COWI Holding A/S

Parallelvej 2
2800 Kongens Lyngby

Annual Report 2023

Company registration number: 32 89 29 73

The annual report was presented and approved at the company's annual general meeting on 20 March 2024.

Pernille Høstrup Dalhoff
Chair of the general meeting

COWI

Annual report 2023

Cover photo: Metroselskabet/ Tuala Hjarnø

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Cover photo: Metroselskabet/ Tuala Hjarnø

Management review

Performance highlights

Financial

Organic growth

9%

11% in 2022

Revenue

7,858 DKKm

DKKm 7,326 in 2022

EBIT margin

4.4%

4.2% in 2022

Shareholder return

15%

9% in 2022

Non-financial

Number of employees

7,997

7,501 in 2022

Favourable engagement score

78%

From a 90% response rate survey

Net Promoter Score (NPS)

57

Customer satisfaction measured on a scale from -100 to 100. 51 in 2022

Carbon footprint

7.6 tCO_2e/DKK ‘000

8.3 tCO_2e/DKK ‘000 revenue in 2022

Message from the Chair and CEO

For the second year in a row, COWI delivered strong organic growth despite geopolitical unrest and volatile market conditions. The growth underlined COWI's resilience, which we have achieved through our strategic focus on specific geographies as well as prioritised market sectors which have proven stable during challenging times. The investment level in new infrastructure, industrial facilities, renewable energy and climate adaptation in Denmark, Norway and North America remained high, offsetting the recession and the frozen residential buildings market in Sweden. In addition, concentrating our efforts on large key customers such as Novo Nordisk, Copenhagen Metro, LEGO, Volvo, Borealis, Equinor, Bergen Light Rail and Maersk also contributed to our strong organic growth.

The strategy is working

The significant growth illustrates that our strategy, FUTURE-NOW, with its focus on the green transition, works. The strategy revolves around building trusted relationships with key customers, having highly skilled and engaged employees executing projects with quality, and investing in our business and innovative solutions that can set COWI apart in competitive markets.

We cultivate a customer-centric approach, ensuring that our customers experience that we care about them and that we are the right partner to help them turn their projects into reality. In 2023, customer satisfaction (Net Promoter Score) improved to 57, up from 51 in 2022. The improvement was primarily a result of consistent quality in our project execution and close interaction with our customers. This trust was also reflected in our ability to win major tenders, which, all in all, led to a record-high order backlog of DKK 6.3 billion.

Jens Højgaard Christoffersen
Group CEO

Jukka Pertola
Chair of the Board of Directors

Iceland is an attractive market with a wealth of opportunities for growing our position in the North Atlantic market.

Strategic acquisition in Iceland

To strengthen our capabilities and service offerings in the green transition, COWI acquired the Icelandic engineering consulting firm Mannvit on 31 May 2023. Mannvit's 257 employees have broad experience in the in-demand fields of geothermal energy and hydropower. The Mannvit brand was discontinued (in February 2024) and integrated into COWI, consolidating our go-to-market approach. Iceland is an attractive market and provides us with a position in the North Atlantic region. At the end of 2023, a joint Mannvit and COWI team won a framework agreement with Reykjavik Energy, confirming the joint strength in the market.

Advancing with AI

AI will be a game changer for the engineering and architectural industry, providing new opportunities for delivering value to our customers. In 2023, COWI continued to embrace AI and prepare our employees for AI. This included creating an AI sandbox; a secure environment where employees could test and use a generative AI bot. We also launched an AI policy to manage risks and opportunities and trained employees in AI.

Innovation is a core element in COWI's strategy. In 2023, through funding from COWIfonden, we initiated two pilot projects in floating wind and floating solar systems. The floating solar project investigates and evaluates the feasibility of floating solar systems in Denmark. During the pilot, COWI will test three different floating solar systems, focusing on profitability, performance, the levelised cost of energy and their impact on marine ecology. The pilot runs until the end of 2025.

We also continued our Co-Creator programme for start-ups because bridging the gap between innovative solutions and commercial business remains a core priority for COWI.

New steps towards net zero

COWI is committed to making the world more sustainable. In fact, we aspire to have 100% of our revenue come from projects which support the drive towards sustainability. That is a commitment requiring action. To ensure that we move towards this aspiration and all other aspirations in our strategy, we have developed a value steering tool that guides us in making the right decisions. By monitoring and measuring various targets, we can clearly see how COWI progresses. One such target is how COWI contributes to making the world more sustainable through our customers' projects, our so-called handprint. In order to steer our business and allocate our resources to where we have the biggest impact on sustainability, we have embarked on defining a framework. In 2023, we performed the proof of concept for the framework, assessing how several projects align with the environmental sustainability criteria of the EU Taxonomy. Inspired by the results, we are working to adjust the way we assess projects to define the most credible and valid way to report about the sustainability impact of our customers' projects, for instance, in terms of climate change mitigation, protection of biodiversity or transition to a circular economy. The next steps will lead us towards a framework that can be embedded into daily operations and further guide our decision-making and drive towards sustainability.

Significant steps were also made to ensure order in our own house. We submitted our climate targets to – and had them approved by – the Science Based Targets initiative. Another step was a ten-year power purchase agreement with Better Energy to offtake energy from a new solar park, which will provide green electricity to our offices in Denmark. COWI does not have any power purchase agreements in place in other countries yet. However, when possible, we procure renewable energy certificates for the electricity for these offices, and we are looking into other reduction activities. In total, COWI's carbon footprint was 60,609 tCO_2e, a reduction per headcount of 8% compared to 2022.

Besides working on reducing our environmental impact, we continued our commitment to the principles and ambitions of the UN Global Compact. In this context, COWI has focused on diversity and inclusion, which is also reflected in our strategy. In 2023, we saw a rise in the percentage of senior career positions held by women and achieved a share of 26%, up from 21% in 2022. This positive development was the outcome of a strong leadership focus on a new diversity and inclusion policy with particular attention on creating a respectful and fair working environment where all employees have a sense of belonging and equitable opportunities for thriving and growing.

Solid performance

Overall, COWI delivered a solid financial result in 2023. The organic growth of 9% was strong, resulting in a record-high revenue of DKK 7.9 billion. This was mainly driven by strong commercial efforts in winning large new projects within our prioritised markets and sectors. The EBIT margin improved to 4.4%, compared to 4.2% in 2022. Although we had lower-than-expected utilisation of employees impacting profitability negatively, this was offset by cost management. The progress was satisfactory, considering the significant growth, and challenging market conditions in Sweden which especially impacted Arkitema.

In 2023, we really generated value for our shareholders as the shareholder return increased significantly to 15%, up from 9% last year, thereby meeting the target set in our strategy. Profit for the year was DKK 236 million, an increase of 48% compared to 2022. At 31 December 2023, book value per share was DKK 641.6, an increase of 10% compared to 31 December 2022 and the highest level to date.

Taking a leap

For more than 90 years, COWI has successfully supported our customers in realising their dreams, connecting people, and bridging real and figurative gaps. Because of our strong roots and capabilities, we have built leading positions that enable us to take on landmark projects driving sustainability. For instance, green fuels for transportation, innovative metro solutions, carbon capture and storage, hospitals as well as urban development projects that double as climate adaptation measures.

To remain a relevant player and stay competitive, COWI must invest significantly more in our employees, innovative solutions and digitalisation. To fund this, we are going to increase our earnings, and we aim for an EBITA* margin above 10% by 2026, up from a level of 6% in 2023. To achieve this, we will increase the level of cooperation between our geographic units with a particular focus on strengthening our capabilities to develop innovative, digital solutions in COWI India and simplifying our operating model to increase efficiency and agility.

A heartfelt thank you

Finally, we would like to express our gratitude to all our employees, for their tremendous efforts during the year. This commitment and dedication are core to our company. In 2023, we were close to 8,000 employees, illustrating what an attractive workplace COWI is. We all share a dedication and a passion for shaping a sustainable and liveable future, making us quite optimistic about embarking on the next stage of our journey in 2024.

Jukka Pertola
Chair of the Board
of Directors

Jens Højgaard Christoffersen
Group CEO

FUTURE-
NOW

In 2022, we formulated a vision and new values to inspire and guide us in the coming years. And to develop our company, seize the numerous market opportunities and create value with customers, we developed COWI's new strategy.

It is called FUTURE-NOW. If we, as a society and as a company, want to survive and thrive in the future, we must prepare for it today. Therefore, in our work with the strategy, our starting point was the future. What will it look like? What demands does this create among customers? What does it mean to us now? And how can we contribute to the solutions needed?

Business model

Together with customers, partners and employees, we shape a future where people and societies grow and flourish. We do that by offering solutions to some of the biggest challenges of our time, improving the quality of life for people today and many generations ahead.

To deliver the most impact on this purpose, we have focused our resources on helping key customers in our core markets in Denmark, Sweden, Norway, the UK and North America. We can work for our key customers on relevant projects outside these markets, always with a focus on shared values. To further strengthen our impact, our solutions and services revolve around supporting our customers in four prioritised market sectors: sustainable energy, large infrastructure, large buildings, and climate adaptation and water.

Our winning aspiration

Our vision is our overall guiding star that sets a long-term direction for all our business. To propel us forward towards the vision and guide us in the mid term, we have formulated a winning aspiration for a three- to five-year horizon in seven key areas. There is no fixed deadline for reaching them, but we believe that this is what an excellent performance for COWI looks like:

We are a customer-centric company with the most satisfied customers in our peer group; we are highly attractive to partners.

We are top-quartile performers in our peer group. We deliver a total shareholder return of >15% annually; >10% EBITA*; >5% annual organic growth; >80% cash conversion.

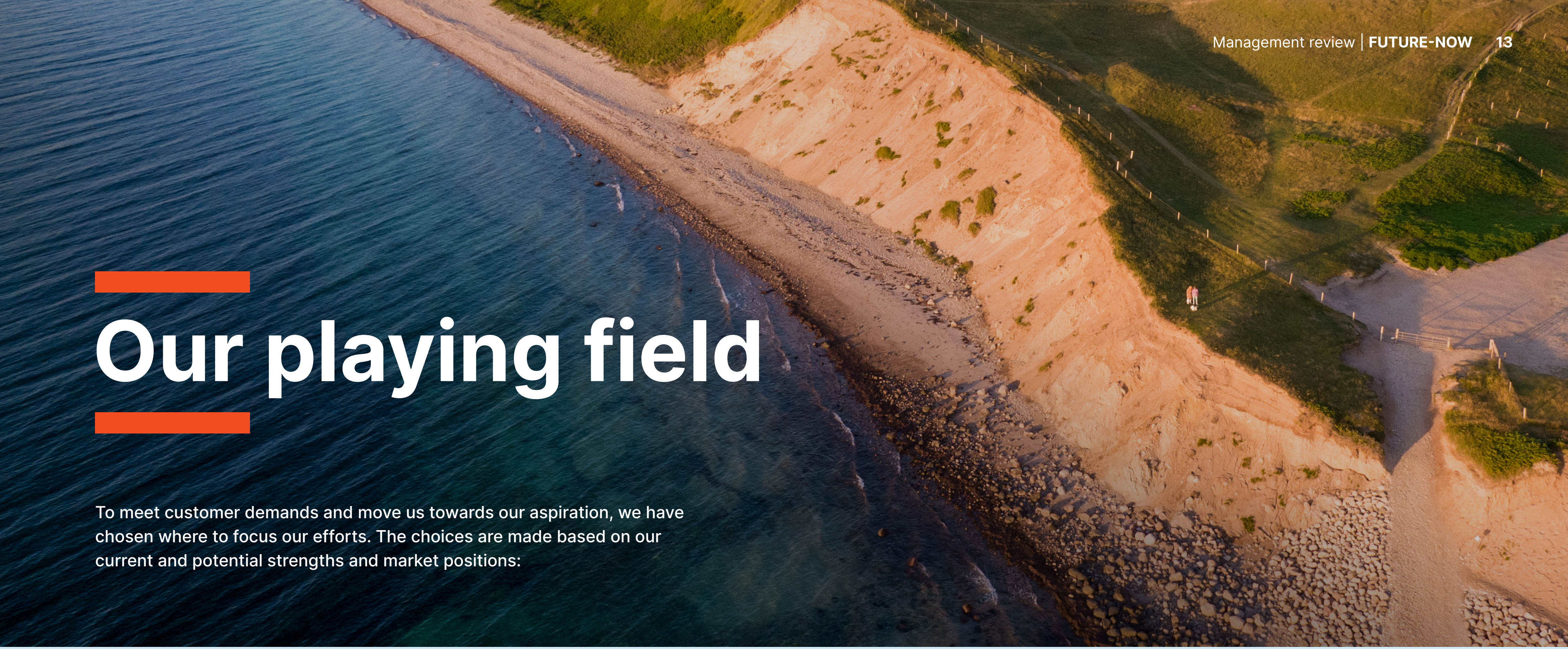
We are a truly diverse company, which attracts the best talent and has strongly engaged employees, who constantly develop their personal and technical skills.

Together with our customers and partners, we drive innovation in an open and collaborative environment; we are leaders in digitalisation, and we explore new sustainable technologies and materials.

We are recognised by society as thought leaders who combine know-how, a holistic approach, and a true commitment to sustainability.

We always contribute to moving our customers towards sustainability. One hundred per cent of our revenue comes from projects which support this drive towards sustainability.

In our core segments, we are market leaders in sustainable energy solutions, climate adaptation and water, large buildings and large infrastructure projects.



Our playing field

To meet customer demands and move us towards our aspiration, we have chosen where to focus our efforts. The choices are made based on our current and potential strengths and market positions:

Customers

We will only work with and for current or future key customers with multiple projects, a long-term perspective and compatible ethics.

Services

We deliver concept design, design development, planning/permitting, final and detailed design, construction management, project management consultancy services and asset management.

Sectors

We operate within:

- sustainable energy
- large infrastructure
- large buildings
- climate adaptation and water.

Geography

We focus on Scandinavia (Norway, Denmark, Sweden), the UK and North America.

Outside these countries, we will only do projects for key customers.

Go-to-market

We will continue to use key account management (public and private) and co-creation with partners that complement our capabilities.

We deselect opportunistic sales to customers where we do not have repeat business.

Four market priority sectors

Sustainable energy

Renewables are replacing fossil energy as a vital element in limiting climate change. Furthermore, the energy sector is a crucial factor for the green transition of all parts of our societies because of its potential to couple sectors by the flow of energy. Our customers face massive challenges in bringing their ambitions to life. We have knowledge and experience to share. We will particularly focus on:

- offshore renewable energy
- production of hydrogen and green fuels
- energy efficiency
- carbon capture, utilisation and storage.
- thermal power.

Large infrastructure

There is a growing demand for more sustainable infrastructure and transportation. In addition, customers request new materials, designs and digital solutions to the benefit of the users; sometimes by building less, but better. We have a very strong position in this growing market. We will particularly focus on:

- roads, mass transit, urban transportation and fixed links
- electrification
- automation and digital solutions.

Large buildings

Buildings frame all parts of our lives. How buildings are shaped influences how we experience a home, a place of work or a hospital. The layout of urban areas affects how we live together and commute between important locations in our lives. The impact of buildings goes further as the design choices offer opportunities to reduce our carbon footprint. Customers are looking for such options, and we can support them in transforming their aspirations into realities. Based on our key strengths, we will have a strong focus on:

- large-scale urban development
- transportation hubs
- industry and data centres
- health.

Climate adaptation and water

Water is fundamental for life and must be used and re-used with care. Despite massive efforts, global warming continues and changes weather patterns as well as sea levels. We must adapt to climate change in many dimensions. COWI has significant experience in handling these challenges, and we strive to support our customers in their quest. We will mainly focus on:

- coastal protection and integrated urban solutions
- utility and stormwater tunnels
- wastewater
- digitalisation of utilities and smart water.

Five-year performance

COWI Group	2019	2020	2021	2022	2023	2023
	DKKm	DKKm	DKKm	DKKm	DKKm	EURm
Key figures						
Revenue	6,623	6,430	6,569	7,326	7,858	1,054
EBITDA (operating profit before interest, tax, depreciation, amortisation)	380	524	419	502	542	73
EBITA (operating profit before amortisation)	303	449	347	435	465	62
EBITA*	304	437	444	455	464	62
Operating profit on ordinary activities	173	323	223	307	345	46
EBIT (operating profit)	169	318	219	306	343	46
Net financial items including profit/loss after tax in associates	2	(14)	(4)	(59)	31	4
Profit before tax	171	305	214	247	374	50
Profit for the year	100	212	146	160	236	32
Total assets	3,834	3,990	3,827	3,706	4,032	541
Equity	1,330	1,434	1,469	1,513	1,653	222
Net interest-bearing debt (NIBD) in DKK	(233)	(852)	(854)	(764)	(832)	(112)
Cash flow from operating activities	341	869	229	382	336	45
Investment in property, plant and equipment	(81)	(56)	(56)	(116)	(76)	(10)
Cash flow from investing activities	(477)	(79)	(409)	(311)	(215)	(29)
Free cash flow	(136)	790	(180)	71	121	16
Cash flow from financing activities	90	(267)	(266)	(127)	(90)	(12)
Cash flow for the year	(46)	523	(446)	(56)	31	4

DKK/EUR rate at 31 December 2023 was 745.32

COWI Group	2019	2020	2021	2022	2023
Financial ratios					
Organic growth	0%	1%	1%	11%	9%
EBITDA margin	5.7%	8.1%	6.4%	6.9%	6.9%
EBITA* margin	4.6%	6.8%	6.8%	6.2%	5.9%
EBIT margin (operating margin)	2.6%	5.0%	3.3%	4.2%	4.4%
Return on invested capital (ROIC)	11%	23%	21%	27%	28%
Return on equity (ROE)	8%	15%	10%	11%	15%
Equity ratio	35%	36%	38%	41%	41%
Book value per share in DKK	496.2	536.9	560.0	582.3	641.6
Shareholder return	8%	13%	9%	9%	15%
ESG					
Climate change					
Total emissions (market-based), tCO_2e	-	36,307	42,326	63,894	60,609
Scope 1	-	481	666	521	472
Scope 2	-	1,901	1,419	2,162	2,035
Scope 3	-	33,925	40,241	61,212	58,102
Emissions per headcount, tCO_2e/HC	-	5.3	6.2	8.3	7.6
Emissions per revenue, tCO_2e/DKK '000	-	5.7	6.4	8.4	7.6
Employees					
Number of employees (HC)	7,171	6,682	6,810	7,501	7,997
Gender diversity at senior career levels, % women	-	18%	19%	21%	26%
Favourable engagement score	-	76%	76%	82%	78%

The Board of Directors and the Executive Leadership Team

Board of Directors

Jukka Pertola
Chair

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

Competencies in line 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.

Directorships and executive positions: Siemens Gamesa Renewable Energy (CB), Asetek (MB), Tryg (CB), Tryg Forsikring (CB), GN Store Nord (CB).

Shares in COWI Holding A/S
Nominal holding: 200,000

Carsten Bjerg
Vice Chair

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

Competencies in line 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.

Directorships and executive positions: TCM Group (MB), Dansk Smede- og Maskinteknik (CB), Agrometer (CB), Guldager (CB), Robco Engineering (CB), Hydrema (CB), Bogballe (CB), Epoke (CB), Bredal (CB), Aarhus University (VCB).

Shares in COWI Holding A/S
Nominal holding: 0

Anne Harris
Chair of the Audit Committee

- Born 1960
- MSc in Economics and Management
- Professional non-executive board member
- On the board of COWI Holding since 2021
- Independent of COWI.

Competencies in line 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.

Directorships and executive positions: Aker BioMarine (MB), Azane (MB), Mer (MB).

Shares in COWI Holding A/S
Nominal holding: 0

Pierre Olofsson

- Born 1966
- MSc in Civil Engineering
- Founder and Partner at Spira företagsutveckling AB
- Professional non-executive board member
- On the board of COWI Holding since 2022
- Independent of COWI.

Competencies in line with the adopted competency profile: senior management experience from Nordic companies; financial and risk management experience from global companies; business development; strategy development and implementation; and diversity.

Directorships and executive positions: Specialfastigheter (MB), Envix Nord AB (CB), Skånefrö AB (CB).

Shares in COWI Holding A/S Nominal holding: 0

Jeanette Fangel Løgstrup

- Born 1966
- MSc in Economics and Business Administration
- Professional non-executive board member, senior advisor and author
- On the board of COWI Holding since 2023
- Independent of COWI.

Competencies in line with the adopted competency profile: executive leadership; board and corporate governance experience from large international and knowledge-based companies; financial and risk management experience; sustainability and ESG; communications and marketing; diversity and corporate culture; M&A experience; and business development.

Directorships and executive positions: JP Politikens Hus (MB), Andel Energi (MB), Combineering (MB), OptiGroup (MB), Danske Invest (MB), Sovino Brands (MB), Fonden for Entreprenørskab (MB), Forenet Kredit, elected Member of the Committee of Representatives, Expon Aps (director).

Shares in COWI Holding A/S
Nominal holding: 0

● Member of the Audit Committee

Board of Directors

Ivor Catto

- Born 1966
- BEng (Hons) in Engineering
- Professional non-executive board member
- On the Board of COWI Holding A/S since 2023
- Independent of COWI.

Competencies in line with the adopted competency profile: strategy development and implementation; management experience from leading international engineering and renewable energy organisations; financial and risk management; development and execution of business objectives and budgets; business development; and M&A experience.

Directorships and executive positions: Pulse Clean Energy (MB).

Shares in COWI Holding A/S
Nominal holding: 0

Jasper Kyndi

- Employee-elected
- Born 1971
- MSc in International Planning and MBA
- Executive 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 line with the adopted competency profile: business development; CRM including sales, marketing and branding; advanced proposal processes; strategy development and implementation. Especially for employee-elected members: experience and broad knowledge of company operations and culture; ability to balance employee and business perspective and advise on appropriate communication; and diversity in business and geographical experience and gender.

Directorships and executive positions: None.

Shares in COWI Holding A/S
Nominal holding: 142,300

Kristin Sandberg

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

Competencies in line with the adopted competency profile: people management in knowledge-based companies; operational excellence in service companies; business and strategy; financial and risk management. Especially for employee-elected members: experience and broad knowledge of company operations and culture; ability to balance employee and business perspective and advise on appropriate communication; and diversity in business and geographical experience and gender.

Directorships and executive positions: None.

Shares in COWI Holding A/S
Nominal holding: 90,000

Niels Fog

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

Competencies in line with the adopted competency profile: project management; cross-cultural understanding from global project work; people management in knowledge-based companies; operational excellence in service companies; and experience with innovation. Especially for employee-elected members: experience and broad knowledge of company operations and culture; ability to balance employee and business perspective and advise on appropriate communication.

Directorships and executive positions: None.

Shares in COWI Holding A/S
Nominal holding: 63,200

Executive Leadership Team

From the left, standing: Anders Wiktorson, Birgit Farstad Larsen, Marius Weydahl Berg, Anne Daugaard

From the left, seated: Michael Bindseil, Jens Højgaard Christoffersen, Natalie G. Shaverdian Riise-Knudsen, Henrik Winther

Executive Leadership Team

COWI announced a new Executive Leadership Team effective 29 January 2024. This team includes leaders with a long tenure within COWI, and leaders with experience from outside the company, bringing increased diversity of thought, age, gender and nationality. The Executive Leadership Team will jointly own the execution of COWI's strategy FUTURE-NOW and is composed to create strong alignment across the business as well as clear ownership and accountability for key aspects of the next phase of COWI's strategy.

The Board of Directors and the Executive Leadership Team's responsibilities

***Jens Højgaard Christoffersen,**
Group CEO

***Natalie G. Shaverdian Riise-Knudsen,**
Group CFO

***Marius Weydahl Berg**,
Group CBDO

Henrik Winther,
EVP of Business Line Denmark

Michael Bindseil,
EVP of Business Line International and interim Head of EDC

Birgit Farstad Larsen,
EVP of Business Line Norway

Anders Wiktorson,
EVP of Business Line Sweden

Anne Daugaard,
Head of People and Culture

* The Executive Board consists of the Group CEO, the Group CFO and the Group CBDO who are registered as executives with the Danish Business Authority. The other members of the Executive Leadership Team are not registered as executives with the Danish Business Authority.

Executive Board CVs

Jens Højgaard Christoffersen
Group CEO

- Group CEO – since 2022
- Started in COWI: 1995
- Year of birth: 1968
- PhD in Civil Engineering
- Diploma in finance (HD)
- Nationality: Danish.

Over the years, Jens Højgaard Christoffersen has led projects and organisations in Denmark and abroad. The common thread through his career with COWI has been linking customer aspirations with the right people and technology to support the realisation of desired benefits for customers and society.

Directorships and executive positions:

Danish Industry (DI) –
Committee on Construction Policy (CB),

Danish Industry (DI) –
Committee on Business Policy (MB),

Danish Industry (DI) –
Committee on Energy Efficiency (MB).

Shares in COWI Holding A/S
Nominal holding: 638,900

Natalie G. Shaverdian Riise-Knudsen
Group CFO

- Group CFO – since 2021
- Started in COWI: 2021
- Year of birth: 1981
- MSc in Business and Administration
- Nationality: Swedish.

Before joining COWI, Natalie G. Shaverdian Riise-Knudsen built solid international experience, especially in finance, IT, transformation and management with Novozymes, RSA Nordic, GE Capital and PwC Sweden.

Directorships and executive positions:

Terma (MB).

Shares in COWI Holding A/S
Nominal holding: 0

Marius Weydahl Berg
Group CBDO

- Group CBDO – since 2023
- Started in COWI: 2018
- Year of birth: 1975
- MSc in Project Management, BSc in Mechanical Engineering
- Nationality: Norwegian.

Marius Weydahl Berg has solid international experience in managing people and projects in Norway, the UK, the US, Brazil, Singapore, Dubai and Australia. He has worked for international corporations like Apply Group and Archer.

Directorships and executive positions:

RIF (Consulting Engineers' Association in Norway) (VCB).

Shares in COWI Holding A/S
Nominal holding: 0

Performance in business lines

Business Line Denmark

Business Line Denmark delivered a strong performance in 2023, powered by an organic growth of 8%. This was driven by strong growth in the Buildings and Industry business unit, particularly in the production facility segment. Additionally, the Transportation business unit further improved its competitiveness and profitability through increased collaboration with COWI's engineering and design centres. In May, COWI acquired the Icelandic engineering consulting firm Mannvit, which became a business unit in Business Line Denmark, contributing positively to the results. The Global Advisory business adjusted its focus to solely advisory roles in the EU, EU candidate and potential candidate countries. Overall, an up-to-the-mark year with high customer satisfaction and solid profitability.

Henrik Winther

Executive Vice President

7.9%	**54**	DKK **2,568** million
EBITA* margin	NPS	Revenue

Copenhagen Metro

Business Line International

In 2023, Business Line International grew organically by 19% and delivered a very satisfactory result. There were many reasons for the good 2023 result; attractive market conditions, strong project execution and high customer satisfaction being the main reasons. The Transportation International business unit resumed a high level of activity, and managed to win several large tunnel projects, some in close collaboration with colleagues in North America. The Energy International business unit generally experienced a high activity level in the transition from fossil to renewable energy sources, although a few offshore wind projects were either paused or stopped due to increased costs. Despite the economic challenges faced by the UK, the business in the region maintained a solid volume, even though investments were down a nudge. Finally, the North American business progressed steadily, partially attributed to large-scale federal investment programmes, notably the Build Back Better and Inflation Reduction Acts in the US.

Michael Bindseil
Executive Vice President

9.3%	**63**	DKK **2,602** million
EBITA* margin	NPS	Revenue

Hong Kong–Zhuhai–Macao Fixed Link

Business Line Norway

Business Line Norway delivered a solid organic growth of 10%, supported by the continued progress in the Transport and Urban Planning business unit. The business unit won several new signature projects, including a framework agreement with Statnett and a new phase of the Bergen Light Rail project. The Buildings business unit delivered solid results despite volatility in some market segments and geographies, and continues to have a strong position in complex functional building projects. The Energy, Climate and Water business unit had a challenging year but has built an Energy unit, which positions COWI in the renewable energy market. This has resulted in some significant wins, including a framework agreement with Statnett on power grids. Profitability remained solid, though dropping slightly as a result of lower billability compared to previous years.

Birgit Farstad Larsen

Executive Vice President

7.2%	55	DKK **1,556** million
EBITA* margin	NPS	Revenue

Bergen Light Rail

Business Line Sweden

Business Line Sweden won several major projects, resulting in significant framework agreements with industry leaders Borealis and Preem as well as new major infrastructure projects, illustrating a growing momentum in the market. The growing order backlog is expected to lead to better results in 2024. However, since these projects did not commence in 2023, they could not counter the impacts of an insufficient short-term order backlog. Overall, the financial results were below the 2022 result, partly due to the weakened SEK, high inflation and increased costs.

Anders Wiktorson
Executive Vice President

1.2%	**57**	DKK **726** million
EBITA* margin	NPS	Revenue

The Borealis site in Stenungsund

Business Line Arkitema

In 2023, Business Line Arkitema saw a considerable decrease in its financial performance, with results unsatisfactory and significantly below those achieved in 2022. This was primarily attributed to the substantially declined level of activity in the residential buildings market, particularly in Sweden. At the end of 2023, Arkitema simplified its organisational set-up and intensified its collaboration with COWI. Going forward, Arkitema will continue to intensify and expand the collaboration with COWI across multiple segments as it has been demonstrated that joint initiatives have significant potential to succeed.

Thomas Kveiborg
Executive Vice President[1]

-4.3%
EBITA* margin

61
NPS

DKK **628** million
Revenue

Sophie Radich school in solid wood

[1] As of 1 January 2024, Thomas Kveiborg is no longer Executive Vice President of Business Line Arkitema.

Environmental, Social and Governance

Our ESG governance:

In 2023, the world continued to experience the damaging effects of climate change, such as recurring floods, extreme temperatures and destructive storms. The UN Environment Programme's Emissions Gap Report 2023 warns that failing to change our current actions will result in a three-degree increase in the world's average temperature by the end of this century, surpassing critical planetary boundaries. Driven by our commitment to contribute to shaping a more sustainable world, we believe that we have a special obligation to help our customers in their journey towards a green transition. At the same time, we prioritise ensuring order in our own house.

To ensure that we focus on the right things, we use our value steering approach, applying both financial and non-financial KPIs in our internal steering process. This gives us a holistic approach to delivering on all our winning aspirations, but also working with their interconnectivity. For instance, research shows how employee engagement is a leading indicator of financial performance.

In the following, our focus areas and progress in environmental, social and governance (ESG) aspects are presented. For reporting criteria on our data extraction processes, please refer to the end of this chapter.

Our ESG focus areas, as determined by our double materiality assessment

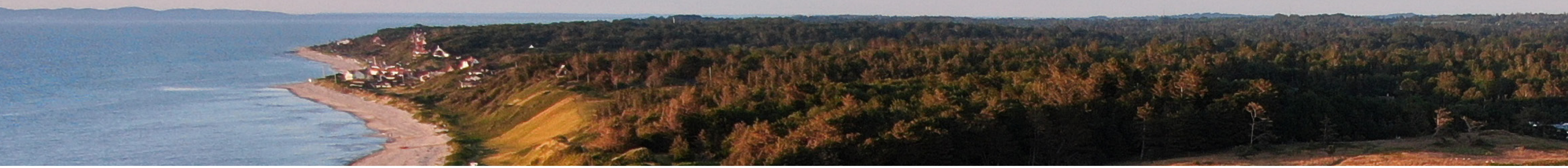
We are preparing for compliance with the EU Corporate Sustainability Reporting Directive (CSRD) by reporting year 2025. To proactively address the upcoming requirements and ensure that we focus our ESG performance and reporting efforts, we performed a double materiality assessment in 2023. The primary objective was to identify material ESG topics for COWI, which will serve as a basis for our ESG performance and reporting efforts going forward. The double materiality approach means that we have assessed both **impact materiality** (COWI's ESG impacts on people and the environment) and **financial materiality** (the ESG risks and opportunities impacting COWI as a business).

The assessment was carried out with extensive stakeholder involvement to ensure depth of insights and anchoring. We took a bottom-up approach, involving a core team and subject matter expert inputs from 26 senior stakeholders across the organisation. Then, the findings were validated by the Executive Board, followed by our Audit Committee and finally approved by the Board of Directors.

Our business model and value chain form the backdrop for assessing the topics, so a topic can be relevant in several places across the value chain. Impacts, risks and opportunities (IROs) were formulated before any mitigating measures were in place. Please refer to page 11 for a description of our business model.

In accordance with the European Sustainability Reporting Standards (ESRS), we assessed the impacts by considering a combination of severity (an average of the scale, scope and irremediability of the impacts) and their likelihood. Furthermore, we assessed the effects of risks and opportunities in terms of anticipated repercussions on EBIT and their likelihood of occurring.

Driven by our commitment to contribute to shaping a more sustainable world, we believe we have a special obligation to help customers in their journey towards a green transition.



The outcome of our materiality assessment is shown on page 31. The figure does not represent our IRO management and performance; it merely represents the materiality of the topics to us. The following sections outline how we address many of these topics.

Besides our own carbon and energy impacts, our main negative environmental impacts relate mostly to our downstream value chain, i.e., the impacts we have through our projects. However, these sustainability challenges also present strategic opportunities to us as they enable us to use our expertise to drive projects in a more sustainable direction. This is reflected in our strategic ambition of contributing to the drive towards sustainability and is largely captured by our focus on four priority sectors: sustainable energy, large infrastructure, large buildings, and climate adaptation and water. At the same time, we must ensure order in our own house by limiting our carbon footprint and ensuring that we possess the necessary skills and capacity to advise customers in their green transition. Failure to do so may result in missed business opportunities and loss of licence to operate.

Our main social impacts reflect that we are a people business and that we value our employees. We put this into practice through equality in treatment and opportunities, diversity and inclusion, and professional development. In terms of project impacts, we have identified potential negative social impacts at project site and community levels. However, we see opportunities for contributing positively to community cohesion and liveability.

We must also ensure sufficient whistleblower protection, live up to a high level of business integrity in how we carry out our business and ensure sufficient risk mitigation in terms of corruption and bribery incidents.

The next step in this journey, and in preparation for CSRD, is to validate our findings with external stakeholders and prepare more metrics to gauge and monitor progress on priority topics. In addition, we need to assess performance ambitions and further integrate our IRO management into our operating model, such as COWI’s Risk and Resilience Forum and relevant business functions. We will reassess IROs on a continuous basis to ensure that we prioritise our efforts in the most relevant way. Thus, our assessment will likely be updated over the next years. However, we view this as a crucial and timely step in preparing for CSRD and in directing our efforts to the most relevant areas. Our presentation of the double materiality assessment in this report is not an expression of being compliant with CSRD at present. We will continue developing our reporting approach and scope during financial years 2024 and 2025 to ensure CSRD compliance for the 2025 annual report.

Our material ESG impacts, risks and opportunities as defined in the 2023 double materiality assessment process

Impacts (circle) | Risks (triangle) | Opportunities (square)

U – Upstream **O** – Own operations **D** – Downstream

Environmental

Impacts:

- 1 Climate change mitigation – **O and D**
- 2 Direct impact drivers of biodiversity loss – **D**
- 3 Impacts on the extent and condition of ecosystems – **D**
- 4 Impacts and dependencies on ecosystem services – **D**
- 5 Resource inflows – **D**
- 6 Energy – **O**
- 7 Pollution of air, water and soil – **D**
- 8 Water – **D**
- 9 Resource outflows – **D**

Opportunities and risks:

- 1 (opportunity), 2 (risk) Climate change mitigation – **O and D**
- 3 Climate change adaptation – **D**
- 4 Impacts on the extent and condition of ecosystems – **D**
- 5 Pollution of air, water and soil – **D**
- 6 Direct impact drivers of biodiversity loss – **D**
- 7 Energy – **D**
- 8 Water – **D**
- 9 Resource outflows – **D**

Social

Impacts:

- 10 Gender equality – **O**
- 11 Health and safety – **O and D**
- 12 Forced labour – **U and D**
- 13 Child labour – **U and D**
- 14 Work-life balance – **O**
- 15 Diversity – **O**
- 16 Inclusion of persons with disabilities – **O**
- 17 Land-related impacts of affected communities – **D**
- 18 Training and skills development – **O**
- 19 Violence and harassment – **O**
- 20 Social inclusion of consumers and/or end users – **D**
- 21 Water and sanitation – **D**

Risks:

- 10 Gender equality – **O**
- 14 Privacy/data security – **D**
- 15 Health and safety – **D**
- 16 Forced labour – **D**
- 17 Child labour – **D**

Opportunities:

- 18 Diversity – **O**
- 19 Training and skills development – **O**
- 20 Work-life balance – **O**
- 21 Social inclusion of consumers and/or end users – **D**

Governance

Impacts:

- 22 Corruption and bribery – **U, O and D**
- 23 Protection of whistle-blowers – **O**

Risks:

- 22 Corporate culture – **O**
- 23 Corruption and bribery – **U, O and D**

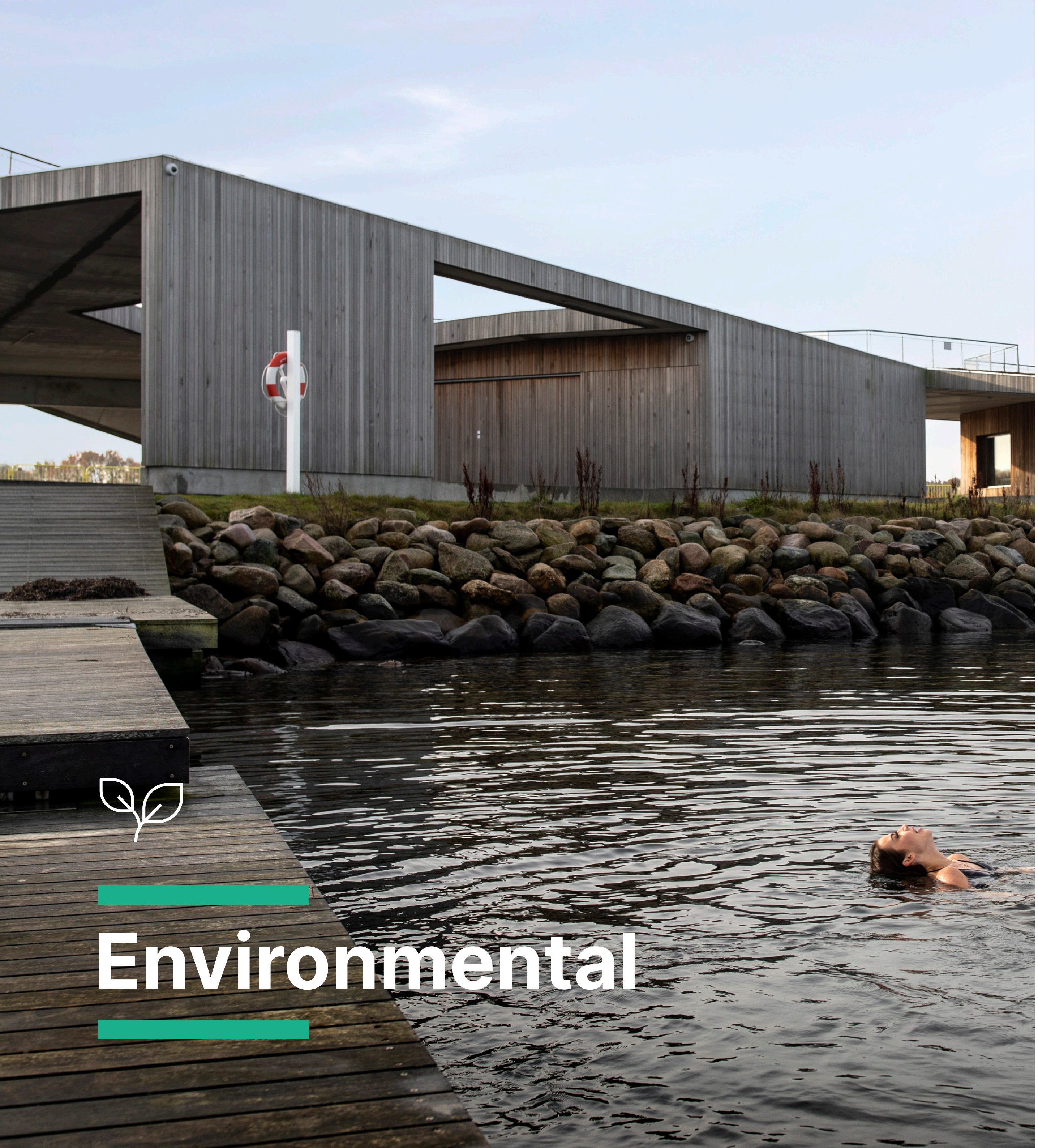
Making a difference

Since 2005, in partnership with Bridges to Prosperity, colleagues from COWI's offices around the world have volunteered to construct 13 footbridges serving nearly 50,000 people in some of the most remote, rural and isolated locations on the planet. Bridges to Prosperity is a non-profit organisation that aims to connect remote communities by building bridges, thereby giving them reliable and safe access to healthcare, education and economic opportunities.

In 2023, a team of ten volunteers from COWI participated in building a suspended pedestrian bridge as part of the Nyarurama Trail Bridge project in northern Rwanda. In October, the team spent two weeks constructing a 103-metre-long suspended bridge serving more than 2,500 people and connecting the communities of Nyarurama, Nombe, Kabeza and Nyagisozi.

Since 2020, we have collaborated with the Baas Educational Trust in India. We have a long-standing relationship with the trust, which runs the Gairatpur Baas Panchayat School near our Gurugram office. In addition to our financial contribution of INR 4,043,956, we provide counselling on school management, policy matters and IT development, and we regularly organise joint sports and cultural activities.

Since 2005, in partnership with Bridges to Prosperity, colleagues from COWI's offices around the world have volunteered to construct 13 footbridges serving nearly 50,000 people in some of the most remote, rural and isolated locations on the planet.



Environmental

We strive to protect the environment and reduce our environmental footprint through our value chain. We know that businesses have a crucial role to play, and by deselecting fossil fuel projects and helping our customers develop low-carbon and renewable energy solutions, we take this responsibility seriously. For instance, we have supported GreenGo Energy A/S with pre-feasibility and feasibility studies of its 2 GW green hydrogen facility in the western part of Denmark, and in Sweden, COWI is helping authorities design a 15-kilometre double-track railway section with the target of reducing the carbon emissions throughout the project by at least 62%.

Our environmental commitment is further reflected in our group environmental policy and our ongoing work to implement an ISO 14001-certified environmental management system (EMS) across our locations globally. As planned, in 2023, our offices in Denmark, Norway and North America were certified, adding to the offices in the UK and Lithuania, which had already been certified in accordance with ISO 14001 for environmental management.

In 2024, we will continue our journey to further mature the framework and its operating model, leveraging our sustainability expertise in advising our customers on sustainability. Our aim is to be able to measure the progress of our ambition to have all revenue come from projects driving sustainability, and we are constantly learning.

Through our EMS, the responsibility for assessing and reducing our impact on the environment sits with COWI's Executive Board, providing a method to continuously improve our environmental performance, both by minimising our negative impact and strengthening our positive impact on our own operations and through projects.

In this matter, sharing is caring. We aim to share learnings internally to continuously improve our sustainability effort on projects – and share our knowledge externally with customers in terms of reference projects where sustainability has been managed in an extraordinarily good way. All employees have access to an e-learning module called 'Green basics', and various sustainability-focused communities share knowledge throughout the organisation. We use many tools in our projects to assess and address environmental impacts during the design and execution phases, such as life-cycle assessment (LCA) tools.

How our customers' projects contribute to the green transition

With the aim of helping our customers reduce their environmental footprint, we want to be able to monitor how our work with their projects steers us towards this ambition. We are convinced that only by having a robust monitoring framework in place can we objectively and correctly assess how our customers' projects contribute to driving sustainability; our 'handprint'. By establishing such a framework, we can effectively direct our efforts towards shaping a more sustainable society and report on our progress in a credible and reliable manner.

In 2023, we carried out a proof of concept involving nearly 30 sustainability specialists and assessed how nine of our customers' projects contribute to the green transition based on the EU Taxonomy. In this process, we gained substantial experience and knowledge, which serve as a solid foundation for further developing the framework.

Advocating an ambitious green transition does not come with an instruction manual, and working thoroughly with this framework has revealed various dilemmas and challenges that arise when trying to define and measure sustainability improvements.

In 2024, we will continue our journey to further mature the framework and its operating model, leveraging our sustainability expertise in advising our customers on sustainability.

Our carbon footprint

We want to significantly reduce our emissions. Since joining the UN Global Compact in 2006, we have reported on our carbon footprint, and in 2023, we took further steps to formalise our climate commitment and increase transparency for our stakeholders.

We have reported on our carbon footprint in accordance with the methodology outlined by the Greenhouse Gas Protocol (GHG Protocol). Our direct emissions, such as those from cars, have a relatively small environmental impact. Indeed, most of our impact comes from indirect emissions, primarily from the purchase of goods and services as well as business travel.

In 2022, we committed to setting science-based targets through the Science Based Targets initiative (SBTi), and in 2023, we submitted our targets for validation, and they were approved in February 2024. With those, we commit to reduce our absolute Scope 1 and 2 greenhouse gas emissions by 42% and our Scope 3 emissions by 25% by 2030, compared to a 2022 baseline year. We also commit to reaching net-zero greenhouse gas (GHG) emissions across all scopes by 2050, measured against a 2022 baseline year.

To further increase transparency for our stakeholders, we disclosed our climate data for 2022 via the well-recognised platform CDP (formerly the Carbon Disclosure Project) for the first time and received a C score.

In 2023, we entered into a power purchase agreement with Better Energy, committing ourselves to off taking electricity from new solar plants in Denmark for the next ten years, covering approximately one third of the electricity consumption of our offices in Denmark. We also entered into a power purchase agreement with REEL to establish solar plants, which are planned to be implemented in 2024, covering another third of our electricity consumption in Denmark. The new solar plants are being established due to the certainty that offtakers entering into these agreements will purchase the generated renewable electricity. Thus, in doing so, we are actively contributing to adding more renewable energy to the grid on our path towards net zero.

Our emissions and actions to reduce them

In 2023, COWI's total emissions were 60,609 tCO_2e, representing a 5% decrease from our baseline year of 2022. This is due to decreases in both our Scope 1 and Scope 2 emissions. We also saw a decrease in our Scope 3 emissions, from purchased goods and services and employee commuting[1], even though there was an increase in emissions from business travel. Compared to the number of employees, our emissions were 7.6 tCO_2e/headcount, a decrease of 8% compared to 2022. When we look at the business activity in terms of revenue, our emissions were 7.6 tCO_2e/DKK '000, a decrease of 10% compared to 2022.

Performance

CO_2e

7.6 **tCO_2e per HC**

An **8%** reduction since 2022

One of our prioritised focus areas is to reduce emissions from business travel, of which air travel makes up 86%, excl. emissions from hotels. At COWI, we focus significantly on meeting our internal air travel targets as these emissions are within our immediate control in our day-to-day work. We do this by setting CO_2e quotas on air travel at group and business line levels, monitoring progress in a dashboard and incorporating air travel emissions as a KPI in our value steering model.

As a result of this internal focus and strong dedication to reducing air travel emissions, we have walked the talk and managed to fly less in 2023. We saw a 1% (318,269 km) reduction in kilometres flown, even with an increase in headcount, but we need to reduce this even more going forward. We are happy that kilometres flown per employee decreased by 4%, from 4.334 km/HC in 2022 (including Mannvit) to 4.151 km/HC in 2023. In 2023, the air travel emission factor from the UK Department for Environment Food & Rural Affairs(DEFRA) increased, as a consequence of the COVID-19 pandemic causing changes in global travel patterns. Therefore, we saw an increase in carbon emissions from air travel in 2023.

There is still much work to be done to reach our 2030 goals. Therefore, we are joining forces across business functions, working together towards the same mission: to reduce our carbon footprint across our locations around the world by developing our decarbonisation pathway and identifying CO_2e reduction initiatives. We have not offset our emissions for 2023, as we are prioritising our efforts on identifying carbon reduction levers. For example, we will continue looking into our energy sources and management as well as keep focusing on reducing our air travel emissions and emissions from purchased goods and services by engaging our suppliers in our reduction journey. We have also redesigned our training programmes, reducing the amount of face-to-face facilitation. This means that we can reduce the number of trips by 50% in 2024 while increasing our investment in making online courses engaging and impactful.

We have implemented several changes to our 2022 baseline calculations, ensuring the accuracy and reliability of the data. Please refer to our reporting criteria (page 54), for further details on these changes.

See the following for detailed information about emissions from each scope and the identified reduction levers and approaches.

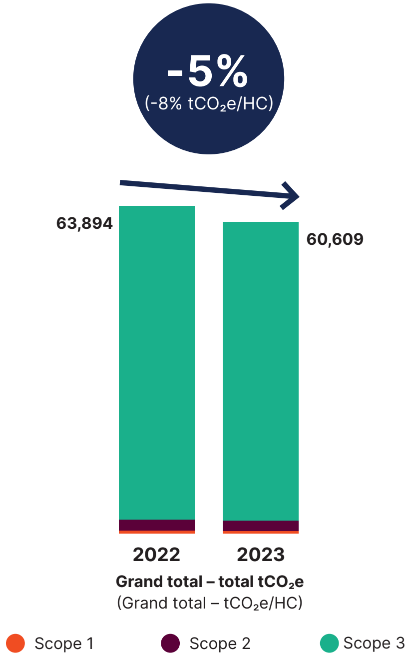
[1] A commuting survey was sent out in 2023, improving data on employees' commuting patterns.

Total

2050 target

Net zero

across all scopes

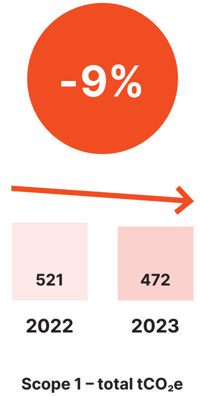


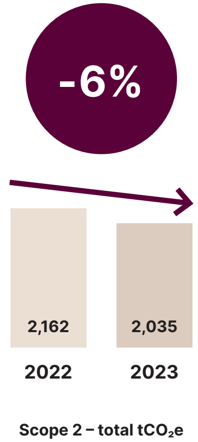
How to reduce emissions

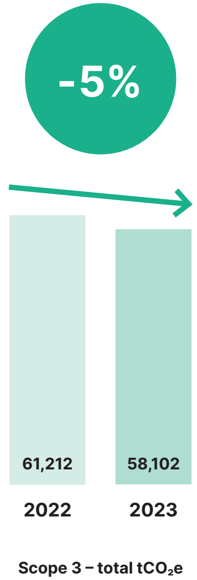
By setting ambitious near-term 2030 targets and a net-zero 2050 target, and developing a carbon reduction pathway as well as a supplier engagement approach to target our value chain emissions.

2030 target:
42% reduction of Scope 1 and 2 emissions

2030 target:
25% reduction of Scope 3 emissions







Scope 1

How to reduce emissions

To reduce Scope 1 emissions, we revised our car policy in 2023, committing to transitioning our company and supervision cars from fossil fuel-powered cars to electric cars, with hybrids only being accepted in exceptional cases.

We are also looking into how our offices in India can use more renewable energy.

Scope 2

How to reduce emissions

Through the implementation of new ways of working, we will prioritise the optimisation of office spaces to minimise energy consumption as much as possible. In addition, COWI purchases renewable energy credits (RECs) where possible in Denmark, Sweden, Norway and Lithuania. In 2023, we entered into a ten-year power purchasing agreement with Better Energy, ensuring the supply of solar electricity to our offices in Denmark corresponding to about a third of our electricity consumption in Denmark, starting in 2023. We also entered into a solar power PPA with REEL to cover another third of our electricity consumption in Denmark, starting in 2024.

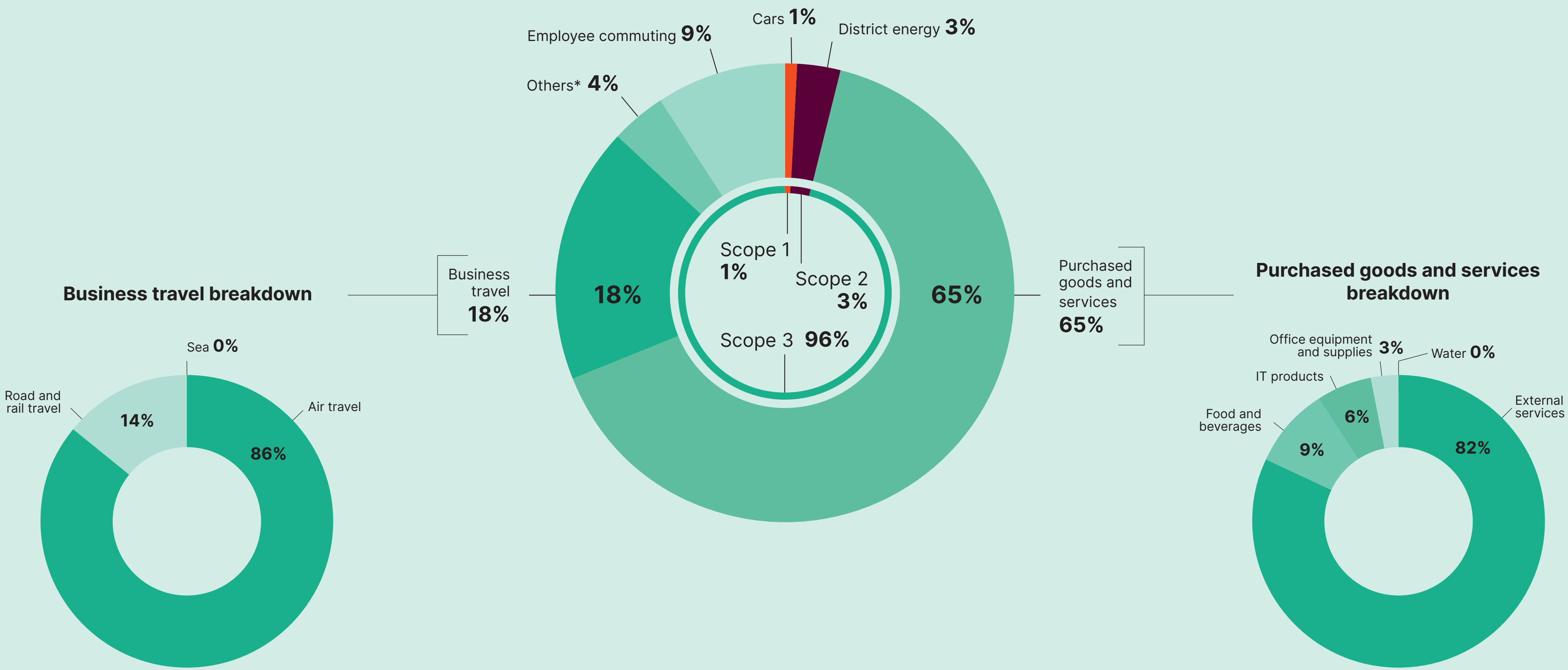
Scope 3

How to reduce emissions

We remain committed to reducing business travel emissions by changing our habits, including having air travel emissions as a KPI for management and having business travel as a KPI in two ESG-linked loan agreements. To reflect our dedication to lowering emissions, we revised our travel policy in 2023.

Moreover, when selecting suppliers, we will consider emissions to ensure we start building a more sustainable supply chain. In 2023, we have identified key considerations for engaging with suppliers on supplier-specific CO_2e data and reduction plans.

Total 2023 emissions by scopes and categories



*Fuel and energy-related activities (MB), upstream transportation and distribution, hotels and waste

Metrics (2023 data is subject to limited assurance)		**Unit**	**2023**	**2022**	**% change from 2022**	**2021**
Energy consumption and mix						
Total grid energy consumption (non-renewable + renewable)		MWh	12,511	16,166	(23%)	14,183
Total non-renewable energy production		MWh	82	46	78%	881
Total renewable energy production		MWh	191	148	29%	254
Total energy consumption (non-renewable + renewable consumed energy)		MWh	12,784	16,360	(22%)	15,318
Climate change						
Scope 1	**Scope 1 GHG emissions**	**tCO_2e**	**472**	**521**	**(9%)**	**666**
Scope 2*	**Scope 2 (market-based) GHG emissions**	**tCO_2e**	**2,035**	**2,162**	**(6%)**	**1,419**
	Scope 2 (location-based) GHG emissions	**tCO_2e**	**1,526**	**1,750**	**(13%)**	**1,419**
Scope 3**	**Total Scope 3 (market-based) GHG emissions**	**tCO_2e**	**58,102**	**61,212**	**(5%)**	**40,241**
	Total Scope 3 (location-based) GHG emissions	**tCO_2e**	**57,434**	**60,606**	**(5%)**	**40,241**
	Category 1: Purchased goods and services	tCO_2e	39,189	41,657	(6%)	35,086
	Category 3: Fuel and energy-related activities (location-based)	tCO_2e	706	767	(8%)	281
	Category 3: Fuel and energy-related activities (market-based)	tCO_2e	1,374	1,372	0%	281
	Category 4: Upstream transportation and distribution	tCO_2e	400	404	(1%)	31
	Category 5: Waste generated in operations	tCO_2e	44	42	5%	21
	Category 6: Business travel	tCO_2e	10,873	9,276	17%	2,645
	Category 7: Employee commuting	tCO_2e	5,374	8,020	(33%)	2,076
	Optional category: Hotels	tCO_2e	849	440	93%	101
Total	**Total GHG emissions (market-based)**	**tCO_2e**	**60,609**	**63,894**	**(5%)**	**42,326**
	Total GHG emissions (location-based)	**tCO_2e**	**59,432**	**62,877**	**(5%)**	**42,326**
Intensity pr. employee***	GHG intensity per headcount (market-based)	tCO_2e/ headcount	7.6	8.3	(8%)	6.2
	GHG intensity per headcount (location-based)	tCO_2e/ headcount	7.4	8.1	(9%)	6.2
Intensity pr. revenue****	GHG intensity per DKK'000 revenue (market-based)	tCO_2e/ DKK '000	7.6	8.4	(10%)	6.4
	GHG intensity per DKK'000 revenue (location-based)	tCO_2e/ DKK '000	7.4	8.3	(11%)	6.4

* The emissions in Scope 2, which are emissions from energy consumption from the grid, are accounted for as location-based (using the national grid mix) and market-based (using the local supplier mix), respectively. In the market-based approach, any effect of renewable energy credits (RECs) is accounted for by setting the emissions from electricity for which we have purchased RECs to zero.

** The following Scope 3 categories are deemed immaterial and are not part of our greenhouse gas accounting: Category 2: Capital goods; Category 8: Upstream leased assets; Category 9: Downstream transportation and distribution; Category 10: Processing of sold products; Category 11: Use of sold products; Category 12: End-of-life treatment of sold products; Category 13: Downstream leased assets; Category 14: Franchises; and Category 15: Investments.

*** Headcounts exclude non-guaranteed hours employees. Includes Mannvit for 2023 and 2022.

**** Revenue is determined on the basis of the selling price of work performed for the year. Revenue is shown net of value added tax, returns, rebates and discounts. The COWI Group revenue can be found in the income statement for the COWI Group, line 'Revenue' in the Consolidated Financial Statements. However, in the above table, the revenue also includes Mannvit's revenue from 2022 and from Jan-May 2023, before the acquisition date, to enable comparison.

Social

At COWI, we foster a culture that allows for personal development and good collegiality. We want to be a great place to work, and we strive to offer good and safe working conditions where employees of all ages, origins, cultures, languages and genders feel safe, welcome and recognised for their contributions.

By the end of 2023, 7,997 people were employed at COWI, reflecting an increase of 7% due in part to the acquisition of Mannvit as well as organic growth. We want everyone to have the opportunity to enhance their skills through professional learning and development, all in an inclusive and diverse workplace with an open atmosphere.

Our health and safety policy is our overall guide to ensuring a safe and healthy working environment, and our certification in occupational health and safety (OHS) management is a means to ensure that we keep it this way.

To make our workplace even more attractive, we focus on embedding flexibility in the daily working routine and facilitating work-life balance to ensure that our employees work in the best possible way at the office, from home or other locations.

An attractive place to work

We are a people business, and we want all our employees to feel engaged at work, in line with our value 'We care'. This year, a full 90% of our employees participated in the annual engagement survey, answering questions related to engagement, intent to stay, inclusion and well-being. We received a favourable engagement score of 78%, placing us above global benchmarks. It makes us very proud, and we want to listen even more carefully to our colleagues to continue improving. As of the autumn of 2023, we introduced quarterly pulse surveys alongside our annual engagement survey. By listening and checking in more often, we are able to improve our workplace continuously.

To make our workplace even more attractive, we focus on embedding flexibility in the daily working routine and facilitating work-life balance to ensure that our employees work in the best possible way at the office, from home or other locations. Well-being is also a KPI in the engagement survey, and in 2023, we received a well-being score of 80%[2], four points above the global benchmark.

Enabling a good work-life balance while focusing on inclusion and equality, parental leave policies are key to us. We want to continue to increase equity in this area across the countries where we operate. In 2023, COWI in India introduced an industry-leading co-parental leave benefit for all aspiring co-parents, extending parental leave from one to six weeks to support parents in their new role.

[2] The 80% well-being score covers 'I feel energised at work' (68%) and 'I have trusting relationships with my colleagues/team/leader at work' (93%).

Diversity and inclusion

COWI aspires to be a truly diverse company having a working environment comprising employees with different backgrounds, skills, experience and knowledge. This is much needed to tackle the challenges of the future, such as the climate crisis, and to deliver top-of-the-class solutions for our customers.

At COWI, we aim to nurture a respectful and fair working environment where all employees feel a sense of belonging, ensuring equal opportunities for growth and development. We continuously strive to improve equal opportunities in our recruitment and promotion processes. As part of our efforts to promote diversity and inclusion topics, we introduced the first-ever Diversity and Inclusion Month in June 2023. All employees were invited to participate in diversity and inclusion activities, such as webinars, to learn more about bias awareness and psychological safety.

We want to be a company where all genders have the same opportunities to flourish and reach their ambitions. Therefore, by 2030, our goal is for women to hold at least 40% of all leadership positions at senior career levels[3]. We are aware of the glass ceiling facing women, and we take our responsibility seriously by creating awareness around promotions and leadership opportunities as well as expectations towards women in leadership. Although gender is not the only diversity parameter, we have embarked on our diversity journey by focusing on gender diversity as this has proven to pave the way for other types of diversity.

[3] Our career system has 12 career levels, and the executive management (the Executive Board) makes up level 12.

Performance

26%

of senior leadership roles are held by women

5 pp

increase in women in senior leadership roles since 2022

2030 target

40%

of senior leadership roles are held by women

We believe that diversity in a leadership team brings a lot of value. We set annual targets to drive progress and integrate this approach into our value steering approach, steering for holistic value by monitoring performance on financial and non-financial KPIs. For instance, COWI has entered into two ESG loan agreements, which link the interest rates to the share of women in leadership positions.

In 2023, we achieved a 26% share of women in senior positions, up from 21% in 2022[4]. Our gender diversity target for 2023 was for 25% of our senior career positions to be held by women, and looking at our current data scope, we exceeded this target. However, we will continuously reassess our ambitions to further increase the representation of women in leadership positions.

To reach our 2030 target, we will continue our dedicated efforts across all our areas to establish fair and transparent promotion processes and ensure diversity in the candidate pools for key positions.

To ensure we reach our ambitions, we established a Group Diversity and Inclusion Committee in 2023 with representatives from all parts of our business. The committee serves as a sounding board, strengthening group alignment, sharing local initiatives and supporting the implementation of group initiatives. In 2023, we also introduced a new policy for senior leadership appointments, incorporating diversity and inclusion guidelines to ensure that diversity is considered throughout the recruitment and promotion processes. By implementing this policy, we ensure that diversity considerations are properly prioritised and documented.

[4] The data covers 88% of COWI's headcount in 2023 and 90% in 2022.

However, the work does not stop here. While 82% of respondents to our engagement survey feel included when coming to work, 4% do not feel included. Even though this might seem like a low number, our aim is for everyone to feel included. To ensure that we monitor and deliver on this ambition, we have further strengthened our commitment to diversity by integrating this KPI into our value steering approach. You can read more about our diversity and inclusion work here: https://www.cowi.com/careers/diversity-and-inclusion.

Learning and development

Being a people business, it is crucial for COWI to constantly develop our employees' capabilities. This approach enables COWI to maintain its competitive edge and, not least, its ability to attract and hold on to talent. To facilitate our employees' continuous learning and development, we provide both instructor-led courses and e-learning. In 2023, more than 2,914 employees completed one or more instructor-led courses in our COWI Academy (an increase of 19.8% compared to 2022), and more than 673 employees, including specialists and project managers (an increase of 9.6% compared to 2022), participated in project management courses. We also want to attract the next generation of talent – and develop them. In 2023, 28 participants completed our 18-month Accelerator programme.

We believe that leaders play a key role in attracting and holding on to the best talent. Therefore, we provide tailored leadership training to all first-level line managers as well as project and portfolio managers with a significant leadership role. More than 218 leaders (80% of leaders in scope) have completed our 'Leading Others' training programme, and 64 have completed the 'Leading Leaders' programme. This marks the beginning of a unified leadership language and sets clear expectations for what constitutes good leadership.

At COWI, we place great emphasis on respecting and upholding human rights, and to demonstrate our commitment, we are a signatory to the UN Global Compact.

Health and safety

We want to foster a healthy and safe working environment for all employees, a commitment that is firmly embedded in our Occupational Health and Safety(OHS) Policy.

To ensure the best possible approach to OHS, we adhere to the ISO standard. This allows us to optimise our approach, both on our own premises and on customer projects. Through the implementation of ISO 45001-certified OHS management systems, our goal is to reduce injuries as well as promote and protect physical and psychosocial health. Our health and safety processes are integrated into existing business processes, and we map and control risks on all projects we undertake, including OHS risks.

We will continue our roll-out of the ISO 45001 certification for our OHS system. In 2023, COWI's ISO certificate covered Denmark, Sweden, Norway, the UK, North America and India, and in 2024, we aim to have COWI's entities in Poland, Lithuania and South Korea certified.

We aim to be an accident-free workplace, and in 2023, the incident rate (registered incidents in relation to hours worked) was 3.54 compared to 2.60 in 2022. Our health and safety data covers 89% of COWI's employee headcount. The main reason for the change in 2023 was the increasing focus on reporting and transparency in the OHS system, driven by an increasing number of incidents in Norway. Reported accidents increased by 13. We had zero fatalities in 2023.

Securing a healthy and safe working environment also translates into having zero tolerance towards any type of harassment, including sexual harassment and racism. This is reflected in our harassment policy. The policy reinforces that harassment is a violation of COWI's core values and that disrespectful or sexually charged dialogues are not tolerated. Furthermore, it describes procedures for handling harassment. Harassment cases are reported to the Executive Board and the Board of Directors. Read more about whistleblower cases on page 50.

Respecting human rights

At COWI, we place great emphasis on respecting and upholding human rights, and to demonstrate our commitment, we are a signatory to the UN Global Compact and its ten principles. We have zero tolerance towards forced labour or child labour throughout our value chain. To minimise the risk of human rights violations in our value chain, we conduct a thorough screening as part of our business partner due diligence process and indirect supplier evaluation to identify potential human rights concerns.

Our whistleblower system is available to anyone who wishes to report concerns or knowledge of human rights violations. Read more about our due diligence processes and whistleblower system on page 50.

Metrics	Unit	2023			2022			% change from 2022			2021		
(2023 data is subject to limited assurance)													
COWI's employees*	Number of salaried employees	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male
Permanent employees	Headcount	7,840	2,667	5,173	7,350	2,482	4,868	7%	7%	6%	6,675	2,218	4,457
Temporary employees	Headcount	157	84	73	151	74	77	4%	14%	(5%)	135	73	62
Sum of the above	**Headcount**	**7,997**	**2,751**	**5,246**	**7,501**	**2,556**	**4,945**	**7%**	**8%**	**6%**	**6,810**	**2,291**	**4,519**
Non-guaranteed hours employees	Headcount	547	141	406	542	152	390	1%	(7%)	4%	480	126	354
Sum of the above (salaried and non-guaranteed hours employees)	**Headcount**	**8,544**	**2,892**	**5,652**	**8,043**	**2,708**	**5,335**	**6%**	**7%**	**6%**	**7,290**	**2,417**	**4,873**

	Number of employees	2023 Total	2023 Permanent	2023 Temporary	2023 Non-guaranteed hours employees	2022 Total	2022 Permanent	2022 Temporary	2022 Non-guaranteed hours employees	% change Total	% change Permanent	% change Temporary	% change Non-guaranteed hours employees	2021 Total	2021 Permanent	2021 Temporary	2021 Non-guaranteed hours employees
Denmark	Headcount	3,744	3,316	109	319	3,612	3,175	118	319	4%	4%	(8%)	0%	3,257	2,862	107	288
Norway	Headcount	1597	1,537	6	54	1,554	1,489	5	60	3%	3%	20%	(10%)	1,457	1,383	10	64
Sweden	Headcount	973	920	0	53	1,022	958	0	64	(5%)	(4%)	0%	(17%)	1,010	944	0	66
The UK	Headcount	520	443	14	63	541	448	13	80	(4%)	(1%)	8%	(21%)	457	403	8	46
India	Headcount	581	581	0	0	505	505	0	0	15%	15%	0%	0%	394	394	0	0
Lithuania	Headcount	267	261	6	0	254	251	2	1	5%	4%	200%	(100%)	218	217	0	1
USA	Headcount	162	149	6	7	165	151	3	11	(2%)	(1%)	100%	(36%)	124	116	1	7
Canada	Headcount	137	124	6	7	146	134	5	7	(6%)	(7%)	20%	0%	120	110	4	6
Oman	Headcount	–				50	50	0	0	n/a				53	53	0	0
Poland	Headcount	105	102	2	1	85	84	1	0	24%	21%	100%	0%	61	61	0	0
Iceland	Headcount	276	228	5	43	n/a				n/a				n/a			
Countries with less than 50 employees	Headcount	182	179	3	0	109	105	4	0	67%	70%	(25%)	0%	139	132	5	2
Sum of the above	**Headcount**	**8,544**	**7,840**	**157**	**547**	**8,043**	**7,350**	**151**	**542**	**6%**	**7%**	**4%**	**1%**	**7,290**	**6,675**	**135**	**480**

* Our systems currently only collect data for two gender categories: female and male. 2022 and 2021 employee data does not include Mannvit.

Metrics (2023 data is subject to limited assurance)	Unit	2023	2022	% change from 2022	2021
Diversity*					
Share of female employees at COWI's career levels 9-12	%	26	21	5 pp	19
Health and safety**					
Number and rate of recordable work-related incidents	# of cases / # of total hours worked by own workers * 1,000,000	3.54	2.60	36%	1.90
Number of fatalities as a result of work-related injuries and work-related ill health	# of fatalities	0	0	-	0
Engagement					
The response rate of the engagement survey	%	90	84	7%	90
Favourable engagement score*** / Percentage of engaged employees	%	78	82	n/a	76
Unfavourable inclusion score	%	4	n/a	n/a	n/a

* Entities that in a year have not yet been included in the COWI Group's career system, are excluded from the data. This corresponds to 12% of headcounts excl. non-guaranteed hours employees in 2023, 10% in 2022 and 10% in 2021. The diversity data for 2021 has been restated from 18% to 19% in the current report due to a material data error.

** Some entities/locations in the COWI Group have not been included in the data collection for this metric. This makes up 11% of the total group employee headcounts in 2023 and 9% in 2022 and 2021, excl. non-guaranteed hours employees.

*** Engagement survey data cannot be compared across years due to changes in methodology. We switched to a new engagement model in 2023 so engagement was measured by "Favourable engagement score". In 2022 and 2021, it was measured by "Percentage of engaged employees" and calculated differently. The engagement score for 2021 has been restated from 82% to 76% in the current report due to a material data error.

Governance

At COWI, we are committed to exercising the highest levels of ethics and integrity in the way we do business across all countries we operate in. We believe that 'doing the right thing, always' is fundamental to our continued success and reputation, and our code of ethics, business integrity policy and procedures for screening business partners and suppliers set the standard for how we conduct business in a responsible way.

We believe that by integrating good governance, transparency and accountability into our day-to-day business, we ensure responsible business practices with our employees, business partners and suppliers.

Corporate governance

Board of Directors

The Board of Directors is responsible for the overall management of the COWI Group. In 2023, the Board of Directors consisted of nine members, six of whom were elected by the assembly at the annual meeting and the remaining three members were elected by and among the employees. All of the members elected by the assembly were independent of COWI. Members of the Board of Directors are elected for one-year terms.

We saw a high meetings attendance rate of 98 per cent of the Board of Directors at their six annual meetings and one annual strategy seminar. Please refer to the Governance table on page 53 for further data.

Out of the six board members elected by the assembly, two were female (33%) – an equal gender distribution according to the Danish Business Authority. Following the diversity policy for the rest of the Group, our target is for the underrepresented gender to make up 40% of the general assembly-elected members of the Board of Directors. Our reporting on the composition of the Board of Directors in accordance with section 99B of the Danish Financial Statements Act is on page 47.

Our Board of Directors approves our ESG roadmap and reporting in our annual report. In 2023, the Board of Directors approved our double materiality assessment.

Audit Committee

In 2023, the Board of Directors decided to establish an Audit Committee.

The Audit Committee meets at least four times a year and consists of the following three members of the Board of Directors: Anne Harris (chair), Carsten Bjerg and Jeanette Fangel Løgstrup.

The Audit Committee is to assist the Board of Directors with the oversight of the financial reporting as well as internal control and risk management of financial and sustainability reporting processes in order to ensure reliability, integrity and transparency, and ensure that the financial reporting provides a true and fair view of the assets, liabilities, financial position, results and cash flows and, accordingly, that there is a good financial basis for decision making.

The Audit Committee charter can be found here: https://cowi.b-cdn.net/-/media/cowi/documents/audit-committee-charter.pdf

Executive Board

Our Executive Board consists of the COWI Group CEO, the Group CFO, and the Group CBDO, who are responsible for the day-to-day operations of the COWI Group in line with our strategic focus. Members of the Executive Board are appointed by the Board of Directors and registered as executives with the Danish Business Authority. The other members of the Executive Leadership Team are not registered as executives with the Danish Business Authority.

In 2023, our Executive Board members constituted the ESG Steering Committee, chaired by our Group CFO, setting the strategic direction and ambition for our ESG efforts, and approving our ESG roadmap and our annual report.

As part of our value steering approach, the Executive Board oversees target-setting and performance on several non-financial KPIs, including engagement and inclusion scores and greenhouse gas emissions from air travel. The performance on these KPIs is to be incorporated into our bonus system for the line management and the Executive Board.

The Executive Board constitutes level 12 in our career system and consists of three members, one of whom is female, which is considered an equal gender distribution. The three members of the Executive Board make up the only employees of COWI Holding A/S, and we are therefore exempt from the Danish rules of setting specific targets for the ‘Other management’ level (Danish: Øvrig ledelse) for COWI Holding A/S. However, our group-level policy for diversity and inclusion and its gender diversity targets for senior leadership positions (career levels 9-12 in our system) also apply to our Executive Board.

Board of Directors (2023 data is subject to limited assurance)	**Unit**	**2023**
Total number of members	#	6*
Share of underrepresented gender	%	33*
Target share of underrepresented gender	%	N/A**
Target year	Year	N/A**

* Only members elected by the assembly
** As the gender distribution is already considered equal, we do not have any targets. If the gender composition changes, we will set targets.

Other management (in Danish: Øvrig ledelse) of COWI Holding A/S (2023 data is subject to limited assurance)	**Unit**	**2023**
Total number of members	#	4
Share of underrepresented gender	%	25*
Target share of underrepresented gender	%	N/A**
Target year	Year	N/A**

* The gender distribution is considered equal.
** The Executive Board members are the only employees of COWI Holding A/S and the entity thus falls under the minimum employee limit (>50 employees) for Danish C-companies that must set target shares for the underrepresented gender for 'other management' levels.

Meeting attendance

(2023 data is subject to limited assurance)

Member of the board	Board of Directors	Audit Committee
Jukka Pertola	7/7	
Carsten Bjerg	7/7	3/3
Anne Harris	7/7	3/3
Pierre Olofsson	7/7	
Jeanette Fangel Løgstrup	6/6	3/3
Ivor Catto	6/6	
Jasper Kyndi	7/7	
Kristin Sandberg	7/7	
Niels Fog	6/7	
Henrik Andersen***	1/1	

*** Retired from the Board of Directors as of the Annual General Meeting 2023.

Remuneration

The Board of Directors has prepared a remuneration policy for the Board of Directors and the Executive Board, which was approved at the annual general meeting in March 2023.

For their duties in 2023, the Chair received DKK 870,000, the Vice Chair received DKK 580,000, and each of the other members received DKK 290,000, totalling DKK 3.4 million paid in remuneration to the Board of Directors. The Chair of the Audit Committee received DKK 100,000, and the other Audit Committee members received DKK 50,000 each. The Executive Board received a total remuneration of DKK 27 million[5]. Remunerations in 2023 were in line with COWI's remuneration policy for the Board of Directors and the Executive Board, which is available at https://cowi.b-cdn.net/-/media/cowi/documents/cowi-remuneration-policy.pdf?la=en.

Recommendations on corporate governance

The Danish Committee on Corporate Governance has issued recommendations on corporate governance with the aim of advancing a responsible corporate management culture that creates long-term value. These recommendations provide best practice guidelines for Danish companies and follows the comply-and-explain approach. COWI's reporting on the Danish Recommendations on Corporate Governance can be found at https://www.cowi.dk/om-cowi/corporate-governance.

[5] As also reported in note 4

In accordance with the Danish Recommendations on Corporate Governance, COWI conducts an annual evaluation of the Board of Directors and the members of the Executive Board of COWI Holding A/S as well as the cooperation between the two management bodies. The Board of Directors may decide to engage external assistance, and this is done at least every three years.

In the past few years, the conclusions in the evaluation reports have been that both the Executive Board and the Board of Directors find the collaboration to be effective and good.

Risk management

COWI operates internationally and across various sectors, which means that our business is exposed to different risks. In the past years, we have taken further proactive steps in our approach to strategic risk management as we have narrowed our geographical and sector focus. In parallel with this, we have worked on maturing and improving our risk management framework at project and group levels to limit our risk exposure.

Changes in the geopolitical landscape influence COWI's risk exposure. To limit this, we have narrowed our geographical outreach and are constantly focusing our business around our prioritised market sectors.

In 2023, we continued strengthening our contract management team to ensure adequate handling of COWI's commercial risks in our large complex projects. We have a strategic ambition of carrying out bigger projects, but bigger projects also entail increasing complexity. Consequently, we have further professionalised the way we work proactively with contract management support to our project managers, particularly in relation to planning and scheduling.

Risk management tool

Before submitting a tender, all our projects are subject to a risk screening as part of a 'go/no-go' decision. However, risk screening also plays a part in the project execution phase as it defines the specific risk category, which enables project managers to apply our risk-adaptive tools and processes during the project execution.

One of these tools is our risk management tool, which is designed to assist project managers in working actively with their project risks. Furthermore, the risk management tool also contributes to ensuring compliance with financial risk requirements and OHS as well as health, safety, environment and security (HSES) responsibilities.

Enterprise risk management

The Board of Directors has the overall responsibility for overseeing risks and ensuring that COWI maintains a solid risk management system. COWI operates an enterprise risk management process, also called a group risk profile, in which key risks are identified, assessed, reported on and mitigated at different levels in the organisation. In addition to listing an assessment of the likelihood and potential impact of the individual risk (reflected in a heat map), the group risk profile also includes a short description of mitigating actions as well as an assessment of current mitigation and protection measures and of our preparedness and capability to respond to the individual risk.

The group risk profile is updated annually by COWI's Risk and Resilience Forum and is approved by the Executive Leadership Team before being reported to the Board of Directors. As previously mentioned, we aim to incorporate the assessment and mitigation strategies in terms of ESG IROs into how the Risk and Resilience Forum works.

The Group's key risks in 2023 were related to information security, people management, macroeconomic effects, brand damage, engineering and design centres, major losses on high-risk projects, as well as losses due to the inability to react to market changes and geopolitical instability. These risks and mitigating actions are explained on page 49.

COWI's internal control framework

COWI's internal control framework for financial reporting follows the main principles of the Committee of Sponsoring Organizations (COSO) framework.

Control environment. The Audit Committee assists the Board of Directors with overseeing the internal financial control and risk management framework. Operationally, this task is delegated to COWI's financial compliance team, which develops and drives the internal financial control agenda at COWI as part of the Finance function reporting to the Group CFO.

Risk assessment of the Group's key risks is performed within COWI's enterprise risk management process, as described above.

The Group's key risks	Risk description	Mitigation action
Information security	Information security to avoid cyberattack, IT breakdown, hacking, ransomware, malware including risk of access to critical data, etc.	• business continuity focus • ISO 27001 implemented covering Group IT • IT recovery plans • cyber insurance • awareness campaign
People management	Focus on attraction and retention. Not having the required people for current and future jobs and difficulties in staffing key positions.	• support from global recruitment team • training leaders in core skills to retain and develop staff • distribute work to COWI's engineering and design centres in India, Lithuania and Poland
Macroeconomics	Cost-fee squeeze and indirect impact of inflation in other sectors reducing demand.	• growing engineering and design centres • new business models • focus sales on contribution margins
Brand damage	Brand damage to COWI is harm to the company's reputation.	• onboarding and introduction to COWI's values and business integrity management system • ensure robust quality and control measures • update of line management regarding changes in sanctions • monitor media and address negative sentiments quickly
Engineering and design centres	Major disruption in deliverables from our engineering and design centres in India, Lithuania or Poland to the Group.	• business continuity plans are updated • backup and duplication of competencies • SOPs*/action cards prepared for business and support
Major losses on high-risk projects	Major losses on high-risk projects as projects grow in both size and complexity.	• active risk management and contract management team support • steering committees established on all large projects • insurance coverage
Losses due to inability to react to market changes	Losses due to inability to react to market changes as a consequence of war, civil unrest, pandemic, regulatory framework, political decisions, market conditions, etc.	• focus on markets in Scandinavia, the UK and North America • deselection of markets and sectors based on a strategic focus • reallocation of staff from low – to high growth sectors
Geopolitical instability	Geopolitical instability driven by armed conflicts, societal polarisation and migration and misinformation/ disinformation.	• monitoring and assessment of development • frequent validation of strategy assumptions • risk diversification in terms of sectors and geographies

* standard operating procedure

Control activities. COWI's internal controls regarding financial reporting are based on the financial risks identified in the enterprise risk management process as well as risks of errors in COWI's financial statements, policies, procedures and processes authorised by the Board of Directors and the Executive Board. Financial controls are implemented across all entities in the COWI Group and assigned to and executed by local Finance functions.

Monitoring. The COWI Group's financial compliance team performs annual compliance reviews to ensure proper financial control performance, risk mitigation and compliance with COWI's financial policies and procedures. As a result of the review, recommendations for improvements are agreed upon with local Finance management.

Information and communication. Communication regarding processes, policies, procedures and internal control updates is performed in a timely and continuous manner across all levels of the organisation. The results of the annual compliance reviews are reported to local Finance management, the Executive Board and the Audit Committee.

Whistleblower hotline

As a company with an open culture and a high degree of integrity, we encourage employees to report harassment, violations of law and breaches of our ethical standards and policies to their management or HR.

However, we also acknowledge that some concerns are difficult to share in such a manner and that our partners and other stakeholders also may need suitable means of reporting. For this purpose, COWI provides a dedicated whistleblower hotline, which allows our employees, partners and other stakeholders with a legitimate interest to file a report and share their concerns – whether anonymously or by name.

Reported concerns

In 2023, a total of 25 concerns were reported.

Of these, six concerns were reported through the whistleblower hotline and handled and investigated confidentially in accordance with our whistleblower policy and its comprehensive accompanying guidelines.

The number, type and severity of all concerns are reported quarterly to the Audit Committee appointed by the Board of Directors of COWI Holding A/S and annually directly to the Board of Directors.

Operating with integrity

At COWI, we wish to maintain impartiality and independence and contribute globally to fair business conduct, avoiding any external influence on our selection, execution or compensation procedures. In our services or any other activities, we will not, directly or indirectly, accept corruption, bribery, extortion, fraud, collusion or any other undue business activity.

We use our business integrity compliance framework – i.e., our business integrity policy (https://www.cowi.com/about/csr-and-compliance/business-integrity), code of ethics and corporate practice in business integrity – to operationalise these values. Our business integrity framework is reviewed regularly, with the next review scheduled for 2024.

To ensure that our employees are well acquainted with our business integrity policy, we conduct a training programme on the topic for all employees every three years. In this training, employees are presented with cases and dilemmas on relevant issues, such as identifying corruption attempts and handling conflicts of interest.

Third-party screening and due diligence

We maintain a dedicated focus on where we do business and with whom, and we perform due diligence on all new customers and other business partners.

We continue our efforts preparing for the implementation of the Corporate Sustainability Due Diligence Directive and aligning our current partner due diligence procedures with the new standards as they are unfolded in the political agreement on the directive reached by the EU in December 2023.

Operating across many locations requires us to screen for geographical risks in terms of personal safety and business environment.

We conduct biannual assessments of the geographical risks list that ensure senior management involvement in 'go/no-go' decisions, with an outset in Transparency International's Corruption Perceptions Index and the Freedom in the World report issued by Freedom House. We carefully consider whether to engage in projects in high-risk countries on a case-by-case basis. If such a decision is made, advanced risk management is applied.

We screen new customers and other project partners according to our mandatory due diligence screening, allowing us to assess any legal and reputational risks.

We screen new customers and other project partners according to our mandatory due diligence screening, allowing us to assess any legal and reputational risks. This approach ensures that we make informed decisions about whom we do business with. Using publicly available sources, our screening approach helps identify and assess risks associated with illegal or questionable business practices, human rights violations, bribery, political corruption and potential breaches of sanctions. COWI's Business Ethics Manager in the Group Legal function evaluates the risks based on the findings and assigns each business partner a risk level, which, in turn, is also reflected in our project risk screening carried out at the individual project level.

We also conduct a risk-based approach to supplier evaluation of our indirect suppliers, including financial strength, quality, cost and selected ESG topics, managed by our Procurement organisation. For all new contracts with suppliers managed through procurement, suppliers must comply with COWI's code of conduct for suppliers, which contains the UN Global Compact's ten principles regarding human rights, labour rights, anti-corruption and environmental concerns.

We are developing our supplier approach and exploring ways to integrate sustainability rating and requirements into our supplier selection process. This includes considering climate targets and emission reductions as part of our supplier selection criteria. In addition, we are exploring how to collaborate with suppliers to reduce their emissions. We will further develop this approach in 2024, in order to create transparency and constantly improve the level of sustainability in the supply chain.

Ensuring cyber and information security

Our customers' primary concerns revolve around cyberattacks and the risk of not protecting highly confidential information. We take these concerns very seriously, which is why we obtained a certification in ISO 27001 for information security for our Group IT in 2023, demonstrating our focus on protecting our knowledge, business and customers. We are exploring how to increase the scope to cover the entire COWI Group.

With the ongoing digitalisation of our business, more devices are connected online, resulting in a broader technology surface. Combined with the ever-increasing external threats, this puts more pressure on systems to enhance their resilience against cyber threats.

Maintaining risk awareness is an integral part of our security approach. Using our information security risk management framework, we assess potential threats impacting our processes and our customers' projects. Threats are assessed and validated, analysing their likelihood and potential impact. Our Risk and Resilience Forum then reviews the consolidated risk landscape, which identifies the key risks for COWI.

To further strengthen our risk capabilities, we are working on the following:

- enhancing our project risk management capabilities
- enhancing system support for risk management
- performing business impact assessments of business processes.

As part of our ongoing efforts, we are dedicated to investing in cyber and information security measures to enhance our digital resilience. We are, at present, rolling out a project aimed at enhancing business continuity. Our focus remains on strengthening our capabilities through appropriate preparedness and response procedures, allowing us to control potential impacts.

Data ethics

At COWI, we commit to utilising and processing data in an ethically sound manner across all facets of our business. Our approach to data ethics is governed by our data ethics policy (https://www.cowi.com/about/csr-and-compliance/data-ethics-policy), which is approved by COWI's Executive Board and assessed on a yearly basis. The policy formalises COWI's data ethics principles and articulates our intentions regarding data usage and processing.

The four main data ethics principles of the policy are:

- TRUST – in our relationship with customers, employees and other stakeholders.
- INTEGRITY – in our use and processing of data, which can never compromise the fundamental rights, freedom and safety of individuals.
- TRANSPARENCY – around the principles of storage, use and processing of data to our employees, customers and other stakeholders to ensure their continued confidence in COWI and cooperation and disclosure of our data when needed.
- SECURITY – following the principles of ISO/ICE 27001, ensuring compliance with both information security and data protection requirements and minimising the risk of data breaches by securely processing and storing data in COWI's possession.

Several other policies, e.g., on personal data protection, business integrity and information security, and standard operating procedures support this policy.

In 2023, we developed training material on data ethics, and the new mandatory training is expected to be rolled out to all employees in the first quarter of 2024.

Responsible tax

COWI is a worldwide taxpayer, and our responsible approach to taxation is rooted in the principles of compliance and integrity. We recognise the importance of corporate tax contributions to the societies we operate in, and by ensuring timely payment of all taxes, we contribute to the UN sustainable development goal (SDG) of developing effective, accountable and transparent institutions at all levels.

We are committed to complying with local and international laws and regulations, and where possible, we seek to minimise or eliminate potential tax risks. This means that we do not engage in any artificial or aggressive transactions for tax optimisation purposes.

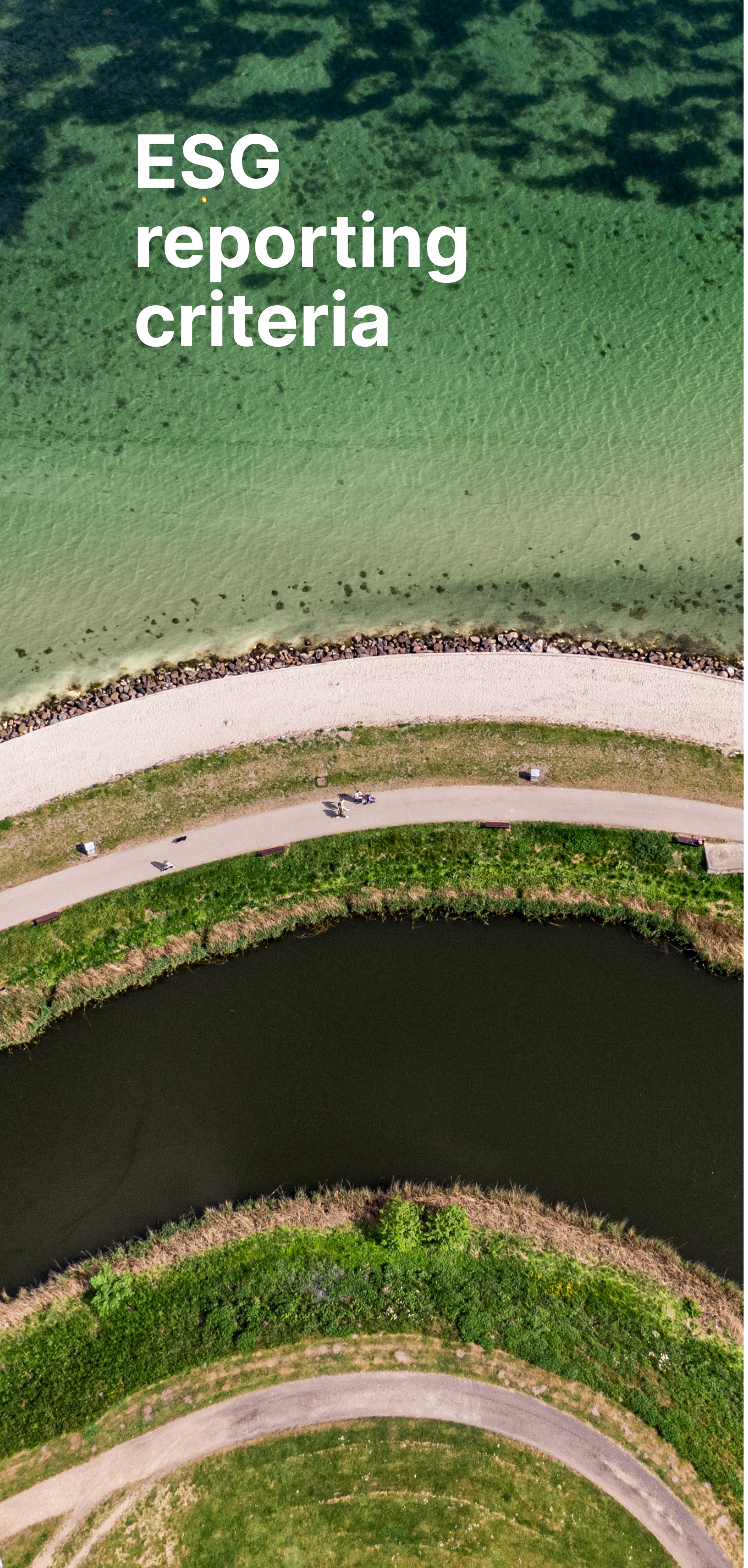
Our tax policy, which applies to all entities within our organisation, is anchored with the Board of Directors and is reviewed and approved yearly by the Executive Board and the Chair of the Board of Directors. The Executive Board and the Board of Directors are always involved when we make significant business decisions with a tax impact.

Metrics (2023 data is subject to limited assurance)	Unit	2023	2022	% change from 2022	2021
Composition and diversity of the Board of Directors of COWI Holding A/S*					
Share of independent board members	%	100	67	50%	67
Share of women	%	33	33	0%	50
Share of men	%	67	67	0%	50
Meeting attendance of the Board of Directors of COWI Holding A/S**					
Meetings and attendance rate of the Board of Directors of COWI Holding A/S	# of meetings	7	7	0%	8
Meeting attendance rate	%	98	98	0%	99

* Data covers general assembly elected-members.

** Data covers general assembly-elected and employee-elected board members.

ESG reporting criteria



Reporting period

The reporting for ESG performance data covers the period from 1 January to 31 December 2023.

Boundary for ESG metrics

The metrics include the parent company, COWI Holding A/S, and enterprises for which the parent company directly or indirectly holds the majority of the voting rights or for which the parent company, through its shareholding or otherwise, exercises a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and exercises a significant but non-controlling interest are treated as associates. If a metric deviates from this boundary, it is stated in the relevant reporting criteria below.

General reporting criteria on energy and greenhouse gas emissions

Energy and greenhouse gas emissions are accounted for in accordance with the GHG Protocol.

Organisational boundary: An operational control approach is selected to consolidate the GHG emissions, as the buildings included in Scope 2 are primarily leased, and COWI has, to an extent, operational and maintenance responsibility.

Operational boundary: One hundred per cent of Scope 1, 2 and 3 emissions are included. Data for Scopes 1, 2 and Scope 3 categories 1 and 5 is collected from all offices with 30 or more employees, while data from offices with fewer than 30 employees is estimated by extrapolating the average data per employee (HC). The same extrapolation method has been used in cases where actual data has not been available or where sufficient documentation has not been provided. The data collected from offices with 30 or more employees is captured from 1 January to 31 October and has been estimated for November and December. The data from the remaining Scope 3 categories is collected centrally and covers January to December.

Restatement of data from previous year

A re-calculation of the 2022 emissions data has been performed due to improvements in data collection and calculation methodology.

As a result, the total 2022 emissions have increased by 17% to 63,894 tCO_2e. Scope 1 for 2022 has decreased by 36% to 521 tCO_2e, Scope 2 for 2022 has increased by 39% to 2,162 tCO_2e, while Scope 3 has increased by 13% to 61,212 tCO_2e. Total energy consumption has increased by 8% for 2022, compared to the previously stated data.

Improvements that led to material changes were the following:

- Scope 1: Decreased emissions from company cars due to a change in extrapolation methodology and due to improved documentation of vehicle types.
- Scope 2: Increased emissions from electricity due to more accurate emission factors for market-based electricity.

- Scope 3: Inclusion of spend data from acquired entities Mannvit and Arkitema. Increased emissions due to improvements in methodology for employee commuting, business travel and upstream transportation and distribution. Emission factors were updated due to more accurate emission factors being available for fuel and energy-related activities, waste and air travel.
- For 2022 and 2021, data hotel stays emissions were separated into a separate optional category, following the GHG Protocol. In addition, category 8, upstream leased assets, was removed due to it not being a material category.

Energy consumption and mix

Energy consumption data includes on-site energy production and consumption from the grid, including heating, cooling and electricity. Data on energy consumption is collected from offices with more than 30 employees. Data comes from sources such as invoices and meter readings. As energy production is registered by source, it is possible to divide energy production and consumption into renewable and non-renewable sources. On the other hand, purchased electricity and heating are not registered by source, and it is therefore not possible to divide these into renewable and non-renewable sources. If an office does not have an agreement with a supplier producing only renewable energy, then supplier-specific information clearly stating the fuel mix is collected and, if not available, the national grid mix is used.

Greenhouse gas emissions, Scope 1

Scope 1 includes CO_2e emissions from on-site energy production (heat/cooling/electricity), company-owned or leased supervision cars and company cars.

On-site energy production is based on different energy sources and is collected as stated under energy consumption and mix. Emission factors for on-site energy production are based on the energy source for the production. The emission factors for energy sources are obtained from DEFRA, and renewable sources are accounted for as zero-emission in accordance with the GHG Protocol. Natural gas is used as default for on-site heating/cooling production where the energy source is unknown. The share of extrapolated data is 15%.

Cars are categorised by fuel type: diesel, gasoline, hybrid and electric. The emission factors for supervision cars and company cars are based on DEFRA's conversion factors and are updated on a yearly basis. The share of extrapolated data is 10%.

Greenhouse gas emissions, Scope 2

Scope 2 accounts for the CO_2e emissions from the consumption of district heating/cooling and from purchased electricity. Greenhouse gas emissions from purchased electricity consumption from the grid are accounted for both as location-based (using the national grid mix) and market-based (using the residual mix), as prescribed in the GHG Protocol. The data providers for each office are required to provide a certificate of origin (REC) if they claim to have purchased renewable/'zero-emission' electricity.

The emission factors for district heating/cooling/electricity consumption are based on a country-specific national mix. Grid loss is not included, as this is accounted for in Scope 3. The emission factors for electricity consumption for both national and residual mix are sourced from Carbon Footprint Ltd. Emission factors for **heating** are sourced from IEA and Energistyrelsen (Danish Energy Agency) for Denmark. When the local mix is based on renewable energy sources, it is accounted for as zero-emission in accordance with the GHG Protocol.

The share of extrapolated data is 18%.

Greenhouse gas emissions, Scope 3

Scope 3 accounts for category 1 (purchased goods and services), category 5 (waste management), category 6 (business travel), category 7 (employee commuting) and category 3 (upstream fuel and energy-related activities) not included in Scopes 1 and 2, and category 4 (upstream transportation and distribution). In 2023, emissions formerly included in category 8 (upstream leased assets – servers) are accounted for in category 1 (purchased goods and services).

Category 1. Purchased goods and services includes both activity data in physical units (canteens, water, IT equipment and office equipment) and spend data (purchased external services). The groups covered within this category for 2023 are as follows: purchased engineering consultancy services, IT software, architect consultancy services, legal services, training, financial consultancy services, IT consultants, service agreements, corporate insurance, management consultancy services, advertising, building maintenance, IT telecommunication, HR expenses, recruitment agencies and other recruitments expenses, meetings, restaurants and events, sales expenses and moving expenses. The share of extrapolated data is 23%.

Category 3. Fuel and energy-related activities not included in Scopes 1 and 2 includes the production of fuels (well-to-tank) used for transportation or energy production and transmission and distribution losses from the electricity and heat supplied by the grid.

Category 4. Upstream transportation and distribution covers the transportation of goods to COWI offices. This is 100% estimated based on assumptions about transportation to the offices. CO_2e emissions are calculated based on the assumption that goods are transported 50 kilometres by a truck a given number of times per year. The number of trips is estimated based on the size of a COWI office (in number of employees).

Category 5. Waste data is collected from our offices and covers all waste types generated in offices, canteens and on COWI sites. The emission factors applied are dependent on the type of waste treatment. If waste data is not available, an estimated amount of unknown waste is assumed to be either incinerated (European countries) or landfilled (rest of the world). The share of extrapolated data is 53%.

Category 6. Business travel is collected centrally from our travel agency and refund claims in SAP Concur. Business travel data includes flights, work-related driving in private cars, public transportation, taxis and rental cars and is collected both as spend data and in kilometres driven. Spend data is converted to kilometres by using the average cost per kilometre based on supplier data. Air travel data is extrapolated for offices without travel agency data or SAP Concur data, based on the method described in section “General reporting criteria on energy and greenhouse gas emissions”. The share of extrapolated data is 18%.

Optional category. Hotels. Data on hotel stays is collected centrally from our travel agency and refund claims in SAP Concur. The share of extrapolated data is 14%.

Category 7. Employee commuting covers the transportation of employees between home and work either by private car, public transportation, bike or foot. This is estimated based on a commuting survey conducted across the COWI Group in 2023. The response rate of the survey was 63%. The result from the survey is provided as input for the distances employees travel and the means of travelling. Based on the survey and the assumption that an employee is, on average, at work 200 days annually (corrected for days working from home), the data is converted into kilometres travelled by bike, car, public transport (train/bus) and by foot. Data is extrapolated based on the method described in the section “General reporting criteria on energy and greenhouse gas emissions”. However, this category does not account for the emissions from employees working from home.

Total greenhouse gas emissions

The total greenhouse gas emissions are calculated as the sum of all of Scope 1, Scope 2 and Scope 3 emissions. Scope 2 emissions are either accounted for as marked-based or location-based.

Greenhouse gas intensity per headcount

Greenhouse gas intensity per headcount = total tCO_2e / headcount employees.

Total greenhouse gas emissions are calculated as stated above, while the number of employees (headcount) is calculated as described in the reporting criteria for characteristics of the company’s employees, and excludes non-guaranteed hours employees.

Greenhouse gas intensity per DKK revenue

Greenhouse gas intensity per revenue = total tCO_2e / revenue in DKK '000.

The total greenhouse gas emissions are determined by adding Scope 1, Scope 2 and Scope 3 emissions. Scope 2 emissions are either accounted for as marked-based or location-based and, therefore, intensity data is reported for both location-based and market-based total emissions.

Carbon data and revenue accounting for entities acquired during a year are also included before the acquisition date to enable full comparison. Therefore, the revenue also includes Mannvit's revenue from 2022 and from January to May 2023, i.e., before the acquisition date.

Revenue is determined on the basis of the selling price of work performed for the year. Revenue is shown net of value added tax, returns, rebates and discounts. The COWI Group's revenue can be found in the income statement for the COWI Group, line 'Revenue' in the Consolidated Financial Statements.

COWI's employees

The number of employees is measured as permanent and temporary headcount and non-guaranteed hours employees at year-end of the reporting year. Headcounts are the number of individual employees with an employment relationship with COWI. Employees on unpaid leave (inactive), contractors and third-party workers are excluded. The number of employees per country is based on in which country the employee has a contractual agreement with COWI. Some employees in a country may be employed there but expatriated to another country. There are no seasonal fluctuations in the number of employees. Non-guaranteed hours employees are accounted for as temporary employees.

Share of female employees at COWI's career levels 9-12

The percentage of female employees at career levels 9-12 is calculated as follows: the number of female employees (defined by headcount at career levels 9-12 in our four career streams) divided by the total headcount at career levels 9-12 in the four career streams. An employee can have two career streams – one primary and one secondary - and have different career levels for each. Career streams are business development, professional/specialists, project management, and line management.

Career data reporting is based on the primary career stream for salaried permanent employees.

Headcount is defined as individual employees. An employee is an individual who is in an employment relationship with COWI according to national law or practice. Excluded are employees on unpaid leave (inactive), hourly-paid employees, contractors and third-party workers. Excluded are also entities in the COWI Group that are yet to be introduced into COWI's career system. Entities not yet included in COWI's career system in a year are excluded from the data, corresponding to approximately 12% of headcount in 2023, excluding non-guaranteed hours employees, and approximately 10% in 2022 and 2021. Since the 2022 report, Arkitema data is no longer included in the 2022 diversity data boundary. However, this does not change the report percentage in the 2022 report.

The diversity data for 2021 has been restated from 18% to 19% in the current report due to a material data error.

Health and safety

At COWI, we are committed to measuring our health and safety performance according to applicable regulations, processes and reporting systems. Data is collected country-wise per legal entity, and the figures are consolidated using an operational scope approach. This means that data is included for entities and locations where COWI has the governing authority and responsibility for the health and safety of the people, processes and facility. The data collected covers our employees with a contractual employment agreement with COWI, either full-time, part-time, permanent, temporary, seconded or on-site employees. Some entities/locations within the COWI Group were not included in the data collection for this metric. This makes up between 9% and 11% of the total group employee headcount.

The **number of work-related incidents** is calculated by aggregating data collected per legal entity. Work-related incidents include incidents arising out of or in the course of work that could result (often referred to as near-miss incidents) or do result (often referred to as accidents) in injury.

The **rate of work-related incidents** is the number of cases per 1,000,000 hours worked. This is calculated by dividing the number of cases in the reporting year by the number of total hours worked by own workers in the reporting year, multiplied by 1,000,000.

Fatalities are defined as fatalities having resulted from work-related injuries within COWI's premises.

Engagement survey response rate and engagement level

COWI conducts an employee engagement survey every year in Q2, covering the Group's employees globally. Employees of COWI in Iceland (as per 31 July 2023: 272 employees) were not invited to participate in the 2023 engagement survey as one of our eligibility criteria to participate was to be employed by the Group before 1 January 2023.

All employees (except employees working on an hourly basis, i.e., non-guaranteed hours employees and external consultants) employed before 1 January in the reporting period (based on a validated employee list from SAP (HR management system)) are invited to participate.

All survey data is processed automatically in the Qualtrics platform.

The **response rate** is calculated as the percentage of employees who have fully completed the survey out of the total number of invited employees. This is calculated instantly in the Qualtrics platform.

The **favourable engagement** score is calculated as the percentage of employees who have responded to the survey, who have answered 'Agree' or 'Strongly agree' to the three core engagement questions. The three questions relate to willingness to advocate employment at their organisation, discretionary effort and a sense of accomplishment at work.

The **unfavourable inclusion score** is calculated as the percentage of employees who have responded to the survey who have answered ‘Disagree’ or ‘Strongly disagree’ to the four inclusion questions. The reason for reporting on the unfavourable inclusion score is COWI’s focus on reducing the number of people who do not feel included. Due to this focus, we are attentive to even small percentages.

Engagement survey data cannot be compared across years due to changes in methodology. For 2023 data, as we shifted to a new engagement model in 2023, Engagement was measured by “Favourable engagement score”. In 2022 and in 2021 it was measured by “Percentage of engaged employees” and calculated differently in those years.

The engagement score for 2021 has been restated from 82% to 76% in the current report due to a material data error.

Composition and diversity of the members of the Board of Directors of COWI Holding A/S

The data includes members of the Board of Directors of COWI Holding A/S elected by the assembly at the annual general meeting, while board members elected by employees are excluded (based on the Danish Financial Statements Act, par. 99 b).

Board members include members who are independent or not independent of COWI, where independent board members do not have a material relationship with COWI (i.e., economic or other interests in COWI) and are not a part of COWI’s executive team, employed by, or otherwise have a work relation with COWI in line with the recommendations on Corporate Governance from the Corporate Governance Committee.

The percentage of women is calculated as the number of board members elected at the annual general meeting who are women, divided by the total number of board members elected at the annual general meeting.

The percentage of men is calculated as the number of board members elected at the annual general meeting who are men, divided by the total number of board members elected at the annual general meeting.

The percentage of independent board members is calculated as the number of independent members divided by the total number of board members elected at the annual general meeting.

‘**Other management**’ (in Danish: Øvrig ledelse) is defined as executive management and persons with personnel responsibility who refer directly to the executive management. Employees are accounted for in ‘other management’ in accordance with the contractual employment agreement. For COWI Holding A/S, the only employees are the members of the Executive Board. This means that the same individuals are reported in the table showing “Other management” and in our governance metrics table.

The percentage of women is calculated as the number of ‘other management’ persons who are women, divided by the total number of ‘other management’ persons.

The percentage of men is calculated as the number of ‘other management’ persons who are men, divided by the total number of ‘other management’ persons.

Meetings and attendance rate of the Board of Directors of COWI Holding A/S

This metric covers the Board of Directors of COWI Holding A/S, both general assembly-elected and employee-elected members.

The Board of Directors holds six ordinary meetings and one strategy seminar per year, according to a pre-set meeting-plan, which the Board of Directors approves once a year. An ad-hoc board meeting can be called if any urgent issues require approval from the Board of Directors. All meetings called in accordance with the conditions described in the Board of Directors’ rules of procedure are included in the number of meetings throughout the year. Meeting participants sign the minutes to confirm their attendance, and also confirm their planned attendance for the following meeting.

The number of meetings of the administrative, management and supervisory bodies and their committees, i.e., the number of board meetings of COWI Holding A/S, is read from these minutes from the reporting year.

The meeting attendance rate is calculated in the following way: ((∑Number of board meetings attended) per board member / (Number of board meetings * Number of board members)) * 100.

Financial review

Organic growth

9%

11% in 2022

EBIT margin

4.4%

4.2% in 2022

Shareholder return

15%

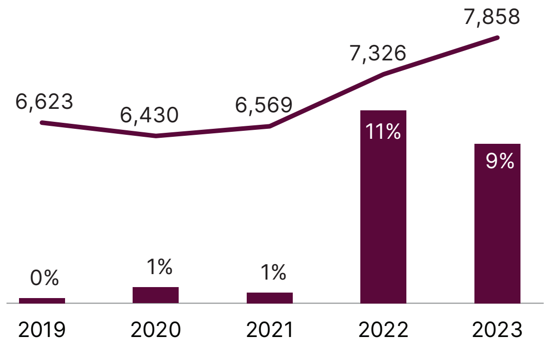
9% in 2022

Financial review

Revenue

COWI's revenue increased by 7% from 2022 to 2023, to DKK 7,858 million, and COWI continued its growth trajectory.

Revenue (DKKm) and organic growth (%)



Revenue in 2023 saw growth despite the negative impact of the foreign exchange translation effect of more than DKK 300 million, due to significant exchange rate development from 2022 to 2023, mainly related to NOK and SEK currencies.

Excluding the foreign exchange translation impact, acquisitions and divestments, organic growth was 9% in 2023, compared to 11% in 2022. The organic growth of 9% was ahead of the outlook of 5% organic growth for 2023 as guided in COWI's annual report for 2022 and ahead of COWI's strategic ambition to reach an annual organic growth of more than 5%.

Revenue per business line

Business line:	2023 DKKm	2022 DKKm	Organic growth 2023 %
Denmark	2,568	2,199	8%
International	2,602	2,201	19%
Norway	1,556	1,604	10%
Sweden	726	796	-2%
Arkitema	628	660	-13%
Other	(222)	(134)	-
Total	**7,858**	**7,326**	**9%**

The revenue growth was particularly dominated by Business Line International and Business Line Denmark. Furthermore, the growth was founded on strategic wins within large infrastructure projects and industrial buildings combined with inflation impacting the indexation of contracts with customers.

In 2023, COWI acquired Mannvit hf., an engineering consulting firm in Iceland with strong technical capabilities in geothermal and hydropower solutions, offering opportunities for growing COWI's position in the North Atlantic market. Mannvit hf. was acquired on 31 May 2023 and joined the COWI Group for seven months of 2023, in which period the Icelandic group contributed a revenue of DKK 185 million and solid profitability.

Own production

COWI's own production increased to DKK 6,791 million, compared to DKK 6,278 million in 2022, yielding an 8% increase.

Operating costs

Total operating costs amounted to DKK 6,446 million, an increase of 8% compared to 2022, mainly attributable to revenue growth and general cost increases in COWI's markets.

COWI's main operating cost, employee costs, increased by 8% and totalled DKK 5,383 million in 2023. This increase was driven by a 7% increase in the number of employees from 31 December 2022 to 31 December 2023 combined with the effect of inflation. This was partly mitigated by the higher utilisation of colleagues in low-cost countries in COWI's engineering and design centres and shared services.

External costs totalled DKK 883 million, an increase of 6% following growth in revenue and the general indexation level, which impacted facility costs for rent and utilities.

Amortisation, depreciation and impairment losses amounted to DKK 199 million, largely on par with 2022, and were primarily attributable to amortisation of goodwill, as well as depreciation of technical installations, operating and other equipment.

EBITA and EBITA* margin

In 2023, COWI delivered an operating profit before interest, tax and amortisation (EBITA) of DKK 465 million, compared to DKK 435 million in 2022.

COWI's strategic ambition operates with an EBITA* margin, which is COWI's main metric of operational profitability at group and business line levels. The EBITA* corresponds to operating profit before interest, tax and amortisation of goodwill and other acquisition-related intangible assets, i.e., after deduction of amortisation of software, licences and development projects. Furthermore, EBITA* excludes the impact of special items as defined in note 24.

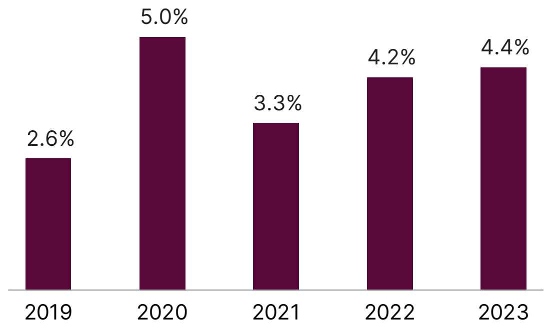
COWI's EBITA* was DKK 464 million in 2023, an increase of 2% from DKK 455 million in 2022. This corresponds to an EBITA* margin of 5.9% in 2023, compared to 6.2% in 2022. Despite a solid performance in 2023, the focus on costs and profitability continues to reach the strategic ambition of an annual EBITA* margin of more than 10%.

High organic growth with a high pace of hiring and onboarding of new colleagues challenged profitability across COWI. Furthermore, COWI had to navigate some adverse external market factors in 2023. The Swedish economy has moved into a recession, causing the residential buildings market to deteriorate, which affects both Business Line Sweden and Business Line Arkitema, and in the UK, a slowdown in the infrastructure market challenged the margin. COWI also saw a few offshore wind projects being postponed or stopped as customers were reassessing their business cases, considering the current interest rate levels, costs and regulatory environment.

EBIT and EBIT margin

2023 closed at an operating profit (EBIT) of DKK 343 million, compared to DKK 306 million in 2022. This corresponded to an EBIT margin of 4.4%, up from 4.2% in 2022 and in the middle of the range of the expected 4.0 to 5.0% EBIT margin guided for 2023 in COWI's annual report for 2022.

EBIT margin (%)



Special items, as per note 24 in the COWI Group's financial statement, include significant costs of a non-recurring nature which cannot be attributed directly to COWI's ordinary activities. Special items amounted to DKK 46 million in 2023, compared to DKK 64 million in 2022. The decline from 2022 to 2023 was mainly driven by lower costs for the arbitration case related to the establishment of the Muscat and Salalah airports in Oman in 2012.

Excluding special items as per note 24, the operating profit (EBIT) before special items amounted to DKK 389 million, compared to DKK 370 million in 2022. This corresponds to an EBIT margin before special items of 5.0%, slightly down from 5.1% in 2022. The decrease in the EBIT margin before special items was driven by the decrease in the EBITA* margin.

Net financial items

COWI's net financial items amounted to a net income of DKK 31 million, an increase of DKK 90 million compared to 2022. The deviation was mainly driven by the gain on marketable securities in 2023 in contrast to 2022.

This was partly offset by the negative impact of the exchange rate development, which was a net negative DKK 13 million compared to a net positive 14 million in 2022. The most significant exposure and impacts were related to the development in NOK, SEK, USD, CAD and GBP currencies.

Tax on profit for the year

Profit before tax amounted to DKK 374 million, compared to DKK 247 million in 2022.

COWI's tax on profit for the year amounted to an expense of DKK 138 million, corresponding to an effective tax rate in 2023 of 37%, compared to 35% in 2022.

Profit for the year

Profit for the year was DKK 236 million, an increase of 48% compared to 2022, driven by higher revenue and operating profit combined with lower costs for special items in 2023 (see note 24) and the positive impact of financial items.

Return on invested capital and equity

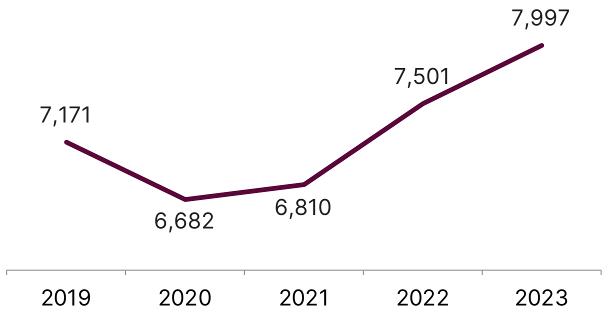
COWI's return on invested capital (ROIC) amounted to 28% in 2023, compared to 27% in 2022. The increase was driven by a higher operating profit (EBIT).

Return on equity (ROE) for 2023 amounted to 15%, compared to 11% in 2022, an increase that was driven by higher profit for the year.

Development in employees

At the end of 2023, COWI had a headcount of 7,997 employees, including 257 colleagues in the Mannvit hf. group. This was a net increase of 496 employees, corresponding to an increase of 7%, compared to a headcount of 7,501 at the end of 2022.

Total number of employees (headcount)

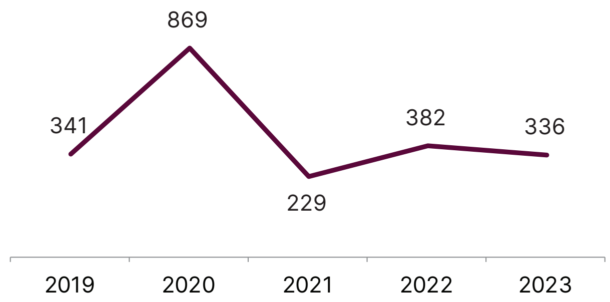


Cash flow

In 2023, cash flow from operating activities amounted to DKK 336 million, a decline from DKK 382 million in 2022. The decline in operating cash flow was mainly a result of a higher build-up of receivables driven by growth.

Cash flow from investing activities amounted to a negative DKK 215 million in 2023, compared to a negative DKK 311 million in 2022, and related to acquisitions of property, plant and equipment, intangible assets and acquisition of subsidiaries. The most significant transaction in 2023 was the acquisition of Mannvit hf. The acquisition was a strategic step towards realising COWI's growth ambitions and building our leading position in the green transition.

Operating cash flow (DKKm)



Cash flow from investments in property, plant and equipment amounted to a negative DKK 76 million, a decrease from a negative DKK 116 million in 2022. The reduction in investments in property, plant and equipment mainly stemmed from less acquired hardware and lower costs for office refurbishments.

Cash flow from investments in intangible assets amounted to a negative DKK 27 million in 2023, compared to a negative DKK 120 million in 2022. The higher investments in 2022 were mainly driven by a specific upgrade of the group-wide ERP and consolidation system and other investments in own-developed software.

The free cash flow was positive at DKK 121 million in 2023, up by DKK 50 million compared to 2022, mainly due to fewer investments in intangible assets and property, plant and equipment.

Balance sheet

COWI's total assets at 31 December 2023 amounted to DKK 4,032 million, an increase of DKK 326 million compared to 31 December 2022, corresponding to an increase of 9%. The increase was driven by growth and the acquisition of Mannvit hf.

Cash and marketable securities amounted to a total of DKK 848 million, equivalent to 21% of COWI's total assets. This was up from DKK 781 million at 31 December 2022, driven by tailwinds in the financial markets throughout 2023 compared to 2022 and free cash flow in 2023 in excess of distribution to shareholders.

At 31 December 2023, COWI's net interest-bearing position amounted to a positive DKK 832 million, compared to a positive DKK 764 million at 31 December 2022. COWI had financial debt of DKK 2 million at 31 December 2023, reflecting COWI's ability to fully fund its operations and acquisitions. COWI's total financial resources, which comprise cash, marketable securities and committed undrawn credit facilities, amounted to DKK 1,379 million at 31 December 2023, compared to DKK 1,314 million at 31 December 2022.

Equity amounted to DKK 1,653 million at 31 December 2023, an increase of DKK 140 million from 31 December 2022. Equity was positively affected by a profit of DKK 236 million. This was partly offset by distributed dividends and the purchase of treasury shares with a combined effect of DKK 86 million. COWI's equity ratio at 31 December 2023 was 41%, on par with 41% at 31 December 2022, and was sustained by well-managed growth and acquisitions.

Capital and share structure

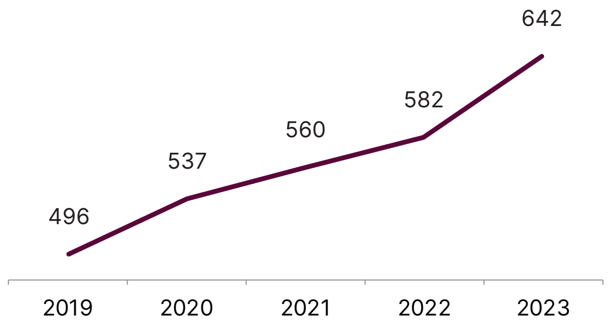
COWI Holding's management finds that the current capital and share structure is appropriate for the shareholders and the company, supporting COWI's strategy and long-term value creation.

The share capital amounted to DKK 287 million at 31 December 2023, 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. COWIfonden is a commercial, independent foundation holding the majority of the shares in COWI Holding A/S. The object of COWIfonden is to create a stable basis for COWI Holding A/S and to support research and development relating to Danish engineering.

At the annual general meeting of COWI Holding A/S in 2021, the Board of Directors was authorised to allow COWI Holding A/S to acquire own shares (treasury shares). The authorisation is valid until 24 March 2026. At 31 December 2023, COWI Holding A/S owned DKK 29 million worth of class B shares (classified as treasury shares), the employees owned DKK 32 million worth of class B shares in total, while COWIfonden owned DKK 225 million worth of class A and B shares in total.

At 31 December 2023, book value per share was DKK 641.6, an increase of 10% compared to 31 December 2022 and the highest level to date. The Board of Directors proposes that a dividend of DKK 32 per share, up from DKK 28 in 2022, be distributed to the shareholders. This corresponds to 5.0% of the book value per share for 2023, a slight increase from the 2022 level of 4.8%. The total proposed dividends for 2023 are DKK 82 million (excluding treasury shares).

Book value per share (DKK)



The shareholder return for 2023 was 15%, compared to 9% in 2022, driven by the strong profit in 2023, up by 48% from the year before. This is in line with COWI's strategic ambition to deliver an annual shareholder return of more than 15%.

Targets and outlook

Targets and outlook

In 2024, based on insights from OECD, the International Energy Agency, Euroconstruct and public institutions, we foresee continued investments in areas such as infrastructure, industrial production facilities, climate adaptation and renewable energy – all market areas prioritised in our strategy. Since we have chosen geographies, sectors and markets that are relatively stable, our business is resilient. Consequently, we expect continued organic growth in 2024; however, at a more moderate pace as some of our markets are still challenged, especially Sweden and the UK.

Looking at our prioritised sectors, we still expect high growth in sustainable energy. According to the International Energy Agency, investments in renewable energy accounted for close to 63% of the total investment in energy in 2023. Investments in renewable energy are expected to grow further in 2024. In the infrastructure sector, high growth is expected in North America and Sweden, while Denmark and Norway will have moderate growth, and the UK will see a shrinking market in 2024. For the large buildings sector, Euroconstruct expects moderate growth in general, while the climate adaptation and water sector appears promising in Sweden and North America but more moderate in our other core markets.

Financial outlook

The outlook for 2024 is based on the expectation that the COWI Group will continue its growth trajectory as we support our customers' transition to a sustainable future. Even though investments in the green transition remain buoyant, we predict a more moderate organic growth of around 5% in revenues due to lower inflation.

Profitability is expected to be solid and improved. Therefore, we expect an EBITA* margin of around 7%. In line with our strategic mid-term aspiration, we target an EBITA margin of 10% by 2026.

Please note that the predicted financial performance in 2024 is subject to substantial uncertainty as the macroeconomic environment remains highly volatile due to continued geopolitical unrest.

Non-financial targets

At the core of delivering on our strategic ambitions are engaged employees contributing their expertise and passion when they come to work. We want to maintain a favourable engagement score of 78% in 2024. COWI has an ambition, as reflected in our approved science-based targets, to reduce Scope 1 and 2 CO_2 emissions by 42% and Scope 3 emissions by 25% in 2030 (compared to the 2022 baseline) and become net-zero by 2050. Additionally, we will continue our drive to create a more diverse workforce. In 2026, our goal is for women to hold at least 30% of all leadership positions at senior career levels. And by 2030, we will have at least 40% women in leadership positions.

Accounts and statements

COWI Group consolidated financial statements

Contents

Consolidated income statement

1 January-31 December

DKK million	Note	2023	2022
Revenue	2	7,858	7,326
Project costs		(1,067)	(1,048)
Own production		**6,791**	**6,278**
Other operating income	3	19	21
External costs		(883)	(834)
Employee costs	4	(5,383)	(4,962)
Amortisation, depreciation and impairment losses	5	(199)	(196)
Operating profit on ordinary activities		**345**	**307**
Other operating costs	6	(2)	(1)
Operating profit		**343**	**306**
Financial income	7	144	156
Financial costs	8	(113)	(215)
Profit before tax		**374**	**247**
Tax on profit for the year	9	(138)	(87)
Profit for the year		**236**	**160**

Consolidated balance sheet

at 31 December

DKK million	Note	2023	2022
Goodwill		696	649
Software and licences		120	157
Completed development projects		9	28
Development projects in progress		48	15
Intangible assets	**10**	**873**	**849**
Equipment		217	212
Property, plant and equipment	**11**	**217**	**212**
Investments in associates	**12**	5	6
Other investments and securities		10	7
Deposits		56	51
Non-current financial assets	**13**	**71**	**64**
Total non-current assets		**1,161**	**1,125**
Trade receivables		1,291	1,128
Contract work in progress	**14**	478	419
Other receivables		68	59
Tax receivables		33	39
Deferred tax assets	**15**	29	28
Prepaid expenses	**16**	124	127
Total receivables		**2,023**	**1,800**
Marketable securities	**17**	**581**	**540**
Cash	**17**	**267**	**241**
Total current assets		**2,871**	**2,581**
Total assets		**4,032**	**3,706**

Consolidated balance sheet

at 31 December

DKK million	Note	2023	2022
Share capital	**18**	287	287
Reserve for exchange rate translations		(89)	(76)
Reserve for hedging transactions		(1)	(4)
Retained earnings	**19**	1,374	1,233
Proposed dividend		82	73
Equity		**1,653**	**1,513**
Deferred tax liabilities	**15**	431	425
Provisions for incentive programme and pensions	**20**	14	25
Other provisions	**21**	45	49
Total provisions		**490**	**499**
Other liabilities		8	10
Total non-current liabilities	**22**	**8**	**10**
Financial debt		2	1
Contract work in progress	**14**	394	432
Trade payables		282	258
Amounts owed to associates		6	6
Tax liabilities		82	42
Other accounts payables	**23**	1,115	945
Total current liabilities		**1,881**	**1,684**
Total liabilities		**1,889**	**1,694**
Total equity and liabilities		**4,032**	**3,706**

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Consolidated statement of changes in equity

DKK million	Share capital	Reserve for exchange rate translations	Reserve for hedging transactions	Retained earnings	Dividend	Total
Equity at 1 January 2022	**287**	**(45)**	**0**	**1,159**	**68**	**1,469**
Distributed dividend					(68)	(68)
Profit for the year				160		160
Foreign exchange adjustment, foreign subsidiaries		(31)				(31)
Value adjustment of hedging instruments			(3)	1		(2)
Deferred tax on value adjustment of hedging instruments			(1)			(1)
Purchase of treasury shares				(14)		(14)
Proposed dividend*				(73)	73	0
Equity at 1 January 2023	**287**	**(76)**	**(4)**	**1,233**	**73**	**1,513**
Distributed dividend					(73)	(73)
Profit for the year				236		236
Foreign exchange adjustment, foreign subsidiaries		(13)				(13)
Net effect of share-based programmes						0
Value adjustment of hedging instruments			4			4
Deferred tax on value adjustment of hedging instruments			(1)			(1)
Purchase of treasury shares				(13)		(13)
Proposed dividend*				(82)	82	0
Equity at 31 December 2023	**287**	**(89)**	**(1)**	**1,374**	**82**	**1,653**

* equivalent to DKK 32 per share (2022: DKK 28 per share)

Consolidated cash flow statement

DKK million	Note	2023	2022
Operating profit		343	306
Amortisation, depreciation and impairment loss		199	196
Other non-cash items		1	(8)
Net change in other provisions		14	(12)
Operating profit adjusted for non-cash movement		**557**	**482**
Net financial items received/paid		(10)	10
Income taxes paid		(95)	(77)
Cash flow from operating activities before change in working capital		**452**	**415**
Change in contract work in progress		(89)	(179)
Change in deposits		(5)	(3)
Change in trade receivables		(110)	154
Change in trade payables		16	1
Change in other receivables and prepaid expenses		(1)	25
Change in other payables and deferred income		73	(31)
Cash flow from operating activities		**336**	**382**
Acquisition of intangible assets		(27)	(120)
Acquisition of property, plant and equipment		(76)	(116)
Disposal of property, plant and equipment		2	2
Disposal of subsidiaries and associates		0	1
Acquisition of subsidiaries and associates		(114)	(78)
Cash flow from investing activities		**(215)**	**(311)**
Free cash flow		**121**	**71**
Payment of financial debt		(4)	(24)
Dividends paid		(73)	(68)
Net payment of debt to associates		0	(21)
Purchase of treasury shares		(13)	(14)
Cash flow from financing activities		**(90)**	**(127)**
Cash flow for the year		**31**	**(56)**
Exchange rate translation adjustments of cash		(5)	(9)
Cash at 1 January		241	306
Cash at 31 December	**17**	**267**	**241**

The cash flow statement cannot be directly derived from the balance sheet and the income statement.

Consolidated notes

Note 1 General accounting policies

The 2023 annual report of COWI Holding A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to large entities in reporting class C.

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

Recognition and measurement
Income is recognised in the income statement as earned. Costs incurred generating the revenue for the year are recognised in the income statement, including amortisation, depreciation and impairment losses.

Value adjustments of financial assets and liabilities, which are measured at fair value, are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group, 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 Group, 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 the 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.

Basis of consolidation
The consolidated financial statements include the parent company, COWI Holding A/S, as well as entities in which the parent company directly or indirectly holds the majority of the voting rights or in which the parent company otherwise exercises control.

Entities in which the Group holds between 20 and 50% of the voting rights or exercises a significant but not controlling influence are treated as associates.

The consolidated financial statements are prepared by combining items of a uniform nature. Intercompany income and costs, shareholdings, dividends and balances as well as realised and unrealised gains and losses on transactions between consolidated entities are eliminated.

The financial statements included in the consolidated financial statements are prepared in accordance with the accounting policies applied by the COWI Group.

Note 1 General accounting policies, continued

Foreign currency translation
The financial statements for the Group and for the parent company, COWI Holding A/S, are presented in millions of DKK. The functional currency of the parent company is DKK.

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

Items in the financial statements of each of the reporting entities of the Group are measured in the entity's functional currency. Assets, liabilities and equity items are translated from each reporting entity's functional currency to the presentation currency, DKK, at the balance sheet date. The income statement is translated from the functional currency into DKK based on the average exchange rate. Differences arising on the translation of equity at the beginning of the period and translation of the income statement from average rates to the exchange rate at the balance sheet date are recognised in a separate reserve in equity.

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 in a separate reserve.

Business combinations
Acquired companies are consolidated from the date of acquisition. Costs related to the acquisition are recognised in the income statement as incurred. On the acquisition of subsidiaries and associates, the acquisition method is applied where acquired assets, liabilities and contingent liabilities, including restructuring provisions, are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they can be separated, the fair value can be reliably measured and the impact on the financial statements is significant. The acquisition cost is stated at the fair value of shares, debt instruments, and cash and cash equivalents. Any positive differences between the acquisition cost and the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under intangible assets and amortised on a straight-line basis over the expected economic life. Any negative differences are recognised in the income statement at the date of acquisition.

Goodwill from acquired entities may subsequently be adjusted for changes in the fair value of the consideration transferred and/or changes in the fair value of the identifiable net assets acquired until 12 months after the acquisition date, to the extent such changes relate to facts and circumstances present at the acquisition date.

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

As the completion of individual projects generally progresses over several financial periods, the percentage-of-completion method is applied for recognition of revenue. Accordingly, revenue and profit are recognised on work performed to date as a percentage of the total work to be performed, measured at costs.

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

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

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

Provisions for bad and doubtful debts are calculated on the basis of an individual assessment of each receivable, and an additional general provision is made in respect of trade receivables based on days past due.

Provisions for bad and doubtful debts form an accounting estimate assessed 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 provisions may be required in the future. As COWI's management continuously assesses customers' creditworthiness, terms of payment and risk of loss, the uncertainty attached to provisions and write-downs for bad and doubtful debts is considered insignificant.

Equity

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

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

Reserve for hedging transactions
The reserve for hedging transactions in the consolidated financial statements comprises fair value gains and losses on hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has not yet been realised. The tax effect on these transactions has also been included.

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

Cash flow statement

The cash flow statement shows cash flow for the year, presented according to the indirect method, classified by operating, investing and financing activities, net changes for the year in cash as well as cash at the beginning and end of the year. Cash flows relating to acquired entities are recognised from the acquisition date. Cash flows relating to divested entities are recognised until the divestment date.

Cash flow from operating activities
Cash flows from operating activities are calculated as operating profit adjusted for non-cash operating items such as amortisation, depreciation and impairment losses, provisions as well as net change in working capital, interest received and paid, and corporate income tax paid. Working capital includes current assets less short-term debt, excluding items included in cash and debt to credit institutions.

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, marketable securities and business acquisitions and disposals.

Cash flow from financing activities
Cash flows from financing activities include cash flows from raising and repayment of debt to credit institutions as well as purchase and sale of treasury shares and distribution of dividends to shareholders.

Note 2 Segment information, revenue

Accounting policies

Segment information is provided on revenue, broken down by business areas and business lines. The information is based on the Group's internal management reporting.

The Group's revenue distributed on business areas:

DKK million	2023	2022
Planning and economics	109	190
Water and environment	399	389
Transportation	3,487	3,119
Buildings	1,989	1,963
Industry and energy	1,054	900
Society and utilities	530	485
EU and international development organisations	213	192
Not distributed	77	88
Total	**7,858**	**7,326**

The Group's revenue distributed on business lines:

DKK million	2023	2022
Denmark	2,568	2,199
International	2,602	2,201
Norway	1,556	1,604
Sweden	726	796
Arkitema	628	660
Other and eliminations	(222)	(134)
Total	**7,858**	**7,326**

Intragroup revenue has been eliminated in the respective business lines between companies using the Maconomy ERP system. For the remainder of companies (mainly trading with Arkitema companies), intragroup revenue has been reflected as revenue in the business lines and with the elimination of this in 'Other and eliminations'.

Note 3 Other operating income

Accounting policies

Other operating income includes items of a secondary nature to the Group's main activities. This includes government grants as well as gains from disposal of non-current assets and divestment of subsidiaries and associates. In the parent company, other operating income also includes management fees from subsidiaries.

DKK million	2023	2022
Profit from disposal of property, plant and equipment	1	1
Profit from sale of subsidiaries	0	1
Government grants	14	17
Other operating income	4	2
Other operating income	**19**	**21**

Other operating income mainly includes government grants and tax credits for R&D activitites, mainly in North America and the UK.

Note 4 Employee costs

Accounting policies

Employee costs include wages and salaries, bonus, the long-term incentive programme, pension costs and other social security benefits.

DKK million	2023	2022
Salaries and wages	(4,738)	(4,326)
Pensions	(155)	(145)
Social security	(363)	(346)
Other employee costs	(127)	(145)
Employee costs	**(5,383)**	**(4,962)**
Remuneration, Executive Board	(27)	(36)
Remuneration, former Executive Board and partners	(1)	(1)
Remuneration, Board of Directors, parent company	(3)	(3)

The Board of Directors has decided that the remuneration will not be disclosed on an individual basis due to limitations by an individual confidentiality agreement in place.

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

The members of the Executive Board are granted performance share units annually as part of the Group's long-term incentive programme. 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 2023, the bonus achieved through the long-term incentive programme corresponded to approximately 23% of the base salary (2022: 34%).

Number of employees		
Average number of full-time equivalent (FTE) employees	7,565	6,983
Average number of employees (headcount)	7,749	7,156
Number of employees (headcount) at 31 December	7,997	7,501

Note 5 Amortisation, depreciation and impairment losses

Accounting policies

Amortisation and depreciation for the year are recognised on a straight-line basis over the estimated useful lives of the assets. Reference is made to notes 10 and 11, respectively.

DKK million	2023	2022
Amortisation of goodwill	(75)	(85)
Amortisation of software and licences	(39)	(38)
Amortisation of completed development projects	(8)	(6)
Depreciation of equipment	(77)	(67)
Amortisation, depreciation and impairment losses	**(199)**	**(196)**

Note 6 Other operating costs

Accounting policies

Other operating costs include items of a secondary nature to the Group's main activities, including losses from the disposal of non-current assets and divestment of subsidiaries and associates.

DKK million	2023	2022
Loss from disposal of property, plant and equipment	0	(1)
Other operating costs	(2)	0
Other operating costs	**(2)**	**(1)**

Note 7 Financial income

Accounting policies

Financial income includes interests, realised and unrealised foreign exchange gains and value adjustments of securities.

DKK million	2023	2022
Interest on cash, securities etc.	14	5
Fair value adjustments of marketable securitites	56	41
Foreign exchange gains	74	110
Financial income	**144**	**156**

Note 8 Financial costs

Accounting policies

Financial costs include interests, financial costs related to finance lease arrangements, realised and unrealised foreign exchange losses and value adjustments of securities.

DKK million	2023	2022
Interest on cash, securities etc.	(13)	(10)
Fair value adjustments of marketable securitites	(13)	(109)
Foreign exchange losses	(87)	(96)
Financial costs	**(113)**	**(215)**

Note 9 Tax on profit for the year

Accounting policies

The COWI Group is covered by international joint taxation, which was extended for another ten years in 2022, covering the years 2021 to 2031. The parent company is jointly taxed with the consolidated entities including foreign subsidiaries. Subsidiaries are included in the joint taxation from the date when they are included in the Group's financial statements and up to the date when they are excluded from the Group's financial statements.

COWI Holding A/S is the administrative company for the joint taxation, and the total Danish tax on the subsidiaries' taxable income is paid by COWI Holding A/S to the tax authorities. The tax effect of the joint taxation is distributed in proportion to their taxable income (full allocation with refund for tax losses).

Income tax for the year, consisting of current tax, change to deferred tax for the year and possible adjustments relating to prior years, is recognised in the income statement with the share attributable to profit for the year, and is recognised directly in equity with the share attributable to transactions 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 and for tax paid on account. Uncertain tax positions are assessed individually and recognised if it is probable that an amount will be paid or received.

Accounting estimates

In the course of conducting business in a variety of developed and developing countries, tax disputes with tax authorities may occur. The provision for uncertain tax positions is estimated by the management to ensure recognition and measurement of tax assets and liabilities.

DKK million	2023	2022
Current tax for the year	(101)	(53)
Current tax for the year re. foreign project offices	(14)	(13)
Deferred tax for the year	(17)	(17)
Adjustments to current tax related to prior years	(18)	(19)
Adjustments to deferred tax related to prior years	13	16
Total tax	**(137)**	**(86)**
Broken down as follows:		
Tax on profit	(138)	(87)
Tax on movements in equity	1	1
Total tax	**(137)**	**(86)**
Tax on profit can be broken down as follows:		
Tax calculated at income tax rate in Denmark (22%)	(82)	(54)
Adjustment due to difference in foreign tax rates	(6)	(2)
Current tax for the year re. foreign project offices	(14)	(13)
Tax effect from:		
Amortisation of goodwill disallowed for tax purposes	(11)	(12)
Other income/costs disallowed for tax purposes	(20)	(3)
Adjustments to current tax related to prior years	(18)	(19)
Adjustments to deferred tax related to prior years	13	16
Tax on profit for the year	**(138)**	**(87)**
Effective tax rate	**36.9%**	**35.4%**

Note 10 Intangible assets

Accounting policies

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired company. Goodwill is amortised over the estimated useful life, determined on the basis of the management's experience, including an assessment of the market position and strength of the brand or operation and thus the estimated expected earnings profile:

- Acquired entities 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 entities 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 entities 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 entities are estimated to have an economic life of three years and are thus amortised over a period of three years.

Development projects
Development projects that are clearly defined and identifiable, where the technical utilisation rate, sufficient resources and a potential future market or development opportunity 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 costs involved. Development projects that do not meet the criteria for recognition in the balance sheet are recognised as costs in the income statement as incurred. Capitalised development projects include salaries and other costs that are directly attributable to the development activities. Capitalised development projects are measured at the lower of cost, less accumulated amortisation and impairment losses, and the recoverable amount.

On completion of the development work, development projects are amortised on a straight-line basis over the period in which the work is expected to generate economic benefits.

Software and licences
Software is measured at the lower of cost, less accumulated amortisation and impairment losses, and the recoverable amount.

Software licences are amortised over the contract period.

Amortisation periods for intangible assets
Goodwill: 3-20 years
Completed development projects: 2-5 years
Software: 3-13 years

Impairment losses
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. An impairment loss is recognised where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the asset is determined as the higher of the net selling price and the value in use. 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.

Impairment losses are reversed only to the extent of changes in the assumptions and estimates underlying the impairment calculation. Impairment losses on goodwill are not reversed.

Accounting estimates

The management assesses the risk of impairment of the Group's intangible assets. This requires judgment in relation to the identification of cash-generating units (CGUs) and the underlying assumptions in the Group's impairment model.

The management has defined the Group's CGUs as the Group's business segments (business lines), and allocation of goodwill and monitoring of cash flow are performed by the management at this level. The carrying amounts of goodwill are reviewed on an annual basis to determine whether there is any indication of impairment, taking performance, financial forecasts and macroeconomic events into consideration. If there is any indication of impairment, the calculation of value in use is based on the discounted cash flow method using estimates of future cash flows from the continuing use. The key parameters are the expected cash flow based on expectations for revenue growth and profitability and the rate used to discount the cash flows.

The anticipated future free cash flows are based on budgets and long-term strategic targets and expectations. These are determined at CGU level in the budget and strategic target planning process and are based on external sources of information and industry-relevant observations such as macroeconomic and market conditions. The applied assumptions are challenged through the strategic target planning process based on the management's best estimates and expectations, which are subject to judgement by nature. They include expectations for revenue growth and EBITDA margins. Beyond the coming five years, the growth rate has been set to the expected inflation rate in the terminal period and assumes no nominal growth. A discount rate, namely the Group's weighted average cost of capital, is applied based on assumptions regarding interest rates and risk premiums. Changes in the future cash flow or discount rate estimates used may result in materially different values.

No impairment of goodwill was recognised in 2023 or 2022 as impairment tests showed adequate headroom as the estimated value in use exceeded the carrying amount of the CGUs to which goodwill was allocated. A sensitivity analysis has been performed in relation to the key parameters, with no material impact on the conclusion.

Note 10 Intangible assets, continued

DKK million	Goodwill	Software and licences	Completed development projects	Development projects in progress	Total
Cost at 1 January 2023	1,481	266	40	15	1,802
Exchange rate translation adjustments	(5)	(1)	(2)	(1)	(9)
Additions from acquisitions of entities	124	0	0	0	124
Additions	0	1	0	25	26
Transfers	0	1	(10)	9	0
Disposals	(143)	(24)	(10)	0	(177)
Cost at 31 December 2023	**1,457**	**243**	**18**	**48**	**1,766**
Amortisation and impairment losses at 1 January 2023	832	109	12	-	953
Exchange rate translation adjustments	(3)	(1)	(1)	-	(5)
Amortisation and impairment losses	75	39	8	-	122
Disposals	(143)	(24)	(10)	-	(177)
Amortisation and impairment losses at 31 December 2023	**761**	**123**	**9**	**-**	**893**
Carrying amount at 31 December 2023	**696**	**120**	**9**	**48**	**873**

Development projects include internally developed software and services to be sold to customers, as well as internal tools to improve quality, environmental impact and efficiency.

Note 11 Property, plant and equipment

Accounting policies

Equipment
Equipment consists of hardware, furniture and other fixtures and is measured at cost less accumulated depreciation and impairment losses and is depreciated on a straight-line basis over 3 to 12 years.

Leases
Leases involving property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership (finance leases) are initially recognised in the balance sheet as property, plant and equipment at the lower of fair value and the net present value of future lease payments at the inception of the lease. Net present value is calculated using the interest rate implicit in the lease as the discount rate or an approximated value thereof. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

The corresponding lease obligation is recognised in the balance sheet as debt under non-current liabilities, and the interest element of the lease payment is recognised as financial cost in the income statement.

All other leases are considered to be operating leases. Lease payments under operating leases are recognised as external costs in the income statement over the term of the lease.

Depreciation periods for property, plant and equipment
Equipment: 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 differs.

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 impairment losses. The depreciation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the asset's carrying amount, 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 carrying amount at the time of the sale. Profit or loss is recognised in the income statement under other operating income or other operating costs, respectively.

Impairment losses
The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment. Reference is made to note 10.

DKK million	Equipment
Cost at 1 January 2023	513
Exchange rate translation adjustments	(7)
Additions from acquisitions of entities	9
Additions	76
Disposals	(65)
Cost at 31 December 2023	**526**
Depreciation and impairment losses at 1 January 2023	301
Exchange rate translation adjustments	(5)
Depreciation and impairment losses	77
Disposals	(64)
Depreciation and impairment losses at 31 December 2023	**309**
Carrying amount at 31 December 2023	**217**

Of which assets held under finance leases amount to DKK 0 million (2022: DKK 1 million).

Note 12 Investments in associates

Accounting policies

Associates are all entities over which the Group has significant but not controlling influence. Investments in associates are initially recognised at cost and subsequently measured according to the equity method based on the proportionate share of the entity's net assets. The difference between the cost and the fair value of net assets of the acquired company at the date of acquisition is considered goodwill and reflected in 'Investment in associates' in the balance sheet and amortised on a straight-line basis over the estimated useful life of the investment. Dividends received from associates reduce the value of the investment. Associates with negative net asset value are recognised with zero value, but if the Group has a legal or constructive obligation to cover the associate's negative balance, a provision is recognised.

Profit after tax from investments in associates is recognised as a separate line in the income statement and includes the Group's share of profit after tax less the amortisation of goodwill.

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 associate:				
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
Mannvit hf.'s (Iceland) investments in associates:				
Loftmyndir ehf	Iceland	34%	ISK	700
Heilstæð Hönnun ehf	Iceland	49%	ISK	500

Note 13 Non-current financial assets

Accounting policies

Other investments and securities comprise unlisted securities and cash deposited as security. Deposits consist of rental deposits. Unlisted securities and deposits are measured at cost less any impairment loss.

DKK million	**Investments in associates**	**Other investments and securities**	**Deposits**	**Total**
Cost at 1 January 2023	6	7	51	64
Exchange rate translation adjustment	0	0	0	0
Additions from acquisitions of entities	3	1	0	4
Additions	0	2	7	9
Disposals	(4)	0	(2)	(6)
Cost at 31 December 2023	**5**	**10**	**56**	**71**
Carrying amount at 31 December 2023	**5**	**10**	**56**	**71**

Note 14 Contract work in progress

Accounting policies

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

Contract work in progress is measured at the selling price of the work performed based on the stage of completion on the balance sheet date less invoicing on account. The stage of completion is measured as the incurred project costs relative to the estimated total project costs for the individual contract. The selling price is stated in proportion to the stage of completion at the balance sheet date. Under this principle, the expected profit on the individual contracts is recognised in the income statement on a continuing basis.

If the selling price of the work performed exceeds invoicing on account, it is recognised as an asset. If invoicing on account exceeds the selling price of the work performed, it is recognised as a liability.

Where total project costs are likely to exceed the total revenue from a project, the expected loss is recognised immediately as a provision and a cost. The Group's share of work in progress performed in working partnerships and joint operations is included proportionally in contract work in progress and proportionally in the respective line items of the income statement.

Costs related to sales work and the pursuing of contracts are recognised in the income statement as incurred.

Accounting estimates

Measurement of the company's work in progress includes estimates of stages 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.

DKK million	**2023**	**2022**
Selling price of contract work in progress	5,359	5,460
Invoiced on account	(5,275)	(5,473)
Net contract work in progress at 31 December	**84**	**(13)**
Recognised in the balance sheet as:		
Contract work in progress (assets)	478	419
Contract work in progress (liabilities)	(394)	(432)
Net contract work in progress at 31 December	**84**	**(13)**

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 the carrying amount and tax base of assets and liabilities. No provision is made for deferred tax on temporary differences arising from the amortisation of goodwill disallowed for tax purposes as well as other items, apart from acquisition of entities, 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 according to the current tax rules and at the tax rate expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Changes in deferred tax due to tax rate changes are recognised in the income statement except for items recognised directly in equity.

As a consequence of international joint taxation, the re-taxation liability on discontinuing the joint taxation is recognised at the lowest value of the full re-taxation amount or the limited re-taxation amount based on potential profit from a sale of assets and debt at market values. Provisions are not recognised for re-taxation of deficits from permanent establishments if the deficit is expected to be recovered through current operation.

DKK million	**2023**	**2022**
Deferred tax at 1 January	(397)	(396)
Exchange rate translation adjustment	(1)	0
Deferred tax related to equity movements	1	1
Adjustments to deferred tax related to prior years	13	16
Deferred tax for the year	(18)	(18)
Deferred tax at 31 December	**(402)**	**(397)**
Recognised in the balance sheet as:		
Deferred tax asset	29	28
Deferred tax liabilities	(431)	(425)
Deferred tax at 31 December	**(402)**	**(397)**
Deferred tax concerns:		
Intangible assets	(20)	(26)
Property, plant and equipment	33	32
Current assets	(375)	(393)
Provisions	22	20
Claw-back from international joint taxation and debt	(64)	(64)
Tax-loss carryforward, deductible for tax purposes	2	34
Deferred tax at 31 December	**(402)**	**(397)**

At 31 December 2023, the Group recognised deferred tax assets worth a total of DKK 29 million (2022: DKK 28 million). The tax assets are made up of deferrable tax losses of DKK 2 million (2022: DKK 34 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 considers it more than likely that capitalised tax losses and unused tax deductions can be utilised.

Note 16 Prepaid expenses

Accounting policies

Prepaid expenses consist of payments made that relate to costs for subsequent financial years and consist primarily of prepaid rent, insurance premiums, licences and subscriptions.

DKK million	2023	2022
Insurance premiums	27	33
Rent	28	23
IT licences and maintenance	29	34
Other	40	37
Prepaid expenses at 31 December	**124**	**127**

Note 17 Cash and marketable securities

Accounting policies

Cash includes unrestricted cash in bank and cash at hand. Balances of cash deemed to be restricted are insignificant.

Marketable securities include listed bonds and shares measured at fair value. Listed securities are measured at market price.

DKK million	2023	2022
Cash	267	241
Cash at 31 December	**267**	**241**
Marketable securities		
Shares	175	156
Bonds	406	384
Marketable securities at 31 December	**581**	**540**
Undrawn credit facilities at 31 December not including guarantee facilities	531	533
Financial resources at 31 December	**1,379**	**1,314**

Committed, undrawn credit facilities of DKK 530 million expire in 2025. Compared to 31 December 2022, the facilities have been extended for one year.

Note 18 Share capital

DKK million	2023
The share capital consists of:	
A shares:	
2,000,000 shares of each DKK 100	200
B shares:	
865,937 shares of each DKK 100	87
Share capital in total	**287**

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 class B shares may be held by COWIfonden and employees and will, as a main rule, be sold back to the company when the employee leaves the company.

Specification of movements in share capital:

DKK million	2023	2022	2021	2020	2019
Share capital at 1 January	287	287	287	287	283
Capital increase	0	0	0	0	4
Share capital at 31 December	**287**	**287**	**287**	**287**	**287**

Note 19 Treasury shares

Accounting policies

Treasury shares are defined as COWI Holding A/S shares owned by the COWI Group. The purchase and sale of treasury shares are recognised directly in equity.

	2023		2022	
DKK million	Nominal value	Share capital percentage	Nominal value	Share capital percentage
Portfolio at 1 January	27	9%	24	8%
Additions	2	1%	3	1%
Portfolio at 31 December	**29**	**10%**	**27**	**9%**

Treasury shares consist of B shares with a nominal value of DKK 28,908 thousand (2022: DKK 26,723 thousand). Additions for 2023 is due to the Group's repurchasing of shares under the Group's employee share programme.

Note 20 Provisions for incentive programme and pensions

Accounting policies

A share-based long-term incentive programme has been established, under which COWI shares are awarded to the Executive Board as well as certain key employees in the COWI Group.

The fair value of the employee services received in exchange for the issuance of shares or corresponding cash settlement is measured at fair value of the share units granted. The value adjustments are recognised in employee costs in the income statement over the vesting period. The fair value of restricted share units is determined based on book value per share. Account is taken of the number of employees expected to gain entitlement to the share units as well as the number of share units the employees are expected to gain. Subsequently, this estimate is revised at the end of each reporting period so that the total cost recognised is based on the actual number of share units vested or settled in cash.

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 is recognised as an ordinary defined contribution plan. The costs are recognised in the income statement when payment requests are received from the pension fund. This procedure is compliant 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 when the pension benefits are being earned. The calculation of the pension commitment is based on an actuarial calculation.

DKK million	2023	2022
Pension liabilities for defined benefit plans	4	4
Long-term incentive programme	10	21
Provisions for incentive programme and pensions at 31 December	**14**	**25**

The short-term liability for the long-term incentive programme amounts to DKK 17 million and is classified as 'Other accounts payables'. This will be paid after the annual general meeting to be held on 20 March 2024.

Note 21 Other provisions

Accounting policies

A provision is recognised when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the net present value of the management's best estimate of the costs required to settle the obligation. Other provisions include provisions for loss-making contracts, potential legal obligations and claims.

DKK million	2023	2022
Provisions for project claims	19	22
Other project provisions	26	27
Other provisions at 31 December	**45**	**49**

Note 22 Non-current liabilities

Accounting policies

Loans from credit institutions intended to be held to maturity are recognised initially at the proceeds received net of transaction costs incurred. Subsequently, loans are recognised 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 financial costs in the income statement over the term of the loan.

Other liabilities are measured at amortised cost.

DKK million	2023	2022
Other non-current liabilities falling due later than five years	0	3
Other non-current liabilities falling due later than one year and not later than five years	8	7
Non-current liabilities at 31 December	**8**	**10**

Note 23 Other accounts payables

Accounting policies

Other accounts payables are measured at amortised cost and mainly consist of payables related to accrued holiday allowance, employee costs, VAT and indirect taxes and derivative financial instruments.

DKK million	2023	2022
Accrued holiday allowance	295	261
Payable employee-related taxes and social costs	236	143
Other employee costs payable	181	131
VAT and other indirect taxes	218	201
Derivative financial instruments	1	7
Other accounts payables	184	202
Other accounts payables at 31 December	**1,115**	**945**

Note 24 Special items

Accounting policies

Special items include significant income and costs of a non-recurring nature which cannot be attributed directly to COWI's ordinary activities. These items are classified in respective items in the income statement.

DKK million	2023	2022
Costs related to legal cases	(20)	(54)
Transformation programme	(11)	0
Restructuring	(15)	(10)
Total costs	**(46)**	**(64)**

Special items are reflected in the following items in the income statement:

External costs	(30)	(54)
Employee costs	(16)	(10)
Total special items	**(46)**	**(64)**

Special items relate to significant costs in relation to specific legal cases, the organisational transformation programme and costs for restructuring the organisation.

Note 25 Fees to auditors

DKK million	2023	2022
Fee, statutory audit	(4)	(4)
Other assurance engagements	(2)	(1)
Tax advisory	(1)	(2)
Other services	(4)	(10)
Fees to PricewaterhouseCoopers	**(11)**	**(17)**

DKK million	2023	2022
Fee, statutory audit	(1)	0
Other assurance engagements	(1)	0
Tax advisory	(5)	(3)
Other services	(3)	(3)
Fees to other auditors	**(10)**	**(6)**

Note 26 Derivative financial instruments

Accounting policies

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently measured at their fair value. Positive and negative fair values of derivative financial instruments are included in prepaid expenses under assets and in other accounts payables 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 income statement 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 cash flow hedges are recognised in other receivables, other accounts payables and equity. Upon realisation of the hedged items, any amount deferred in equity is transferred to the income statement in the same item and period as the hedged transaction.

Changes in the fair value of any derivative financial instruments that do not qualify for hedge accounting are recognised in financial items in the income statement.

The Group's derivative financial instruments comprise currency forward contracts.

DKK million	2023	2022
Liabilites (Other accounts payables)	1	7

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 was a negative DKK 1 million at 31 December 2023. The duration of the currency forward contracts is between 1 and 24 months.

The Group hedges large projects with currency exposure. Besides the project-based balance sheet items, a part of the expected future cash flow is hedged. In total, DKK 140 million of net future cash flow (across currencies) was hedged at 31 December 2023. The fair market value of cash flow hedges was a negative DKK 1 million, before tax. The loss is recognised directly in equity.

Financial risks

COWI is exposed to financial risks due to the nature of our business. Financial risks are managed centrally by the Group Treasury function in Finance and governed by the treasury policy, which sets the limits for financial risks as well as determines mitigating measures and procedures. The treasury policy is approved by the Board of Directors on an annual basis unless circumstances require it to be reviewed and approved more frequently. COWI's main financial risks are described below.

Currency risk

Currency risks relate to transactional and translation exposures, which can be mitigated by the use of financial instruments.

The overall purpose of currency risk management in COWI is to safeguard the profit margin on projects with substantial currency exposure relative to the functional currency of the entity. COWI aims to minimise currency risks related to individual projects by matching, to the extent possible, the income and expenses in the same currency. To the extent this is not possible, significant net foreign exchange positions arising from business operations are hedged by the use of financial instruments, mainly forward contracts. The treasury policy sets limits for the maximum exposure per currency and defines approved derivative financial instruments.

The translation risk relating to investments in subsidiaries is currently not hedged.

Financing and interest rate risk

One of the objectives of COWI's treasury policy is to ensure that COWI always have sufficient and flexible financial resources (a financial reserve) at our disposal, to ensure continuous operations and to honour our liabilities when they become due. The financial reserve must support the current and future capital needs of the business. The financial reserve is partly obtained by maintaining a committed revolving credit facility (reference is made to note 17), which ensures funding and, at the same time, provides the flexibility required due to the cash fluctuations during the year. In 2023, the committed revolving credit facility was linked to ESG objectives, to support COWI's commitment to the ESG agenda.

COWI's exposure to interest rate risk on financial debt is limited as a result of COWI's limited interest-bearing debt.

Liquidity and financial investment risk

COWI's financial reserve partly consists of a securities portfolio reflecting a cautious investment risk profile. The investments are managed by two external portfolio managers, provided with two identical mandates, regulating and setting limits for the investments. The securities portfolio is managed within set parameters and where the majority of the investments are made in short-duration Danish bonds.

Credit risk

Credit risk arises from mainly cash, cash equivalents, derivatives as well as trade receivables and contract work in progress. The credit risk on trade receivables and work in progress is managed by a thorough screening of customers and subcontractors, as well as a continuous dialogue with counterparts.

The credit risk on financial counterparts is governed by the treasury policy, which defines rating requirements for the financial counterparts. The rating requirements are highest for COWI's main relationship banks. Due to the nature of our business and operations in emerging markets, COWI is occasionally exposed to banks where the credit rating is lower than preferred. In such situations, measures are taken to keep the exposure at a minimum. Rating agencies used in the evaluation are Moody's, S&P and Fitch. For banks with more than one credit rating, the lowest rating prevails.

Acquisitions

Acquisitions are part of COWI's growth strategy. COWI has 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.

Note 27
Contingent liabilities and other financial commitments

DKK million	2023	2022
Lease commitments		
Lease commitments (operating leases) due in less than one year	10	9
Lease commitments (operating leases) falling due later than one year and not later than five years	14	9
Lease commitments (operating leases) at 31 December	**24**	**18**
Rental commitments		
Rental commitments in the period of termination due in less than one year	254	236
Rental commitments in the period of termination falling due later than one year and not later than five years	591	488
Rental commitments in the period of termination due after more than five years	164	123
Rental commitments at 31 December	**1,009**	**847**

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 the 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 604 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 delays 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.

The final hearing took place in late 2022, and COWI expects the award to be issued in 2024.

At 31 December 2023, COWI had a tax loss carryforward in Oman, which is related to incurred arbitration costs of DKK 368 million (OMR 21 million). The tax loss carryforward has been recognised at zero value in the financial statements.

DKK million	2023	2022
Guarantees		
Guarantee facility at 31 December	1,315	1,367
Drawn for performance bonds relating to projects in progress	302	331
Drawn for other guarantees	103	105
Total drawn guarantees at 31 December	**405**	**436**

For guarantees, the following assets have been provided as security to credit institutions:

	2023	2022
Cash at a carrying amount of	2	2
Securities at a carrying amount of	292	269
Total securities at 31 December	**294**	**271**

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 obliged to repurchase employee shares at book value per share. Terms and conditions for the Group's obligation are stated in the shareholder terms for possession of shares in COWI Holding A/S. At 31 December 2023, the employees held shares at a nominal value of DKK 32 million. COWIfonden has signed a letter of indemnity in favour of the Group in order that the Group will be able to honour its duty to repurchase employee shares at book value per share at any time in accordance with the shareholder terms for possession of shares in COWI Holding A/S.

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 28 Related party transactions

COWIfonden, Parallelvej 2, 2800 Kongens Lyngby, owns all class A shares in COWI Holding A/S and exercises a controlling influence on the company. No other shareholders own more than 5% 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 29 Events after the balance sheet date

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

Note 30 Subsidiaries in the COWI Group

Name of entity	Domicile	Ownership
COWI Holding A/S	**Denmark**	
COWI Invest A/S	**Denmark**	**100%**
COWI A/S[1]	**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 International AB	Sweden	100%
COWI Korea Co., Ltd	Korea	100%
COWI Lietuva UAB	Lithuania	100%
COWI Polska Sp. z o.o.	Poland	100%
COWI Tanzania Ltd	Tanzania	100%
Flux AD A/S	Denmark	100%
Studstrup & Østgaard A/S Rådgivende Ingeniørfirma	Denmark	100%
COWI AS	**Norway**	**100%**
Aquateam 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%
PB-Teknik Aktiebolag	Sweden	100%
COWI International A/S	**Denmark**	**100%**
Flint & Neill Limited	The UK	100%
COWI GULF A/S[1]	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%
Finley Engineering Group, Inc	USA – Florida	100%
COWI Czech Republic, s.r.o.	Czech Republic	100%
COWI Singapore Pte. Ltd.	Singapore	100%
COWI UK Limited	United Kingdom	100%
Mannvit hf.	Iceland	100%
Mannvit-Verkís ehf.	Iceland	50%
Vatnaskil ehf.	Iceland	65%
Mannvit AS	Norway	100%
Mannvit UK	The UK	100%
Land and water resource concultants Ltd.	The UK	80%
Mannvit GmbH	Germany	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%

[1] The COWI Group has branch offices in Ethiopia, Bahrain, Iceland, Germany, Greenland, Kenya, Philippines, Qatar, Taiwan, Tanzania, Turkey, the UAE and Uganda.

Note 31 Definition of terminology applied

Book value per share	Equity divided by year-end number of shares (excluding treasury shares).
Cash conversion	Cash flow from operating activities in percentage of EBITDA.
EBIT (operating profit)	Profit before financial items, profit/loss after tax in associates and tax.
EBIT margin (operating margin)	EBIT as a percentage of revenue.
EBITA	Profit before financial items, profit/loss after tax in associates, tax and amortisation.
EBITA margin	EBITA as a percentage of revenue.
EBITA*	Profit before financial items, profit/loss after tax in associates, tax, amortisation of goodwill and acquisition-related intangible assets and special items.
EBITA* margin	EBITA* as a percentage of revenue.
EBITDA	Profit before financial items, profit/loss after tax in associates, tax, depreciation and amortisation.
EBITDA margin	EBITDA as a percentage of revenue.
Effective tax rate	Income tax as a percentage of profit before tax.
Equity ratio (solvency ratio)	Total equity end of year as a percentage of total assets end of year.
FTEs	FTEs are defined as the contractual working hours of an employee compared to a full-time contract in the same position and country. The full-time equivalent figure is used to measure the active workforce counted in full-time positions. The FTE figure includes employees who are on permanent and temporary contracts. Excluded from the FTE figure are employees on unpaid leave, contractors, third-party workers and employees for which COWI do not guarantee or are obliged to offer a minimum or fixed number of working hours (the latter is referred to as non-guaranteed hours employees). The average FTE figure is calculated as an average figure based on the figure at the end of the year and the figure at the end of the previous year.
Headcounts	Headcounts are the number of individual employees with an employment relationship with COWI. The headcount figure includes employees who are on permanent and temporary contracts. Excluded from the headcount figure are employees on unpaid leave, contractors, third-party workers and employees for which COWI do not guarantee or are obliged to offer a minimum or fixed number of working hours (the latter is referred to as non-guaranteed hours employees). The average headcount figure is calculated as an average figure based on the figure at the end of the year and the figure at the end of the previous year.
Net interest-bearing debt (NIBD)	Interest-bearing liabilities less interest-bearing assets, marketable securities and cash.
Net working capital	Current assets less current liabilities used in, or necessary for, the company's operations. The main components are contract work in progress, trade receivables, trade payables and other non-interest-bearing receivables and payables.
NPS	The Net Promoter Score (NPS) is derived from a quarterly questionnaire measuring on a scale from 0 to 10 how likely the customer is to recommend COWI to others within their field. Those who answer 9 to 10 are considered COWI ambassadors (promoters), who are typically very loyal and speak highly of COWI to others. Those who answer 7 to 8 are considered passives. Those who answer 6 or less are considered disloyals (detractors). The NPS is calculated by subtracting the share of detractors (those who answer 0 to 6) from the share of promoters (9-10). The resulting score is a value between -100 and +100.
Operating costs	Operating costs consist of external costs, employee costs and amortisation, depreciation and impairment losses.
Order backlog	Order backlog is the remaining work on legally binding contracts, variation orders and contractual options, measured at own production value. Framework contracts are included in the order backlog with the estimated work in the coming 12 months.
Organic growth	Organic growth is the increase in revenue in the current reporting period compared to the previous reporting period, excluding the effect of acquisitions, divestments and foreign exchange translation impact. The effect of acquisitions and divestments is calculated for a 12-month period from the acquisition/divestment date, unless it is impracticable to distinguish acquisition development from organic growth, e.g., due to integration into existing business. The foreign exchange translation impact is calculated as the difference between the figures for the current reporting period translated at the current exchange rates and at the exchange rates applied in the previous reporting period.
Own production	Revenue less external costs directly attributable to projects as well as costs for subcontractors.
Return on equity (ROE)	Profit as a percentage of average equity. Average equity is calculated as the average of the balance at the end of year and the balance at the end of the previous year.
Return on invested capital (ROIC)	EBIT as a percentage of average invested capital (intangible assets; property, plant and equipment; net working capital). Average invested capital is calculated as the average of the balance at the end of year and the balance at the end of the previous year.
Shareholder return	Shareholder return is the increase in book value per share in DKK from the beginning of the year to the end of the year, plus the dividend per share paid in cash during the year. Finally, this in-/decrease is divided by book value per share in DKK at the beginning of the year to obtain a percentage development.
Special items	Special items include significant income and expenses of a non-recurring nature which cannot be attributed directly to COWI's ordinary activities.

COWI Holding A/S financial statements

Parent company

Contents

Income statement for the parent company

1 January-31 December

DKK million	**Note**	**2023**	**2022**
Other operating income		82	77
External costs		(27)	(16)
Employee costs	**2**	(51)	(48)
Amortisation, depreciation and impairment losses	**3**	(34)	(32)
Operating profit		**(30)**	**(19)**
Profit after tax in subsidiaries		219	207
Financial income	**4**	118	94
Financial costs	**5**	(58)	(133)
Profit before tax		**249**	**149**
Tax on profit for the year	**6**	(13)	11
Profit for the year		**236**	**160**

Balance sheet for the parent company

at 31 December

DKK million	Note	2023	2022
Software and licences		95	129
Development projects in progress		3	0
Intangible assets	**7**	**98**	**129**
Equipment		0	1
Property, plant and equipment	**8**	**0**	**1**
Investments in subsidiaries		991	884
Non-current financial assets	**9**	**991**	**884**
Total non-current assets		**1,089**	**1,014**
Receivables from subsidiaries		264	166
Other receivables		1	4
Tax receivables		2	3
Loans to subsidiaries		639	657
Prepaid expenses		3	2
Total receivables		**909**	**832**
Marketable securities		581	540
Cash		137	132
Total current assets		**1,627**	**1,504**
Total assets		**2,716**	**2,518**

Balance sheet for the parent company

at 31 December

DKK million	Note	2023	2022
Share capital	**10**	287	287
Retained earnings		1,284	1,153
Proposed dividend		82	73
Equity		**1,653**	**1,513**
Deferred tax liabilities	**12**	64	51
Provisions for incentive programme and pensions		6	11
Total provisions		**70**	**62**
Trade payables		76	48
Amounts owed to subsidiaries		890	880
Tax liabilities		12	0
Other accounts payables		15	15
Total current liabilities		**993**	**943**
Total liabilities		**993**	**943**
Total equity and liabilities		**2,716**	**2,518**

Accounting policies	**1**
Proposed distribution of profit for the year	**11**
Special items	**13**
Fees to auditors	**14**
Contingent liabilities and other financial commitments	**15**
Related party transactions	**16**

Statement of changes in equity for the parent company

DKK million	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Dividend	Total
Equity at 1 January 2022	**287**	**0**	**1,114**	**68**	**1,469**
Distributed dividend				(68)	(68)
Profit for the year		213	(53)		160
Foreign exchange adjustment, foreign subsidiaries		(31)			(31)
Equity movements in subsidiaries		(3)			(3)
Purchase of treasury shares			(14)		(14)
Other transfers		(179)	179		0
Proposed dividend*			(73)	73	0
Equity at 1 January 2023	**287**	**0**	**1,153**	**73**	**1,513**
Distributed dividend				(73)	(73)
Profit for the year		219	17		236
Foreign exchange adjustment, foreign subsidiaries		(13)			(13)
Equity movements in subsidiaries		3			3
Purchase of treasury shares			(13)		(13)
Other transfers		(209)	209		0
Proposed dividend*			(82)	82	0
Equity at 31 December 2023	**287**	**0**	**1,284**	**82**	**1,653**

* equivalent to DKK 32 per share (2022: DKK 28 per share)

Notes for the parent company

Note 1 Accounting policies

The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act for large entities in reporting class C. The accounting policies are the same as those applied to the consolidated financial statements, apart from the following policies:

Equity

Reserve for equity method
In the parent company, the reserve for net revaluation, according to the equity method, comprises net revaluations of equity investments in subsidiaries relative to cost. This corresponds to recognised impact in the income statement and directly in equity and less dividends. The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting policies. The reserve cannot be recognised at a negative value.

Cash flow statement
No separate cash flow statement has been prepared for the parent company, in accordance with section 86(4) of the Danish Financial Statements Act – reference is made to the group cash flow statement.

Note 2 Employee costs

Reference is made to note 4 to the consolidated financial statements concerning the remuneration of the Board of Directors and the Executive Board.

The company had five employees during the financial year (2022: four).

DKK million	2023	2022
Salaries and wages	(45)	(43)
Pensions	(5)	(5)
Social security	(1)	0
Other employee costs	0	0
Employee costs	**(51)**	**(48)**

Note 3 Amortisation, depreciation and impairment losses

DKK million	2023	2022
Amortisation of software and licences	(34)	(31)
Depreciation of equipment	0	(1)
Amortisation, depreciation and impairment losses	**(34)**	**(32)**

Note 4 Financial income

DKK million	2023	2022
Interest, subsidiaries	40	17
Interest on cash, securities etc.	8	2
Fair value adjustments of marketable securitites	56	41
Foreign exchange gains	14	34
Financial income	**118**	**94**

Note 5 Financial costs

DKK million	2023	2022
Interest, subsidiaries	(24)	(6)
Interest on cash, securities etc.	(10)	(5)
Fair value adjustments of marketable securitites	(13)	(109)
Foreign exchange losses	(11)	(13)
Financial costs	**(58)**	**(133)**

Note 6 Tax on profit for the year

DKK million	2023	2022
Current tax for the year	(12)	-
Deferred tax for the year	1	13
Adjustments to current tax related to prior years	12	2
Adjustments to deferred tax related to prior years	(14)	(4)
Total tax	**(13)**	**11**
Broken down as follows:		
Tax on profit	(13)	11
Total tax	**(13)**	**11**
Tax on profit for the year can be broken down as follows:		
Tax calculated at income tax rate in Denmark (22%) on profit before tax, excl. profit after tax in subsidiaries	(7)	14
Tax effect from:		
Amortisation of goodwill disallowed for tax purposes	-	(1)
Other income/costs disallowed for tax purposes	(4)	-
Adjustments to current tax related to prior years	12	2
Adjustments to deferred tax related to prior years	(14)	(4)
Tax on profit for the year	**(13)**	**11**

Note 7 Intangible assets

DKK million	Software and licences	Development projects in progress	Total
Cost at 1 January 2023	171	0	171
Additions	0	3	3
Transfers	0	0	0
Disposals	(1)	0	(1)
Cost at 31 December 2023	**170**	**3**	**173**
Amortisation and impairment losses at 1 January 2023	42	-	42
Additions		-	0
Amortisation	34	-	34
Disposals	(1)	-	(1)
Amortisation and impairment losses at 31 December 2023	**75**	**-**	**75**
Carrying amount at 31 December 2023	**95**	**3**	**98**

Note 8 Property, plant and equipment

DKK million	Equipment
Cost at 1 January 2023	3
Disposals	(2)
Cost at 31 December 2023	**1**
Depreciation and impairment losses at 1 January 2023	2
Depreciation	0
Disposals	(1)
Depreciation and impairment losses at 31 December 2023	**1**
Carrying amount at 31 December 2023	**0**

Note 9 Non-current financial assets

Accounting policies

Subsidiaries are all entities over which the parent company has a controlling influence. Investments in subsidiaries are initially recognised at cost and subsequently measured according to the equity method based on the proportionate share of the entity's net assets. The difference between the cost and the fair value of net assets of the acquired company at the date of acquisition is considered goodwill and reflected in 'Investment in subsidiaries' in the balance sheet and amortised on a straight-line basis over the estimated useful life of the investment. Dividends received from subsidiaries reduce the value of the investment. Subsidiaries with a negative net asset value are recognised with zero value, but if the parent company has a legal or constructive obligation to cover the subsidiary's negative balance, a provision is recognised.

Profit after tax on investments in subsidiaries is recognised as a separate line in the income statement and includes the parent company's share of profit after tax less the amortisation of goodwill.

DKK million	**Investments in subsidiaries**
Cost at 1 January 2023	1,538
Additions	69
Cost at 31 December 2023	**1,607**
Value adjustments at 1 January 2023	(654)
Exchange rate translation adjustments	(8)
Profit for the year	219
Dividends	(173)
Value adjustments at 31 December 2023	**(616)**
Carrying amount at 31 December 2023	**991**

Reference is made to note 30 to the consolidated financial statements for an overview of subsidiaries within the COWI Group.

Note 10 Share capital

Reference is made to note 18 to the consolidated financial statements concerning share capital.

Note 11 Proposed distribution of profit for the year

DKK million	**2023**	**2022**
Proposed dividend	82	73
Retained earnings	154	87
Proposed distribution of profit for the year	**236**	**160**

The Board of Directors proposes that the annual general meeting approve a dividend of DKK 32 per share for the financial year of 2023, corresponding to an increase of 14% compared to 2022. This will result in an expected total dividend payment of DKK 82 million, corresponding to a dividend of 35% of the parent company's net profit for the year.

Note 12 Deferred tax

DKK million	**2023**	**2022**
Deferred tax at 1 January	(51)	(60)
Adjustments to deferred tax related to prior years	(14)	(4)
Deferred tax	1	13
Deferred tax at 31 December	**(64)**	**(51)**
Recognised in the balance sheet as:		
Deferred tax liabilities	(64)	(51)
Deferred tax at 31 December	**(64)**	**(51)**
Deferred tax concerns:		
Intangible assets	(21)	(28)
Property, plant and equipment	17	1
Provisions	2	2
Claw-back from international joint taxation and debt	(62)	(60)
Tax-loss carryforward, deductible for tax purposes	0	34
Deferred tax at 31 December	**(64)**	**(51)**

Note 13 Special items

DKK million	2023	2022
Costs:		
Transformation programme	(11)	0
Restructuring	(14)	(10)
Total costs	**(25)**	**(10)**

Special items are reflected in the following items in the income statement:

External costs	(10)	0
Employee costs	(15)	(10)
Total special items, net	**(25)**	**(10)**

Special items relate to significant costs in relation to the organisational transformation programme and costs for restructuring the organisation.

Note 14 Fees to auditors

Total fee paid to PricewaterhouseCoopers is DKK 50 thousand (2022: DKK 50 thousand), and covers the stautory audit of the company's financial statements. There are no fees for other assurance engagements, tax advisory or other services (2022: 0).

Note 15
Contingent liabilities and other financial commitments

The Danish entities 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 letters of intent to two subsidiaries, not to require repayment of loans totalling DKK 29 million (2022: DKK 9 million), until the subsidiaries are able to generate sufficient cash flow.

DKK million	2023	2022
Guarantees		
Guarantee facility at 31 December	**823**	**822**
Drawn for performance bonds relating to projects in progress	190	163
Drawn for other guarantees	66	61
Total drawn guarantees at 31 December	**256**	**224**

For guarantees, the following assets have been provided as security to credit institutions:

Cash at a carrying amount of	1	1
Securities at a carrying amount of	292	269
Total securities at 31 December	**293**	**270**

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

Reference is made to note 27 to the consolidated financial statements for further information on the company's obligations regarding the Group's share ownership programme and parent company guarantees.

Note 16 Related party transactions

Reference is made to note 28 to the consolidated financial statements for information on related party transactions in the parent company.

Statements

Statement by the Board of Directors and the Executive Board

29 February 2024

Today, the Board of Directors and the Executive Board considered and approved the annual report for the financial year 1 January-31 December 2023 of COWI 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 2023 in accordance with the Danish Financial Statements Act.

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

In our opinion, the sustainability statements included in the management's review represents a reasonable, fair, and balanced representation of the Group's sustainability performance and are prepared in accordance with the stated accounting policies.

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

Kongens Lyngby, 29 February 2024

Executive Board:

Jens Højgaard Christoffersen
Chief Executive Officer

Natalie G. Shaverdian Riise-Knudsen
Chief Financial Officer

Marius Weydahl Berg
Chief Business Development Officer

Board of Directors:

Jukka Pertola
Chair

Carsten Bjerg
Vice Chair

Anne Harris

Pierre Olofsson

Jeanette Fangel Løgstrup

Ivor Catto

Jasper Kyndi*

Kristin Sandberg*

Niels Fog*

*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 2023, 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 2023 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 2023, which comprise income statement, 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 statement of cash flows ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Hellerup, 29 February 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705

Søren Alexander
State Authorised Public Accountant
mne42824

Independent limited assurance report on the ESG metrics

To the stakeholders of COWI Holding A/S

COWI Holding A/S engaged us to provide limited assurance on the ESG metrics described below and included in the annual report on pages 38, 43, 44, 47 and 53 for the period 1 January – 31 December 2023.

Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us not to believe that the ESG metrics in scope for our limited assurance engagement included in the annual report on pages 38, 43, 44, 47 and 53 for the period 1 January - 31 December 2023 are prepared, in all material respects, in accordance with the ESG accounting policies developed by COWI Holding A/S, as stated on pages 54-58 in the section ESG reporting criteria (the "ESG reporting criteria").

This conclusion is to be read in the context of what we say in the remainder of our report.

What we are assuring

The scope of our work was limited to assurance over the sustainability information for the period 1 January – 31 December 2023 included in the section Environmental, social and Governance on pages 38, 43, 44, 47 and 53 of the management's review in the annual report for 2023.

We express limited assurance in our conclusion.

Corresponding information

With effect from the current financial year, the ESG metrics has become subject to a limited assurance engagement. Please note that the comparative information to the ESG metrics for the period 1 January - 31 December 2023 has not been subject to assurance, which also appears from the ESG metrics.

Professional standards applied and level of assurance

We performed our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions stated on page 37, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. Greenhouse Gas emissions quantification is subject to inherent uncertainty as a result of incomplete scientific knowledge used to determine emission factors and the values and methods needed to combine emissions of different gases.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement, in relation to both the risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality of control

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

PricewaterhouseCoopers is subject to the International Standard on Quality Management 1, ISMQ 1, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent, multidisciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The ESG metrics needs to be read and understood together with the ESG reporting criterias, which Management is solely responsible for selecting and applying.

The absence of a significant body of established practice on which to draw on, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the ESG metrics. In doing so, and based on our professional judgement, we:

- Made inquiries and conducted interviews with Group functions to assess consolidation processes, use of company-wide systems, and controls performed at Group level;
- Performed limited substantive testing on a sample basis to underlying documentation, and evaluated the appropriateness of quantification methods and compliance with the ESG reporting criterias for preparing the ESG metrics;
- Conducted an analytical review of the ESG metrics and trend explanations;
- Considered the disclosure and presentation of the ESG metrics, and
- Evaluated the obtained evidence.

Management responsibilities

Management of COWI Holding A/S is responsible for:

- Designing, implementing and maintaining internal controls over information relevant to the preparation of ESG metrics that is free from material misstatement, whether due to fraud or error;
- Establishing objective ESG reporting criteria for preparing the ESG metrics;
- Measuring and reporting ESG metrics based on the ESG reporting criteria; and
- The content of the annual report for the period 1 January – 31 December 2023.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the ESG metrics are prepared, in all material respects, in accordance with the ESG reporting criteria.
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the stakeholders of COWI Holding A/S.

Hellerup, 29 February 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231

Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705

Søren Alexander
State Authorised Public Accountant
mne42824

COWI Holding A/S company information

Company information

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Company registration number
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Board of Directors

Jukka Pertola, Chair
Carsten Bjerg, Vice Chair
Anne Harris
Pierre Olofsson
Jeanette Fangel Løgstrup
Ivor Catto
Jasper Kyndi
Kristin Sandberg
Niels Fog

Executive Board

Jens Højgaard Christoffersen, Chief Executive Officer
Natalie G. Shaverdian Riise-Knudsen, Chief Financial Officer
Marius Weydahl Berg, Chief Business Development Officer

External auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Denmark
State Authorised Public Accountants
Rasmus Friis Jørgensen and Søren Alexander

Annual general meeting

The annual general meeting will be held on 20 March 2024 at the company address and online.