

DHI Fonden

Agern Alle 5, DK-2970 Hørsholm

CVR no. 40 12 70 97

Annual report 2022

The Annual Report was presented and adopted at the Meeting of Board of Directors on 9 June 2023

Chairman of the Board of Directors:

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Per Falholt



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Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of DHI Fonden for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation at 31 December 2022 and of the results of the Foundation's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

Hørsholm, 9 June 2023

Board of Directors:

Per Falholt
Chairman

Mikkel Esbjerg

Helle Rootzén

Independent auditor's report

To the Board of Directors of DHI Fonden

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Foundation at 31 December 2022 and of the results of the Foundation's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DHI Fonden for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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 Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 Foundation'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 Foundation 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.

Independent auditor's report - continued

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

- Identify and assess the risks of material misstatement of the 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 Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 9 June 2023

PRICEWATERHOUSECOOPERS

STATSAUTORISERET REVISIONSPARTNERSELSKAB
CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Søren Alexander
State Authorised Public Accountant
mne42824

Management' review

Details of the foundation

Name:	DHI Fonden
Adress:	Agern Alle 5, DK-2970 Hørsholm
Registration no.:	CVR No: 40 12 70 97
Financial year:	1 January - 31 December
Registered office:	Hørsholm
Board of Directors:	Per Falholt, Chairman Mikkel Esbjerg Helle Rootzén
Auditors:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, DK-2900 Hellerup

The Foundation's main activities

The objects of the Foundation are to support non-profit or charitable purposes, including in particular to promote and support technological development and competence in Denmark in the areas of aquaculture and offshore technology, oceanography and marine environment, water resources, aquatic ecology, environmental chemistry, health and environment, water in industry and urban environment and related areas - with a view to enhancing business and the society's opportunities to create development and welfare in Denmark and abroad in a technically, economically and environmentally optimal way.

Development in activities and economic conditions

The Fund's income statement for 2022 shows a loss of DKK 1,481,057 and the Fund's balance sheet as per 31 December 2022 shows an equity of DKK 305,196,367. The loss in 2022 was primarily due to the financial markets developing negatively in 2022 driven primarily by falling equity markets and higher interest rates, following sharply increased inflation levels. As a consequence, the result for the year is not considered satisfactory.

Statement regarding the Foundation's Donation Policy and the donations for the financial year

The Donation Policy of the Foundation

The Donation Policy of the Foundation is based on the Articles of Association of the Foundation. Consequently, the Board of Directors have adopted the following Donation Policy:

The Foundation donates to and provide support for 1) competence building in Denmark, including support for participation in European and international research and development programs 2) for establishing such national and international collaborative relationships that can promote the Foundation's objectives and are compatible with the independence and non-profit nature of the Foundation 3) for disseminating results of research and technological service activities by publication in, inter alia, international journals and conferences; 4) the promotion of research, development and training activities within the Foundation's scope and purpose; 5) other non-profit or non-profit purposes as deemed fit.

The Foundation can support individuals, companies, associations or institutions. All applications are received and processed by the Foundation's Board of Directors, which ensures that these are processed in accordance with the Foundation's Donation Policy. Donations of the Foundation are regularly approved by the Board of Directors. The Board of Directors keeps a record of the persons, organizations etc. who receive grants from the Fund.

No donations were made in 2022.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Expectations for 2023

Any return on the financial assets of the Foundation will depend on the fluctuation/developments on the national and international bonds and stock markets. The fund's other activities and costs are expected to be in line with 2022.

Statutory report on foundation governance

The Board of Directors of the foundation aims to continue establishing appropriate, efficient and effective management and control systems.

A number of internal policies and procedures are established and maintained on an ongoing basis.

The foundation is covered by the Recommendations on Foundation Governance, which are available on the website of the Committee on Foundation Governance (godfondsledelse.dk/anbefalinger).

The foundation's report on foundations governance, cf. Section 77a of the Danish Financial Statements Act, including how the foundation has addressed the Recommendations of the Committee on Foundation Governance, is disclosed below:

Recommendation	The foundation complies	The foundation does not comply and explains
1. Transparency and communication		
1.1. It is recommended that the board of directors adopt principles for external communication that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.	It's set out in the Rules of Procedure, that the chairman of the board makes public statements on behalf of the Foundation. The board may agree on other procedures depending on the specific circumstances.	
2. Tasks and responsibilities of the board of directors		
2.1 Overall tasks and responsibilities		
2.1.1 It is recommended that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.	The Rules of Procedure states this happens at least once a year.	
2.1.2 It is recommended that the board of directors regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.	The Board discuss the financial status and asset management on each board meeting.	
2.2 Chairman and vice-chairman of the board of directors		
2.2.1 It is recommended that the chairman of the board of directors organize, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members, individually and collectively.	The Rules of Procedure state this is handled by the chairman.	
2.2.2 It is recommended that if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special activities for the commercial foundation which extend beyond the duties of chairman, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.	This is set out in the Rules of Procedure.	
2.3 Composition and organisation of the board of directors		
2.3.1 It is recommended that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors needs to possess in order to best perform the tasks in-cumbent upon the board of directors.	This is set out in the Rules of Procedure and the Articles of Association of the Foundation.	
2.3.2 It is recommended that with due respect of any right in the articles of association to make appointments, the board of directors approves a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.	This is set out in the Rules of Procedure and the Articles of Association of the Foundation.	
2.3.3 It is recommended that members of the board of directors are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the board, and that when composing and nominating new members to the board, the need for introducing new talent is weighed against the need for continuity and the need for diversity in relation to, inter alia, commercial and grants experience, age and gender.	This is set out in the Rules of Procedure and the Articles of Association of the Foundation.	

Recommendation	The foundation complies	The foundation does not comply and explains
<p>2.3.4 It is recommended that in the management commentary in the annual report and on the commercial foundation's website, if any, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:</p> <ul style="list-style-type: none"> • the name and position of the member, • the age and gender of the member, • date of original appointment to the board, whether the member has been re-elected, and expiry of the current election period, • any special competences possessed by the member, • other managerial positions held by the member, including positions on executive boards, boards of directors and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions, as well as other demanding organisation tasks, • whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies, • whether the member has been appointed by authorities/providers of grants etc., and • whether the member is considered independent. 		<p>The Foundation does not have a website. The majority of the said information is available in the Rules of Procedure, the Articles of Association and at: https://datacvr.virk.dk/enhed/virkso/mhed/40127097?fritekst=DHI%2520Fonden&sideIndex=0&size=10</p> <p>The remaining information is not disclosed due to the protection of personal data principles of the Foundation.</p>
<p>2.3.5 It is recommended that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully-owned actual holding company.</p>	<p>The Foundation complies with this.</p>	

Recommendation	The foundation complies	The foundation does not comply and explains
2.4 Independence		
<p>2.4.1 It is recommended that an appropriate proportion of the board of directors be independent.</p> <p>If the board of directors (excluding employee representatives) is composed of</p> <ul style="list-style-type: none"> up to four members, at least one member should be independent, between five and eight members, at least two members should be independent, or nine to eleven members, at least three members should be independent, and so on. <p>To be considered independent, this person may not, for example:</p> <ul style="list-style-type: none"> be or within the past three years have been member of the executive board or a senior employee in the foundation or an essential subsidiary or associated company to the foundation, within the past five years have received larger emoluments, including distributions or other benefits from the foundation/group or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors or executive board of the foundation, within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation/group or a subsidiary or as-sociated company of the foundation, be or within the past three years have been employed or partner at the external auditor, have been a member of the board of directors or executive board of the foundation for more than 12 years, be a close relative or in another way be very close to persons who are not considered as independent, be the founder or a significant do-nor if the purpose of the foundation is to grant support to this person's family or others who are especially close to this person, or be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years have received significant donations from the foundation. 	The Foundation complies with this.	
2.5 Appointment period		
<p>2.5.1 It is recommended that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.</p>	The election period is 3 years. Re-election is possible.	
<p>2.5.2 It is recommended that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.</p>		This is set out in the Rules of Procedure and it's not disclosed due to the protection of personal data principles of the Foundation.

Recommendation	The foundation complies	The foundation does not comply and explains
2.6 Evaluation of the performance of the board of directors and the executive board		
2.6.1 It is recommended that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually, and the result is discussed by the board of directors.	This is set out in the Rules of Procedure.	
2.6.2 It is recommended that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria.	The Foundation has no executive board nor an administrator.	
3. Remuneration of management		
3.1.1 It is recommended that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of a potential executive board be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.	The members are remunerated with a fixed annual fee with the possibility of additional fees for ad hoc tasks performed. No remuneration is depending on accounting results.	
3.1.2 It is recommended that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation and from the foundation's subsidiaries and associated companies. Furthermore there should be information on any other remuneration which members of the board of directors and an executive board, if any, have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.		The Foundation discloses the combined remuneration not on an individual basis due to the protection of personal data policies of the Foundation.

Financial statements 1 January – 31 December

Income statement

Note	DKK	2022	2021
	Other external expenses	-94,136	-76,500
2	Staff costs	-350,004	-350,004
	Loss before net financials	-444,140	-426,504
3	Financial income	202,971	5,447
4	Financial expenses	-1,239,889	-90,320
	Loss before tax	-1,481,057	-511,377
5	Tax for the year	0	0
	Loss for the year	-1,481,057	-511,377
	Appropriation of loss		
	Transferred to retained earnings	-1,481,057	-511,377

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2022	2021
	Financial assets		
6	Investment in subsidiary	298,000,000	298,000,000
	Total non-current assets	298,000,000	298,000,000
	Current assets		
	Tax receivable	44,654	-
	Other receivables	-	17,875
		44,654	17,875
7	Securities	5,934,991	7,005,447
	Cash	1,216,722	1,654,309
	Total current assets	7,196,367	8,677,631
	TOTAL ASSETS	305,196,367	306,677,631
	EQUITY AND LIABILITIES		
	Equity		
	Contributed capital	308,000,000	308,000,000
	Retained earnings	-2,897,992	-1,416,935
	Total equity	305,102,008	306,583,065
	Current liabilities		
	Trade payables	37,800	40,000
8	Other payables	56,559	54,566
	Total current liabilities	94,359	94,566
	Total liabilities	94,359	94,566
	TOTAL EQUITY AND LIABILITIES	305,196,367	306,677,631

- 1 Accounting policies
9 Contractual obligations and contingencies, etc.
10 Related parties

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	308,000,000	-905,558	307,094,442
Transfer, see "Appropriation of loss"	-	-511,377	-511,377
Equity at 1 January 2022	308,000,000	-1,416,935	306,583,065
Transfer, see "Appropriation of loss"	-	-1,481,057	-1,481,057
Equity at 31 December 2022	308,000,000	-2,897,992	305,102,008

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of DHI Fonden for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities with the required amendments as a consequence of the foundation being a commercial foundation.

In accordance with section 111(3) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The subsidiary, DHI A/S', consolidated financial statements can be requisitioned at DHI A/S, Agern Allé 5, DK-2970 Hørsholm.

The accounting policies applied by the foundation are consistent with those of last year.

The Financial Statements for 2022 are presented in DKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Foundation, 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 Foundation, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Income statement

Other external expenses

Other external expenses comprise expenses relating to administration, insurance, auditors, etc.

Staff costs

Staff costs comprise remuneration for the Board of Directors.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, fees, exchange rate adjustments, etc.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Under the Danish tax rules, the foundation can deduct provisions for future distributions. By this, the foundation can reduce a taxable income to zero in the tax schedules by recognising a provision for future distributions. Such a provision is not recognised in the financial statements but is showed under distribution reserve in equity. No deferred tax is recognised in the financial statements as is assessed more likely than not, that all profit earned will be distributed, in accordance with the articles of association.

Balance sheet

Investment in subsidiary

Investment in subsidiary is measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Securities

Securities, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Equity

Profit/loss, which are not yet distributed in accordance with the distribution purpose in the articles of association, are recognised on a special reserve under equity called "retained earnings". Proposed distributions for the coming year in accordance with the distribution purpose in the articles of association are recognised on a special reserve under equity called "Distribution reserve".

Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

	DKK	2022	2021
2 Staff costs			
Remuneration of the Board		-350,004	-350,004

The remuneration for the Board of Directors consists of a fixed fee.

The foundation has no employees apart from the members of Board of Directors, which comprises two male members and one female.

	DKK	2022	2021
3 Financial income			
Value adjustment of marketable securities		-	5,447
Dividend received on marketable securities		202,971	-
		202,971	5,447

4 Financial expenses			
Other financial expenses		-11,115	-90,320
Value adjustment of marketable securities		-1,228,774	-
		-1,239,889	-90,320

5 Tax for the year			
Tax on taxable income		-	-

6 Investments in subsidiary

Key figures for the Company's subsidiary at 31 December 2022:

Name and registered office (DKK)	Ownership interest	Equity	Profit/loss for the year
DHI A/S, Hørsholm	100%	354,524,598	-7,439,403

As of 31 December 2022, the Foundation has maintained its original recognised carrying value of its subsidiary at DKK 298,000,000.

	DKK	2022	2021
7 Securities			
Securities (listed bonds and shares) measured at fair values		5,934,991	7,005,447

Value adjustment of securities is transferred to the profit and loss account.

Financial statements 1 January – 31 December

Notes

	DKK	2022	2021
8 Other payables			
Payable salary taxes		54,559	54,566

9 Contractual obligations and contingencies, etc.

The Foundation has no contingent liabilities as of 31 December 2022.

10 Related parties

Besides the members of the Board of Directors, related parties comprise the fully owned subsidiary, DHI A/S and its subsidiaries.

The foundation has during the year paid remuneration to the Board of Directors as disclosed in note 2.

Investment in the fully owned subsidiary, DHI A/S, is disclosed in note 5. No dividend income has been received for 2022.

The foundation does not have any receivables or payables from related parties.