

COWI GULF A/S

Parallelvej 2

2800 Kongens Lyngby

CVR-nr. 12296878

Annual Report 2020

34th financial year

The annual report was presented and adopted at the annual general meeting of the company on the 24 February 2021



Charlotte Bertelsen
Chairman

COWI GULF A/S

Table of contents

Statement by the Board of Directors and Executive Board	3
Independent Auditor's Report	4
Company Information	6
Key figures and financial ratios	7
Management Review	8
Accounting policies	11
Profit and loss account	14
Balance sheet at 31 December 2019	15
Statement of changes in Equity	17
Notes	18

Statement by the Board of Directors and Executive Board

Today, the Board of Directors and the Executive Board considered and approved the annual report for the financial year 1 January – 31 December 2020 of COWI Gulf A/S. The annual report has been prepared in accordance with the Danish Financial Statements Act. In our opinion, the accounting policies applied are appropriate and the accounting estimates made are adequate.

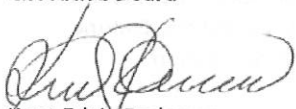
Furthermore, we find the overall presentation of the financial statement to be true and fair. In our opinion, the annual report gives a true and fair view of the company's assets, liabilities, equity and the activities for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

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

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

Kongens Lyngby, 24 February 2021

Executive Board




Kent Edvin Pedersen
Chief Executive Officer

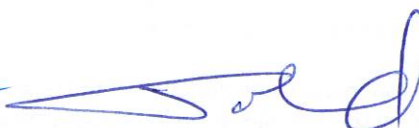
Board of Directors



Klaus Winther Ringgaard
Chairman



Henrik Andersen



Jotham Vizard

Independent Auditor's Report

To the shareholders in COWI GULF A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of COWI Gulf A/S for the financial year 1 January – 31 December 2020, which comprise a summary of significant accounting policies, profit and loss account, balance sheet, statements of changes in equity 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 the company in accordance with the International Ethics Standards Boards for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the auditing evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statement

Management is responsible for the preparation of the 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 enable the preparation of the 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 cease operations, or has realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statement

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.

Independent Auditor's Report

Reasonable assurance is a high level of assurance, but is no 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 this 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 scepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than of 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 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 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 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, 24 February 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33771231

Jesper Møller Langvad
State Authorised
Public Accountant
mne21328

Søren Alexander
State Authorised
Public Accountant
mne42824

COWI GULF A/S

Company Information

The Company	COWI GULF A/S Parallelvej 2 2800 Kongens Lyngby
Telephone	56 40 00 00
Company Registration No.	12296878
Date of foundation	30 June 1988
Registered office	Lyngby-Tårnbæk
Executive Board	Klaus Winther Ringgard, Chairman Henrik Andersen Jotham Vizard
Board of Directors	Kent Edvin Pedersen, Chief Executive Officer
Auditing	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Standvejen 44 2900 Hellerup
Ownership	The company is 100% owned by COWI International A/S
Consolidated financial statement	The company is included in the consolidated financial statements for COWI Holding A/S Company Registration No. 32892973 The consolidated financial statements for COWI Holding A/S can be obtained at the following address: COWI Holding A/S Parallelvej 2 2800 Kongens Lyngby

COWI GULF A/S

Key figures and financial ratios

Key figures and financial ratios:

DKKt	2020	2019	2018	2017	2016
Key figures					
Gross profit	26,075	40,409	39,888	47,164	37,306
Operating profit (EBIT)	-2,076	5,211	3,387	-1,111	-8,491
Net financial items	-2,355	145	876	-2,174	1,168
Profit for the year	-4,562	5,375	4,269	-3,101	-7,512
Total assets	42,008	51,429	48,731	53,871	53,712
Total non-current assets	846	1,044	917	1,021	1,687
Equity	23,425	27,807	22,429	18,063	21,108
Financial ratios					
Return on assets %	-10,9	10.5	8.8	-5.8	-14.0
Equity ratio %	55,8	54.1	46.0	33.5	39.3

Management Review

The company's principal services

The company's principal services consist of advisory engineering in the Gulf regions through the three local branch offices Dubai, Abu Dhabi and Bahrain.

Development in activities and financial matters

The loss for the year for the fiscal year 1 January to 31 December 2020 is DKKt -4,562 and the total balance at 31 December 2020 is DKKt 42,008 with an equity of DKKt 23,425.

Events after the balance sheet date

No events have occurred since the balance sheet date that have a material impact on the company's financial position at 31 December 2020.

Corporate social responsibility (CSR)

CSR and particularity sustainability are part of our vision. In many ways they are integrated in the projects we carry out for customers.

On the following pages we present our business model, our CSR risk assessment, i.e. the CSR issues linked to the business model, explanations as to how we apply the mitigating actions and finally the Key Performance Indicators we use to follow up on the various risks. In our Communication on Progress towards the UN Global Compact, we outline our policies, actions, results and KPIs whit in the above areas of corporate social responsibility. The report is available at www.cowi.com/sustainability.

Management Review

COWI's business model and CSR risk assessment



Society

GLOBAL/NATIONAL ECONOMIES and the POLITICAL ENVIROMENT constitute the framework conditions for all aspects of COWI's market presence. The CSR risks presented by the framework are MITIGATED by living COWI's mission and vision and practising COWI's five values: Integrity, respect, independence, professional capacity and freedom. In addition, navigating in a constantly changing political environment demands a flexible and digitalised organisation which can adapt quickly to new project conditions.

How we follow up

- Management's and employees' knowledge of mission, vision and values is scored in COWI's annual Engagement Survey.
- Flexibility in the organisation is measured through cross-border projects among the business lines.

Markets

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

How we follow up

- The Executive Board applies the Transparency International Corruption Perception Index to decision-making on geographic presence.
- Training courses in anti-corruption are mandatory for all COWI staff.

Management Review

Services

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

How we follow up

- Every year we carry out an engagement survey to measure the overall engagement of our employees.
- The type and severity of incidents reported in the whistle-blower system are assessed by the Executive Board and reported to the Board of Directors.
- All training activities in COWI Academy are monitored with regards to content and participants.

Value creation

COWI's success in the market depends on meeting CUSTOMERS REQUIREMENTS and supply RESPONSIBLE PROJECT MANAGEMENT. The risk of not living up to customer requirements or being able to incorporate sustainable quality solutions through diligent management is MITIGATED by ensuring that COWI has a vibrant and strong professional environment which can provide the high-quality, innovative and sustainable solutions COWI's customers expect. Responsible project management entails that quality management is integrated in every phase of project execution and therefore a strong mitigating factor.

How we follow up

- Customer satisfaction is followed closely through the Net Promoter Score.
- Quality management is ensured through ISO certification, recertification and regular audits.

Impact

COWI's core business is to carry out projects for customers, and each project has an impact of some kind on the SUSTAINABLE DEVELOPMENT GOALS of our customers and in the societies where we operate. As a business, COWI also makes a FOOTPRINT in these societies. MITIGATION of our impact on society is COWI's signing of the Global Compact in 2006. Since then COWI has striven to reduce our footprint and to contribute to supporting the SDGs.

How we follow up

- COWI's projects are assigned to the SDGs on their creation.
- We measure COWI's environmental impact.

Expectations for 2021

The company have decided to close its local activities in the UAE and Bahrain before end 2022. The market exit will happen gradually and take due consideration of COWI's active projects in the Middle East, the risk exposure and cost of exit.

Management has assessed that it has adequate financing in connection with the scaling down of the offices, and consequently, has prepared the financial statement based on the going concern assumption.

COWI GULF A/S

Accounting policies

Reporting Class

The 2020 annual report for COWI Gulf A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for medium-sized enterprises in reporting class C.

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

Reporting currency

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

Translation policies

Transactions in foreign currencies are translated by applying standard rates approximating the foreign exchange rates ruling at the transaction dates. Exchange differences arising between the exchange rates ruling at the transaction date and the rates prevailing at the date of payment are recognised in the profit and loss account as financial income or financial expenses.

General information

Recognition and measurement

Income is recognised in the profit and loss account as earned. Value adjustments of financial assets and liabilities which are measured at fair value are also recognised in the profit and loss account. The same applies to all expenses, including amortisation, depreciation and impairment losses.

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

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

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

Profit and loss account

Gross profit/Gross loss

The company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit/gross loss consists of revenue, other operating income and external expenses.

Summary of depreciation periods for Intangible assets

	Useful life	Residual value
Software	3 years	43%

Summary of depreciation periods for property, plant and equipment

	Useful life	Residual value
Technical installations, operating and other equipment	3-10 year	1%

The basis of depreciation is determined by considering the asset's residual value after the end of the useful life of the asset, less any writedowns. The depreciation period and the residual value are determined at the at the

COWI GULF A/S

Accounting policies

acquisition date and reassessed annually. If the residual value exceeds the asset's book value, the depreciation discontinues.

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

Net financials

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

Income tax for the year

Income tax for the year, consists of current tax and deferred tax for the year, is recognised in the profit and loss account and recognised directly in the equity.

Balance sheet

Intangible Assets

Software are measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over 3 year.

Property, plant and equipment

Technical installations, operating and other equipment are measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over 3-10 year.

Contract work in progress

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

Gross work in progress is measured at the selling price of the work performed. The selling price is stated in proportion to the state of completion at the balance sheet date and the total expected profit on the individual projects (the percentage-of-completion method). Under this principle, the expected profit on the individual projects is recognised in the profit and loss account on a continuing basis by reference to the stage of completion.

The stage of completion is measured by reference to the proportion that project expenses (in hours) incurred for work performed to date bear to the estimated total project expenses (in hours). Where total project expenses are likely to exceed the total turnover from a project, the expected loss is recognised as an expense in the profit and loss account. The share of work in progress etc. performed in working partnerships is included in work in progress.

Receivables

Accounts receivable are measured at the lower of amortised cost and net realisable value corresponding to the nominal value of writedowns for bad and doubtful debts.

Writedowns for bad and doubtful debts are calculated on the basis of an individual assessment of each receivable, and an additional general provision is made in respect of trade account receivable

Prepayments

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

Equity

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

Accounting policies

Financial debts

Fixed-rate loans and loans from credit institutions intended to be held to maturity are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, borrowings are stated at amortised cost corresponding to the capitalised value using the effective interest method: The difference between the proceeds and the nominal value (the capital loss) is recognised in the profit and loss account over the term of the loan. Other accounts payable are measured at amortised cost, materially corresponding to nominal value.

Current tax receivables and current tax liabilities

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.

Contingencies and other financial commitments

Contingencies and other financial commitments are not recognised in the balance sheet but appear only in the notes.

Cash flow

In accordance with section 86 (4) of the Danish Financial Statements Act a cash flow statement for the company have been omitted.

The company's parent company that prepare a cash flow statement for the group is COWI Holding A/S (CVR-nr. 32 89 29 73).

Get the cashflow statement at www.cowi.com.

Financial ratios

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

Return on assets (%)	=	$\frac{\text{Profit/loss for the year X 100}}{\text{Total assets, end of year}}$
Equity ratio (%)	=	$\frac{\text{Equity, end of year X 100}}{\text{Total assets, end of year}}$

COWI GULF A/S

Profit and loss account for 1 January – 31 December

DKKt	Note	2020	2019
Gross profit/Gross loss		26,075	40,409
Employee expenses	1	-28,127	-35,158
Amortisation, depreciation and impairment losses		-24	-40
Operating profit		-2,076	5,211
Financial income	2	427	2,841
Financial expenses	3	-2,782	-2,696
Profit before tax		-4,431	5,356
Tax on profit for the year		-131	19
Profit for the year		-4,562	5,375

COWI GULF A/S

Balance sheet at 31 December 2020

DKKt	Note	2020	2019
Assets			
Software	4	<u>12</u>	<u>23</u>
Intangible asset		<u>12</u>	<u>23</u>
Technical installations, operating and other equipment	5	<u>17</u>	<u>34</u>
Property, plant and equipment		<u>17</u>	<u>34</u>
Deposits	6	<u>817</u>	<u>987</u>
Financial assets		<u>817</u>	<u>987</u>
Total non-current assets		<u>846</u>	<u>1,044</u>
Accounts receivable, services		10,395	13,151
Contract work in progress	7	6,328	12,118
Accounts Receivables, COWI group companies		7,009	7,067
Tax receivables		12	19
Other receivables		197	114
Prepayments	8	<u>1,253</u>	<u>1,293</u>
Receivables		<u>25,194</u>	<u>33,762</u>
Cash		<u>15,968</u>	<u>16,623</u>
Total current assets		<u>41,162</u>	<u>50,385</u>
Total assets		<u>42,008</u>	<u>51,429</u>

COWI GULF A/S

Balance sheet at 31 December 2020

DKKt	Note	2020	2019
Equity and liabilities			
Share capital	9	2,400	2,400
Retained earnings		21,025	25,407
Equity		23,425	27,807
Contract work in progress	7	3,003	6,425
Accounts payable, suppliers		151	270
Accounts payable, COWI group companies		7,695	9,168
Other accounts payable		7,734	7,759
Short-term debt		18,583	23,622
Total debt		18,583	23,622
Total liabilities and equity		42,008	51,429
Distribution of profit for the year	10		
Contingent liabilities	11		
Contingencies and other financial commitments	12		
Related party transactions and ownership	13		
Fees to auditors	14		
Events after the balance sheet date	15		

Statement of changes in Equity

DKKt	Share capital	Retained earnings	Total
Equity at 1 January 2019	2,400	20,029	22,429
Profit for the year		5,375	5,375
Foreign exchange adjustment		3	3
Equity at 1 January 2020	2,400	25,407	27,807
Profit for the year		-4,562	-4,562
Foreign exchange adjustment		180	180
Equity at 31 December 2020	2,400	21,025	23,425

COWI GULF A/S

Notes

DKKt	2020	2019
1. Employee expenses		
Salaries and wages	26,152	33,029
Social security	831	1,072
Other employee expenses	1,144	1,057
	<u>28,127</u>	<u>35,158</u>
<i>Remuneration:</i>		
Executive Board	1,428	1,450
	<u>1,428</u>	<u>1,450</u>
The board members appointed at the General Meeting receive salary in COWI A/S.		
Average number of employees	<u>39</u>	<u>50</u>
Number of employees at 31 December	<u>29</u>	<u>49</u>
2. Financial income		
Interest income, intercompany	0	7
Foreign exchange adjustments	427	2,834
	<u>427</u>	<u>2,841</u>
3. Financial expenses		
Interest expenses, Intercompany	43	82
Foreign exchange adjustments	2,739	2,614
	<u>2,782</u>	<u>2,696</u>
4. Software		
Cost at 1 January	28	0
Foreign exchange adjustments	-3	0
Additions	0	28
Cost at 31 December	<u>25</u>	<u>28</u>
Amortisation and impairment losses at 1 January	-5	0
Foreign exchange adjustments	1	0
Amortisation and impairment losses	-9	-5
Amortisation and impairment losses at 31 December	<u>-13</u>	<u>-5</u>
Carrying amount at 31 December	<u>12</u>	<u>23</u>

Notes

DKKt	2020	2019
5. Technical installations, operating and other equipment		
Cost at 1 January	3,055	2,775
Foreign exchange adjustments	-964	239
Additions	0	41
Cost at 31 December	2,091	3,055
Amortisation and impairment losses at 1 January	-3,021	-2,748
Foreign exchange adjustments	961	-238
Amortisation and impairment losses	-15	-35
Amortisation and impairment losses at 31 December	-2,074	-3,021
Carrying amount at 31 December	17	34
6. Deposits		
Cost at 1 January	987	889
Foreign exchange adjustments	-86	21
Additions	4	130
Disposals	-88	-53
Carrying amount at 31 December	817	987
7. Contract work in progress		
Contract work in progress, net	3,325	5,693
<i>Recognised in the balance sheet as:</i>		
Contract work in progress (assets)	6,328	12,118
Contract work in progress (liabilities)	-3,003	-6,425
	3,325	5,693
8. Prepayments		
Insurance premiums	428	336
Rent	498	631
Other	327	326
Prepayments at 31 December	1,253	1,293
9. Share capital		
The share capital consists of shares of each DKK 1.000 or multiples thereof. No shares are assigned special rights.		
There have been no changes to the share capital for the last five years.		

Notes

DKKt	2020	2019
10. Distribution of profit for the year		
Retained earnings	-4,562	5,375
Retained earnings at 31 December	-4,562	5,375

11. Contingent liabilities

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

The Danish companies in the COWI Group are jointly and severally liable for taxes on the Group's jointly-taxed income etc. COWI Holding A/S functions as the management company in terms of joint taxation, and the total amount is stated in the annual report.

12. Contingencies and other financial commitments

No contingencies or other financial commitments exits at 31 December 2020.

13. Related party transactions and ownership

COWI International A/S owns all shares in COWI Gulf A/S.

COWI International A/S does not carry any independent business, and no material transactions are conducted between COWI International A/S and COWI Gulf A/S.

Apart from usual intercompany transactions and usual management remuneration, no transactions were made during the year with the Board of Directors, the Executive Board, managerial employees, principal shareholders, other group companies or other related parties. Transactions with related parties at arm's length has not been disclosed in accordance with section 98 C(7) of the Danish Financial Statements Act.

14. Fees to auditors

See note 24, in the group financial statements for COWI Holding A/S, page 44, for information on fees to auditors.

15. Events after the balance sheet date

No events have occurred since the balance sheet date that have a material impact on the company's financial position at 31 December 2020.