ANNUAL REPORT | 2021

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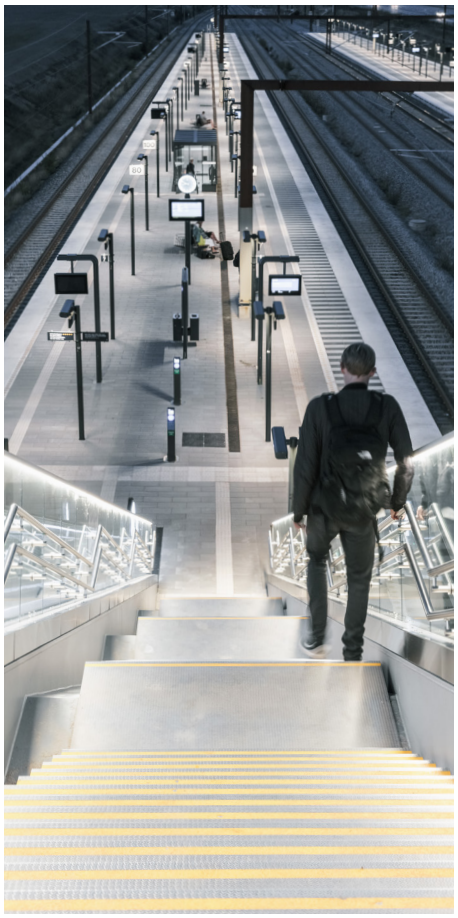

The annual report was presented and approved at the COWIfonden board meeting on 8 June 2022.

Chairman

ANTON PETERSEN

COWIfonden

Parallelvej 2, 2800 Kongens Lyngby

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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 2021 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 2021 and the results of COWIfonden's operations and cash flows for the financial year 1 January–31 December 2021 in accordance with the applied accounting policies.

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

Kongens Lyngby, 8 June 2022

BOARD OF DIRECTORS:

ANTON PETERSEN
Chairman

MARTIN P. BENDSØE
Vice Chairman

SUZANNE
C. BECKMANN

PETER HOSTRUP
RASMUSSEN

DAVID MACKENZIE

TINA VEJRUM

HEIDI LUND HANSEN

ANNA KATHRINE
BISGAARD SØRENSEN

MARIUS SEKSE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of COWIfonden and the foundation authority.

OPINION

In our opinion, the Financial Statements give a true and fair view of the financial position of COWIfonden at 31 December 2021, and of the results of COWIfonden's operations and cash flows for the financial year 1 January–31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of COWIfonden for the financial year 1 January–31 December 2021, which comprise a summary of significant accounting policies, profit and loss statement, balance sheet, statement of changes in equity, cash flow statement and notes ("financial statements").

BASIS FOR OPINION

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

STATEMENT ON THE 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 RESPONSIBILITY FOR THE FINANCIAL STATEMENT

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

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 8 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CBR no. 33 77 12 31

JESPER MØLLER LANGVAD

State Authorised Public Accountant

mne21328

SØREN ALEXANDER

State Authorised Public Accountant

mne42824

COWI
COWI

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:

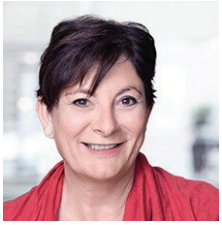
ANTON PETERSEN

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

- PhD in Psychology, BSc/MSc in Nutritional Sciences, BSc in Sociology. Director/partner in own consultancy company, 30 years as researcher and teacher at the Aarhus School of Business and Social Sciences and the University of Southern Denmark, including 20 years as full professor at Copenhagen Business School 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:** Portfolio of Danish and international committees, steering groups and board of directors with both public institutions and private companies, as well as external examiner member of the Danish universities' business administration and economics programmes since 1991.
- **Share owner:** Yes.
- Independent.

DAVID MACKENZIE
MEMBER

- Senior Technical Director, Bridges COWI UK, born in 1962.
- CURRENT TERM:
  Joined: March 2022
  End of term: May 2026
- **Special competencies:** Extensive experience in civil engineering projects worldwide with a particular emphasis on complex structures. Twentyfive years at senior director level on line and business management.
- **Other directorships:** Member of "Structural Safety" Board in the UK responsible for setting safety advice on structures. Chief Examiner for setting competency for the Institution of Structural Engineers.
- **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 and President-Elect (International Association of Bridge and Structural Engineering). Chairman of the Danish IABSE section.
- **Share owner:** Yes.
- Not independent.

PETER HOSTRUP RASMUSSEN
MEMBER

- Senior Market Director, born in 1965.
- CURRENT TERM:
  Joined: May 2021
  End of term: 2025
  Member of the board of COWIfonden from 2007 to 2010.
- **Special competencies:** Extensive line management and management of international business (Roads, Railways, Metros, Lightrails and Airports) as well as thorough knowledge of COWI achieved throughout the years since the employment in 1989.
- **Other directorships:** Member of the Management board of COWI Polska. Member and chairman of the Danish Associa-tion of Consulting Engineers' (FRI) Transportation Infrastructure Committee. Member of DI-Transport, a branch of the Confederation of Danish Industry.
- **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
- **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.
- **Other directorships:** Member of the board of COWIfonden from 2012 to 2014, elected as alternate in 2014.
- **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) at Danish Association of Architects 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 Uni-versity of Denmark. Member of the Society of Artists at The Royal Danish Academy of Fine Arts (Kunstnersamfundet). 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:** Extensive experience in digital development and management from various positions in COWI. Broad network across the COWI business lines and offices through internal development projects for more than 10 years.
- **Other relevant positions:** Served as employee-elected member on the board of COWI Holding from 2017 to 2020.
- **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.

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 2021, 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 businessoriented 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 also in 2022. 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 2021, 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 2021

Profit of the year before taxes amounted to DKK 74,790,585. The result of the year is lower than expected due to reduced prices at the securities.

As of 31 December 2021, COWIfonden owns 84.4 per cent of the shares in COWI Holding A/S, corresponding to a booked cost price of DKK 86,403,625. Stated according to the net asset value method, the share portfolio would amount to DKK 1,261,787,000. In 2021, COWIfonden received dividend from COWI Holding A/S of DKK 56,333,325, which is recognized with COWIfonden.

The donations pledged in that period make up DKK 11,691,038, consisting of DKK 12,212,331 of donations awarded and DKK 521,293 of donations reversed.

The profit of the year after donations and regulation of the frame of donations amounts to DKK 58,956,347, which is proposed to be carried over to the revenue reserves. The total net capital (net asset value) then makes up DKK 424,933,455, 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 1,600,157,000.

CASH FLOW

Cash flow from operating activities amounted to DKK 74.8 million. The adjustment for price of securities amounts DKK 14.0 million, down from DKK 47.2 million in 2020. Cash flow from investing activities to a net negative amount at DKK 37.7 million in 2021 and related primarily to investments in marketable securities. Free cash flow amounted to DKK 10 million in 2021. It is the intention of COWIfonden continuously to invest the free cash flow in securities according to the investing policy.

EVENTS AFTER THE BALANCE SHEET DAY

After the balance sheet day, Russia has invaded Ukraine, and the rent and inflation is rising which may affect the return of securities in 2022. This is considered a non-regulatory event.

EXPECTED DEVELOPMENT

Due to the war in Ukraine and the negative impact on global stock markets in combination with increased inflation, the income in 2022 from COWIfonden's investments in securities is related to some uncertainty. Even if COWIfonden expects an increased income from its investments in COWI Holding A/S, the result for 2022 is expected to be somewhat lower than the result for 2021, but still we expect a positive total result.

STATEMENT ON FOUNDATION GOVERNANCE

COWIfonden complies with all recommendations for foundation governance, except for recommendation 3.1.2, 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, 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 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 regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.	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: • Evaluation committee (donations) • Nomination committee • 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 terms of reference 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 that 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 in relation to, inter alia, 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, 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: • 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 associates, • whether the member has been appointed by authorities/providers of grants etc., and • whether the member is considered independent.	COWIfonden complies with the recommendation. The required 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. If the board of directors (excluding employee representatives) is composed of • 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. To be considered independent, this person may not, for example: • 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 associate 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 donor 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.	COWIfonden's board consists of nine members. Three of the board members are elected by employees and six are appointed. Two independent members of board of directors own shares in COWI Holding A/S. Due to the relative immateriality of the investment both in terms of the remuneration of the board members and of the total number of shares, COWIfonden still considers the board members 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. COWIfonden has no executive board and no administrator, but is purchasing administrative services from COWI A/S. The administrative services related to COWIfonden carried out by COWI A/S is part of the overall evaluation of the work of the board, cf. 2.6.1.
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 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.
3.1.2	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.	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.

KEY FIGURES AND FINANCIAL RATIOS FOR COWIFONDEN

	2021	2020	2019	2018	2017
KEY FIGURES	DKK ('000)	DKK ('000)	DKK ('000)	DKK ('000)	DKK ('000)
PROFIT AND LOSS ACCOUNT					
Dividend from shares in subsidiaries	56,333	48,465	48,309	43,709	41,408
Profit before financial items	52,257	44,621	45,003	40,386	38,595
Financial income and expenses	22,534	49,294	52,423	-6,210	10,806
Profit for the year	70,647	93,679	92,735	34,176	50,722
BALANCE					
Assets	459,000	398,417	317,514	232,673	204,803
Equity	424,993	365,977	282,432	203,117	185,419
Equity (book value)[1]	1,600,157	1,575,754	1,314,108	1,214,868	1,101,286
FINANCIAL RATIOS					
Donation percentage	16.6	10.8	14.5	48.2	12.6
Return on equity	17.9	28.9	38.2	17.6	31.1

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

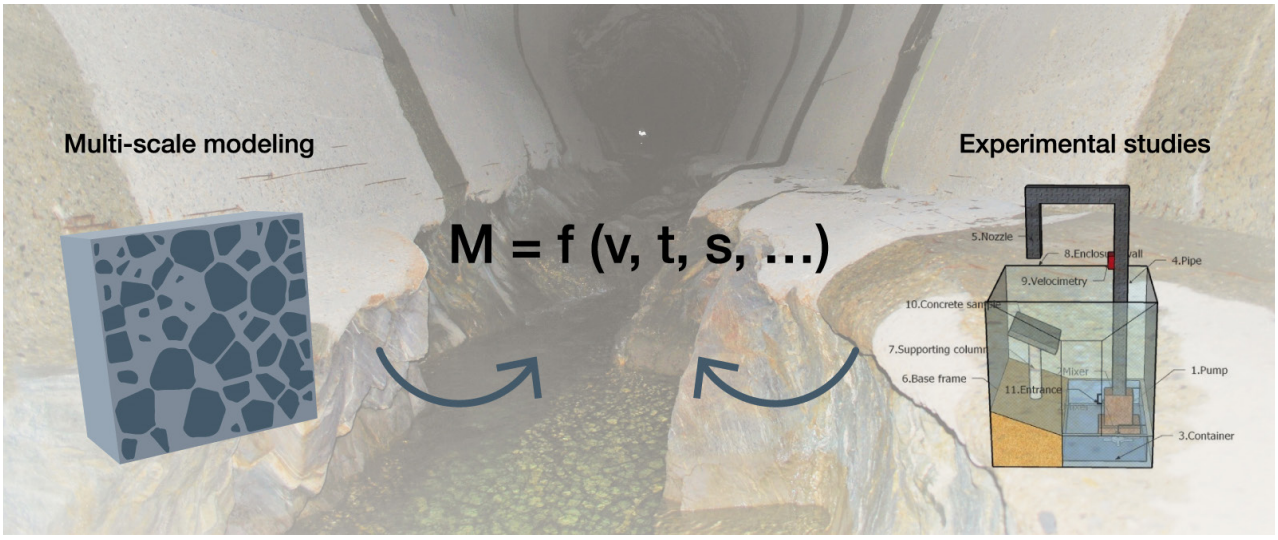
The board of COWIfonden has set a frame for donations of DKK 22 million for 2022. The intention is to aim for a total award of some DKK 17 million in 2022, but the larger frame will provide the board with the required elbow room, should special projects eligible for support emerge.

			2021
TYPE OF APPLICATION	Applications	Donations awarded	Success rate %
Innovative research projects (based on prequalification	2	1	50%
Industrial PhD	3	2	67%
R&D projects	16	9	56%
Visiting professor	1	0	0%
Publications, TV, other media	1	0	0%
Conferences etc. (execution of)	3	0	0%
Ph.d. incl. research abroad	2	1	50%
Equipment	4	3	75%
Other	3	2	67%
TOTAL	**35**	**18**	**51%**

In present annual report, COWIfonden chooses 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 2021.

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.



An illustration of the combined experimental and numeric studies for concrete abrasion damage in hydraulic structures

CONCRETE ABRASION DAMAGE IN HYDRAULIC STRUCTURES

Long term durability is a critical design issue for large concrete structures. Bridges, dams and tunnels are often exposed to water flowing at high speeds and carrying a substantial amount of debris, such as gravel, sand, and silts that cause surface damage due to mechanical erosion. This damage leads to a reduction in the service life. However, there are no testing methods or numerical models which adequately reflect the abrasion phenomena observed in the field. This project aims to change the situation.

> With typical service life requirements of 100 years or more, long term durability is a critical design issue for large concrete structures. This project looks into the abrasion damage in hydraulic structures. The knowledge obtained can increase our confidence in designing such structures and advance our scientific understanding on the subject in general,"
>
> says Carola Edvardsen,
> Chief Specialist from COWI Transportation International
> and COWI´s supervisor of the project.

USEFUL GUIDANCE FOR REAL DESIGN WORK

The project has combined experimental and numerical studies that aims to reveal important aspects influencing abrasion damage of concrete. By studying the mathematical relation between the actual abrasion rate and the relevant parameters, which include the hydraulic parameters and concrete properties, the aim of the project is to predict the abrasion rate. This is a very important parameter for durability design, and, ultimately, the outcome of the project is expected to form useful guidance for future designs.

The research began with numeric studies. An advanced multi-scale 3D concrete model has been established where the concrete compositions can be varied to reflect actual mixtures. Macroscopic material behaviour can be predicted using this model.

Experimental studies will consider the most pertinent scenarios encountered in the field including concrete being subjected to dynamic impact and hydro-abrasive erosion. The test setups are being built at present and will be used to provide inputs and validate the results of the numerical studies.

> Concrete abrasion in hydraulic structures is a complicated problem where various parameters can have an influence. The adopted experimental and numerical tools are expected to shed light on the fundamental aspects concerning the physical processes,"
>
> says Min Wu, researcher from Aarhus University.

A MULTI-SCALE MODEL TO PREDICT ABRASION RATES

A reliable multi-scale concrete model will be established for the detailed abrasion analysis. The main field features related to concrete abrasion encountered in hydraulic structures are to be considered in the following studies.

> Apart from providing scientific insights, the practical importance of the work is also highlighted. An important output is a method that can adequately predict the concrete abrasion rate in the field conditions. Recommendations, for example, with respect to the selection of concrete mixes, will also be provided,"
>
> says Qiong Liu, research assistant from Aarhus University.

During the project, COWI Transportation International will work closely with Aarhus University. The conclusions will be ready at the end of 2023 where the project results will be published.

ABOUT THE PROJECT

- PROJECT NAME:
  Towards the understanding of concrete abrasion in hydraulic structures
- PARTICIPANTS:
  AU (Aarhus University) – Department of Civil and Architectural Engineering, COWI A/S – Transportation International
- TIMELINE:
  October 2019 to September 2023
- COWIFONDEN CONTRIBUTION:
  1 million DKK

REAL COST DATA SHOWING COMPETITIVENESS OF TIMBER

The construction industry is the cause of approximately 40% of the global CO_2 emissions. Using timber has proven to be an efficient way to minimize the climate impact of the industry, but the lack of shared knowledge on actual costs for timber buildings creates disadvantageous market conditions for the material. This research project aims to change this.

THE IMPORTANCE OF CORRECT INFORMATION IN DECISION-MAKING

Today, there is limited knowledge of the actual costs for timber buildings, which is limiting the wider use of timber. Without this understanding, developers are either resorting to conventional building materials or placing an excessive cost margin on timber solutions.

"

Timber is one of the most sustainable building materials in the market. It is not only climate efficient but also renewable. It is a local material in Scandinavia that creates healthy indoor environments, ages beautifully and can be prefabricated in a high degree which leads to cost-efficiency in the construction phase of the building. We know this from experience, but the lack of data on costs makes it challenging to convince clients to use timber."

says Daniela Grotenfelt,
Head of Sustainability at Arkitema in Scandinavia.

The research project, carried out in a collaboration between Arkitema Denmark, Arkitema Sweden, COWI Norway and Chalmers University in Gothenburg aims at identifying the critical costs based on real cases. We want clients and developers to be able to make well-founded decisions based on real data and real risks.

This research aims at improving market conditions for timber buildings and further promotes the green transition of the industry. During 2021 one of the main activities in the project was to find a common framework to collect, manage, and compare cost data from different projects and clients from Norway and Sweden.

ENABLING THE GREEN TRANSITION AS THE MAIN FOCUS

The project scope was formulated to be of highest relevance for the market with a wide outreach to companies and organizations during the research phase and sharing the outcomes openly.

> We have a lot to learn from each other and can together accelerate the transition to sustainable solutions"
>
> says Daniela Grotenfelt

The overall objectives of the project were to:

- enable the wider use of timber and hence provide a push for the green transition of the construction industry
- remove the obstacles relating to costs and perceived risks of timber buildings and hence incentivize developers to use timber more widely
- highlight processes or timber solutions that could be executed more cost efficiently to further improve the conditions for timber
- enhance cross border collaboration between not only the project partners but also on the construction industry at large and especially in Scandinavia.

CHALLENGES GETTING AND COMPARING COST DATA

Getting the necessary data for analysis proved to be a challenge from the start. Data on cost are often commercially sensitive and design and build contractors do not always specify costs for individual work stages. However, after discussions with contractors around Scandinavia, we found five collaborative partners that were willing to share their data.

Another research challenge was to decide on the most appropriate way of categorizing the building project cost data and enable comparisons, as it is managed in different ways across countries and from building to building. In this project phase, the benefit of collaborating with Chalmers University became evident as they were able to validate correct and had a robust approach from an academic point of view.

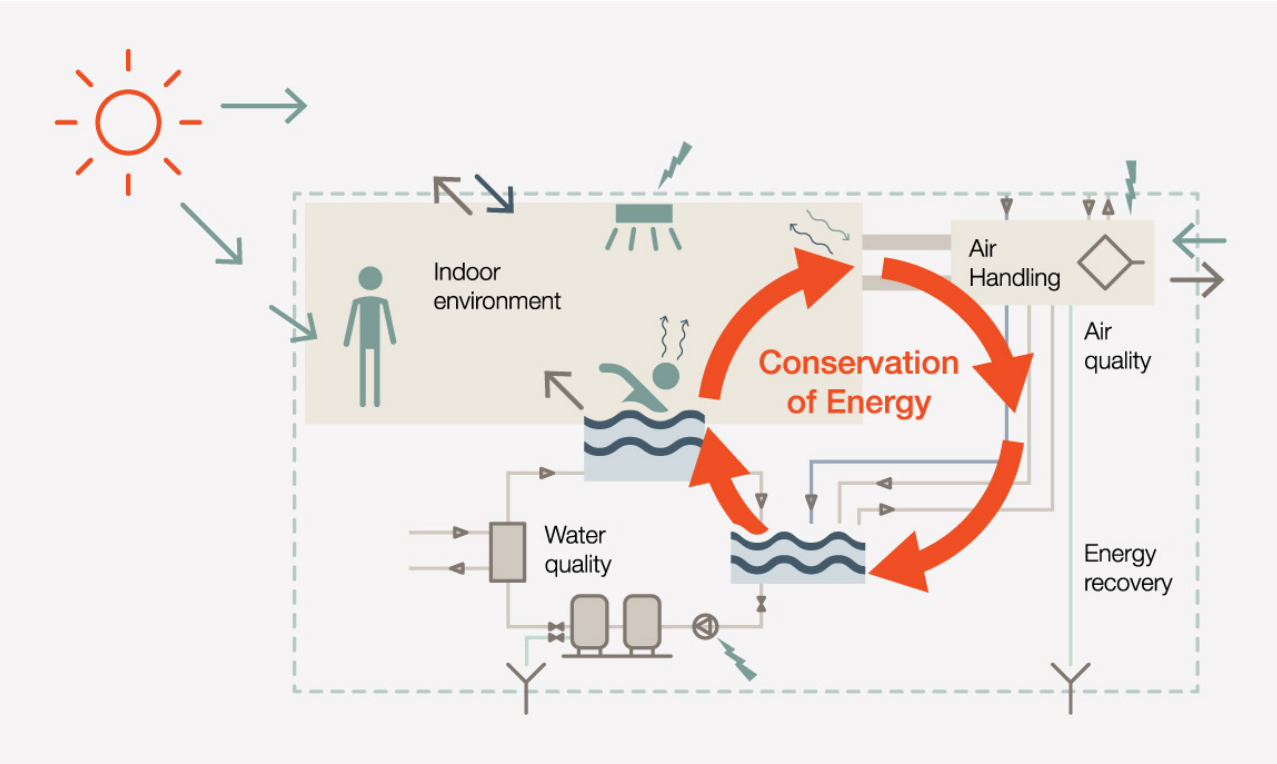
Hereafter, the focus will be to compare and analyze among others construction technique; handling moisture during construction; type of foundation; and construction times. We will also conduct in-depth interviews with developers, clients, and contractors on the decision-making process on choosing to use timber over conventional materials, or vice versa.

MULTI-DISCIPLINARY COLLABORATION PAYS OFF

During spring 2022, the final data analyses will take place as well as in-depth interviews with representatives for the case and benchmark projects. The final results will be communicated in research papers, industry media, conferences and other industry events.

ABOUT THE PROJECT

- PROJECT NAME:
  LCC for Timber buildings
- PARTICIPANTS:
  Arkitema Denmark, Arkitema Sweden, COWI Norway, Chalmers University Gothenburg
- TIMELINE:
  January 2021–June 2022
- COWIFONDEN CONTRIBUTION:
  1 million DKK



An illustration of a typical Energy and Indoor Climate system found in Swimming facilities.

MAPPING KNOWLEDGE OF OPTIMIZING ENERGY AND INDOOR CLIMATE SYSTEMS IN SWIMMING FACILITIES

Energy reducing in buildings that support education and public health, like swimming facilities, hold a considerable potential for saving energy. The purpose of this doctoral project has been to investigate and map the knowledge within the research area and propose new tools for improved energy efficiency in swimming facilities.

This project started in 2017 and is planned to be finalized in 2022. The long-term outcome is expected to improve the energy efficiency of swimming facilities. For example, one of the findings in the literature review in the project is that the building stock of Norwegian swimming facilities have an excessive annual energy use of approximately 250 GWh.

"The project is important for the development of well-designed and energy efficient swimming facilities," says Ole Øiene Smedegård, from COWI AS in Norway who is the owner and main funder of the doctoral project which is carried out in close cooperation with The Centre for Sport Facilities and Technology (SIAT), within the Department of Civil and Environmental Engineering at the Norwegian University of Science and Technology (NTNU). The Norwegian Research Council is a co-funder as well as a project partner with COWIFonden.

During the project, valuable knowledge sharing has taken place between COWI and the Norwegian University of Science and Technology (NTNU).

IDENTIFYING THE GAPS

During the first part of the doctoral project the gap between research and industry was disclosed by a literature review. The literature review established the basis for further work which was defined in two separate activities.

The first activity treated the subject of operational assistance and a tool for continuous monitoring of the facility's energy performance was suggested.

The second activity treated the obstacle of using building performance simulation in swimming facilities and a new level of model complexity was proposed.

The project's outcome has been presented through three articles in various scientific journals. First, a literature review, which found that there was only fragmented research from just a few authors and institutions into HVAC in swimming facilities. This compared sharply with the volume of research in other areas such as the studies of disinfection by-products (DBPs) in swimming facilities.

It was also noted that present guidelines and engineering practices were found to differ widely from the recom¬mended practice in the literature with respect to system design. Surprisingly, neither the well-known discrepancy between planned and actual energy performance nor the model complexity of BPS models, were covered to any extent in the literature.

NEW MODEL WITH POTENTIAL

The second article investigated the use of multiple linear regression analysis in the development of an energy prediction model for a case building. This model was validated and found to function well within the purpose of a baseline equation. The model predicted the three-day averaged energy use for the case building and found all the operation flaws within the validation dataset of one year. The method is simple both in development and in use and has the potential to be an important tool for the operator to keep the building within the expected and promised energy performance.

The third article investigated the consequences of the model complexity of a swimming pool facility air handling unit (AHU). Due to the high complexity of both the activities taking place in the facility and the technical equipment itself, the complexity of the BPS-model was investigated. A replica of a real AHU-device was compared to a model with reduced model complexity, where the control system was replaced by idealized control, the model approach was detached with precalculated values and the equations were simplified to common equations for engineers. The study found that the simplified model performed well, both in respect to the overall performance and to the calculations of the air states within the AHU and can therefore be used in the design of swimming facilities.

The conclusions will be ready by the end of 2022 when the PhD project results will be published.

ABOUT THE PROJECT

- PROJECT NAME:
  Optimizing Energy and Indoor Climate Systems in Swimming Facilities
- PARTICIPANTS:
  COWI AS and Norwegian University of Science and Technology
- TIMELINE:
  2017–2022
- COWIFONDEN CONTRIBUTION:
  600,000 NOK

Illustrasjon: Masteroppgave, Karoline Belden Næss

GREEN CITY, GREEN MOBILITY

The project will help link traffic planning and urban planning, thereby contributing to the creation of cities, transport options, streets and roads that reduce greenhouse gas emissions.

We want to improve the professional tools and strengthen the knowledge base that politicians and decision-makers use when deciding how infrastructure funding is made in order to meet the climate goals in the Paris Agreement.

> By strengthening the coherence and dialogue between planners, architects and traffic engineers, we will get more precise answers to what it takes to reduce greenhouse gas emissions from transport,"
>
> says landscape architect, Kathrine Strøm from COWI.

STUDYING STRUCTURES AND TRAFFIC MODELS

Work package 1 deals with urban planning and landscape architecture. The project examines both how roads were built in the past and in the present and how different physical structures, systems and street designs affect daily travel.

Work package 2 deals with digital traffic models and how these can be improved to quantify the effects of urban planning initiatives. For many years, digital traffic models that are used for calculation of future traffic volume have had their main focus on vehicles. The work package examines how digital tools can give higher priority to other modes of transport such as walking, cycling, micro-mobility and public transport.

TWO NORWEGIAN MUNICIPALITIES AS A CASE

Two districts under development, in Bodø and Bærum municipalities, are used as study cases. Both locations have large areas of approximately 3 km² that are allocated for urban development, but differ significantly in terms of geography and proximity to other communities. The development at Bodø is located on the coast, north of the Arctic Circle, in an area that is flat and is an extension of the city centre. In Bærum near Oslo, the development is a satellite town planned at Sollihøgda. Here, the terrain is hilly, close to large natural habitats and has little snow in winter.

STUDIES OF THE PARADIGM SHIFT

Work package 1 includes an in-depth study of two paradigms within urban and transport planning. The current paradigm is that of modernism and has its roots in the functionalism of the interwar period. The paradigm is characterised by a strong focus on wanting rapid accessibility for vehicles and separate routes as well as areas for soft road users to avoid conflict with hard road users. Based on this paradigm, infrastructure investments with the lowest time consumption will often be considered to have a high cost and a high benefit.

We name the second paradigm the classic paradigm and, unlike the paradigm of modernism, it is not based on a branched traffic, but on a network structure. Studies have been carried out on newly established districts based on the classic paradigm, where there is a very low volume of private vehicles.

DEVELOPING DIGITAL TRAFFIC MODELS

Work package 2 looks at a number of the prerequisites and techniques associated with the different types of software used to perform digital calculations of future traffic volume.

THE WAY FORWARD

During the project, COVID-19 restrictions have impacted the work and the plans for disseminating results. However, the project will hopefully be presented in both physical and digital arenas in 2022.

On 24–25 January 2022, COWI AS and the Norwegian University of Life Sciences presented an article at the symposium, "Delivering urban transformation through co-production".

ABOUT THE PROJECT

- PROJECT NAME:
  Autonomous public transportation and micro mobility in Nordic sustainable urban developments
- PARTICIPANTS:
  COWI AS, COWI A/S, NTNU: Norwegian University of Science and Technology, Norwegian University of Life Sciences
- TIMELINE:
  2019–2022
- COWIFONDEN CONTRIBUTION:
  3 million DKK

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Annual Report of COWIfonden for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

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.

COWIfonden has derogated from the provisions of the Danish Financial Statements Act in terms of the format of the profit and loss statement to accommodate for the specific circumstances of COWIfonden's operations.

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 assets 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.

Reserve for future 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.

RECIEVABLES

Receivables 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 forecasted 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.

CASH FLOW STATEMENT

The cash flow statement shows the foundation´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the foundation´s cash and cash equivalents at the beginning and end of the year.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property as well as fixed asset investments.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities comprise cash flows from paid donations.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

FINANCIAL STATEMENT

PROFIT AND LOSS STATEMENT FOR 1 JANUARY TO 31 DECEMBER

	Note	2021 DKK	2020 DKK
Primary activities			
Dividend from shares in subsidiaries		56,333,325	48,464,900
Financial income	2	51,266,254	56,694,701
Financial expenses	3	-28,732,749	-7,400,682
Operating profit		**78,866,830**	**97,758,919**
Administration expenses			
Employee expenses/administration expenses	1	-3,134,882	-3,096,690
Other external expenses	1, 11	-941,364	-746,888
Profit before tax		**74,790,584**	**93,915,341**
Foundation tax	4	-4,143,199	-235,919
Profit for the year		**70,647,385**	**93,679,422**
PROPOSED DISTRIBUTION OF THE PROFIT FOR THE YEAR			
Donations	5	12,212,331	10,133,639
Adjustment of reserve for future donations		0	4,000,000
Transferred profit		58,435,054	79,545,783
		70,647,385	**93,679,422**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Investments in subsidiaries		86,403,625	86,403,625
Financial fixed asset investments	6	**86,403,625**	**86,403,625**
Fixed assets		**86,403,625**	**86,403,625**
Other receivables		1,333,992	4,132,938
Tax receivables		1,118,731	760,041
Paid on account tax		1,338,000	0
Rent deposit		20,768	20,462
Receivables		**3,811,491**	**4,913,441**
Securities	7	**357,983,970**	**306,269,093**
Cash		**10,800,549**	**830,794**
Current assets		**372,596,010**	**312,013,328**
Total assets		**458,999,635**	**398,416,953**

BALANCE SHEET AT 31 DECEMBER

LIABILITIES	Note	2021 DKK	2020 DKK
Base capital		20,000,000	20,000,000
Reserve for future donations		22,000,000	22,000,000
Retained earnings		382,933,455	323,977,108
Equity		**424,933,455**	**365,977,108**
Accounts payable, suppliers		625,349	441,692
Donations payable		33,440,831	31,998,153
Short-term debt		**34,066,180**	**32,439,845**
Total debt		**34,066,180**	**32,439,845**
Total liabilities		**458,999,635**	**398,416,953**
Related parties and ownership	10		
Contingent assets, liabilities and other financial obligations	12		

D400

STATEMENT OF CHANGES IN EQUITY

	Base capital DKK	Reserve for future donations DKK	Retained earnings DKK	Total DKK
Equity at 1 January 2021	20,000,000	22,000,000	323,977,108	365,977,108
Reversed donations of the year	0		521,293	521,293
Donations in 2021	0	-12,212,331	0	-12,212,331
Profit distributed to equity	0	12,212,331	58,435,054	70,647,385
Equity at 31 December 2021	**20,000,000**	**22,000,000**	**382,933,455**	**424,933,455**

CASH FLOW STATEMENT

	Note	2021 DKK	2020 DKK
Net profit/loss for the year		70,647,385	93,679,422
Adjustments	8	-75,100,394	-95,996,189
Change in working capital	9	4,424,975	-923,933
Cash flows from operating activities before financial income and expenses		**-28,034**	**-3,240,700**
Financial income		6,515,011	6,419,313
Financial expenses		-326,621	-4,354,712
Casf flows from ordinary activities		**6,160,356**	**-1,176,099**
Foundation tax paid		-4,524,000	-4,300,000
Cash flows from operating activities		**1,636,356**	**-5,476,099**
Purchase of financial assets		-	-25 000 044
Purchase of securities		-74,700,666	-69,402,057
Sale of securities		36,948,740	53,341,304
Dividends received from subsidiaries		56,333,325	48,464,900
Cash flows from investing activities		**18,581,399**	**7,404,103**
Paid donations		-10,248,000	-8,201,000
Cash flows from financing activities		**-10,248,000**	**-8,201,000**
Change in cash and cash equivalents		**9,969,755**	**-6,272,996**
Cash and cash equivalents at 1 January		830,794	7,103,790
Cash and cash equivalents at 31 December		**10,800,549**	**830,794**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		10,800,549	830,794
Cash and cash equivalents at 31 December		**10,800,549**	**830,794**

Via Nørrebro
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NOTES TO THE ANNUAL REPORT

1	EXPENSES FOR BOARD AND ADMINISTRATION	2021 DKK	2020 DKK
	Remuneration for board	1,797,000	1,697,000
	Other remuneration	185,750	184,250
	Remuneration to the board administration	1,152,132	1,215,440
	Other external cost	941,363	746,888
		4,076,245	**3,843,578**

Of the total expenses, about DKK 1,494,000 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	360,000	340,000
Vice Chairman	200,000	190,000
Seven members	1,050,000	980,000
Fee for committee members		
Chairman	28,000	28,000
Vice Chairman	32,000	46,000
Six members	127,000	113,000
	1,797,000	**1,697,000**
In accordance with recommendations on foundation governance, it is informed that the board members receive from other group companies:	6,616,337	5,943,600
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	5,628,220	4,039,926
	Interest, bonds	2,394,890	2,405,870
	Value adjustment, bonds	1,851,630	0
	Value adjustment, shares	41,391,514	50,248,905
		51,266,254	**56,694,701**

3	FINANCIAL EXPENSES		
	Interest, Danske Bank	-145,750	-106,787
	Value adjustment, bonds	-808,335	-3,173,163
	Value adjustment, shares	-27,778,664	-4,120,732
		-28,732,749	**-7,400,682**

NOTES TO THE ANNUAL REPORT

4 FOUNDATION TAX	2021 DKK	2020 DKK
Dividend taxes	83,199	162,532
Foundation tax	4,060,000	235,919
Tax for the year	**4,143,199**	**398,451**

5 DONATIONS	2021 DKK
Innovative research projects	
Innovative Rain Gardens for Sustainable and Effective Treatment of Urban Run-off Polluted with Microplastics, Organic Pollutants and Metals. COWI AB and Chalmers University, Hemanth Gautham Raviharv	3,705,645
Preparation of applications	170,956
Total	**3,876,601**
Industrial Ph.D.	
Data-driven identification of structural degradation of offshore wind turbines. COWI A/S – Bridges International, Simon Rex	650,000
Bømoen Plussbygd – Sustainable utilization of groundwater resources for drinking water, energy sources and energy storage. COWI AS – Environment, Christian Rekve Bryn	650,000
Total	**1,300,000**
Research and development	
Heat flow in complex minewater geothermal systems: towards a digital tool for options appraisal to maximise minewater resources. COWI UK, Sara Mehrabi	1,880,841
COWI as partner in research project FAST: Fire, Acoustic and Structural Properties of Timber Connections. COWI AS – Bridges and geotechnical disciplines, Martin Cepelka	192,400
Characterisation of national geotechnical test sites for an open database in Denmark. Aarhus University – Department of Civil and Architectural Engineering, Kenny Kataoka Sørensen	474,692
Seismic response and kinematic interaction effects of monopiles foundations. COWI A/S, Energy International. Giovanni Li Destri Nicosia	540,000
Digital imaging as tool for micro-crack assessment during stress release from concrete. Technical University of Denmark, DTU Civil Engineering, Lisbeth M. Ottosen	1,000,000
Chemical recycling of blended synthetic textiles – a new source of recycled PET and polyamide polymers. RISE -SICOMP AB / COWI AB Industry division, Cecilia Mattsson SEK 1,500,000	1,110,000
Documentation of decomposition and source detection of pesticides in groundwater. COWI A/S – Environment and people, Gitte Bukh Pedersen	413,818
Mechanical resistance of intumescent coatings. Technical University of Denmark, DTU Civil Engineering, Luisa Giuliani	349,389
On CO_2 efficiency and trade-off's between safety and sustainability in the built environment. Aalborg University – Department of Built Environment, Michael Havbro Faber	180,000
Total	**6,141,140**

NOTES TO THE ANNUAL REPORT

Equipment	
Shaking table – simulates waves on the offshore wind turbine or wind on a brigde. Technical University of Denmark, DTU-Mechanical Engineering, Jan Becker Høgsberg	135,790
Sensitive sensor for drone measurement of methane release from small lakes, wetlands and other springs. University of Southern Denmark, Department of Biology, Theis Kragh	195,000
Isothermal calorimeter for the investigation of (new) construction materials. Technical University of Denmark, DTU Civil Engineering, Wolfgang Kunther	228,000
Total	**558,790**
PhD studies	
Coastal cliff erosion in Greenland. University of Copenhagen – Department of Geosciences and Natural Resource Management, Gregor Luetzenburg	60,800
Total	**60,800**
Other	
Getting children and youth interested in natural science. Ungdommens Naturvidenskabelige Forening (UNF), Anita Leth Jensen	225,000
Observer to the research project "Mechanical resistance of intumescent coatings". COWI A/S. Jakob Laigaard Jensen	50,000
Total	**275,000**
Donations in total	**12,212,331**
Reversed donations of the year	**521,293**
Donations, net	**11,691,038**

NOTES TO THE ANNUAL REPORT

6 FINANCIAL ASSETS	2021 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 2021	2,000,000	84,403,625
Acquisition price 31 December 2021	**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 1,261,787 per 31 December 2021 and the equity in COWIfonden per 31 December 2021 would be 1,600,157.

ENTITIES IN THE COWI GROUP	Domicile	Ownership	Equity (DKK)	Net profit/loss for the year (DKK)
COWI Holding A/S	Denmark	86%	1,315,024,562	-3,923,673
COWI Invest A/S	Denmark	86%	603,205	5,707
COWI A/S	Denmark	86%	304,157,518	55,738,850
Comar Engineers A/S	Denmark	86%	847,751	-1,682
COWI & Partners LLC	Oman	86%	8,141,643	967,332
COWI Belgium SPRL	Belgium	86%	7,122,876	-751,709
COWI Consulting (Beijing) Ltd. Co.	China	86%	2,710,083	-257,137
COWI India Private Limited	India	86%	34,692,114	13,496,995
COWI Korea CO., Ltd.	Korea	86%	6,169,959	323,276
COWI Lietuva UAB	Lithuania	86%	3,669,215	2,222,098
COWI Mapping UK Ltd.	United Kingdom	86%	-3	-61,672
COWI Mozambique Lda.	Mozambique	86%	1,902,168	-2,446,227
COWI Polska Sp. z o.o.	Poland	86%	2,336,239	-233,087
COWI Tanzania Ltd.	Tanzania	86%	-4,695,008	-1,586,780
Studstrup & Østergaard A/S Rådgivende Ingeniørfirma	Denmark	86%	1,098,220	-5,056
COWI International AB	Sweden	86%	522,737	-54,922
COWI AS	Norway	86%	183,617,333	69,553,567
Aquateam COWI AS	Norway	86%	430,309	595,470
TDA COWI AS	Norway	86%	1,420,267	-24,217
COWI Holding AB	Sweden	86%	235,464,635	-11,599,751
COWI AB	Sweden	86%	76,168,395	-18,858,568
• AEC Advanced Engineering Computation Aktiebolag	Sweden	86%	14,588,590	11,233
• COWI Projektbyrån AB	Sweden	86%	17,544,203	34,083
• Granruds Byggkonsult Aktiebolag	Sweden	86%	1,617,140	-11,486
• PB-Teknik Aktiebolag	Sweden	86%	6,129,315	-73,215
COWI International A/S	Denmark	86%	69,125,401	-9,289,237
Flint & Neill Limited	United Kingdom	86%	36,370,236	371,922
COWI Gulf A/S	Denmark	86%	27,351,355	1,522,709
COWI Hong Kong Limited	Hong Kong	86%	-8,279,929	49,135

COWI North America Holding Inc.	USA – Delaware	86%	124,312,214	73,846
• COWI Consulting Inc.	USA – New York	86%	36,745,319	1,719,829
• COWI North America, Inc.	USA – Delaware	86%	56,349,871	4,582,364
• COWI North America Ltd.	Canada	86%	49,118,188	5,816,050
COWI Singapore Pte. Ltd.	Singapore	86%	4,888,914	-3,675,819
COWI UK Limited	United Kingdom	86%	135,200,699	52,869,685
COWI Architecture A/S	Denmark	86%	49,208,181	-20,076,886
Anpartsselskabet 03.03.03.	Denmark	86%	254,056	10,620
Arkitema K/S	Denmark	86%	20,825,872	-16,571,941
• Arkitema AB	Sweden	86%	8,382,617	-3,405,025
• KUB Arkitekter AB	Sweden	86%	7,184,400	-284,056
• Arkitema Architects AS	Norway	86%	12,314,206	-764,570

7	SHARES AND BONDS	Fair value hierarchy level	2021 DKK	2020 DKK
	Marketable securities			
	Marketable securities are valued at the share price on 31 December and can be specified as below:			
	Shares	1	272,385,826	230,074,396
	Bonds	1	85,598,144	76,194,697
			357,983,970	**306,269,093**
	Value adjustment of marketable securities is transferred to the profit and loss account.		13,805,640	47,204,954
	Level 1 – Fair value can be measured using quoted market prices in an active market for identical assets and liabilities.			

8	CASH FLOW STATEMENT - ADJUSTMENTS	2021 DKK	2020 DKK
	Financial income	-51,266,254	-56,694,701
	Financial expenses	28,732,749	7,400,682
	Income from siubsidiaries	-56,333,325	-48,464,900
	Tax on profit/loss for the year	4,143,199	235,919
	Other adjustments	-376,763	1,526,811
		-75,100,394	**-95,996,189**

9	CASH FLOW STATEMENT - CHANGE IN WORKING CAPITAL		
	Change in receivables	2,798,640	-2,972,651
	Change in trade payables, etc.	1,626,335	2,048,718
		4,424,975	-923,933

10 RELATED PARTIES AND OWNERSHIP

COWIfonden owns all A-shares in 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 37,001,800 at 31 December 2021. 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.

In 2021 COWIfonden incurred expenses of TDKK 1.222 from COWI A/S for assistance and consultancy within the fields of communication, accountancy, secretary and administrative services and consultancy fees. At the balance sheet date TDK 272 is outstanding to COWI A/S and is due in 2022.

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 nor on unusual conditions, with related parties. In accordance with the Danish Financial Statements Act, §69, subs. 3, it hereby stated that all transactions with the related parties during the year have been on market conditions.

11 AUDITOR'S FEE

	2021 DKK	2020 DKK
Audit fee to PricewaterhouseCoopers	117,500	89,125
Other services from PricewaterhouseCoopers	65,220	0
Total fee to PricewaterhouseCoopers	182,720	89,125

12 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The foundation has no contingent liabilities as of 31 December 2021

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