)	(10,564)
CASH FLOW FROM FINANCING ACTIVITIES		(265,824)	(267,143)
CASH FLOW FOR THE YEAR		(445,615)	522,893
Currency translation adjustments		5,697	(6,184)
Cash and cash equivalents, beginning of year		745,432	228,723
CASH AND CASH EQUIVALENTS, END OF YEAR	29	305,514	745,432

The cash flow statement cannot be directly derived from the balance sheet and the profit and loss account.

NOTES FOR THE COWI GROUP

NOTE 1 GENERAL ACCOUNTING POLICIES

The 2021 annual report of COWI Holding A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for large enterprises in reporting class C.

The general accounting policies applied in the Group and parent financial statements are described below, while the remaining policies are described in the notes to which they relate. The annual accounts have been prepared according to the same accounting policies as last year.

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 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.

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

CONSOLIDATION POLICY

The consolidated financial statements include the parent company, COWI Holding A/S, as well as enterprises in which the parent company directly or indirectly holds the majority of the voting rights or in which the parent company through its shareholding or otherwise exercises a controlling interest.

Enterprises in which the Group holds between 20 and 50 per cent of the voting rights and exercises a significant, but not controlling interest are treated as associates.

On consolidation, items of a uniform nature will be combined. Intercompany income and expenses, shareholdings, dividends and balances as well as realised and unrealised gains and losses on transactions between consolidated enterprises have been eliminated.

The financial statements included in the Group's annual report have been prepared in accordance with group accounting policies. The Group's annual report has been prepared on the basis of the financial statements of COWI Holding A/S and its subsidiaries by combining items of a uniform nature. Investments in subsidiaries are eliminated at the relevant proportion of the net asset value of the subsidiaries at the time of acquisition. On acquisition of new enterprises, any differences between the acquisition cost and the net asset value of the enterprise acquired are stated at the time of acquisition after adjusting the individual assets and liabilities at fair value (the purchase method) and allowing for recognition of any reconstruction provisions in respect of the enterprise acquired. Any remaining positive differences are recognised in the balance sheet under intangible assets as group goodwill and amortised on a straight-line basis over the expected economic life. Any negative differences are recognised in the proffit and loss account as incurred.

Goodwill from acquired enterprises is adjusted as a result of changes in recognition and measurement of net assets for a period shorter than a full financial year following the time of acquisition. Intercompany purchases and reconstruction are stated and presented according to the uniting-of-interests method.

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.

Accounts receivable and payable and other monetary items in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Unrealised exchange gains or losses arising from differences between the exchange rates ruling at the balance sheet date and the rates prevailing at the time when the receivable or payable arises are recognised in the profit and loss account under financial income or expenses. Non-current assets acquired in foreign currencies are translated at the rates ruling at the transaction date. On recognition of foreign subsidiaries and associates that are separate legal entities, profit and loss accounts are translated at monthly average exchange rates, and balance sheet items are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates ruling at the balance sheet date and on translation of profit and loss accounts from average exchange rates to the rates ruling at the balance sheet date are recognised directly in equity. On recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates ruling at the balance sheet date. Non-monetary items are translated at the rates prevailing at the time of acquisition or at the time of any subsequent revaluation or write-down for impairment of the asset.

Profit and loss account items are translated at the exchange rates ruling at the transaction date; however, items derived from non-monetary items are translated at historical rates for the nonmonetary item.

Exchange adjustments of intercompany balances and transactions with foreign subsidiaries that are considered additions to or deductions from the equity of separate subsidiaries are recognised directly in equity. Similarly, exchange gains and losses on loans and derivative financial instruments contracted for hedging purposes by separate foreign subsidiaries are recognised directly in equity.

EXTERNAL EXPENSES
External expenses include administrative expenses, office expenses, marketing expenses as well as other expenses.

RECEIVABLES
Receivables are measured at the lower of amortised cost and net realisable value corresponding to the nominal value of write-downs for bad and doubtful debts.

Write-downs 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 receivable.

EQUITY

RESERVE FOR DEVELOPMENT COSTS
Reserve for development costs include capitalised development costs. The reserve cannot be used for dividends or to cover losses. If the recognised development costs are sold or otherwise excluded from the company's operations, the reserve will be dissolved and transferred directly to retained earnings. The reserve is reduced by amortisation of capitalised development costs.

RESERVE FOR EQUITY METHOD
In the parent company, the net revaluation reserve according to the equity method includes net revaluation of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investment or a change in accounting policies. The reserve cannot be recognised with a negative amount.

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

CASH FLOW STATEMENT
The cash flow statement shows the Group’s cash flow for the year classified by operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as group cash and cash equivalents at the beginning and end of the year.

CASH FLOW FROM OPERATING ACTIVITIES
Cash flows from operating activities are calculated as group operating profit adjusted for non-cash operating items such as amortisation, depreciation and impairment losses, provisions as well as net change in working capital with the addition of interest income and expenses and corporate income tax paid. Working capital includes current assets less short-term debt, excluding items included in cash and cash equivalents.

CASH FLOW FROM INVESTING ACTIVITIES
Cash flows from investing activities include cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as financial assets.

CASH FLOW FROM FINANCING ACTIVITIES
Cash flows from financing activities include cash flows from the raising and repayment of long-term debt as well as purchase of treasury shares and payments of dividend to shareholders.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash as well as marketable securities recognised as current assets. The cash flow statement cannot be immediately derived from the published financial records.

PARENT COMPANY CASH FLOW
No separate cash flow statement has been prepared for the parent company, in accordance with section 86(4) of the Danish Financial Statements Act.

NOTE 2 SEGMENT INFORMATION

ACCOUNTING POLICIES

Information is provided on COWI's net turnover and own production, broken down by business areas and business lines. The information is based on the Group's internal financial reporting system.

Net turnover is determined on the basis of the selling price of work performed for the year. As the completion of the individual projects generally progresses over several accounting periods, the percentage-of-completion method is applied for turnover recognition. Accordingly, profits on work performed are recognised as income and in proportion to the stage of completion.

Project expenses include expenses directly attributable to projects, excluding salaries and including travel expenses, external expenses as well as other expenses.

Below, the Group's net turnover is distributed on the following business areas as well as business lines, based on the Group's internal financial reporting:

The Group's net turnover distributed on business areas:

DKK ‘000	2021	2020
Planning and economics	226,795	464,071
Water and environment	412,774	822,909
Transportation	2,579,918	2,610,051
Buildings	1,909,048	1,891,284
Industry and energy	594,091	542,818
Society and utilities	564,082	-
Global advisory	186,668	-
Not distributed and eliminations	95,270	98,725
Total	6,568,646	6,429,858

Due to organisational changes, the internal reporting on business areas changed in 2021.

The Group's net turnover distributed on business lines:

DKK ‘000	2021	2020
Denmark	2,097,328	2,247,366
International	1,738,999	1,496,048
Norway	1,392,556	1,247,995
Sweden	796,764	919,708
Arkitema	613,244	548,383
Other and eliminations	(70,245)	(29,642)
Total	6,568,646	6,429,858

The Group's own production distributed on business lines:

DKK ‘000	2021	2020
Denmark	1,764,075	1,861,425
International	1,469,642	1,252,450
Norway	1,269,514	1,131,451
Sweden	621,353	734,208
Arkitema	489,003	479,023
Other and eliminations	43,753	45,007
Total	5,657,340	5,503,564

NOTE 3 OTHER OPERATING INCOME

ACCOUNTING POLICIES

Other operating income includes items of a secondary nature compared with the company's core activities, including compensation as well as profits from the disposal of non-current assets etc.

DKK '000	2021	2020
Profit from disposal of property, plant and equipment	239	2,404
Profit from sale of activities	0	14,912
Profit from sale of subsidiaries	384	0
Reimbursements and compensations	2,865	8,583
Other operating income	10,141	8,918
Other operating income	13,629	34,817

NOTE 4 EMPLOYEE EXPENSES

ACCOUNTING POLICIES

The fair value of short-term incentive programmes for the Executive Board and Group Management Board are recognised in "Remuneration, Executive Board" in the note "Employee expenses" and a liability is recognised.

The long-term incentive programme where the company uses own shares as bonus payment is recognised in the annual report as an equity transaction.

DKK '000	2021	2020
Salaries and wages	(3,894,418)	(3,819,645)
Pensions	(144,486)	(135,244)
Social security	(331,455)	(317,990)
Other employee expenses	(70,188)	(60,464)
Employee expenses	(4,440,547)	(4,333,343)

Remuneration, Executive Board	(27,146)	(23,784)
Remuneration, former Executive Board and partners	(1,502)	(1,683)
Remuneration, Board of Directors, parent company	(2,820)	(2,775)

Remuneration to former Executive Board and partners also includes pensions paid in connection with defined benefit plans.

The Executive Board and the Group Management Board are granted performance share units annually. The value of performance share units granted is calculated as a percentage of the members' base salary, depending on their role and the Group's performance. Performance share units vest three years from the date of granting. In 2021, the bonus achieved through the long-term incentive programme corresponded to approximately 35 per cent of the base salary.

Number of employees		
Average number of employees	6,746	6,927
Number of employees at 31 December	6,810	6,682

NOTE 5 AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

ACCOUNTING POLICIES

Amortisation and depreciation for the year are recognised based on the amortisation and depreciations profiles of the underlying assets. Reference is made to notes 10 and 11 respectively.

DKK '000	2021	2020
Goodwill	(87,440)	(86,336)
Software and licences	(35,096)	(40,401)
Own-developed products	(5,211)	(4,065)
Land and buildings	0	(23)
Technical installations, operating and other equipment	(72,614)	(74,836)
Amortisation, depreciation and impairment losses	(200,361)	(205,661)

NOTE 6 OTHER OPERATING EXPENSES

ACCOUNTING POLICIES

Other operating expenses include items of a secondary nature compared with the company's core activities, including removal expenses, compensations as well as losses from the disposal of non-current assets etc.

DKK '000	2021	2020
Loss from disposal of property, plant and equipment	(1,057)	(456)
Loss from sale of intangible fixed assets	(24)	(566)
Removal expenses	(392)	(1,175)
Other operating expenses	(3,282)	(2,896)
Other operating expenses	(4,755)	(5,093)

NOTE 7 FINANCIAL INCOME

ACCOUNTING POLICIES

Financial income includes interest, realised and unrealised foreign exchange adjustments and value adjustments on securities.

DKK '000	2021	2020
Interest, cash, securities etc.	1,815	4,782
Realised and unrealised capital gains, investments	38,140	38,005
Foreign exchange gains	54,722	52,304
Financial income	94,677	95,091

NOTE 8 FINANCIAL EXPENSES

ACCOUNTING POLICIES

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

DKK '000	2021	2020
Interest, cash, securities etc.	(6,760)	(8,236)
Realised and unrealised capital gains, investments	(25,512)	(24,775)
Foreign exchange losses	(66,781)	(75,805)
Financial expenses	(99,053)	(108,816)

NOTE 9 TAX ON PROFIT FOR THE YEAR

ACCOUNTING POLICIES

The company is jointly taxed with the consolidated enterprises including foreign subsidiaries.

COWI Holding A/S is the management company. The total Danish tax on the subsidiaries' taxable income is paid by COWI Holding A/S. The tax effect of the joint taxation with the subsidiaries is distributed on the profit and loss-making enterprises in proportion to their taxable profits (full allocation with refund concerning tax losses).

Income tax for the year, consisting of current tax and deferred tax for the year, is recognised in the profit and loss account with the share attributable to profit for the year, and is recognised directly in equity with the share attributable to entries recognised directly in equity. 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 accounting and tax values of assets and liabilities. However, no provision is made for deferred tax on temporary differences arising from amortisation of goodwill disallowed for tax purposes as well as other items, apart from acquisition of enterprises, where temporary differences have arisen at the time of acquisition without any effect on financial results or the taxable income.

DKK '000	2021	2020
Current tax	(42,976)	(51,584)
Current tax, foreign project offices	(6,251)	(11,605)
Deferred tax	(9,853)	(34,535)
Change of deferred tax of corporate income tax	0	(311)
Tax adjustment in respect of deferred tax, prior periods	5,635	8,121
Tax adjustment in respect of prior periods	(3,082)	(3,919)
Total tax for the year	(56,527)	(93,833)
Broken down as follows:		
Tax on profit for the year	(68,461)	(92,961)
Tax on movements in equity	11,934	(872)
Total tax for the year	(56,527)	(93,833)
Tax on profit for the year can be broken down as follows:		
Tax calculated at 22 per cent on profit before tax	(47,161)	(67,037)
Adjustment in proportion to 22 per cent of tax calculated in foreign subsidiaries	(979)	(745)
Current tax, foreign project offices	(6,251)	(11,605)
Tax effect from:		
Amortisation of goodwill disallowed for tax purposes	(11,867)	(11,960)
Other expenses/other income disallowed for tax purposes	(4,756)	(5,504)
Difference in tax percentage, deferred tax/current tax	0	(312)
Tax adjustment in respect of prior periods, current tax	(3,082)	(3,919)
Tax adjustment in respect of prior periods, deferred tax	5,635	8,121
	(68,461)	(92,961)
Effective tax rate	31.9%	30.5%

NOTE 10 INTANGIBLE ASSETS

ACCOUNTING POLICIES

GOODWILL

Goodwill is amortised over the estimated economic life determined on the basis of the management's experience with the individual business lines and the individual case in connection with the acquired enterprises. The economic life of goodwill is estimated based on an assessment of the market position and strength of the brand or operation and thus the estimated expected earnings profile.

Acquired enterprises in both a new market and new service/segment with a strong market position and an expected long earnings profile have an estimated economic life of 20 years and are thus amortised over a period of 20 years.

Acquired enterprises in both an existing market and existing service/segment that have a strong market position are estimated to have an economic life of 15 years and are thus amortised over a period of 15 years.

Acquired enterprises in both an existing market and existing service/segment that do not have a strong market position are estimated to have an economic life of ten years and are thus amortised over a period of ten years.

Small acquired enterprises are estimated to have an economic life of three years and are thus amortised over a period of three years.

OWN-DEVELOPED PRODUCTS

Own-developed products that are clearly defined and identifiable, where the technical utilisation rate, sufficient resources and a potential future market or development opportunity in the enterprise can be verified and where the intention is to market or use the project, are recognised as intangible assets. This applies if there is sufficient evidence that the value in use of future earnings can cover the expenses involved. Own-developed products that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the profit and loss account as incurred. Own-developed products include salaries, amortisation and other expenses that are directly or indirectly attributable to the company's development activities. Capitalised own-developed products are measured at the lower of cost, less accumulated amortisation and impairment losses, and the recoverable amount.

On completion of the development work, own-developed products are amortised on a straight-line basis over the period in which the work is expected to generate economic benefits. The amortisation period is two to five years.

SOFTWARE, LICENCES AND OTHER RIGHTS

Software is measured at the lower of cost, less accumulated amortisation on a straight-line basis and impairment losses, and the value in use. The standard depreciation period is three to 13 years. Assets acquired during the year that are meant to be interoperable with already acquired assets are amortised over the remaining service life of the main asset.

Licences include software licences which are amortised over the contract period.

Other rights are measured at market fair value and are not amortised.

SUMMARY OF AMORTISATION PERIODS FOR INTANGIBLE ASSETS

Goodwill: 3-20 years
Own-developed products: 2-5 years
Software and licences: 3-13 years

WRITE-DOWN FOR IMPAIRMENT OF NON-CURRENT ASSETS

The carrying amounts of intangible assets, as well as property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment exceeding the write-downs made in connection with general amortisation and depreciation. Where write-down for impairment is required, the asset is written down to the lower recoverable amount.

The recoverable amount of the asset is determined as the higher of the net selling price and the value in use. Where it is not possible to determine the recoverable amount of the individual asset, the impairment requirement is assessed in respect of the smallest group of assets for which it is possible to determine the recoverable amount. Value in use is determined at the present value of the discounted future net cash flow from the group of assets to which it relates.

NOTE 10 INTANGIBLE ASSETS, CONTINUED

DKK '000	Goodwill	Software and licences	Own-developed products	Intangible assets in progress	Total
Cost at 1 January 2021	1,472,948	238,809	29,256	13,510	1,754,523
Value adjustment	4,503	2,782	305	0	7,590
Additions	16,148	28,735	2,878	38,731	86,492
Disposals	(52,518)	(51,957)	(12,980)	(462)	(117,917)
Cost at 31 December 2021	1,441,081	218,369	19,459	51,779	1,730,688
Amortisation and impairment losses at 1 January 2021	729,667	174,064	14,431	-	918,162
Value adjustment	5,945	1,431	174	-	7,547
Amortisation and impairment losses	87,440	35,096	5,211	-	127,747
Disposals	(52,518)	(51,933)	(12,980)	-	(117,431)
Amortisation and impairment losses at 31 December 2021	770,534	158,658	6,836	-	936,025
Carrying amount at 31 December 2021	670,547	59,711	12,623	51,779	794,660

Development projects concern the development of mapping products (update of map data: images and height survey data including Streetview), as well as the development of the existing ERP system, Maconomy.

Since the mapping products are produced every two years to ensure that customers are offered updated products, their economic life is estimated at two years, after which the products are replaced by updated versions.

In 2021, intangible assets in progress concerned a full upgrade of the group-wide ERP system, launched in January 2022. The ERP system is only used internally in COWI.

NOTE 11 TANGIBLE ASSETS

ACCOUNTING POLICIES

TECHNICAL INSTALLATIONS, OPERATING AND OTHER EQUIPMENT

Technical installations, operating and other equipment, including leasehold improvements, are measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over 3-12 years.

ASSETS HELD UNDER FINANCE LEASES

Leases involving property, plant and equipment where the individual group enterprises assume substantially all the risks and rewards of ownership (finance leases) are initially recognised in the balance sheet at the fair value of the leased asset, if such value can be established. Alternatively, the net present value, if lower, of future lease payments at the inception of the lease is applied. When computing the net present value, the interest rate implicit in the lease is applied as the discount rate or an approximated value thereof. Assets held under finance leases are depreciated and written down according to the same principles as for the Group's other property, plant and equipment.

The capitalised residual lease obligation is recognised in the balance sheet as debt under liabilities, and the interest element on the lease payment is charged to the profit and loss account as incurred.

All other leases are considered to be operating leases. Lease payments under operating leases are recognised in the profit and loss account over the term of the lease.

SUMMARY OF DEPRECIATION PERIODS FOR PROPERTY, PLANT AND EQUIPMENT

Technical installations, operating and other equipment, including leasehold improvements: 3-12 years

The cost of a total asset is divided into separate components, which are depreciated separately if the useful life of the individual components is different.

The basis of depreciation is determined by considering the asset's residual value after the end of the useful life of the asset, less any writedowns. The depreciation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the asset's book value, the depreciation discontinues.

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

WRITE-DOWN FOR IMPAIRMENT OF NON-CURRENT ASSETS

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment exceeding the write-downs made in connection with general amortisation and depreciation. Reference is made to note 10.

NOTE 11 TANGIBLE ASSETS, CONTINUED

DKK '000	Technical installations, operating and other equipment	Total
Cost at 1 January 2021	504,319	504,319
Value adjustment	12,048	12,048
Additions	55,513	55,513
Disposals	(127,586)	(127,586)
Cost at 31 December 2021	444,294	444,294
Amortisation and impairment losses at 1 January 2021	320,005	320,005
Value adjustment	8,141	7,364
Amortisation and impairment losses	72,614	72,614
Disposals	(122,901)	(122,901)
Amortisation and impairment losses at 31 December 2021	277,859	277,859
Carrying amount at 31 December 2021	166,435	166,435
Of which assets held under finance leases amount to	2,693	

NOTE 12 INVESTMENTS IN ASSOCIATES

ACCOUNTING POLICIES

Investments in associates are recognised using the equity method so that the carrying amount of the investments constitutes the Group's proportional share of the assets of the enterprises. Profit after tax of investments in associates has been recognised as a separate line in the profit and loss account. Associates with negative net asset value are included without any value. Where the Group has a legal or constructive obligation to cover the associate's negative balance, the obligation is recognised under liabilities.

Name of associate	Home	Ownership		Capital ('000)
COWI A/S's (Denmark) investments in associate:				
CAT Alliance Ltd.	UK	33%	GBP	100
COWI AS's (Norway) investments in associates:				
Team T AS	Norway	25%	NOK	1,000
Team T3 AS	Norway	30%	NOK	1,000
Team Urbis AS	Norway	23%	NOK	1,000
COWI North America Inc.'s (USA) investments in associate:				
Consorcio Consultor R&Q	Chile	30%	CLP	348,750

NOTE 13 FINANCIAL ASSETS

ACCOUNTING POLICIES

Other investments and securities include bonds and shares measured at fair value at the balance sheet date. Listed securities are measured at the official market price at the balance sheet date. Unlisted securities are measured at selling price based on a calculated value in use.

DKK ‘000	Investments in associates	Other investments and securities	Deposits	Total
Cost at 1 January 2021	4,941	6,606	49,042	60,589
Foreign exchange adjustments	366	378	811	1,555
Additions	47	0	1,468	1,515
Disposals	0	(157)	(3,101)	(3,258)
Cost at 31 December 2021	5,354	6,827	48,220	60,401
Value adjustments at 1 January 2021	503	(333)	-	170
Foreign exchange adjustments	32	0	-	32
Profit for the year	204	110	-	314
Value adjustments at 31 December 2021	739	(223)	-	516
Carrying amount at 31 December 2021	6,093	6,604	48,220	60,917

NOTE 14 CONTRACT WORK IN PROGRESS

ACCOUNTING POLICIES

Contract work in progress is recognised in the balance sheet net of amounts invoiced 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 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 (cost) incurred for work performed to date bear to the estimated total project expenses (cost). 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.

DKK ‘000	2021	2020
Recognised in the balance sheet as:		
Contract work in progress (assets)	332,227	428,253
Amounts invoiced in advance (liabilities)	(524,730)	(493,580)
Contract work in progress, net	(192,503)	(65,327)

COWI is a party to a number of working partnerships and joint operations and has assumed joint and several liability for the liabilities of the working partnerships and joint operations.

NOTE 15 DEFERRED TAX

ACCOUNTING POLICIES

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between accounting and tax values of assets and liabilities. However, no provision is made for deferred tax on temporary differences arising from amortisation of goodwill disallowed for tax purposes as well as other items, apart from acquisition of enterprises, where temporary differences have arisen at the time of acquisition without any effect on financial results or the taxable income.

In cases where the tax base can be determined according to alternative tax rules, deferred tax is recognised on the basis of the planned use of the asset or settlement of the liability, respectively. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the value at which they are expected to be utilised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities. Deferred tax assets and liabilities are set off within the same legal tax entity. Adjustment of deferred tax is made concerning elimination of unrealised intercompany gains and losses. Deferred tax is measured on the basis of the tax rules and tax rates legally effective in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax as a consequence of amendments to tax rates are recognised in the profit and loss account.

As part of international joint taxation, the retaxation liability is recognised at the full retaxation amount or the limited retaxation amount, whichever is smaller, based on the profit expected to be achieved by the sale of assets and debt at market values on cessation of the joint taxation. Furthermore, provision is not made for retaxation of deficits from permanent establishments where the deficit is expected to be rearned through current operation.

DKK '000	2021	2020
Deferred tax at 1 January	(393,543)	(362,621)
Value adjustments	2,360	3,287
Deferred tax change due to corporate income tax rate reduction	0	(311)
Deferred tax on equity movements	11,933	647
Deferred tax due to disposal/acquisition of enterprises	(767)	(910)
Deferred tax for previous years	5,635	8,121
Deferred tax for the year	(21,787)	(35,182)
	(396,169)	(393,543)
Recognised in the balance sheet as:		
Deferred tax asset	30,200	31,108
Deferred tax liability	(426,369)	(424,651)
	(396,169)	(393,543)
Deferred tax concerns:		
Intangible assets	(6,819)	(4,401)
Property, plant and equipment	26,560	48,172
Current assets	(382,668)	(411,547)
Provisions	17,736	20,914
Claw-back from international joint taxation and debt	(64,209)	(66,260)
Tax-loss carryforward, deductible for tax purposes	13,231	19,579
	(396,169)	(393,543)

As of 31 December 2021, the Group recognised tax assets worth a total of DKK 30 million. The tax assets are made up of deferrable tax losses of DKK 13 million and unused tax deductions by way of timing differences.

On the basis of future budgets, the management considers it likely that future taxable income will be available, and there is no doubt that unused tax losses and unused tax deductions can be used.

NOTE 16 PREPAYMENTS

ACCOUNTING POLICIES

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

DKK ‘000	2021	2020
Insurance premiums	22,631	21,139
Rent	23,571	27,920
Other	72,821	56,117
Prepayments	119,023	105,176

NOTE 17 MARKETABLE SECURITIES

ACCOUNTING POLICIES

Marketable securities include listed bonds and shares measured at fair value at the balance sheet date. Listed securities are measured at market price. Unlisted securities are measured at selling price based on a calculated value in use.

DKK ‘000	2021	2020
Shares	174,330	128,096
Bonds	435,163	204,152
Portfolio at 31 December	609,493	332,248

NOTE 18 SHARE CAPITAL

DKK ‘000	2021
The share capital consists of:	
A shares:	
2,000,000 shares of each DKK 100	200,000
B shares:	
865,937 shares of each DKK 100	86,594
Share capital in total	286,594

Each class A share of DKK 100 carries ten votes, whereas each class B share of DKK 100 carries one vote. All class A shares are held by COWIfonden, and the class B shares may be held by COWIfonden and employees and are as a main rule be sold back to the company when the employee leaves the company.

DKK ‘000	2021	2020	2019	2018	2017
Specification of movements in share capital:					
Share capital at 1 January	286,594	286,594	282,201	282,201	282,201
Capital increase	0	0	4,393	0	0
Share capital at 31 December	286,954	286,594	286,594	282,201	282,201

NOTE 19 TREASURY SHARES

ACCOUNTING POLICIES

Treasury shares are defined as COWI Holding A/S shares owned by the COWI Group. Purchase and sales amounts for treasury shares are recognised directly in equity.

DKK '000	Nominal value	Share capital percentage
Portfolio at 1 January	19,456	6.8%
Additions for the year	4,803	1.7%
Portfolio at 31 December	24,259	8.5%

Treasury shares consist of B shares with a nominal value of DKK 24,259 thousand. Additions for the year is due to the Group's repurchasing of shares under the Group's employee programme.

NOTE 20 PROVISIONS FOR INCENTIVE PROGRAMMES AND PENSION LIABILITIES

ACCOUNTING POLICIES

The long-term incentive programme (equity-settled share based payments) is measured at grant date at fair value and recognised in the profit and loss statement in the respective entities over the vesting period and offset in equity at group level.

The fair value of the granted performance share units takes into account the programme's conditions regarding the COWI share's performance. Conditions are included in assumptions about the number of units that are expected to vest. At the end of each reporting period, the estimated number of share units that are expected to vest is revised.

The Group's Swedish subsidiary, COWI AB, has entered into a defined benefit plan, but as the pension fund cannot determine the current net pension obligation, the plan has been recognised as an ordinary defined contribution plan. So, the costs are expensed when payment requests are received from the pension fund. This procedure is in compliance with generally accepted accounting principles, including IFRS.

The Group's Danish subsidiary, COWI A/S, has made commitments to provide a number of former executive employees with defined benefit plans. These pension commitments are recognised concurrently with the pension benefits being earned. The calculation of the pension commitment is based on an actuarial calculation.

DKK '000	2021	2020
Long-term incentive programme	6,801	0
Net pension benefit liabilities	4,260	4,778
Provisions for incentive programmes and pension liabilities at 31 December	11,061	4,778

NOTE 21 OTHER PROVISIONS

ACCOUNTING POLICIES

Provisions are recognised when, as a consequence of an event before or on the balance sheet date, the Group has a legal or constructive obligation and it is probable that economic benefits must be sacrificed to settle the obligation. Other provisions include potential legal obligations etc. on completed projects.

DKK '000	2021	2020
Guarantees	7,561	9,811
Provision	73,261	78,490
Other provisions at 31 December	80,822	88,301

NOTE 22 LONG-TERM DEBT

ACCOUNTING POLICIES

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 debt is measured at amortised cost, materially corresponding to nominal value.

DKK '000	2021	2020
Leasing loans falling due later than one year and not later than five years	979	1,267
Other long-term liabilities falling due later than five years	866	1,485
Other long-term liabilities falling due later than one year and not later than five years	8,259	6,047
Holiday allowance falling due later than five years	0	174,306
Holiday allowance falling due later than one year and not later than five years	0	18,085
Long-term debt at 31 December	10,104	201,190

NOTE 23 OTHER DEBT

ACCOUNTING POLICIES

Other debt is measured at amortised cost, materially corresponding to nominal value.

DKK '000	2021	2020
Accrued holiday allowance	235,933	213,258
Taxes and VAT payable	306,590	380,370
Other debt	417,672	417,956
Other debt at 31 December	960,195	1,011,584

NOTE 24 FEES TO AUDITORS

DKK '000	2021	2020
Fee, statutory audit	(3,831)	(4,008)
Assurance engagements	(265)	(420)
Tax consultancy	(1,931)	(1,925)
Services other than audit	(3,237)	(2,093)
Total fees, PricewaterhouseCoopers	(9,264)	(8,446)

DKK '000	2021	2020
Fee, statutory audit	(204)	(31)
Assurance engagements	(337)	(84)
Tax consultancy	(1,853)	(1,630)
Services other than audit	(2,283)	(384)
Total fees, other accountancy firms	(4,677)	(2,129)

NOTE 25 FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently remeasured at their fair value. Positive and negative fair values of derivative financial instruments are included in prepayments under assets and in other debt under liabilities, respectively.

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or liability are recognised in the profit and loss account together with any changes arising in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments that are designated as and qualify as future asset and liability hedges are recognised in prepayments/other debt or equity, respectively. Where the forecast transaction results in the recognition of an asset or a liability, amounts that have been deferred in equity are transferred from equity and included in the cost of the asset or the liability, respectively. Where the forecast transaction results in income or expenses, amounts that have been deferred in equity are transferred to the profit and loss account in the period during which the hedged item affects the profit and loss account.

Changes in the fair value of any derivative financial instruments that do not qualify for hedge accounting are recognised on a continuing basis in the profit and loss account.

Agreements have been made on derivative financial instruments in the form of currency forward contracts. On the balance sheet day, the total fair market value of the derivative financial instruments are:

DKK ‘000	2021	2020
Assets	-	3,238
Liabilities	7,026	-

Currency forward contracts are entered into in order to hedge selected balance sheet items and part of the expected future cash flow. The total fair market value of the derivative financial instruments is a negative DKK 7 million. The duration of the currency forward contracts are between zero and five months.

The Group hedges large projects with currency exposure. Besides the project-based balance sheet items stated above, a part of expected future cash flow is hedged. In total, DKK 49 million of net future cash flow was hedged as of 31 December 2021. The fair market value hereof was negative DKK 4 million. The gain is recognised in the equity.

NOTE 26 CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

DKK '000	2021	2020
Lease commitments		
Lease commitments (operating leases) due after less than one year	11,053	12,016
Lease commitments (operating leases) falling due later than one year and not later than five years	30,904	18,290
Lease commitments (operating leases) due after more than five years	667	0
Lease commitments (operating leases) in total	42,624	30,306
Rental commitments		
Rental commitments in the period of termination due after less than one year	184,483	182,850
Rental commitments in the period of termination falling due later than one year and not later than five years	450,124	543,479
Rental commitments in the period of termination due after more than five years	149,527	227,894
Rental commitments in total	784,134	954,223

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

MAJOR CLAIMS
The COWI Group is regularly involved in both major and minor legal processes and disputes, and there is a risk that pronouncement of judgments and/or rulings, including imposition of liability to pay damages, fines etc., may have a negative impact on the COWI Group's business, results, cash flows and financial position.

MUSCAT AND SALALAH AIRPORTS (OMAN)
COWI's work in connection with the establishment of the Muscat and Salalah airports in Oman was finished at the end of 2012. COWI A/S has material claims of outstanding payments and other claims against the Omani government. As the final account was rejected by the client, COWI A/S initiated arbitration proceedings against the client. Notice of arbitration was filed in November 2017 and an arbitral tribunal was constituted in April 2018. Later in 2018, COWI submitted its statement of claim, and during 2019, the client submitted its statement of defence and counterclaim. During 2020, COWI A/S submitted its reply and defence to counterclaim and the client its rejoinder. The client has, as expected, challenged COWI's claim in its entirety and raised a substantial counterclaim. However, the external legal assessment finds that the client will face serious difficulties in succeeding with its arguments since it, among other things, will need to establish that COWI A/S has been grossly negligent to exceed the agreed cap on liability of approximately DKK 588 million (OMR 34.5 million) as well as several exclusions of liability in the contract. The client will also need to establish that COWI A/S is responsible for all delay and extra costs affecting the project — disregarding the cause of the cost, the time of the origin of the cost and whether or not the loss was suffered by the client or a third party. Since the size of the amounts and the probability that the amounts will be paid are surrounded by considerable uncertainty, neither COWI's claims for outstanding payments and other claims, nor the client's counterclaims have been recognised in the annual report. COWI expects the arbitration to be completed late 2022.

BRIDGES FOR THE LUSAIL CITY PROJECT (QATAR)
In 2006-2007, acting under a sub-consultancy agreement with Halcrow Consulting Eng. & Arch. Ltd. ("Halcrow"), COWI A/S designed nine marine bridges for the Lusail City project in Qatar. In February 2017, Halcrow was presented with a substantial claim from Lusail Real Estate Development Company, a legal entity controlled by the Qatar state, based on alleged defects, among other things, in COWI's design, and in late 2018, Halcrow issued a request of arbitration against COWI A/S with a claim yet to be determined if and when Halcrow is found liable for damages under the court case with Lusail Real Estate Development Company. The arbitration case against COWI has since then been stayed until further notice or final resolution under the court case between Lusail Real Estate Development Company and Halcrow. However, ongoing discussions in this regard are at the moment pending between Halcrow and COWI. It is therefore possible that the arbitration between Halcrow and COWI will proceed even though Halcrow's court case with Lusail Real Estate Development Company is still pending. It should be noted that the agreed cap on liability is approximately DKK 65.8 million (QAR 36.5 million) in the contract between COWI A/S and Halcrow.

NOTE 26 CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS, CONTINUED

DKK '000	2021	2020
Guarantees		
Guarantee facility at 31 December	1,278,284	1,275,808
Drawn for performance bonds relating to projects in progress	315,275	275,771
Drawn for other guarantees	95,609	90,875
Total drawn guarantees	410,884	366,647
For guarantees, the following assets have been provided as security to credit institutions:		
Cash at a carrying amount of	2,243	2,017
Securities at a carrying amount of	303,898	168,375
Total securities	306,141	170,392

COWI's securities to credit institutions in cash and securities can be terminated by the company from day to day.

The Group operates a share ownership programme for present and former employees, and the Group is under a duty to repurchase the employee shares at book value per share. As at 31 December 2021, the employees held shares at a nominal value of DKK 37 million. COWIfonden has signed a letter of indemnity in favour of the Group in order that the Group shall be able to honour its duty to repurchase employee shares at book value per share at any time.

As part of a joint operation, COWI A/S has signed a consultancy agreement with a client. The consultancy agreement requires each joint operation member, including COWI A/S, at the client's request, to provide a parent company guarantee. If such guarantee is requested, it must cover each joint operation member's obligations towards the client. As the parent company of COWI A/S, this contingent obligation for a parent company guarantee is imposed on COWI Holding A/S.

NOTE 27 RELATED PARTY TRANSACTIONS

COWIfonden owns all A shares in COWI Holding A/S and exercises a controlling influence on the company. No other shareholders own more than five per cent of the shares.

COWIfonden does not carry out any independent business, and no material transactions are conducted between COWIfonden and the company.

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, subsidiaries or other related parties. Transactions with related parties at arm's length have not been disclosed in accordance with section 98 C(7) of the Danish Financial Statements Act.

NOTE 28 THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The company's directors and members of the Executive Board own the following nominal shareholdings in COWI Holding A/S and, at the end of the financial year, held the following directorships and executive functions in companies other than consolidated COWI enterprises:

Board of Directors	Directorships and executive positions in other companies	Shares in COWI Holding A/S, nominal holding
Jukka Pertola, Chairman	Siemens Gamesa Renewable Energy (CB) GomSpace (VCB) GomSpace Group (VCB) Asetek (CB) Tryg (CB) Tryg Forsikring (CB) GN Store Nord (VCB) GN Hearing (VCB) GN Audio (VCB)	200,000
Henriette Hallberg Thygesen, Vice Chairman	A.P. Møller - Mærsk A/S (CEO of Fleet & Strategic Brands, Executive Vice President and member of the Executive Board) Svitzer (CB) Maersk Supply Service (CB) Maersk Container Industries (CB) Scandinavian Airlines (MB)	
Birgit Farstad Larsen		12,600
Henrik Andersen		240,200
Anne Harris	Statkraft (Cheif Financial Officer) Aker BioMarine (MB)	
Carsten Bjerg	Rockwool International (VCB) TCM Group (MB) Dansk Smede- og Maskinteknik (MB) Agrometer (MB) Guldager (CB) Robco Engineering (CB) Hydrema (MB) Bogballe (CB) Bjerringbro-Silkeborg EliteHåndbold (CB) Arminox (CB) Aarhus University (MB)	
Niels Fog*		63,200
Jasper Kyndi*	ErhvervAarhus (MB)	142,300
Kristin Sandberg*		90,000

Executive Board		
Lars Peter Søbye, President, CEO	The Confederation of Danish Industry (DI) (CB) BLOXHUB (CB)	132,900
Natalie G. Shaverdian Riise-Knudsen, Executive Vice President, CFO		
Rasmus Ødum, Executive Vice President, COO	DI's Udvalg for Offentlig-privat Samspil (OPS) (CB) Høiberg (MB)	794,000
Jens Højgaard Christoffersen, Executive Vice President, CBDO		638,900

(CB) = chairman of the board of directors
(VCB) = vice chairman of the board of directors
(MB) = member of the board of directors
* = elected by the employees

NOTE 29 CASH AND CASH EQUIVALENTS

DKK '000	2021	2020
Cash	305,514	745,432
Cash and cash equivalents at 31 December	305,514	745,432
Marketable securities	609,493	332,248
Undrawn credit facilities at 31 December not including guarantee facilities	508,489	1,233,018
Financial resources at 31 December	1,423,496	2,310,698

NOTE 30 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.

NOTE 31 ENTITIES IN THE COWI GROUP

NAME OF ENTITY	DOMICILE	OWNERSHIP
COWI Holding A/S	Denmark	
COWI Invest A/S	Denmark	100%
COWI A/S	Denmark	100%
Comar Engineers A/S	Denmark	100%
COWI & Partners LLC	Oman	100%
COWI Belgium SPRL	Belgium	100%
COWI Consulting (Beijing) Ltd. Co.	China	100%
COWI India Private Limited	India	100%
COWI Korea Co., Ltd.	Korea	100%
COWI Lietuva UAB	Lithuania	100%
COWI Mapping UK Ltd.	United Kingdom	100%
COWI Mozambique Lda.	Mozambique	100%
COWI Polska Sp. z o.o.	Poland	100%
COWI Tanzania Ltd.	Tanzania	100%
Studstrup & Østgaard A/S Rådgivende Ingeniørfirma	Denmark	100%
COWI International AB	Sweden	100%
COWI AS	Norway	100%
Aquateam COWI AS	Norway	100%
TDA COWI AS	Norway	100%
COWI Holding AB	Sweden	100%
COWI AB	Sweden	100%
AEC Advanced Engineering Computation Aktiebolag	Sweden	100%
COWI Projektbyrån AB	Sweden	100%
Granruds Byggkonsult Aktiebolag	Sweden	100%
PB-Teknik Aktiebolag	Sweden	100%
COWI International A/S	Denmark	100%
Flint & Neill Limited	United Kingdom	100%
COWI GULF A/S	Denmark	100%
COWI Hong Kong Limited	Hong Kong	100%
COWI North America Holding, Inc.	USA – Delaware	100%
COWI Consulting Inc.	USA – New York	100%
COWI North America, Inc.	USA – Delaware	100%
COWI North America Ltd.	Canada	100%
COWI Singapore Pte. Ltd.	Singapore	100%
COWI UK Limited	United Kingdom	100%
COWI Architecture A/S	Denmark	100%
Anpartsselskabet 03.03.03.	Denmark	100%
Arkitema K/S	Denmark	100%
Arkitema AB	Sweden	100%
KUB Arkitekter AB	Sweden	100%
Arkitema Architects AS	Norway	100%

COWI HOLDING A/S FINANCIAL STATEMENTS

(PARENT COMPANY)

ACCOUNTING POLICIES

The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act for large enterprises in reporting class C.

The accounting policies are the same as those applied to the group financial statements apart from the following policies:

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are measured according to the equity method. Investments are measured at the proportionate share of the equity value of the relevant subsidiary determined in accordance with the Group's accounting policies, subject to deduction or addition of unrealised intercompany profits and losses, and subject to addition or deduction of the remaining value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and any receivable from these enterprises is written down to the extent that the receivable is uncollectible. To the extent that the parent company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the remaining amount is recognised under provisions.

EQUITY

RESERVE FOR EQUITY METHOD

In the parent company, the net revaluation reserve according to the equity method includes net revaluation of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investment or a change in accounting policies. The reserve cannot be recognised with a negative amount.

CASH FLOW STATEMENT

No separate cash flow statement has been prepared for the parent company – see the group cash flow statement on page 27.

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT OF THE PARENT COMPANY, COWI HOLDING A/S, FOR 1 JANUARY - 31 DECEMBER

DKK '000	NOTE	2021	2020
Other operating income		58,601	62,376
External expenses		(13,889)	(33,903)
Employee expenses	1	(40,097)	(29,815)
Amortisation, depreciation and impairment losses	2	(16,990)	(21,125)
OPERATING PROFIT		(12,375)	(22,512)
Profit after tax in subsidiaries		143,958	205,917
Financial income	3	63,334	69,725
Financial expenses	4	(55,501)	(46,793)
PROFIT BEFORE TAX		139,416	206,337
Tax on profit for the year	5	6,489	5,418
PROFIT FOR THE YEAR		145,905	211,755

BALANCE SHEET

BALANCE SHEET OF THE PARENT COMPANY, COWI HOLDING A/S, AT 31 DECEMBER

DKK ‘000	NOTE	2021	2020
Software	6	26,992	40,506
Intangible assets under construction	6	50,272	6,372
INTANGIBLE FIXED ASSETS		77,264	46,878
Technical installations, operating and other equipment	7	1,858	6,181
TANGIBLE FIXED ASSETS		1,858	6,181
Investments in associates	8	860,537	894,790
Other receivables		0	460
FINANCIAL ASSETS		860,537	895,250
TOTAL NON-CURRENT ASSETS		939,659	948,309
Receivables from subsidiaries		133,882	75,733
Receivable company tax		2,220	2,048
Loans to subsidiaries		609,255	732,255
Other receivables		5,418	5,572
Prepayments		1,500	631
RECEIVABLES		752,275	816,239
MARKETABLE SECURITIES		609,493	332,248
CASH		150,016	573,399
TOTAL CURRENT ASSETS		1,511,784	1,721,886
TOTAL ASSETS		2,451,443	2,670,195

BALANCE SHEET

BALANCE SHEET OF THE PARENT COMPANY, COWI HOLDING A/S, AT 31 DECEMBER

DKK '000	NOTE	2021	2020
Share capital	9	286,594	286,594
Treasury shares		(24,259)	(19,456)
Retained earnings		1,138,441	1,100,297
Proposed dividend	10	68,207	66,784
EQUITY		1,468,983	1,434,219
Deferred tax	11	60,351	55,872
Provisions for incentive programmes and pension liabilities		3,884	460
PROVISIONS		64,235	56,332
Credit institutions		22,304	0
Amounts owed to subsidiaries		874,176	1,137,151
Accounts payable, suppliers		5,605	32,216
Payable company tax		4,011	2,066
Other debt		12,129	8,211
SHORT-TERM DEBT		918,225	1,179,644
TOTAL DEBT		918,225	1,179,644
TOTAL LIABILITIES AND EQUITY		2,451,443	2,670,195
Proposed distribution of profit for the year			
Contingencies and other financial commitments	12		
Related party transactions	13		
The Board of Directors and the Executive Board	14		

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY, COWI HOLDING A/S

DKK '000	Share capital	Treasury shares	Reserve for net revaluation according to the equity method	Retained earnings	Dividend	Total
EQUITY AT 1 JANUARY 2020	286,594	(18,588)	0	1,002,847	58,961	1,329,814
Distributed dividend				(278)	(58,961)	(59,239)
Profit for the year			211,788	(33)		211,755
Foreign exchange adjustment, foreign subsidiaries			(25,944)			(25,944)
Other adjustments				(11,604)		(11,604)
Sale of treasury shares		(868)		(9,695)		(10,563)
Other transfers			(185,844)	185,844		0
Proposed dividend				(66,784)	66,784	0
EQUITY AT 1 JANUARY 2021	286,594	(19,456)	0	1,100,297	66,784	1,434,219
Distributed dividend				5	(66,784)	(66,779)
Profit for the year			149,829	(3,924)		145,905
Foreign exchange adjustment, foreign subsidiaries			29,067			29,067
Equity movements in subsidiaries			(39,388)			(39,388)
Other adjustments				(8,264)		(8,264)
Sale of treasury shares		(4,803)		(20,974)		(25,777)
Other transfers			(139,508)	139,508		0
Proposed dividend				(68,207)	68,207	0
EQUITY AT 31 DECEMBER 2021	286,594	(24,259)	0	1,138,441	68,207	1,468,983

NOTES FOR THE PARENT COMPANY, COWI HOLDING A/S

Unless otherwise stated, the accounting policies for the parent financial statements are equal to the accounting policies described in the notes for the group financial statements.

NOTE 1 EXPENSES

Employee expenses

See note 4 to the group financial statements on page 31.
The company had four employees during the financial year.

Fees to auditors:

DKK ‘000	2021	2020
Fee, statutory audit	(50)	(50)
Total fees, PricewaterhouseCoopers	(50)	(50)

Employee expenses:

DKK ‘000	2021	2020
Salaries and wages	(35,967)	(25,632)
Pensions	(3,961)	(4,139)
Social security	(169)	(44)
Employee expenses	(40,097)	(29,815)

NOTE 2 AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

DKK ‘000	2021	2020
Software and licences	(13,756)	(16,800)
Technical installations, operating and other equipment	(3,234)	(4,325)
Amortisation, depreciation and impairment losses	(16,990)	(21,125)

NOTE 3 FINANCIAL INCOME

DKK ‘000	2021	2020
Interest, subsidiaries	12,066	16,198
Interest, bank accounts	826	1,184
Foreign exchange gains	12,302	14,338
Capital gain on securities	38,140	38,005
Financial expenses	63,334	69,725

NOTE 4 FINANCIAL EXPENSES

DKK ‘000	2021	2020
Interest, subsidiaries	(165)	(989)
Interest, cash, securities etc.	(4,308)	(5,553)
Foreign exchange losses	(25,346)	(15,375)
Other financial expenses	(170)	(101)
Capital loss on securities	(25,512)	(24,775)
Financial expenses	(55,501)	(46,793)

NOTE 5 TAX ON PROFIT FOR THE YEAR

DKK ‘000	2021	2020
Tax on profit for the year	(4,011)	0
Withholding taxes paid abroad	(254)	(172)
Deferred tax	5,054	843
Tax adjustment in respect of prior periods	5,700	4,747
Tax on profit for the year	6,489	5,418
Broken down as follows:		
Tax on profit for the year	6,489	5,418
Total tax on profit for the year	6,489	5,418
Tax on profit for the year can be broken down as follows:		
Tax calculated at 22% on profit before tax excl. profit after tax in subsidiaries	2,291	1,200
Current tax, foreign project offices	(254)	(172)
Amortisation of goodwill disallowed for tax purposes	(1,292)	(1,292)
Other expenses/other income disallowed for tax purposes	44	935
Tax adjustment in respect of prior periods	5,700	4,747
	6,489	5,418

NOTE 6 INTANGIBLE ASSETS

DKK '000	Software and licences	Intangible assets in progress	Total
Cost at 1 January 2021	57,306	6,372	63,678
Additions	242	43,900	44,142
Disposals	(5,954)	0	(5,954)
Cost at 31 December 2021	51,594	50,272	101,866
Amortisation and impairment losses at 1 January 2021	16,800	-	16,800
Amortisation and impairment losses	13,756	-	13,756
Disposals	(5,954)	-	(5,954)
Amortisation and impairment losses at 31 December 2021	24,602	-	24,602
Carrying amount at 31 December 2021	26,992	50,272	77,264

In 2021, intangible assets in progress concerned a full upgrade of the group-wide ERP system, launched in January 2022. The ERP system is only used internally in COWI.

NOTE 7 TANGIBLE ASSETS

DKK '000	Technical installations, operating and other equipment	Total
Cost at 1 January 2021	10,506	10,506
Disposals	(4,252)	(4,252)
Cost at 31 December 2021	6,254	6,254
Amortisation and impairment losses at 1 January 2021	4,325	4,325
Amortisation and impairment losses	3,234	3,234
Disposals	(3,163)	(3,163)
Amortisation and impairment losses at 31 December 2021	4,396	4,396
Carrying amount at 31 December 2021	1,858	1,858

NOTE 8 FINANCIAL ASSETS

ACCOUNTING POLICIES

Investments in subsidiaries are measured according to the equity method. Investments are measured at the proportionate share of the equity value of the relevant subsidiary determined in accordance with the Group's accounting policies, subject to deduction or addition of unrealised intercompany profits and losses, and subject to addition or deduction of the remaining value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and any receivable from these enterprises is written down to the extent that the receivable is uncollectible. To the extent that the parent company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the remaining amount is recognised under provisions.

DKK '000	Investments in subsidiaries
Costs at 1 January 2021	1,465,073
Additions	59,889
Costs at December 31 2021	1,524,962
Value adjustments 1 January 2021	(570,283)
Foreign exchange adjustments	26,146
Profit for the year	149,829
Dividends	(222,341)
Amortisation of goodwill	(5,871)
Other value adjustments, net	(41,905)
Value adjustments at 31 December 2021	(664,425)
Carrying amount at December 31 2021	860,537

See note 31 to the group financial statements on page 48 for information on investments in subsidiaries.

NOTE 9 SHARE CAPITAL

See note 18 to the group financial statements on page 40 for information on share capital.

NOTE 10 PROPOSED DISTRIBUTION OF PROFIT FOR THE YEAR

DKK '000	2021	2020
Proposed dividend	68,207	66,784
Retained earnings	77,698	144,971
Proposed distribution of profit for the year	145,905	211,755

The proposed dividend is 26 per cent of the share capital excluding treasury shares.

NOTE 11 DEFERRED TAX ASSETS

DKK '000	2021	2020
Deferred tax at 1 January	(55,872)	(49,685)
Deferred tax adjustment in respect of prior periods	(9,533)	(7,030)
Deferred tax for the year	5,054	843
	(60,351)	(55,872)
Specification of deferred tax assets and deferred tax:		
Intangible assets	(5,938)	(8,911)
Property, plant and equipment	721	442
Provisions	1,747	0
Claw-back from international joint taxation and debt	(56,881)	(54,415)
Tax-loss carryforward, deductible for tax purposes	-	7,012
	(60,351)	(55,872)
Recognised in the balance sheet as:		
Deferred tax liability	(60,351)	(55,872)
Deferred tax	(60,351)	(55,872)

NOTE 12 CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

The Danish companies in the 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. COWI Holding A/S is liable for taxes on the Group's jointly-taxed profit.

COWI Holding A/S has signed a letter of intent to a subsidiary not to demand repayment of a DKK 8 million loan, until the subsidiary is able to generate sufficient cash flow.

DKK '000	2021	2020
Guarantees		
Guarantee facility at 31 December	771,825	687,283
Drawn for performance bonds relating to projects in progress	192,438	158,076
Drawn for other guarantees	63,357	60,458
Total drawn guarantees	255,795	218,534
For guarantees, the following assets have been provided as security to credit institutions:		
Cash at a carrying amount of	895	767
Securities at a carrying amount of	303,898	168,375
Total securities	304,793	169,142

COWI Holding's guarantees through cash and securities can be terminated by the company from day to day.
See note 26 to the group financial statements on page 44 for further information on contingencies and other financial commitments.

NOTE 13 RELATED PARTY TRANSACTIONS

See note 27 to the group financial statements on page 45 for information on related party transactions..

NOTE 14 THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

See note 28 to the group financial statements on page 46 for information on the Board of Directors and the Executive Board..

STATEMENTS ON THE ANNUAL REPORT

STATEMENT BY THE BOARD OF DIRECTORS AND THE 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 Holding 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 statements and the consolidated financial statements to be true and fair. In our opinion, the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities, equity, financial position and the results of the Group's and the parent company's activities and the Group's cash flows 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 Group's most material risks and uncertainties.

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

Kongens Lyngby, 28 February 2022

EXECUTIVE BOARD:

LARS-PETER SØBYE
Chief Executive Officer

NATALIE G. SHAVERDIAN RIISE-KNUDSEN
Chief Financial Officer

RASMUS ØDUM
Chief Operating Officer

JENS HØJGAARD CHRISTOFFERSEN
Chief Business Development Officer

BOARD OF DIRECTORS:

JUKKA PERTOLA
Chairman

HENRIETTE HALLBERG THYGESEN
Vice Chairman

BIRGIT FARSTAD LARSEN

HENRIK ANDERSEN

ANNE HARRIS

CARSTEN BJERG

NIELS FOG*

JASPER KYNDI*

KRISTIN SANDBERG*

* Elected by the employees.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
COWI Holding A/S

OPINION

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January-31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of COWI Holding A/S for the financial year 1 January-31 December 2021, which comprise profit and loss account, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated cash flow statement ("financial statements").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements 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 any form of assurance conclusion thereon.

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

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

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

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Hellerup, 28 February 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no *33 77 12 31*

JESPER MØLLER LANGVAD
State Authorised
Public Accountant
mne21328

SØREN ALEXANDER
State Authorised
Public Accountant
mne42824

COWI HOLDING A/S COMPANY INFORMATION

COMPANY INFORMATION

COWI Holding A/S
Parallelvej 2
2800 Kongens Lyngby
Denmark
Tel. +45 56 40 00 00
Fax +45 46 40 99 99
www.cowi.com
www.cowiholding.com
cowi@cowi.com
Company registration number
32 89 29 73

BOARD OF DIRECTORS

Jukka Pertola, Chairman
Henriette Hallberg Thygesen, Vice Chairman
Birgit Farstad Larsen
Henrik Andersen
Anne Harris
Carsten Bjerg
Niels Fog
Jasper Kyndi
Kristin Sandberg

EXECUTIVE BOARD

Lars-Peter Søbye, Chief Executive Officer
Natalie G. Shaverdian Riise-Knudsen, Chief Financial Officer
Rasmus Ødum, Chief Operating Officer
Jens Højgaard Christoffersen, Chief Business Development Officer

AUDITORS

PricewaterhouseCoopers
Strandvejen 44
2900 Hellerup
Denmark
State Authorised Public Accountants
Jesper Møller Langvad and Søren Alexander

ANNUAL GENERAL MEETING

The annual general meeting will be held
on 30 March 2022 at the company address and online.

COWI'S ORGANISATION AT 28 FEBRUARY 2022

BOARD OF DIRECTORS

EXECUTIVE BOARD

LARS-PETER SØBYE
Chief Executive Officer

NATALIE G. SHAVERDIAN RIISE-KNUDSEN
Chief Financial Officer

RASMUS ØDUM
Chief Operating Officer

JENS HØJGAARD CHRISTOFFERSEN
Chief Business Development Officer

BUSINESS SUPPORT

DENMARK

HENRIK WINTHER
Executive Vice President

- Society and Utilities
- Transportation
- Global Advisory
- Buildings and Industry.

SUBSIDIARIES

- COWI Belgium SPRL (Belgium)
- COWI India Private Ltd. (India)
- COWI Zimbabwe (Zimbabwe)
- COWI Polska Sp. z o.o. (Poland).

NORWAY

MARIUS WEYDAHL BERG
Executive Vice President

- Buildings
- Water and Environment
- Transportation and Urban Development.

SUBSIDIARIES

- Aquateam COWI AS (Norway).

SWEDEN

ANDERS WIKTORSON
Executive Vice President

- Buildings
- Industry
- Civil.

SUBSIDIARIES

- AEC Advanced Engineering Computation Aktiebolag (Sweden)
- COWI Projektbyrån AB (Sweden)
- UAB COWI Lietuva (Lithuania).

INTERNATIONAL

MICHAEL BINDSEIL
Executive Vice President

- Transportation International
- Energy International
- COWI UK
- COWI North America.

SUBSIDIARIES

- COWI Gulf A/S (Bahrain and UAE)
- COWI Korea Co., Ltd. (South Korea)
- COWI North America Holding, Inc. (USA)
- COWI North America, Inc. (USA)
- COWI North America Ltd. (Canada)
- COWI Hong Kong limited (Hong Kong)
- COWI Singapore Pte. Ltd. (Singapore)
- COWI UK Limited (UK)
- TDA COWI AS (Norway)
- COWI Consulting Inc. (USA)
- COWI Consulting (Beijing) Ltd. Co.

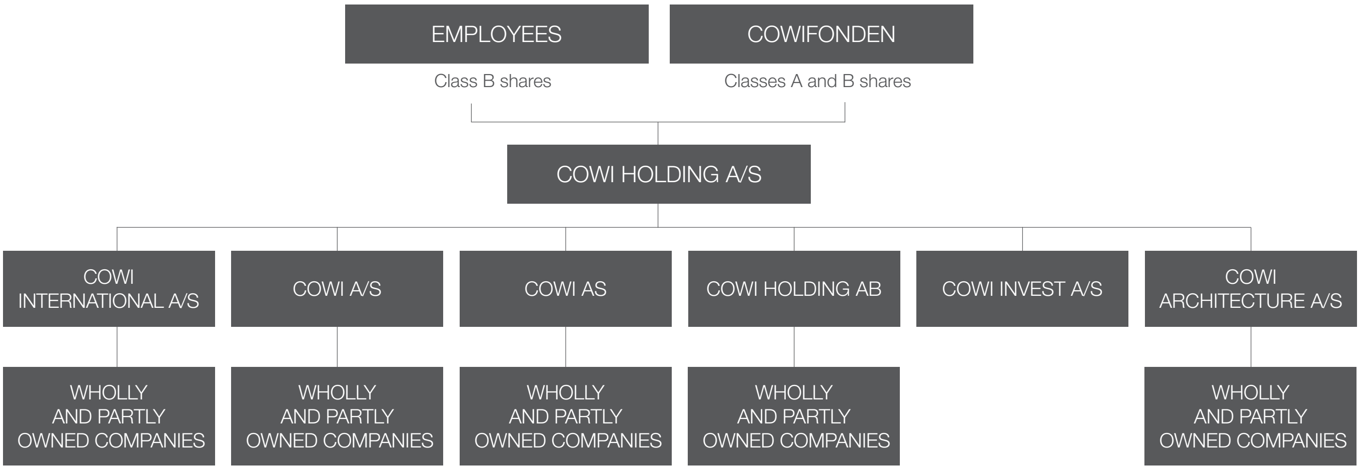
ARKITEMA

THOMAS KVEIBORG
Managing Director

- Living
- Working
- Health
- Urban
- Learning
- Culture
- Infrastructure
- Client Consultancy.

SUBSIDIARIES

- Arkitema Architects AS (Norway)
- Arkitema Architects AB (Sweden)
- Arkitema K/S (Denmark).



COWI OFFICES AROUND THE WORLD AT 28 FEBRUARY 2022

BAHRAIN
COWI GULF A/S Bahrain Branch Office
- Manama

BELGIUM
COWI Belgium SPRL
- Brussels

CANADA
COWI North America Ltd.
- Edmonton, Alberta
- Halifax, Nova Scotia
- North Vancouver, British Columbia

CHINA
COWI Consulting (Beijing) Ltd. Co.
- Beijing

DENMARK
COWI A/S
- Esbjerg
- Holstebro
- Lyngby (head office)
- Odense
- Ringsted
- Vejle
- Aalborg
- Aarhus

Arkitema K/S
- Aarhus
- Copenhagen

GERMANY
COWI A/S Hamburg Branch Office
- Hamburg

GREENLAND
COWI A/S Greenland Branch Office
- Nuuk

INDIA
COWI India Private Ltd.
- Chennai
- Delhi (Gurgaon)

LITHUANIA
UAB COWI Lietuva
- Vilnius

NORWAY
COWI AS
- Arendal
- Bergen
- Bodø
- Drammen
- Flekkefjord
- Frederikstad
- Førde
- Hamar
- Haugesund
- Hønefoss
- Kongsberg
- Kristiansand
- Kristiansund
- Larvik
- Levanger
- Lillehammer
- Mandal
- Mosjøen
- Norheimsund
- Oslo
- Stavanger
- Tromsø
- Trondheim
- Voss

Aquateam COWI AS
- Oslo

Arkitema AS
- Oslo

OMAN
COWI & Partners LLC
- Muscat

PHILIPPINES
COWI A/S Philippine Branch
- Makati City, Manila

POLAND
COWI Polska Sp. z o.o.
- Bielsko - Biala
- Gdansk
- Wroclaw

QATAR
COWI A/S Qatar Branch
- Doha

SINGAPORE
COWI Pte. Ltd.
- Singapore

SOUTH KOREA
COWI Korea Co., Ltd.
- Seoul (Bundang)

SWEDEN
COWI AB
- Allingsås
- Gothenburg
- Helsingborg
- Karlstad
- Malmö
- Skövde
- Stenungsund
- Stockholm
- Vänersborg

AEC AB
- Gothenburg
- Stockholm
- Uppsala
- Växjö

COWI Projektbyrån AB
- Stockholm
- Uppsala

Arkitema AB
- Stockholm
- Gothenburg
- Malmö

TAIWAN
COWI A/S Taiwan Branch
- Taipei

UAE
COWI GULF A/S
Abu Dhabi Branch Office
- Abu Dhabi

COWI GULF A/S Dubai Branch Office
- Dubai

UNITED KINGDOM
COWI UK Limited
- Derby
- Glasgow
- London
- Uttoxeter
- York
- Bristol

USA
COWI North America, Inc.
- Plymouth, Massachusetts
- Bridgeport, Connecticut
- Houston, Texas
- Mount Pleasant, South Carolina
- New York, New York
- Oakland, California
- Portland, Oregon
- Seattle, Washington

BOARD OF DIRECTORS

JUKKA PERTOLA
Chairman

Born 1960. MSc (Electrical Engineering). Professional board member. On the Board of COWI Holding A/S since 2015. Independent of COWI.

Competencies in compliance with the adopted competency profile: Corporate governance; financial and risk management experience from global companies; customer relations management, including sales, marketing and branding; people management in knowledge-based companies; operational excellence in service companies; and M&A or alliance experience.

HENRIETTE HALLBERG THYGESEN
Vice Chairman

Born 1971. MSc (Mathematics & Economics) and PhD. CEO of Fleet & Strategic Brands, Executive Vice President and member of the Executive Board, A.P. Møller – Mærsk A/S. On the Board of COWI Holding since 2017. Independent of COWI.

Competencies in compliance with the adopted competency profile: Corporate governance; senior management of global companies; customer relations management; people management in knowledge-based companies; operational excellence in service companies; business development; M&A or alliance experience; global financial and risk management.

BIRGIT FARSTAD LARSEN

Born 1974. MSc (Civil and Environmental Engineering) and Senior Vice President (Buildings), COWI AS. With COWI since 1999. On the Board of COWI Holding A/S since 2019. Not independent of COWI.

Competencies in compliance with the adopted competency profile: Financial and risk management; business development and project management; strategy development and implementation; cross-cultural understanding from working with projects globally; senior management experience from Nordic consulting companies; customer relation management including sales; people management in knowledge-based companies; operational excellence in service companies; and experience with innovation.

HENRIK ANDERSEN

Born 1964. MSc (Civil and Structural Engineering), HD in International Business and Senior Project and Market Director (Transportation International) at COWI A/S. On the board of COWI Holding since 2018. Not independent of COWI.

Competencies in compliance with the adopted competency profile: Senior management of Nordic consultancy companies; customer relations management including sales, marketing and branding; people management in knowledge-based companies; operational excellence in service companies; financial management; and business development.

ANNE HARRIS

Born 1960. MSc in Economics and Management. Chief Financial Officer at Statkraft. On the board of COWI Holding since 2021. Independent of COWI.

Competencies in compliance with the adopted competency profile: Financial literacy; corporate governance; senior management experience from other Nordic consultancy companies; financial and risk management experience from global companies; and M&A or alliance experience.

CARSTEN BJERG

Born 1959. BSc in Engineering. Professional non-executive board member. On the board of COWI Holding since 2021. Independent of COWI.

Competencies in compliance with the adopted competency profile: strategy development and implementation; leadership experience from large, international organisations; development and execution of business objectives and budgets; globalisation; technology management and product development; and board experience from large, international companies.

NIELS FOG

Employee-elected. Born 1960. MSc (Engineering) and Group Lead Auditor (Energy International Management) at COWI A/S. With COWI since 1996. On the board of COWI Holding since 2020. Not independent of COWI.

Competencies in compliance with the adopted competency profile; Project management; cross-cultural understanding from working with projects globally; people management in knowledge-based companies; operational excellence in service companies; and experience with innovation. Special competencies for employee-elected members: Experience and broad knowledge of company operations and culture; ability to balance employee and business perspective; ability to advise on appropriate forms of communication.

JASPER KYNDI

Employee-elected. Born 1971. MSc (International Planning) and MBA. Senior Business Development Director at COWI A/S. With COWI since 2003. On the board of COWI Holding since 2020. Not independent of COWI.

Competencies in compliance with the adopted competency profile: Business development; CRM including sales, marketing and branding; advanced proposal processes; strategy development and implementation. Special competencies for employee-elected members: Experience and broad knowledge of company operations and culture; ability to balance employee and business perspective; ability to advise on appropriate forms of communication; and diversity in business experience, geographical experience and gender.

KRISTIN SANDBERG

Employee-elected. Born 1976. MSc (Civil Engineering) and Vice President (Civil West) at COWI A/S. With COWI since 2001. On the board of COWI Holding since 2020. Not independent of COWI.

Competencies in compliance with the adopted competency profile: People management in knowledge-based companies; operational excellence in service companies; business development and project management; strategy development and implementation; financial and risk management. Special competencies for employee-elected members: Experience and broad knowledge of company operations and culture; ability to balance employee and business perspective; ability to advise on appropriate forms of communication; and diversity in business experience, geographical experience and gender.

COWI HOLDING A/S, COMPANY REGISTRATION NO: 32 89 29 73

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WWW cowi.com