# ANNUAL REPORT | 2020

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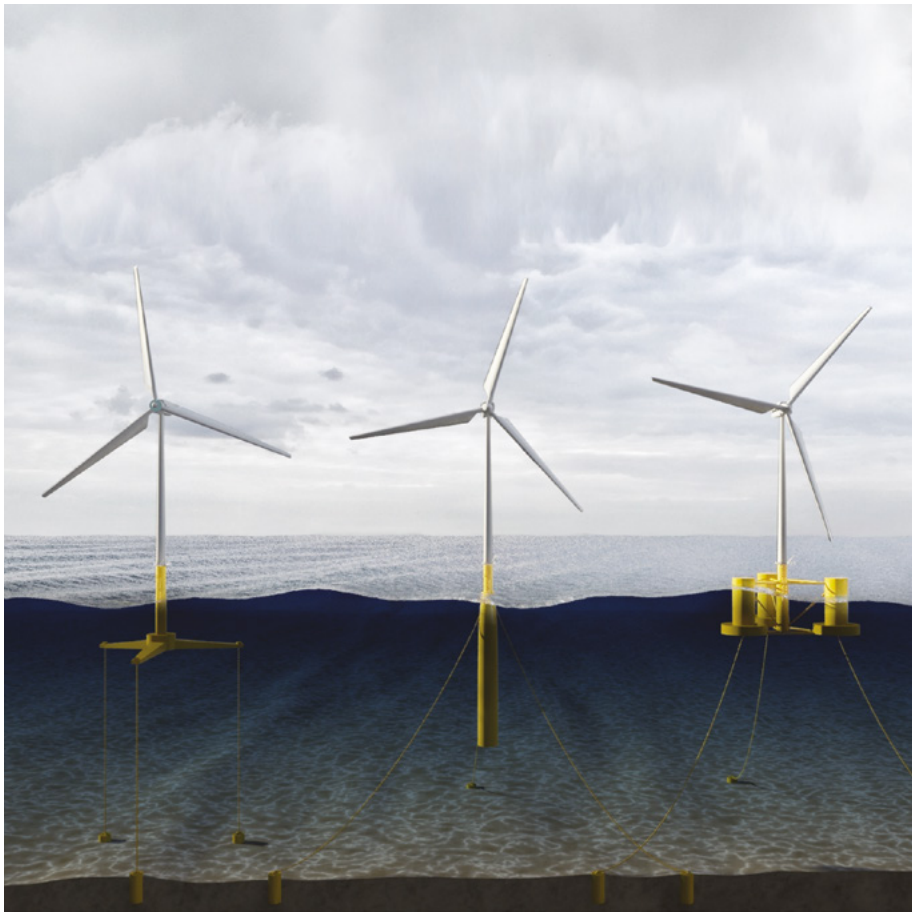


The annual report was presented and approved at the COWIfonden board meeting on 26 May 2021.

Chairman

ANTON PETERSEN

COWIfonden

Parallelvej 2, 2800 Kongens Lyngby

Photo: Dag_Spant_N24

02 STATEMENTS

06 MANAGEMENT'S REVIEW

30 ACCOUNTING POLICIES

32 FINANCIAL STATEMENT

# STATEMENTS

## STATEMENT BY THE BOARD OF DIRECTORS

Today, the Board of Directors considered and approved the annual report for the financial year 1 January-31 December 2020 of COWIfonden.

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.

In our opinion, the annual report gives a true and fair view of COWIfonden's assets, liabilities and financial position as of 31 December 2020 and the results of COWIfonden's activities for the financial year 1 January-31 December 2020 in accordance with the applied accounting policies.

In our opinion, the management's review gives a fair and true view.

Kongens Lyngby, 26 May 2021

BOARD OF DIRECTORS:

ANTON PETERSEN
Chairman

MARTIN P. BENDSØE
Vice Chairman

SUZANNE C. BECKMANN

EJGIL MARTIN VEJE

ANDERS JACOBSSON

TINA VEJRUM

HEIDI LUND HANSEN

ANNA KATHRINE
BISGAARD SØRENSEN

MARIUS SEKSE

# INDEPENDENT AUDITOR'S REPORT

To the board of COWIfonden and the foundation authority.

## OPINION

In our opinion, the financial statement gives a true and fair view of the financial position of COWIfonden's assets, liabilities and financial position as of 31 December 2020 and of the results of COWIfonden's activities for the financial year 1 January-31 December 2020 in accordance with the Danish Financial Statements Act.

We have revised the financial statement for COWIfonden for the financial year 1 January-31 December 2020, which covers applied accounting practices, profit and loss account, statement of changes in equity, balance and notes ("the financial statement").

## BASIS FOR OPINION

We have carried out our audit in accordance with international standards on auditing and additional requirements applicable in Denmark. Our responsibility pursuant to said standards and requirements are elaborated in the section "Auditor's responsibility". We are independent of COWIfonden in accordance with the international code of ethics for professional accountants (IESBA's Code of Ethics for Professional Accountants) and the additional requirements applicable in Denmark, just as we have met our other ethical obligations in relation to these rules and requirements. In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## STATEMENT ON THE MANAGEMENT'S REVIEW

The management is responsible for the management's review.

Our opinion on the financial statement does not include the management's review and we express no certain opinion about the management's review.

In relation to our audit of the financial statement, we are responsible for reading the management's review and, in that context, consider whether the management's review is materially inconsistent with the financial statement or our knowledge obtained during the audit or in any other way appears to contain material misstatement.

In addition, it is our responsibility to consider whether the management's review contains the information required by the Danish Financial Statements Act.

Based on the work carried out, it is our opinion that the management's review is consistent with the financial statement and prepared in accordance with the requirements of the Danish Financial Statements Act. We have not found any material misstatement in the management's review.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

The management is responsible for the preparation of a financial statement that gives a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as the management deems necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

At the preparation of the financial statement, the management is responsible for assessing COWIfonden's ability to continue operations; for stating issues relating to continued operation, if relevant; and for preparing the financial statement on the basis of the accounting principle of continued operation, unless the management either intends to liquidate COWIfonden, to cease operations or has no other realistic alternative than doing so.

## AUDITOR'S RESPONSIBILITY

Our objective is to achieve a high degree of certainty that the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to provide an auditor's report with an opinion. A high degree of certainty is a high level of certainty, but not a guarantee that an audit carried out in accordance with international accounting standards and additional requirements applicable in Denmark always uncovers

material misstatement, where such exists. Misstatements may occur as a result of fraud or error and may be considered material if it is fair to expect that, individually or together, they affect the financial decisions made by users on the basis of the financial statement.

As part of an audit carried out in accordance with international standards on auditing and additional requirements applicable in Denmark, we perform professional assessments and maintain a professional scepticism during the audit. In addition:

- We identify and assess the risk of material misstatement in the financial statement, whether due to fraud or error, plan and perform audit procedures as a response to such risks, as well as obtain audit evidence that is sufficient and suitable for forming the basis for our opinion. The risk of not discovering material misstatement caused by fraud is higher than for material misstatement caused by error, since fraud may include conspiracy, forgery, deliberate omission, misleading information or non-observance of internal control.

- We gain an understanding of the internal control relevant to the audit in order to plan suitable audit procedures, given the circumstances, but not to express an opinion on the effectiveness of the internal control of COWIfonden.

- We decide whether the accounting principles applied by the management are suitable, and whether the financial estimates and related information prepared by the management are fair and true.

- We conclude whether the management's preparation of the financial statement based on the accounting principle of continued operation is appropriate, and whether, based on the audit evidence obtained, events or conditions are subject to any significant uncertainty, which may give rise to doubts as to COWIfonden's ability to continue operation. If we conclude that there is a significant uncertainty, we must, in our auditor's report, draw attention to such information in the financial statement, or, if such information is not sufficient, we must modify our opinion. Our opinion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may entail that COWIfonden is no longer able to continue operation.

- We consider the overall presentation, structure and content of the financial statement, including information in notes, and whether the financial statement reflects the underlying transactions and events in such way that a true and fair view is presented.

We communicate with the top management, among other things about the planned scope and the time for the audit as well as significant audit observations, including any significant deficiencies of the internal control identified during the audit.

Hellerup, den 26. maj 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CBR no. 33 77 12 31

JESPER MØLLER LANGVAD

State-authorised public accountant

mne21328

SØREN ALEXANDER

State-authorised public accountant

mne42824

# MANAGEMENT'S REVIEW

## INFORMATION ABOUT COWIFONDEN

NAME AND ADDRESS:
COWIfonden, Parallelvej 2,
2800 Kongens Lyngby
Denmark

## BOARD OF DIRECTORS AND ADMINISTRATION

COWIfonden is headed by a board of directors with nine board members, of which six are appointed, two are elected by the employees in the Danish part of the COWI Group, pursuant to the Danish Companies Act, and one member is elected by the employees in the Swedish or Norwegian part of the COWI Group. Four of the six appointed members must hold or have held executive positions in the COWI Group. The two remaining members are appointed among recognized, independent persons outside the COWI Group.

The board of directors holds four ordinary meetings a year.

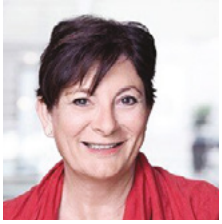
In accordance with recommendations 2.3.4 and 2.4.1 under "Report on foundation governance", the following can be said about the board members:

### ANTON PETERSEN
CHAIRMAN

- Former Regional Vice President of COWI's major business line, Bridge, Tunnel and Marine Structures (BTM), born in 1950.
- CURRENT TERM:
  **Joined:** January 2015 (Chairman)
  **End of term:** 2023
  Member of the board of COWIfonden for two terms – from 1998 to 2001 and from 2009 to 2012.
- **Special competencies:** In-depth knowledge of COWI, both technical from the field of bridges, tunnels and marine structures, and managerial from line management, based on 39 years of continued employment until the end of 2014. For 15 years, head of Bridge, Tunnel and Marine Structures in COWI, thereby acquiring solid international business and management experience. Broad experience with board duties from his positions as chairman of BTM subsidiaries and board member for several terms for multiple Danish companies (Dansk Konstruktions- og Betoninstitut, Danish Steel Institute (DSI), IABSE Danmark, and Dansk Selskab for Bygningsstatik).
- **Share owner:** Yes.
- Not independent.

## MARTIN P. BENDSØE
VICE CHAIRMAN

- Doctor of Technical Sciences, former SVP, Dean and Professor at the Technical University of Denmark (DTU), born in 1955.
- CURRENT TERM:
  **Joined:** May 2012
  **End of term:** 2022
  Vice Chairman since May 2013.
- **Special competencies:** National and international relations in research, education and innovation, especially in engineering.
- **Other directorships:** Member of the boards of Fondation Idella, Fonden Grethe og Werner Parthums Legat and Frederiksberg Gymnasium.
- **Share owner:** Yes.
- Independent.



## SUZANNE C. BECKMANN
MEMBER

- MSc in Social Sciences, Director/partner in own consultancy company, 30 years as researcher and teacher at the Aarhus School of Business and Social Sciences, the University of Southern Denmark, and as professor at the Copenhagen Business School for 20 years until 2016, born in 1959.
- CURRENT TERM:
  **Joined:** May 2018
  **End of term:** May 2022
- **Special competencies:** International board experience, strategy and management, ESG investments, corporate social responsibility and SDGs, marketing management and communication, research donations in public and private contexts.
- **Other directorships:** Member of a portfolio of Danish and international committees, steering groups and boards, and examiner with business economics programmes since 1991.
- **Share owner:** Yes.
- Independent.

## EJGIL MARTIN VEJE
MEMBER

- Former Senior Project Director, born in 1954.
- CURRENT TERM:
  **Joined:** May 2017
  **End of term:** May 2021
- **Special competencies:** Extensive line management and project management experience from large international construction projects, as well as thorough knowledge of COWI from 37 years of employment.
- **Share owner:** Yes.
- Not independent.

## ANDERS JACOBSSON
MEMBER

- Senior Vice President/Managing Director AEC AB, Sweden, born in 1972.
- CURRENT TERM:
  **Joined:** May 2019
  **End of term:** May 2023
- **Special competencies:** Extensive knowledge and experience with line management and business development from several managing positions in the COWI Group.
- **Other directorships:** Former member of the board of Vianova AB (today, Vianova is part of Trimble) and COWI Management AB. Member of the board of COWI Projektbyrån AB.
- **Share owner:** Yes.
- Not independent.

## TINA VEJRUM
MEMBER

- Vice President of Bridges International, born in 1968.
- CURRENT TERM:
  **Joined:** May 2019
  **End of term:** May 2023
- **Special competencies:** Extensive experience in line management and project management. In-depth knowledge of COWI's international infrastructure business. Vast international network.
- **Other directorships:** Member of the board of COWI Korea. Member of IABSE Executive Committee (International Association of Bridge and Structural Engineering). Chairman of the Danish IABSE section.
- **Share owner:** Yes.
- Not independent.

## HEIDI LUND HANSEN
EMPLOYEE-ELECTED

- Senior Project Manager, Project Management Consultancy, born in 1970.
- CURRENT TERM:
  **Joined:** 2016
  **End of term:** 2024
- **Other directorships:** Member of the board of COWIfonden from 2012 to 2014, elected as alternate in 2014.
- **Special competencies:** Knowledge of client consultancy, competition consultancy and process consultancy. Industrial PhD holder. Special knowledge of COWI's business, especially in the area of buildings for educational and cultural purposes. Knowledge of employee relations.
- **Share owner:** No.
- Not independent.

## ANNA KATHRINE BISGAARD SØRENSEN

EMPLOYEE-ELECTED

- Creative Leader, Arkitema Architects (wholly owned subsidiary of COWI Holding), born in 1969.
- CURRENT TERM:
  **Joined:** May 2020
  **End of term:** May 2024
- **Special competencies:** Specialist within holistic architecture development and interdisciplinary cooperation. Development of solutions for knowledge and learning environments based on experience from a wide range of project types in recent years. Sustainability and circularity as core elements to any project. Extensive network achieved through numerous assignments within knowledge environments.
- **Other relevant positions:** Member of the board of representatives "De 19" (Repræsentantskabet) and design professional in architectural competitions and member of the SDG network with the Danish Association of Architects. Examiner at Aalborg University and the Technical University of Denmark. Member of The Academy Council, The Royal Danish Academy of Fine Arts. Member of the board of Ejendomsfonden Knudepunktet Mols.
- **Share owner:** No.
- Not independent.

## MARIUS SEKSE

EMPLOYEE-ELECTED

- Digital Transformation Director, COWI AS, Norway, born in 1981.
- CURRENT TERM:
  **Joined:** May 2020
  **End of term:** 2024
- **Special competencies:** Digital management and development of interdisciplinary projects, project management, and security consultancy. Writer of articles and speaker at conferences focusing on digital development and standardisation within the infrastructure sector.
- **Other relevant positions:** Served as employee-elected member on the board of COWI Holding from 2017 to 2020. From 2015 to 2019 on the Advisory Board for the research and development project Geofuture II – a BIM platform project in geotechnical engineering.
- **Share owner:** Yes
- Not independent.

The administrative processing of applications for donations is handled by the technical and administrative secretary, who also acquires expert testimonies, when needed. Qualified applications are assessed by an evaluation committee set up by the board of COWIfonden. Applications are presented for the approval or rejection of the joint board of directors.

JOAN MAJ NIELSEN
TECHNICAL AND ADMINISTRATIVE SECRETARY

Board members are eligible for re-election, but are to resign at the first board meeting of COWIfonden following the annual general meeting of COWI Holding A/S after the end of the financial year when they turn 70.

However, the Danish Business Agency may grant an exemption to deviate from the age limit, as is the case for the chairman, whose membership has been approved until he turns 72.

Also see COWIfonden's website, www.cowifonden.dk, for further information about COWIfonden's activities.

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## COWIFONDEN'S PURPOSE

The purpose of COWIfonden can be stated as follows:

- The foundation is to support and expand the COWI Group.
- The foundation is to work to strengthen the reputation of Danish engineering.
- The foundation may use the means available to increase the share capital in COWI Holding A/S.
- The foundation may support the further education and research of engineers.
- The foundation may support the further education and research of other academics, especially in technical, economic or social disciplines, or, in special cases, other scientific or artistic purposes, relating to the activities of the COWI Group.

## COMPETENCIES AND DIVERSITY ON THE BOARD OF COWIFONDEN

Prior to appointing new board members, the board of COWIfonden prepares a profile of the competencies needed on the board. In addition, COWIfonden has prepared a diversity policy, which sets out targets on gender and geography in terms of board makeup. As a result, at least two out of six appointed board members are to be of the same gender, and at least one of the internally appointed (not external) members is to come from a non-Danish subsidiary. At the end of 2020, COWIfonden meets these targets.

## INVESTMENT POLICY

COWIfonden has adopted an investment policy covering COWIfonden's investments in securities in order to ensure that it invests in companies that have a business-oriented mindset, that exercise a high professional and ethical standard in all regards, and that meet the values of COWIfonden. The investment policy is evaluated/updated once a year for final approval by the board of the COWIfonden. In 2020, the board of COWIfonden decided to increase COWIfonden's share of 'green' holdings (ESG investments). This policy will continue in 2021. Since 2018, COWIfonden has also professionalised the administration of COWIfonden's available capital by engaging a professional investment advisor and setting up an investment and audit committee.

## DONATIONS

COWIfonden wants to support projects with a high technical level and long-term perspective. To promote this objective, COWIfonden has adopted a donation policy, which entails, among other things, that projects are granted a suitable overhead to cover expenses beyond direct salary expenses. The size of the overhead granted is published on COWIfonden's website. In 2020, we granted an overhead of DKK 175 per hour for salary costs, and for other project-related costs, we accepted an overhead contribution of up to 20 per cent. The award of donations complies with COWIfonden's donation policy, which is stated below.

## DONATION POLICY

Referring to sections 2 and 4 of the charter, the board of COWIfonden has adopted the below guidelines, which form the basis for COWIfonden's processing of applications and potential design of innovative research projects. The guidelines can be summed up as follows:

- When awarding donations, priority is given to recipients from countries where the COWI Group is established. Priority is also given to development of projects regarding the professional activities of the COWI Group.
- Universities, research institutions, well-established organisations or individuals are eligible for donations. The activities receiving support are normally to be anchored in a professional environment.
- Large-scale thematic donations can be awarded to innovative research projects or programmes that stretch over several years, preferably with several parties contributing financially and participating actively in the project. A business unit of the COWI Group can participate in such multidisciplinary projects. Smaller donations can be awarded to narrow purposes and individuals, although with a long-term perspective.
- Projects worthy of support are characterised by high technical competencies, long-term value to society and social responsibility.
- The results of projects or activities supported by COWIfonden are to be publicly accessible and, preferably, contribute to COWI's good reputation.

## FINANCIAL DEVELOPMENT IN 2020

Profit of the year before taxes amounted to DKK 93,915,000.

As of 31 December 2020, COWIfonden owns 84.4 per cent of the shares in COWI Holding A/S, corresponding to a booked cost price of DKK 86,404,000. Stated according to the net asset value method, the share portfolio would amount to DKK 1,209,777,000. In 2020, COWIfonden received dividend from COWI Holding A/S of DKK 48,465,000, which is recognized with COWIfonden.

The donations pledged in that period make up DKK 10,134,000, consisting of DKK 10,532,000 of donations awarded and DKK 398,000 of donations reversed.

The profit of the year after donations and regulation of the frame of donations amounts to DKK 79,546,000, which is proposed to be carried over to the revenue reserves. The total net capital (net asset value) then makes up DKK 365,977,000, of which the base capital makes up DKK 20,000,000.

COWIfonden states COWI Holding A/S shares at cost price. If the shares of COWIfonden were stated at the percentage of COWI Holding A/S's net capital (net asset value), the net capital of COWIfonden would amount to DKK 1,575,754,000.

In connection with COWI's employee share sale, 50,383 shares for COWI Holding A/S were bought or sold during the April trading window.

## EVENTS AFTER THE BALANCE SHEET DAY

After the balance sheet day, no events occurred that significantly affect the evaluation of the annual report.

## EXPECTED DEVELOPMENT

COWIfonden's result for 2021 is expected to be in line with or slight below the result for 2020.

COWIfonden's management does not believe that the subsequent return to normal life after a year characterised by COVID-19 will have a significant impact on the expectations for the future, cf. the Danish Financial Statements Act, § 12.

## STATEMENT ON FOUNDATION GOVERNANCE

COWIfonden complies with all recommendations for foundation governance, except for recommendation 3.2, cf. the table below.

Report on foundation governance pursuant to the Danish Financial Statements Act, § 77a.

| | RECOMMENDATION | COMPLIANCE |
|---|---|---|
| 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. | COWIfonden complies with the recommendation. COWIfonden has a website, which communicates, e.g., news and matters relating to donations. In its rules of procedure, COWIfonden states that only the chairman is to make public statements. |
| 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, at least once a year the board of directors take a position on the overall strategy and distribution policy of the foundation on the basis of the article of association. | COWIfonden complies with the recommendation. COWIfonden has adopted a strategy "Purpose, values, vision and donation policy", which was approved by the board of directors in 2017. Once a year, a status report is prepared on implementation of the overall strategy, subject to the processing and approval of the board of COWIfonden. The donation policy is included in the overall strategy, and once a year the frame for donations is determined as part of the budgeting. |
| 2.1.2 | It is recommended that the board of directors currently addresses the question of whether the asset management of the foundation in the future corresponds to the purpose and requirements of the foundation in the short and long term. | COWIfonden complies with the recommendation. Annual budgets are prepared and budget follow-up is carried out as part of four annual board meetings, during which the board also takes a position on fulfilment of COWIfonden's investment policy. |

| | RECOMMENDATION | COMPLIANCE |
|---|---|---|
| 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 organise, 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. | COWIfonden complies with the recommendation. The job description for the chairman is part of the rules of procedure for COWIfonden. It clearly defines that the chairman organizes, convenes and chairs board meetings. |
| 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. | COWIfonden complies with the recommendation. A job description is prepared for both the chairman and the vice chairman to ensure well-defined and sound allocation of responsibilities. The chairman of the board is not permitted to take on special operational tasks for the board of COWIfonden without prior approval by the board of directors. Furthermore, the following committees exist:<br>• Evaluation committee (donations)<br>• Nomination committee<br>• Investment and audit committee. |
| 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 incumbent upon the board of directors. | COWIfonden complies with the recommendation. COWIfonden has prepared a competency profile for the board of COWIfonden, which is discussed and approved once a year by the board of COWIfonden. |
| 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. | COWIfonden complies with the recommendation. The board of COWIfonden has prepared a terms of reference for and set up a nomination committee, which is tasked with identifying and recommending candidates for the boards of COWIfonden and COWI Holding. The process for selecting candidates is described in the terms of reference. Then, based on the recommendations of the nomination committee, the board of COWIfonden appoints new members to the board of COWIfonden and nominates candidates for election at the annual general meeting of COWI Holding. |
| 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 when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity is considered in relation to commercial and grants experience, age and gender. | COWIfonden complies with the recommendation. COWIfonden has prepared a competency profile for the board of COWIfonden as well as targets for diversity on the boards of COWIfonden and COWI Holding A/S as the basis for appointment of new board members. Also see 2.3.2. |

| | RECOMMENDATION | COMPLIANCE |
|---|---|---|
| 2.3.4 | It is recommended that in the management commentary in the annual report and on the Commercial foundation's website, 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:<br>• the name and position of the member,<br>• the age and gender of the member,<br>• date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,<br>• any special competences possessed by the member,<br>• 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,<br>• whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associates,<br>• whether the member has been appointed by authorities/providers of grants etc., and<br>• whether the member is considered independent. | COWIfonden complies with the recommendation. The re-quired information about all of the members of the board of COWIfonden is available at COWIfonden's website, www.cowifonden.com, and in the annual report. |
| 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. | COWIfonden complies with the recommendation. None of the board members of COWIfonden are members of the executive boards or board of directors of any COWIfonden subsidiary. |
| 2.4 | Independence | |
| 2.4.1 | It is recommended that an appropriate proportion of the board of directors be independent. | COWIfonden complies with the recommendation. COWIfonden's board consists of nine members. Three of the board members are elected by employees and six are appointed. Of the six appointed board members, two are independent. |
| 2.5 | Appointment period | |
| 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. | COWIfonden complies with the recommendation. According to COWIfonden's rules of procedure, board members are appointed for a period of four years. They may be re-elected. |
| 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. | COWIfonden complies with the recommendation. The age limit for the chairman and board members are stated in the rules of procedure and published as part of the management's review in the annual report. |

| | RECOMMENDATION | COMPLIANCE |
|---|---|---|
| 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. | COWIfonden complies with the recommendation. According to COWIfonden's rules of procedure, an annual evaluation of the board's performance is carried out, following a thorough procedure defined by the board of directors. Among other things, the evaluation covers the topics described in the recommendation. |
| 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. | COWIfonden complies with the recommendation. The work carried out by the administrative staff related to COWIfonden is part of the overall evaluation of the work of the board, cf. 2.6.1. COWIfonden has no executive board and no administrator. |
| 3 | Remuneration of management | |
| 3.1 | 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 possible 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. | COWIfonden complies with the recommendation. COWIfonden has no executive board. Remuneration of chairman, vice chairman and board members is stated in the note in the annual report. |
| 3.2 | 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 associates.<br><br>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 associates, except for the remuneration of employee representatives as employees. | COWIfonden does not comply with the recommendation. COWIfonden does not believe that publishing remuneration received by each board member will add additional relevant information to COWIfonden's stakeholders. For your information, board members that are employed by COWI Holding A/S subsidiaries earn a normal wage and bonus, if relevant. The note in the annual report states the total salary including bonus of board members employed with COWI Holding A/S subsidiaries. |

Photo: Michael Ellehammer

# KEY FIGURES AND FINANCIAL RATIOS FOR COWIFONDEN

| KEY FIGURES | 2020<br>DKK<br>('000) | 2019<br>DKK<br>('000) | 2018<br>DKK<br>('000) |
|---|---|---|---|
| **PROFIT AND LOSS ACCOUNT** | | | |
| Dividend from shares in subsidiaries | 48,465 | 48,309 | 43,709 |
| Profit before financial items | 49,294 | 52,423 | -6,210 |
| Financial income and expenses | -3,844 | -3,306 | -3,323 |
| Profit for the year | 93,679 | 92,735 | 34,143 |
| **BALANCE** | | | |
| Assets | 398,417 | 317,514 | 232,673 |
| Equity | 365,977 | 282,432 | 203,117 |
| Equity (book value)[1] | 1,575,754 | 1,314,108 | 1,214,868 |
| FINANCIAL RATIOS | | | |
| Donation percentage | 10.8 | 14.5 | 48.2 |
| Return on equity | 28.9 | 38.2 | 17.6 |

**DEFINITION OF FINANCIAL RATIOS**

| | |
|---|---|
| Donation percentage: | (Donations x 100) / Profit for the year |
| Return on equity: | (Profit for the year x 100) / Average equity |

[1] Equity, book value – i.e. if shares in subsidiaries were calculated at book value and not at historic cost.

# STATEMENT ON DONATION POLICY

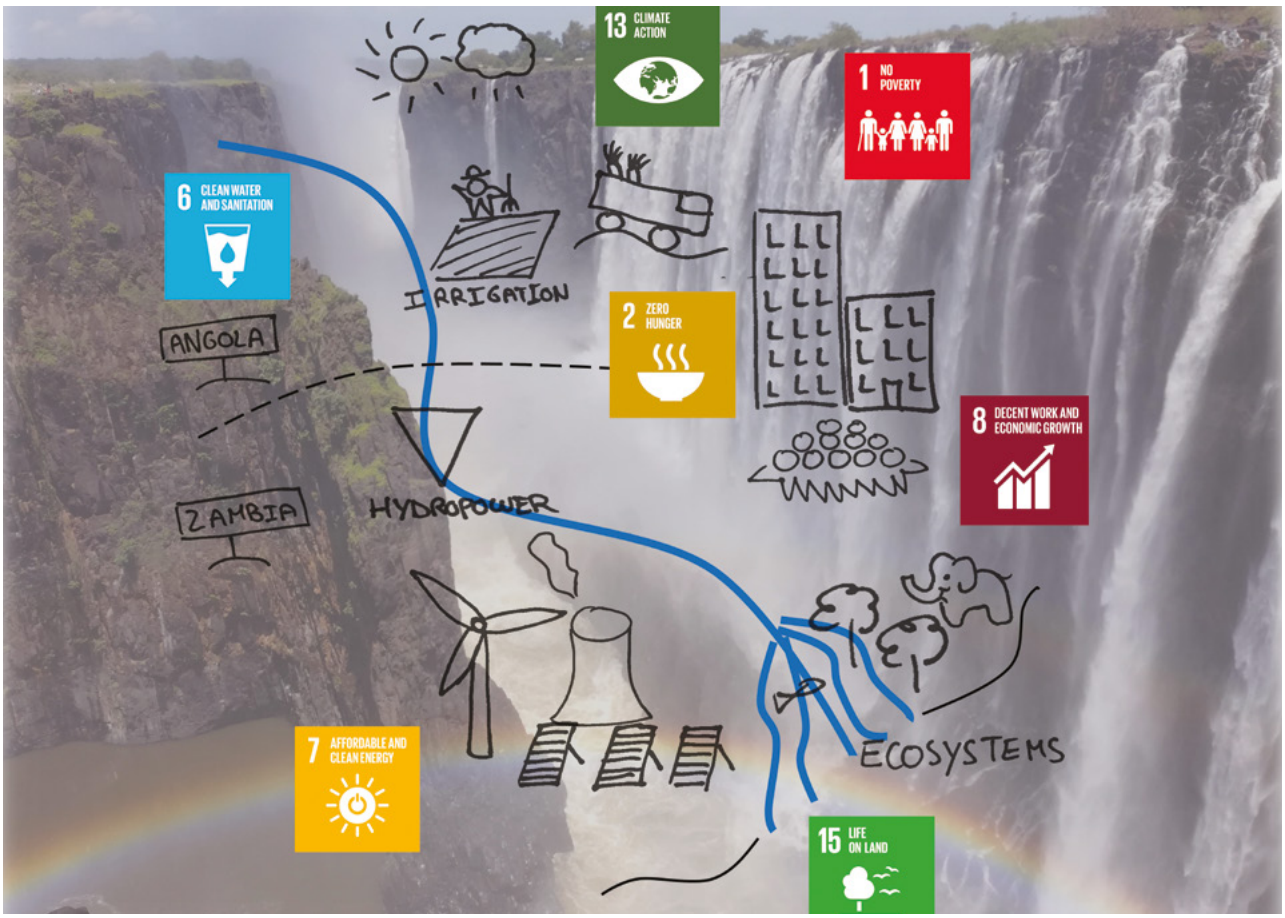
The board of COWIfonden has set a frame for donations of DKK 22 million for 2021. The intention is to aim for a total award of some DKK 15 million in 2021, but the larger frame will provide the board with the required elbow room, should special projects eligible for support emerge.

| | | | 2020 |
|---|---|---|---|
| TYPE OF APPLICATION | **Applications** | **Donations awarded** | **Success rate %** |
| Innovative research projects (based on prequalification) | 4 | 1 | 25% |
| Industrial PhD | 1 | 0 | 0% |
| R&D projects | 24 | 6 | 25% |
| Publications, TV, other media | 2 | 2 | 100% |
| (Organisation of) conferences etc. | 6 | 2 | 33% |
| PhD including research stays | 2 | 1 | 50% |
| Equipment | 9 | 4 | 44% |
| Other | 3 | 3 | 100% |
| **TOTAL** | **51** | **19** | **37%** |

In present annual report, COWIfonden choses to focus on a number of a few ongoing and one completed industrial PhD projects, as well as the innovative research project that COWIfonden supported in 2020.

As mentioned elsewhere in present annual report (and on COWIfonden's website), COWIfonden is to serve two purposes, according to its charter. As a commercial foundation, COWIfonden is to support and expand the COWI Group. The commercial element is unfolded in the role as an active and competent owner with a profound interest in the COWI Group's business and development. Furthermore, COWIfonden is to act as a donating foundation, supporting relevant purposes beneficial to society, primarily within the COWI Group's fields of activity and in particular within post-graduate studies and research. COWIfonden attaches great importance to high professional skills and activities carried out within the framework of what is today called open science, preferably in collaboration between several actors within and outside COWI. To that end, COWIfonden grants substantial donations to research and development projects at universities or research institutes that have a long-term effect and perspective within the COWI Group's fields of activity.

Among other things, that means that, for a number of years, COWIfonden has made donations to industrial PhD projects carried out with COWI and partner universities in several countries. We greatly value this function since it combines several of the COWIfonden's objectives: high professional level, relevant to COWI's long-term development, employee development and talent management. At the same time, the professional foundation is developed with COWI's partners at universities, benefitting the common public, while COWI's reputation is strengthened through the publications resulting from the industrial PhD projects.




Sustainable development goals and the water-energy-food nexus.

# WHAT-IF, A NEW DECISION-SUPPORT TOOL TO IMPROVE PLANNING AND PREVENT CONFLICTS OVER WATER RESOURCES

A new open-source decision-support tool for water infrastructure planning is expected to be improving stakeholder dialogue and preventing conflicts between countries as the competition for freshwater is escalating due to climate change, increasing population, and economic growth.

When Raphaël Payet-Burin attended a summer school in München a few years back, he participated in a workshop about a dam project in Ethiopia. The workshop led to a heated debate between Egyptian and Ethiopian participants about access to water resources across borders, and this caught his interest.

> The issue of handling transboundary water resource is going to be a major challenge for neighboring societies, so this industrial PhD-project combined three of my interests: the water-energy-food nexus, transboundary water resource management, and climate change,"
>
> says Raphaël Payet-Burin.

## VALUABLE RESSOURCES

Developing irrigation and hydropower while at the same time protecting ecosystems can potentially contribute to several sustainable development goals (SDG) such as SDG 2: "Zero Hunger", SDG 6 "Clean Water and sanitation", SDG 7 "Clean and affordable energy", and SDG 15 "Life on land". However, those goals compete for the same land, water and energy resources, and are interlinked in what is recognized as the "water-energy-food" nexus. Hence, decision-makers need to prioritize and evaluate trade-offs between measures, while transboundary issues and uncertainty in climate and socio-economic changes further complicate the planning process. Decision support tools are therefore needed to objectively determine the value of investments, considering the impacts on different groups of actors, and the risks linked to uncertainties.

## STRONG PARTNERSHIP

This industrial PhD project, a partnership between COWI, DTU (Technical University of Denmark) and MIT (Massachusetts Institute of Technology), developed an open-source decision support tool named WHAT-IF (Water, Hydropower, Agriculture, Tool for Investment and Financing). The tool integrates, in a holistic hydro-economic optimization framework, representations of the water, power and agriculture systems, and aims at providing quantitative answers to the following questions:

- What are the socio-economic impacts of a given set of projects?
- What are the synergies or trade-offs between investments and/or policies in different sectors?
- Which investments and policies will be more robust to a range of future conditions?

The decision support tool combines data from both local reports and global databases such as data from reservoirs, energy infrastructure, cultivated areas, and crop/energy prices. Being an open-source tool means there is no license costs, which else are often a barrier for institutions and researchers in low-income countries.

### ABOUT THE PROJECT

- PROJECT NAME:
  Supporting water infrastructure investment planning with hydro economic models
- GRANT TYPE:
  Industrial PhD
- PARTICIPANTS:
  COWI – Department of Policy, Planning and Infrastructure Development, DTU (Technical University of Denmark) – Department of Environmental Engineering, and MIT (Massachusetts Institute of Technology) – Joint Program on the Science and Policy of Global Change
- TIMELINE:
  September 2017 to January 2021
- COWIFONDEN CONTRIBUTION:
  520,000 DKK (≈ 69,900 EUR)

> The main novelty is that the tool not only focuses on the water sector, but also includes a representation of the agriculture and the power sectors. This makes it possible to evaluate when, where and how much water will be needed and how valuable the water resources will be under different scenarios,"
>
> Raphael explains.

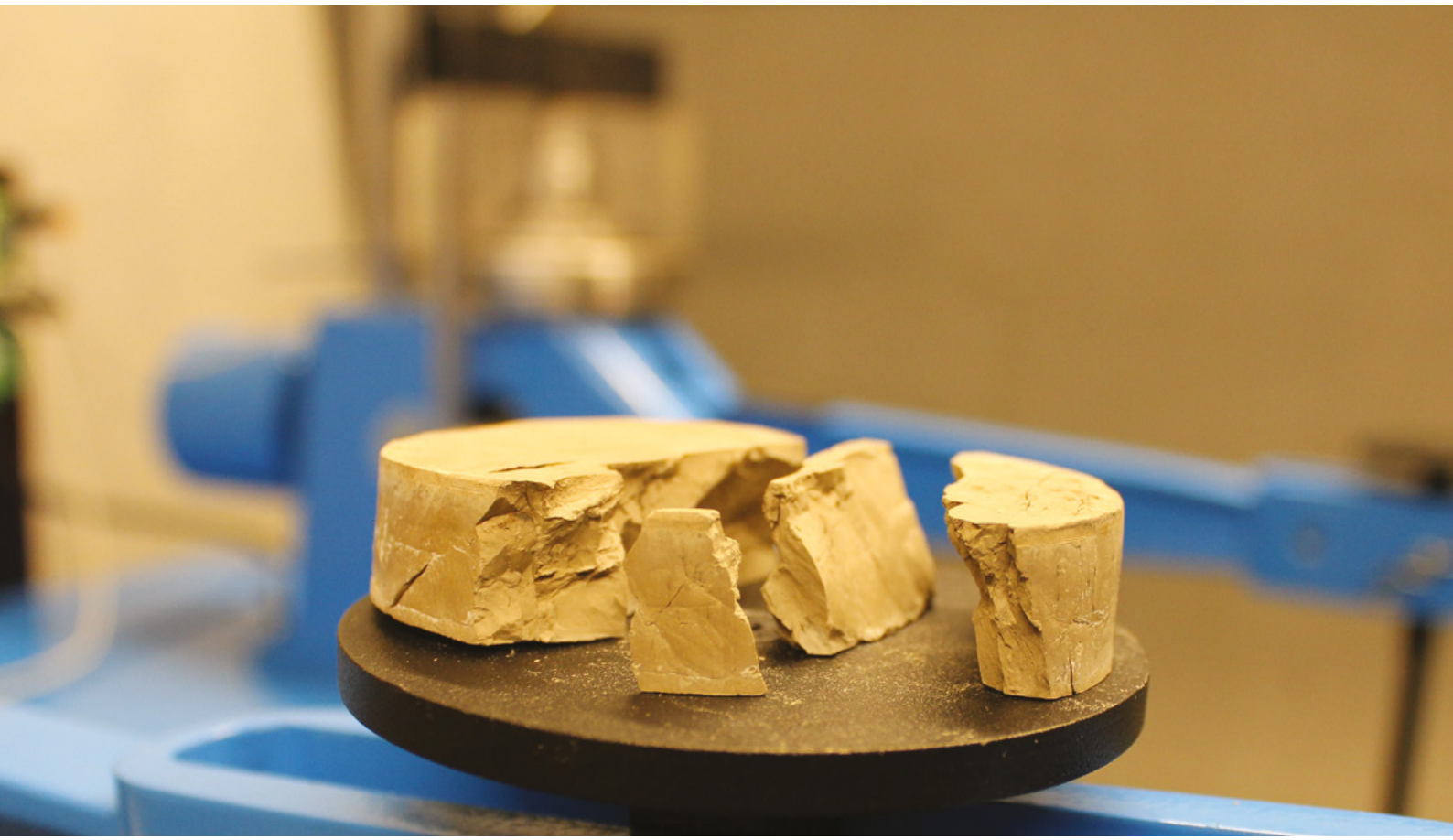
## APPLICATION TO THE ZAMBEZI RIVER BASSIN

The model was applied in the Zambezi River Basin, where the river flows through eight countries. The population in the basin is expected to grow from 40 million to about 70 million people in 2050. Multiple hydropower and irrigation projects are considered to meet growing demands. The different development projects were evaluated by performing with/without analyses under a range of climatic and socio-economic scenarios. The analysis concluded that irrigation can be developed but is limited by trade-offs with hydropower and ecosystems. Improving rainfed agriculture is also key to achieve food security. Not all hydropower projects are found robust to a drying climate, and financial parameters such as capital costs, carbon taxes and discount rates will drive the feasibility of projects.

In a nutshell, the project showed that representing the power and agriculture sectors is important for water infrastructure planning to (1) characterize the water use under different scenarios, (2) represent alternatives to water-related infrastructure, and (3) illustrate feedback effects when projects are large enough to modify economic equilibrium.

The generic formulation of WHAT-IF makes the study on the Zambezi reproducible to other River Basins. In 2020, COWI won a project financed by the Inter-American Development Bank to do a similar assessment in the Amazon River Basin, where the new tool was key for winning. It will be implemented in 2021 and 2022.

A web page has been created for the decision support tool (https://www.what-if-software.dk/) and the code is publicly available under a git repository (https://github.com/RaphaelPB/WHAT-IF).



Sample of Paleogene clay after testing.

# CAN WE CONTROL THE MOVEMENT OF CLAY IN FUTURE FOUNDATION DESIGN?

Traditionally, geotechnical engineers cannot choose or control the properties of the building material that they work with, namely soil. A new project addresses this challenge by searching for a method to manipulate properties of Paleogene clay. If successful, such a method could fundamentally change the traditional design approach.

With the Fehmarn Fixed Link project as reference, a team of researchers from COWI and DTU (Technical University of Denmark) is investigating Danish Paleogene Clay. This type of clay can deform significantly over time and does so on a timescale of decades. This poses a significant challenge for the construction of tunnels for railways, where even small movements of the tracks are critical for trains running safely. The fact that the soil is unloaded introduces a further complication. Using the unloading properties of the natural clay as a benchmark, the team behind have investigated the behaviour of manipulated samples.

ABOUT THE PROJECT

- PROJECT NAME:
  Efficient performance of large infrastructure: A geomechanical approach towards sustainable design
- GRANT TYPE:
  Industrial PhD
- PARTICIPANTS:
  COWI – Marine and Geotechnical Engineering, COWI – Tunnels and Underground structures and DTU (Technical University of Denmark) – Civil Engineering, Geotechnics and Geology
- TIMELINE:
  March 2018 to September 2021
- COWIFONDEN CONTRIBUTION:
  600,000 DKK (≈ 80,645 EUR)

> The traditional design strategy of predicting the behaviour of structures throughout their entire lifetime, taking every possible future scenario into account leads to very conservative design with a lack of adaptability. If we instead base our design on monitoring the structural performance and applying countermeasures, if needed, we increase adaptability and reduce conservatism. This generally leads to a more flexible design with increased resilience towards changes in the purpose of the structure,"
>
> says Emil Mejlhede Kinslev,
> who works both at COWI and DTU.

The laboratory investigations of Danish Paleogene Clay focused on the unloading scenario in a more generic manner than what is sensible in specific projects. On the laboratory samples, we simulated unloading corresponding to the removal of 50-400 meters of overlaying soil. This allowed us to develop general trends for the soil properties in a wide range of depths and correlate them to existing research on samples at much larger depth.

In order to apply the knowledge from the laboratory observations, a numerical modelling framework is under development. Existing models are primarily focused on loading and we are therefore testing their applicability in the unloading case, where we develop the necessary modifications in order to represent our observations with reasonable accuracy.

Active alteration of soil properties has previously been applied in soft and weak clays with the intention of increasing its strength. The feasibility of adding salt to modify deformation properties of stiff clays is, however, unknown. We investigate the magnitude and speed of this process in order to provide a proof-of-concept for further investigation in the field scale if proven feasible.

Throughout this project the team has developed a framework for describing the natural unloading behaviour of Danish Paleogene Clay that illustrates the range of scenarios which may be encountered.

During the project valuable knowledge sharing took place with the involved departments in COWI and DTU. The conclusions will be available at the end of 2021 when the project-related PhD thesis is finalized.

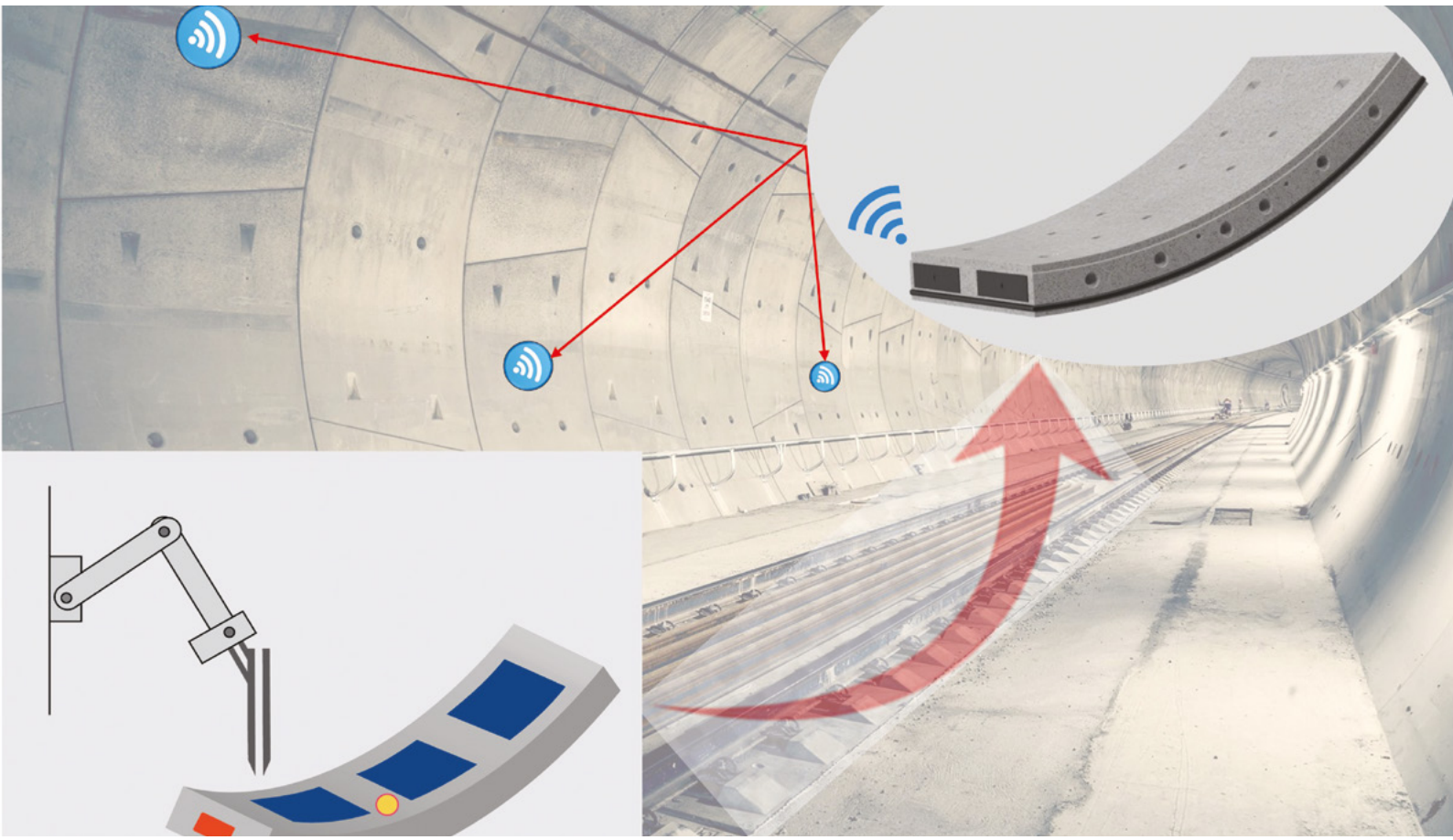


Illustration of installation of sensors to make a network of smart tunnel segments.

# LIGHT IN THE TUNNEL: SMART SEGMENTS

Collecting rich data on the condition of major transport infrastructure such as tunnels is critical to allow timely maintenance and to prevent more costly problems from surfacing. The development of robotics to install internal and external sensors on lab-scale tunnel segments are expected to provide a solution to this challenge.

Traditionally, tunnel conditions are assessed through periodic inspections or occasionally with monitoring systems installed to alert about potential deterioration. The traditional methods are costly, require expert labour, expose operatives to safety risks, are disruptive to infrastructure users, and allow defects to develop between inspections. Introducing automation to install sensors of a wireless monitoring system during the production of smart tunnel segments will address these shortcomings.

This industrial PhD aims at assessing whether robotics can be integrated into a process of deploying wireless sensors into precast tunnel segments to form a wireless structural health monitoring network. This novel approach is expected to enable more reliable and consistent monitoring of precast elements from the production line through installation and into operation. The project benefits from the financial and technical support of COWI and Highways England, and the results are expected to be implemented on the Lower Thames Crossing road tunnel.

ABOUT THE PROJECT

- PROJECT NAME: Automated manufacturing of smart tunnel segment
- GRANT TYPE: Industrial PhD
- PARTICIPANTS: University of Strathclyde – Department of Civil and Environmental Engineering, COWI UK, and Highways England – Innovation and Continuous Improvement Division of the Safety Engineering and Standards Directorate
- TIMELINE: January 2020 – Dec 2023
- COWIFONDEN CONTRIBUTION: 391,000 DKK (≈ 52,560 EUR)

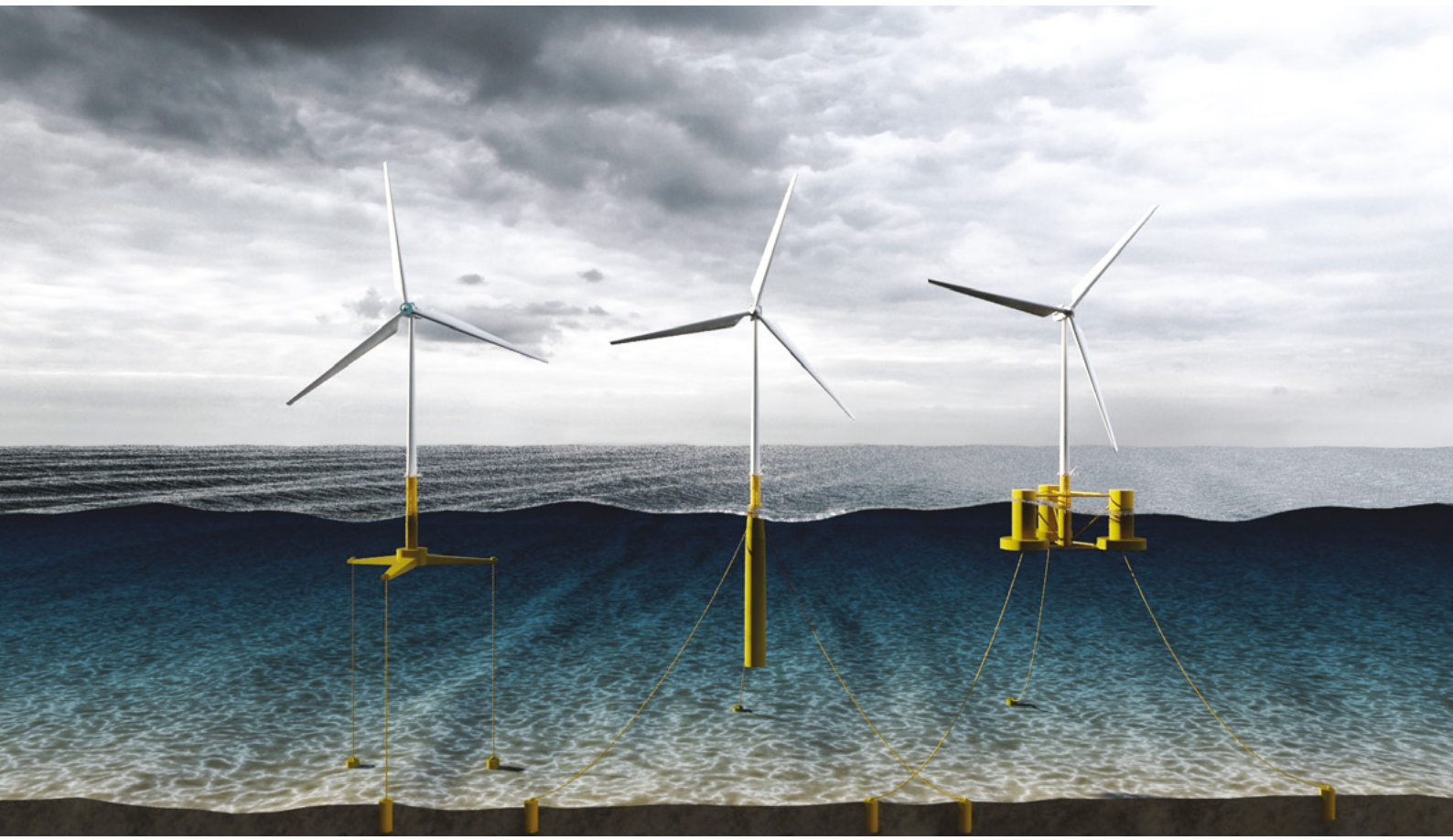
> Because this PhD project is located at the intersection of the academic world and the industrial world, it makes it possible to ground the research in real world practices rather than theoretical aspects only,"
>
> says Tresor Tshimbombo, industrial PhD student from the University of Stratchclyde.

During the first year, the research has focused on design and integration of the wireless sensor components and their installation into segment moulds using a robotic arm. This has included testing the robustness of the sensor arrangement during handling and subsequent placing of fresh concrete.

A collaborative robot is used to install internal and external sensors paired to wireless nodes on lab-scale tunnel segments, to create smart segments. Following installation of sensors, the wireless nodes in individual segments will establish an ad-hoc wireless network which allows data to be collected from across the segments for monitoring and diagnostic analysis. A modular network formed in this way gives significant redundancy and continues to function even if individual sensors or nodes fail over time due to the network's self-healing ability.

> Methods of using the monitoring data will be developed with Highways England's tunnel operators as part of an exploitation plan which we hope will lead to a full-scale demonstration project,"
>
> says Tresor Tshimbombo.

The final results are expected at the end of 2023 when the PhD thesis will be published.



Floating offshore wind turbines to harvest wind power in deep seas.

# WIND POWER FROM DEEP SEAS

Eighty percent of the world's offshore wind resource potential is in waters deeper than 60m. But traditional bottom-fixed offshore wind turbines are not economically feasible in deeper waters. Floating wind turbines are the key to harvest wind energy in intermediate and deep seas with a depth of 100-200m+.

The EMULF project aims at developing efficient and accurate numerical modelling methods for the design and analysis of floating wind turbines, and hence to solve one of the current key challenges in the industry.

Existing floating wind farms and floating wind turbine prototypes or on wind farms which are under development have shown their technical feasibility. However, the overall costs need to be substantially reduced to be competitive against other energy sources.

> Cost-effective design relies on accurate and efficient design analysis tools, but both tools and methodologies are still missing to efficiently design and engineer floating wind turbine structures,"
>
> says Erlend Gjelstad Jakobsen,
> who is project manager of the EMULF project.

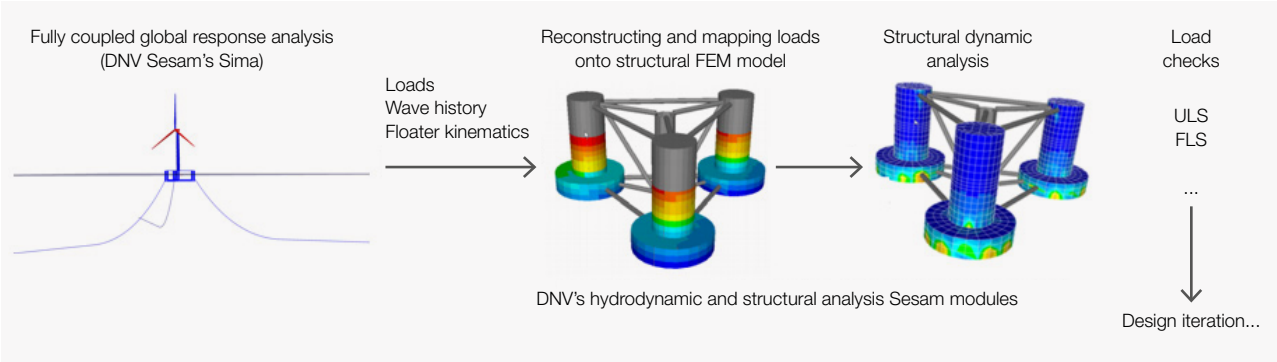



Illustration of design analysis workflow for floating wind turbine support structure design.

EMULF stands for **"Efficient numerical Modelling methods for design and analysis of Ultra-large Floating wind turbines."** With joint efforts from COWI, DNV (Det Norske Veritas), DTU (Technical University of Denmark) and NTNU (Norwegian University of Science and Technology) the project has three main objectives:

- To develop numerical methods for global coupled aerodynamic or hydrodynamic loads and response analysis, focusing on future ultra-large floating wind turbines and accounting for floater flexibility. With the rapid growth in floating wind turbine size, floater hull flexibility has become increasingly important in the global system response.

- To close the gap between global response analysis and structural stress assessment for detailed structural design checks. An advanced approach for structural stress analysis of floating wind turbine foundations following global time-domain analysis will be developed.

- To develop a more efficient and cost-effective design methodology for conceptual design with a focus on simplified frequency-domain and uncoupled approaches and validation against a fully coupled time domain approach.

The project team is working on a global response model for the 15 MW IEA WIND reference wind turbine. The configuration includes the 15 MW semisubmersible steel floater at the University of Maine.

> We have established a fully-coupled numerical model in Sima of the floating wind turbine system, where the floater is modelled as rigid. Sima is part of DNV's Sesam software for design and analysis of offshore and maritime structures, which will be used in various parts of the project,"
>
> Erlend Gjelstad Jakobsen explains.

## ABOUT THE PROJECT

- PROJECT NAME:
  EMULF (Efficient numerical Modelling methods for design and analysis of Ultra-large Floating wind turbines)
- GRANT TYPE:
  Innovative research project
- PARTICIPANTS:
  COWI AS – Wind Energy & Renewables, DNV (Det Norske Veritas) - Digital Solutions, DTU (Technical University of Denmark) – Response, Aero-elasticity, Control and Hydrodynamics (REC), and NTNU (Norwegian University of Science and Technology) – Department of Marine Technology
- TIMELINE:
  2020 – 2022
- COWIFONDEN CONTRIBUTION:
  3,250,000 DKK (≈ 436,830 EUR)

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Gel

# ACCOUNTING POLICIES

## BASIS OF ACCOUNTING

The 2020 annual report of COWIfonden has been prepared in accordance with the provisions of the Danish Financial Statements Act for a class-B enterprise, with the addition of a few provisions for a class-C enterprise.

In pursuance of number 5 of section 111(3), COWIfonden has not prepared consolidated financial statements. COWI Holding A/S' consolidated financial statements can be requisitioned at COWI Holding A/S, Parallelvej 2, 2800 Kongens Lyngby.

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

The annual accounts are stated in DKK thousands.

### RECOGNITION AND MEASUREMENT

The accounts have been prepared using the historical cost principle.

Income is recognised in the profit and loss account as earned. Value adjustments of financial as-sets and liabilities which are measured at fair value or at amortised cost are also recognised in the profit and loss account. The same applies to all expenses paid to achieve earnings of the year.

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

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

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

Recognition and measurement take into consideration anticipated losses and risks that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date.

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

## PROFIT AND LOSS ACCOUNT

### DIVIDEND FROM SHARES IN SUBSIDIARIES

Dividend from subsidiaries is calculated in the profit and loss account upon receipt of the dividend.

### STAFF AND ADMINISTRATION COST

In addition to remuneration to the Board of Directors, staff and administration costs include remuneration to the administrator of COWIfonden, COWI A/S, and other salary cost.

### OTHER EXTERNAL COST

Other external cost include administration and rent cost, travel cost, bank charges, etc.

### FINANCIAL ITEMS

Financial income and expenditure include dividend, interest and value adjustments on marketable securities.

### FOREIGN EXCHANGE ADJUSTMENT

Foreign exchange transactions are translated at the rates ruling at the transaction date.

Monetary items in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Unrealised exchange gains or losses arising from differences between the exchange rates ruling at the balance sheet date and the rates prevailing at the time when the receivable or payable arises, are recognised in the profit and loss account.

### TAX ON PROFIT FOR THE YEAR AND DEFERRED TAX

The taxable income of COWIfonden is measured according to the tax rules on foundations.

Tax rules allow tax deductions for deferred tax intended for later distribution. This provides the foundation with the option to reduce a possible taxable income to zero when computing the taxable income by recognizing deferred tax intended for later distribution. Accounting recognition of deferred tax for later distribution is disallowed.

Deferred tax of unrealised capital gain on shares as well as loss carryforward is allocated.

### DONATIONS

*Donations paid out*
Donations that have been pledged, in accordance with COWIfonden's purpose, and paid out on the balance sheet day are deducted via the appropriation statement.

*Donations due*
Donations that, in accordance with COWIfonden's purpose, have been adopted on the balance sheet day and announced to the recipients, but not paid out on the balance sheet day, are deducted via the appropriation statement and included as a liability.

*Frame of donations*
At the board meeting during the annual result is approved, the board determines an amount that is expected to be donated. This amount is transferred from the revenue reserves to the frame of donations. As donations are announced to recipients, the amounts are paid out, or they are transferred to debt or, exceptionally, to provisions regarding donations.

*Provisions regarding donations*
Provisions for donations are recognised when COWIfonden grants a donation and therefore has a legal or actual obligation and when it is likely that economic benefits have to be ceded in order to fulfil that obligation. Among other things, this is the case when announced donations are conditional upon one or more future events, or if the specific recipient is unknown.

## BALANCE SHEET

### INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, it is written down to the lower recoverable amount.

### RECEIVABLES

Accounts receivable are measured in the balance sheet at amortised cost, which essentially corresponds to the nominal value. Write-downs are made to meet potential losses.

### MARKETABLE SECURITIES

Marketable securities are recognised in total current assets and include listed bonds and shares measured at fair value at the balance sheet date.

### CURRENT TAX LIABILITIES AND CURRENT TAX RECEIVABLES

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. Tax liabilities and tax receivables are set off provided there is legal right of set-off, and the items are fore-casted net.

### DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is accounted for in respect of all temporary differences between accounting and tax values of assets and liabilities. Deferred tax is measured based on the tax rules and tax rates effective at the balance sheet date when the deferred tax is expected to crystallise as current tax. 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 as-sets, 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.

# FINANCIAL STATEMENT

## PROFIT AND LOSS STATEMENT FOR 1 JANUARY TO 31 DECEMBER

| | Note | 2020 DKK | 2019 DKK |
|---|---|---|---|
| *Primary activities* | | | |
| Dividend from shares in subsidiaries | | 48,464,900 | 48,309,450 |
| Financial income | 2 | 56,694,701 | 34,519,460 |
| Financial expenses | 3 | -7,400,682 | -250,728 |
| Profit on sale of 97,500 COWI Holding A/S B shares | | 0 | 18,154,445 |
| **Operating profit** | | **97,758,919** | **100,732,627** |
| | | | |
| *Administration expenses* | | | |
| Employee expenses/administration expenses | 1 | -3,096,690 | -2.818,182 |
| Other external expenses | 1 | -746,888 | -488,449 |
| **Profit before tax** | | **93,915,341** | **97,425,996** |
| | | | |
| Foundation tax | 4 | -235,919 | -4,691,000 |
| **Profit for the year** | | **93,679,422** | **92,734,996** |
| | | | |
| PROPOSED DISTRIBUTION OF THE PROFIT FOR THE YEAR | | | |
| Donations | 5 | 10,133,639 | 13,420,278 |
| Adjustment of reserve for future donations | | 4,000,000 | 0 |
| Transferred profit | | 79,545,783 | 79,314,718 |
| | | **93,679,422** | **92,734,996** |

# BALANCE SHEET AT 31 DECEMBER

| ASSETS | Note | 2020<br>DKK | 2019<br>DKK |
|---|---|---|---|
| Investment in subsidiaries | | 86,403,625 | 61,403,581 |
| **Financial fixed asset investments** | 6 | **86,403,625** | **61,403,581** |
| | | | |
| **Fixed assets** | | **86,403,625** | **61,403,581** |
| | | | |
| Other receivables | | 4,132,938 | 1,106,456 |
| Tax receivables | | 760,041 | 572,238 |
| Prepayments | | 20,462 | 74,293 |
| **Receivables** | | **4,913,441** | **1,752,987** |
| | | | |
| **Securities** | 7 | **306,269,093** | **247,253,394** |
| | | | |
| **Cash** | | **830,794** | **7,103,790** |
| | | | |
| **Current assets** | | **312,013,328** | **256,110,171** |
| | | | |
| **Total assets** | | **398,416,953** | **317,513,752** |

# BALANCE SHEET AT 31 DECEMBER

| LIABILITIES | Note | 2020 DKK | 2019 DKK |
|---|---|---|---|
| Base capital | | 20,000,000 | 20,000,000 |
| Reserve for future donations | | 22,000,000 | 18,000,000 |
| Retained earnings | | 323,977,108 | 244,431,625 |
| **Equity** | | **365,977,108** | **282,431,625** |
| | | | |
| Tax payable | | 0 | 4,691,000 |
| Accounts payable, suppliers | | 441,692 | 327,603 |
| Accounts payable, donations | | 31,998,153 | 30,063,524 |
| **Short-term debt** | | **32,439,845** | **35,082,127** |
| | | | |
| **Total debt** | | **32,439,845** | **35,082,127** |
| | | | |
| **Total liabilities** | | **398,416,953** | **317,513,752** |
| | | | |
| Related parties and ownership | 8 | | |

Metro
Bus
14 15
via Nørrebro 02
via Østerport 02
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via Nørrebro 05
via Østerport 07
via Nørrebro 08
via Østerport 10
via Nørrebro 11
via Østerport 13
via Nørrebro 14
via Nørrebro 16
via Østerport 16
Østerbro, Rigsparken 02
Nørreport St. 04
Kokkedal St. 07
Nørreport St. 08
Holte St. 11
Nørreport St. 13
Østerbro, Rigsparken 16
Gl. Holte Øvroedvej 17
Klampenborg St. 20
Nørreport St. 21
Nørreport St. 24
Nørreport St. 25
DOT
Vibenshus Runddel
2019

# EQUITY

| | Base capital DKK | Reserve for future donations DKK | Retained earnings DKK | Total DKK |
|---|---|---|---|---|
| Equity 1 January 2020 | 20,000,000 | 18,000,000 | 244,431,325 | 282,431,325 |
| Adjustment of reserve for future donations | 0 | | | 0 |
| Donations in 2020 | 0 | -10,133,639 | 0 | -10,133,639 |
| Profit distributed to equity | 0 | 14,133,639 | 79,545,783 | 93,679,422 |
| **Equity at 31 December 2020** | **20,000,000** | **22,000,000** | **323,977,108** | **365,977,108** |

NPIREN RESECENTRUM

# NOTES TO THE ANNUAL REPORT

| 1 | EXPENSES FOR BOARD AND ADMINISTRATION | 2020 DKK | 2019 DKK |
|---|---|---|---|
| | Remuneration for board | 1,697,000 | 1,697,000 |
| | Other remuneration | 184,250 | 175,750 |
| | Remuneration to the board administrator | 1,215,440 | 945,432 |
| | Other external cost | 746,888 | 488,449 |
| | | **3,843,578** | **3,306,631** |

Of the total expenses, about DKK 1,502,000 is spent on administration of the donations, in connection with evaluation and selection.

COWIfonden has no employees.

| REMUNERATION FOR THE BOARD IS AS BELOW | | |
|---|---|---|
| **Basic fee** | | |
| Chairman | 340,000 | 340,000 |
| Vice Chairman | 190,000 | 190,000 |
| Seven members | 980,000 | 980,000 |
| | | |
| **Fee for committee members** | | |
| Chairman | 28,000 | 28,000 |
| Vice Chairman | 46,000 | 46,000 |
| Six members | 113,000 | 113,000 |
| | **1,697,000** | **1,697,000** |
| | | |
| In accordance with recommendations on foundation governance, it is informed that the board members receive from other group companies: | 5,943,600 | 8,342,016 |
| Thereof remuneration for the board for seats on executive boards and boards of directors in other group companies in total: | 0 | 0 |

| 2 | FINANCIAL INCOME | | |
|---|---|---|---|
| | Dividend, shares | 4,039,926 | 2,858,977 |
| | Interest, bonds | 2,405,870 | 1,727,887 |
| | Value adjustment, bonds | 0 | 4,595,283 |
| | Value adjustment, shares | 50,248,905 | 25,337,313 |
| | | **56,694,701** | **34,519,460** |

| 3 | FINANCIAL EXPENSES | | |
|---|---|---|---|
| | Interest, Danske Bank | -106,787 | -183,162 |
| | Value adjustment, bonds | -3,173,163 | -1,277 |
| | Value adjustment, shares | -4,120,732 | -66,289 |
| | | **-7,400,682** | **-250,728** |

# NOTES TO THE ANNUAL REPORT

| 4 FOUNDATION TAX | 2020 DKK | 2019 DKK |
|---|---|---|
| Dividend taxes | 162,532 | 42,463 |
| Foundation tax | 235,919 | 4,691,000 |
| **Tax for the year** | **398,451** | **4,733,463** |

| 5 DONATIONS | 2020 DKK |
|---|---|
| **Innovative research projects** | |
| Floating wind – the future of offshore wind energy, COWI AS, DNV, DTU, NTNU, Erlend Gjelstad Jakobsen | 3,250,000 |
| Preparation of applications | 280,000 |
| **Total** | **3,530,000** |
| **Research and development** | |
| Long-term ownership and value creation in commercial foundations, CBS, Steen Thomsen | 400,000 |
| Reducing carbon footprint of offshore foundations using wind turbine data, COWI A/S, Martin Underlin Østergaard | 380,000 |
| Independent research and finance of Aquateam COWI AS as research institute, Line Diana Blytt | 3,105,000 |
| Improving market conditions for climate efficient timber buildings by identifying actual life-cycle costs, Arkitema, Daniela Grotenfelt | 1,000,000 |
| Preparation of applications | 100,000 |
| **Total** | **4,985,000** |
| **Conferences** | |
| 6th ProBioRefine workshop, DTU, Seyed Soheil Mansouri | 30,000 |
| Temperature autoregulation in buildings with vanadium oxide coatings, DTU, Jean-Claude Grivel | 519,924 |
| Junior researchers' participation in panel on digitalisation and climate change, Aarhus University, Mads Rosendahl Thomasen | 50,000 |
| **Total** | **599,924** |
| **Equipment** | |
| Purchase of equipment: Serial autoclave for developing next-generation biofuel, DTU, Martin Nielsen | 400,000 |
| Overlooked substances in our groundwater. Identification of previously unknown contaminants in groundwater and drinking water, GEUS, Ulla Elisabeth Bollmann | 236,435 |
| Wind tunnel testing of bridge cables with wire meshes, Aarhus University Department of Engineering, Lubomir Matejicka | 42,750 |
| Research stay at Graz University of Technology, Austria, Aalborg University, Department of the Built Environment, Lasse Hedegaard Hansen | 20,000 |
| **Total** | **699,185** |
| **Publications, film etc.** | |
| Niels Bohr – the master of science, Nordisk Film Produktion, Anna von Lowzow | 250,000 |
| Revision of the Danish Building Research Institute's (SBi) moisture instructions, Aalborg University, SBi, Erik Brandt | 100,000 |
| Using urban morphology and urban green to improve noise and air quality, COWI AB, Marie Haeger-Eugensson | 100,000 |
| **Total** | **450,000** |

# NOTES TO THE ANNUAL REPORT

| **PhD studies** | |
|---|---|
| Mining electric-bike-user behaviours from smartphone data, with bike-longer, DTU Management, Valentino Servizi | 18,000 |
| **Total** | **18,000** |

| **Other** | |
|---|---|
| COVID-19 cloth masks for Africa, IUG, Dorte Lindegaard Madsen | 100,000 |
| Young Scientists, Astra, Katrine Holck | 150,000 |
| **Total** | **250,000** |

| | |
|---|---|
| **Donations in total** | **10,532,109** |
| **Reversed donations of the year** | **398,470** |
| **Donations, net** | **10,133,639** |

| 6 FINANCIAL ASSETS | **2020 DKK** | |
|---|---|---|
| Shares in COWI Holding A/S value at year end amount to nominally DKK 200,000,000 A-shares and DKK 25,333,300 B-shares | A-shares | B-shares |
| Acquisition price 1 January 2020 | 2,000,000 | 59,403,581 |
| Acquisition nominally DKK 5,038,300 | 0 | 25,000,044 |
| **Acquisition price 31 December 2020** | **2,000,000** | **84,403,625** |

If the shares of COWI Holding A/S were booked at the internal value method, they would represent a value of TDKK 1,209,777 per 31 December 2020 and the equity in COWIfonden per 31 December 2020 would be 1,575,754,000.

| 7 SHARES AND BONDS | **2020 DKK** | **2019 DKK** |
|---|---|---|
| **Marketable securities** | | |
| Marketable securities are valued at the share price on 31 December and can be specified as below: | | |
| Shares | 230,074,396 | 158,226,516 |
| Bonds | 76,194,697 | 89,026,878 |
| | **306,269,093** | **247,253,394** |

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

# NOTES TO THE ANNUAL REPORT

## 8 RELATED PARTIES AND OWNERSHIP

COWIfonden owns all A-shares i COWI Holding A/S, and has therefore determining influence in COWI Holding A/S, as COWIfonden has more than 98% of the votes.

The COWI Holding group has a share programme for past and current employees, and COWI Invest A/S (subsidiary of COWI Holding A/S) is subject to an obligation to buy back employee shares at book value. Employees own for a total of nominally DKK 41,804,700 at 31 December 2020. Under certain conditions and at certain terms, COWIfonden has issued a letter of indemnity for COWI Invest A/S, allowing the company to honour its buyback obligation.

COWIfonden does not run independent business.

Other than that, and apart from normal remuneration for board, remuneration to the board administrator and dividend, COWIfonden did not carry out any transactions, neither of significant scope or on unusual conditions, with related parties. In accordance with the Danish Financial Statements Act, § 98 c, subs. 7, it hereby stated that all transactions with the related parties during the year have been on market conditions.

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