



Annual Report 2023

DHI A/S

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For the financial year 2023, we have continued to combine our reporting on financial as well as environmental, social and governance (ESG) performance into one single publication providing a holistic view of our business – including strategy, global impact, governance, and financial and non-financial performance.

This combined Annual Report 2023 for DHI has been prepared in accordance with the Danish Financial Statements Act and covers the financial year 2023 (1 January – 31 December 2023). The report also constitutes DHI's corporate responsibility report according to Section 99a, 99b and 99d in the Danish Financial Statements Act and serves as our Communication on Progress to the UN Global Compact (UNGC).



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

We enable a sustainable future for water

DHI is a leading, global advisory company. Together with our clients and partners, we combine deep domain knowledge and advanced technology to innovate new ways to use, manage and live with water and protect water-related ecosystems.

We called ourselves wavemakers

And we are still making waves today. Since 1964, we have grown from a handful of passionate wave modellers in Denmark to a global organisation with more than 1,100 engineers and other specialists working on projects in 115 countries, wherever you find water.

In 2024, we are celebrating 60 years of solving water challenges.



1964-2024
60 years of solving
water challenges

DHI at a glance

1,100+

Employees

(full-time employees end-of-year).

Two out of three hold a Master or PhD degree

2,700

In 2023, we were involved in 2,700 **projects** across the world

115

Our activities spanned 115 **countries** in 2023

1964

Founded in 1964, we are celebrating 60 years of advancing and sharing knowledge of water environments

132.1

Revenue in EUR million in 2023

14.4

EUR million investments in **research, development & innovation** in 2023 (grants and own investments)



Industry-trusted physical and digital **test facilities**



Global partnerships with United Nations Environment Programme (UNEP), World Health Organisation (WHO), Global Water Partnerships (GWP), leading universities worldwide and many more



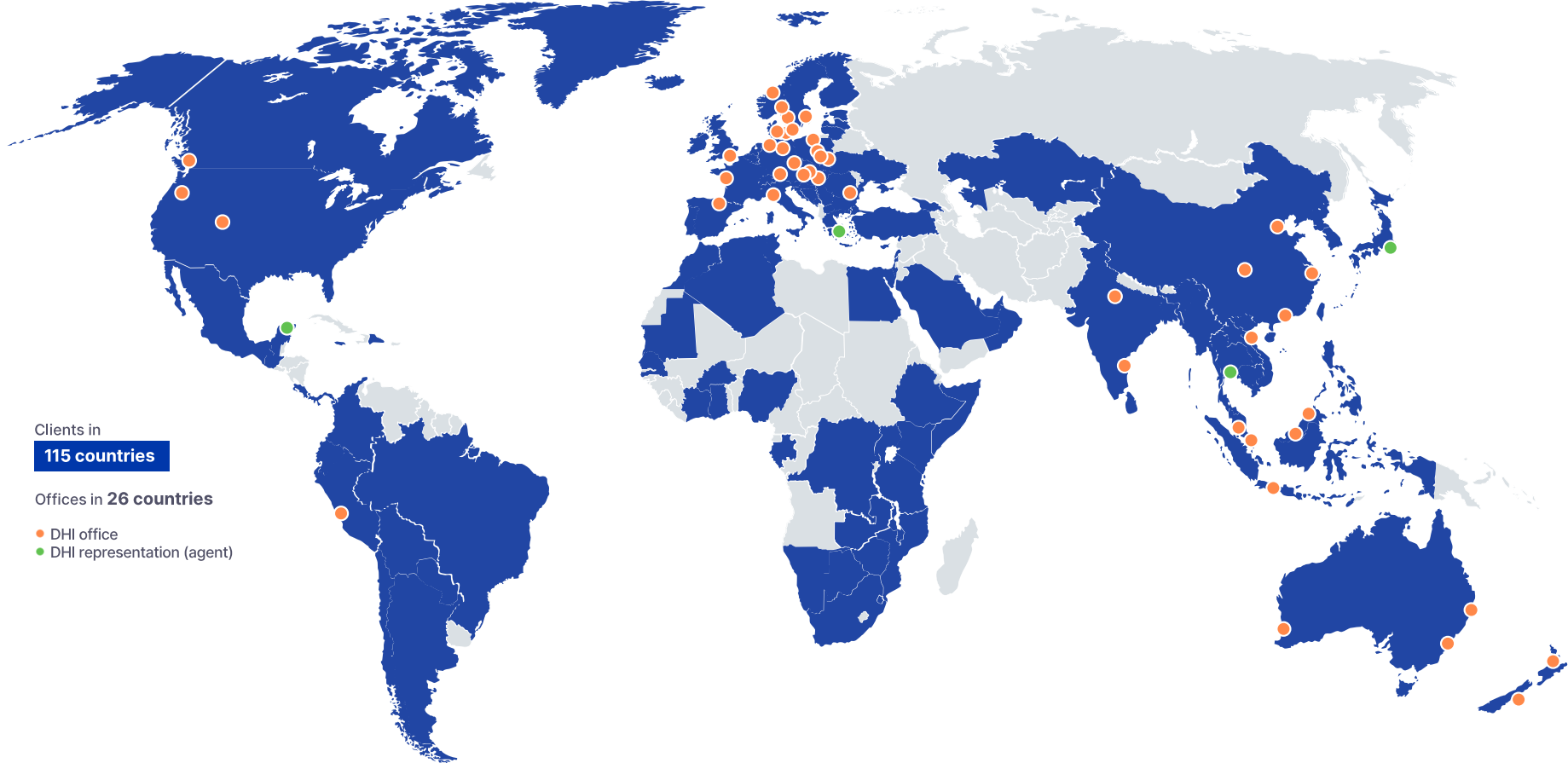
Signatory to the United Nations **Global Compact** since 2013



Powered by **DHI**
Advanced technology and recognised **water modelling software**

DHI AT A GLANCE

Our global impact



Clients in
115 countries

Offices in **26 countries**

- DHI office
- DHI representation (agent)

Performance highlights

120.4

Order inflow in EUR million, highest ever in DHI's history, and up from EUR 106.3 million in 2022

13.3%

Growth in order inflow against 20.9% in 2022

924

MtCO₂e in **scope 1 and 2 emissions** (market-based), down from 1,368 MtCO₂ in 2022. Target of NetZero in 2025

132.1

Revenue in EUR million, increase from EUR 118.8 million in 2022

11.2%

Revenue growth, up from 8.2% in 2022

39%

Women in total workforce, against 38% in 2022

14.4

EUR million invested in **RD&I** incl. grants and own investments. Increase from EUR 13.5 million in 2022

6.7%

Increase in total **RD&I** investments (grants/own investments)

30%

Proportion of **women in leadership positions**, up from 28% in 2022

2.4

EUR million in **EBITDA**, increase from EUR 1.7 million in 2022

1.8%

EBITDA margin, up from 1.4% in 2022

LETTER FROM OUR CEO

Innovating for a sustainable future for water

Mette Vestergaard
CEO

LETTER FROM OUR CEO

Innovating for a sustainable future for water

In 2023, we entered the second phase of our strategy, DHI+, which was launched in 2021. Having successfully completed the 'Connecting' phase, we moved forward into the 'Innovating' phase. During the year, we have worked closely with our clients and partners to identify and prioritise the major innovation challenges they are facing, in order to direct our innovation efforts at where they matter the most.

And innovation is needed more than ever; 2023 was the warmest year on record. Sea temperatures reached an all-time high and biodiversity suffered. Some countries experienced the worst droughts in decades, others had the wettest year ever, and groundwater pollution was on the rise. The United Nations held a global Water Conference for the first time in 49 years, and DHI was present. At COP28, we saw countries unite to take real action.

Increasing investments in RD&I

At DHI, we intensify our innovation efforts to enable a sustainable future for water. During 2023, as part of the 'Innovating' phase of our strategy, we increased our investment in research, development and innovation (RD&I) to EUR 14.4 million, up 6.7% from last year, due to more internal investments and by attracting more external research funding. One of the outcomes is that we will increase our RD&I within wetlands, which are undervalued ecological systems critical for biodiversity and carbon capture.

During the year, we experienced increased innovation success with our newly launched solutions, including Future City Flow, which helps cities manage their water flow, and MUSE AI, which helps protect endangered bird species across the oceans.

New developments in our MIKE Powered by DHI software suite ensured that MIKE continues to set the standard for modelling software globally.

Another year with high growth rates

Our financial results highlight another year of very high growth rates. Despite significant negative impact on revenue and earnings due to the economic downturn in the Chinese market, our order inflow was at an all-time high of EUR 120.4 million, up 13.3% from the year before. Revenue increased by 11.2% organically to a record high of EUR 132.1 million, surpassing the previous record set in 2022. EBITDA was EUR 2.4 million, which was 0.7 million higher than in 2022, and EBIT ended at EUR 0.0 million, after RD&I investment.

Developing our people

Innovation is deeply dependent on the capabilities of the people involved, and for many years the people at DHI have raised the bar for innovation in the water business. But we do not rest on our laurels. As part of the 'Innovating' phase, we have strengthened our innovation power by introducing new career paths and development opportunities, including global mobility programmes. Our people engagement increased further, and our voluntary resignation rate declined. In addition, we attracted a lot of new talented colleagues all over the world, from East to West.

Advancing our sustainability efforts

DHI is a signatory member of the United Nations Global Compact (UNGC) and its 10 principles, and we took steps to advance our sustainability efforts further. We remain committed to reducing our own energy use and carbon footprint, aiming to achieve net zero by 2025 for sources that are owned or controlled by DHI.

In 2024, we are celebrating the 60th anniversary of DHI. Originating as a small carve-out from the Danish Technical University, we have grown into a global organisation thanks to the dedication, skills and innovative mindset of the people of DHI, who understand water and its impact on society and nature better than anyone.

Across DHI, we continue enabling a sustainable future for water and water-related ecosystems.

Mette Vestergaard
CEO

Consolidated key figures

EUR million	2023	2022*	2021	2020	2019		2023	2022	2021	2020	2019
Income statement						Financial ratios³					
Revenue	132.1	118.8	110.4	108.3	114.2	Revenue growth	11.2%	7.6%	1.9%	-5.2%	0.4%
Net project revenue	109.2	97.8	90.0	84.9	91.0	Net project revenue growth	11.7%	8.7%	6.0%	-6.6%	-0.2%
EBITDA ¹	2.4	1.7	1.6	3.3	2.2	EBITDA margin	1.8%	1.4%	1.5%	3.1%	1.9%
EBIT ²	0.0	-0.6	-0.7	1.2	0.2	EBIT margin	0.0%	-0.5%	-0.6%	1.1%	0.2%
Net financials	0.3	-1.3	1.6	-0.3	0.8	Solvency ratio	43%	48%	52%	51%	52%
Profit/loss for the year	-0.6	-1.6	0.3	0.5	0.8	Return on equity	-1.3%	-3.3%	0.6%	1.0%	1.7%
						Liquidity ratio	1.8	1.8	1.9	1.9	1.9
Balance sheet						ESG key figures					
Balance sheet total	109.3	99.9	97.0	94.9	94.0	<i>Environmental</i>					
Equity	47.2	48.2	50.0	48.6	48.9	Total scope 1 & 2 - market based (MtCO ₂ e)	924	1,368	1,766	1,834	1,906
Cash flows						<i>Social</i>					
Cash flow from operating activities	5.7	-1.1	3.8	8.5	8.7	Number of full-time employee equivalents (FTEs)	1,093	1,022	1,028	1,014	1,055
Cash flow from investing activities	-1.4	-2.5	-1.6	-4.4	-7.4	Proportion of women in leadership positions ⁴	30%	28%	27%		
- Hereof from investment in property, plant and equipment	-3.0	-2.2	-1.7	-2.6	-5.5	<i>Governance</i>					
Cash flow from financing activities	-0.2	-0.1	-0.2	-0.1	-0.2	External revenue from research & development (mEUR)	8.3	7.7	6.7		
						DHI investments in innovation (mEUR)	6.1	5.8	5.2		
						Total RD&I investments (grants/own investments)	14.4	13.5	11.9		

* In 2023, EUR 0.6 million (decreasing revenue) has been adjusted in the comparative figures for 2022. Reference is made to the description included in Note 1 - Basis for preparations.

¹ EBITDA: Earnings before interest, taxes, depreciation and amortisation

² EBIT: Earnings before interest and tax

³ For terms of financial ratios refer to accounting policies Note 1 - Basis for preparations.

⁴ Executive Leadership Team, vice presidents, directors, department heads and local management, excluding the Board of Directors.



Our business

Our world is water, and our expertise spans all water environments, from rivers and reservoirs to oceans and coastlines, to cities, industries and factories, to surface and groundwater. Rooted in deep domain knowledge combined with advanced technologies and modelling software, we develop tailor-made solutions and provide specialised advisory services to solve water challenges across most segments and industries.

OUR FOUNDATION

Rooted in research and innovation

DHI is one of seven Research and Technology Organisations (RTO) in Denmark, approved by the Danish Ministry of Higher Education and Science. The Danish RTOs play a key role in the Danish innovation system as the link between technology and business, as they seek to make new technological methods applicable to businesses and promote uptake of new technology. As an RTO, DHI is a profit-for-purpose organisation as we reinvest the majority of our profit into research. The purpose of this research is to convert it into solutions and knowledge with a direct, beneficial and useful impact on our clients' water-related challenges.

In an evaluation conducted in 2023, the Danish Agency for Higher Education and Science concluded that the high level of professional expertise and the test and demonstration facilities at DHI and other Danish RTOs are in high demand. According to the evaluation, the RTOs hold a key position in converting research and knowledge into concrete, technological innovation in businesses and society. The RTOs were also rated highly by clients on their benefits of working with the institutes in terms of product innovation related to the green transition and digitalisation. In many ways, the conclusions of the evaluation summarise our work at DHI and emphasise our status as a research-driven organisation.

During 2023, DHI was able to attract more external RD&I funding (order inflow) compared with the year before, with EUR 9.1 million in 2023 compared with EUR 8.0 million in 2022. This constitutes an increase of 14%, which translates into more power to solve the world's water-related challenges. Our total investments in RD&I (external revenue from grants and own investments in RD&I)

amounted to EUR 14.4 million, an increase of 6.7% from the year before.

Using AI to map global wetlands

A major grant from the philanthropic arm of Google helped us establish Global Wetland Watch, which is an alliance between DHI A/S, UNEP-DHI and UNEP. The Global Wetland Watch is a new initiative with the aim of filling a critical global data gap on the world's wetlands. The project will create a new information system that aims to contribute to climate change mitigation and reducing biodiversity loss by mapping global wetlands with Earth Observation (EO) technology and AI.

This new wetland information system will generate high-resolution maps and statistics on changes to different wetland ecosystems across the globe. The system will make this information readily available at national and ecosystem scales down to a 10-metre resolution. The data and information generated by the Global Wetlands Watch will support country commitments and ambitions towards national targets of the 2030 Agenda for Sustainable Development, the Global Biodiversity Framework and other multilateral environmental agreements.

The financial support for the development of the Global Wetland Watch comes from Google.org and their open call for projects using AI to accelerate progress toward the UN's Sustainable Development Goals.

Climate change mitigation in wetlands

It was announced in 2023 that the Novo Nordisk Foundation will award approximately EUR 8 million to the establishment of the research-focused Global Wetland Center, which we formed

together with Copenhagen University and GEUS. The centre opened officially in February 2024, and its objective is to enhance the ability to model wetlands' contribution to the global greenhouse gas budgets and design mitigation strategies.

'Mitigation of climate change for reaching climate neutrality is a fundamental societal challenge. Managing existing wetlands and rewetting of formerly drained wetlands are important, yet uncertain, elements of mitigation strategies. Our ambition is to make sure that the research and findings in the centre are used to ultimately guide policymaking. Our close collaboration with UNEP through our UNEP-DHI Centre enables us to spread our findings even wider on a global scale for positive impact on climate change mitigation', says Christian Tøttrup, Senior Project Manager and expert on earth observation of hydrology at DHI.

Identifying our clients' biggest challenges

In 2023, we initiated the Innovating phase of our DHI+ strategy to ensure that our innovation power continues to fulfil the needs of the market for science-based technology and digital solutions. It is crucial for us that our research and innovation help solve our clients' water-related challenges and create positive impact.

To help guide our innovation efforts to maximum impact, we defined a top-20 list of the most important client challenges that DHI will look to solve with innovations in the years to come. The top-20 list is based on extensive market outreach performed during 2023, which enables us to further sharpen our focus on the most critical water-related challenges faced by the planet and our clients, and innovate on solutions to address them.

OUR PEOPLE

'Taking an idea or problem and transforming it into a set of instructions that a computer can understand is extremely satisfying.'

[READ THE FULL STORY →](#)

Christopher Gaszynski
Wastewater Engineer
Denmark

OUR TECHNOLOGIES

Advanced water modelling software and digital solutions

Innovation and technology have been ingrained in DHI since the beginning – and our history and foundations of testing and modelling still inspire the solutions we provide today. Our advisory services are backed by advanced technologies; our water modelling software and a range of digital solutions such as data portals, cloud-based applications and operational systems delivering real-time information and forecasts.

At the foundation of our offerings lies MIKE Powered by DHI, a range of software products that enable clients to accurately analyse, model and simulate any type of challenge in water environments. We have a 50-year track record in developing quality software. Our core numerical engines and software systems that make up our MIKE software suite today have been continuously developed and expanded for decades and used by water professionals worldwide, from single users to large, global corporations with hundreds of concurrent users.

Today, the MIKE suite is the gold standard for water modelling technology, ranging from off-the-shelf software to highly customisable IT solutions, all designed to address a diverse array of water challenges, from oceans and coastlines to rivers, reservoirs, ecology, groundwater, water distribution, wastewater and beyond. Here are examples of some of the many features:

- **Urban water** – Fully integrated software for water utilities and wastewater treatment plant operators to model and simulate water distribution systems, collection systems, flooding, rivers and wastewater treatment plants
- **Coast and marine** – 2D and 3D modelling tools used by port authorities and coast and marine engineers to analyse flow phenomena, waves, sediment dynamics, dispersion phenomena and ecological systems

- **Water resources** – Specialised 2D modelling tools for water authorities to understand inland water dynamics and water resources availability
- **Groundwater and porous media** – 2D and 3D simulation software used by mining professionals, civil engineering, geotechnical and geothermal engineers to analyse groundwater quality and quantity
- **Data and operational decision-making** – Integrated software enabling users across all sectors to build data management, real-time forecasting and operational control systems

The MIKE software is integrated into a range of digital solutions and data portals offered to DHI clients.

2023 product launches

In 2023, we launched new software tools in the latest MIKE 2024 release with many new features, including: The integrated water modelling platform MIKE+ was updated with several features, including an extension of the Catchment Processing tool, a new Zone Water Balance feature and a Flood Polygons tool. The groundwater modelling solution FEFLOW was expanded with an enhanced Well Manager Editor including a geothermal extension, and the marine water software suite MIKE 21/3 saw improvements in hydrodynamic and advection-dispersion calculations.

In addition to the MIKE 2024 release, DHI also introduced the MIKE Metocean Simulator (MIKE MS), improving wave modelling for offshore energy and marine infrastructure projects. Features like assisted meshing and advanced statistical methods shortened the simulation process, and integrating selected global datasets from DHI's Metocean On-Demand (MOOD) Portal eliminates the need for heavy data processing, saving time and resources for our clients and enables them to make data-driven decisions.

It's all about knowledge building and sharing

THE ACADEMY by DHI embraces all of DHI's global training and knowledge-sharing activities. THE ACADEMY develops and arranges training opportunities and facilitates access to research results, expert forums, networks, partnerships and technology. The common goal is to ensure that our clients are equipped to find and apply the appropriate solutions to their unique challenges and tasks.

In 2023, we arranged 363 courses and webinars with over 11,000 participants. These ranged from thematic and capacity-building workshops to training in the use of specific software tools.

THE ACADEMY is supported by more than 70 trainers worldwide. They are experienced professionals, many of whom are recognised international experts in their fields with a thorough knowledge of the local markets and regulations. Special training packages are arranged for universities and research institutions, where we also provide direct teaching services.



OUR STRATEGY

Impacting the sustainable development of our planet

Half of the world's population could be facing water scarcity as early as 2025, and global warming and associated changes in temperature, precipitation patterns and sea levels are projected to continue throughout the 21st century. We see a strong need for sustainable water practices, investments in infrastructure and international cooperation.

DHI has been committed to advancing and sharing knowledge of water environments for 60 years. Together with our clients and partners, we combine deep domain knowledge and advanced technology to innovate new ways to use, manage and live with water and protect water-related ecosystems. Our vision is to drive the agenda of the water business and significantly impact the sustainable development of our planet – through innovation, partnerships and an unmatched ability to model and forecast future scenarios.

Our strategy DHI+, launched in 2021, aims to realise this vision.

DHI+ is a growth strategy that fully integrates sustainability into business objectives and is built on the ambition to accelerate the realisation of the UN Sustainable Development Goals (SDGs). Six clear commitments are integrated into DHI+ and its action plans:

- **Accelerate the realisation of the UN SDGs** and make measurable impact, enabling a sustainable future for water
- **Invest in research and development**, and advance new knowledge, methods and technologies for the benefit of our clients and society
- **Focus our efforts on selected business segments** where we together with our clients and partners have the biggest impact

- **Continue to enhance our technology edge** and deliver robust and differentiated business advice on the basis of superior scientific domain knowledge, modelling skills and continuous innovation
- **Unite the organisation** and maximise the potential of our global competencies and skills
- **Increase ability to invest in innovation** through growth in revenue and profit

Our commitments are reflected in three overall objectives, which drive our actions and priorities across the business.

- Together with our clients and partners, increase our impact on the SDGs with specific focus on SDG 6, 7, 9, 13 and 14
- Increase our ability to invest in research, development and innovation by growing revenue and increasing profitability
- Create an attractive workplace with high employee engagement by actively facilitating and enabling personal and professional development and global collaboration

These objectives are achieved through three phases; 'Connecting', 'Innovating' and 'Impacting', each of them with defined initiatives and actions to support progress.

2023 key strategic initiatives

Over the course of 2023, we have specifically focused our efforts on the 'Innovating' phase and initiated multiple actions in implementing the strategy.

We launched a global 'Innovation Challenges Programme', spanning all geographies and markets, where in close partnership with more than 100 clients and stakeholders, we have discussed and defined the most impactful challenges that DHI should solve with our innovations and eventually let these discoveries turn into new solutions. Learn more on [page 32](#). Additionally in 2023, a 'ChatGPT Challenge Programme' investigating opportunities from AI and large language models resulted in the launch of 'ChatDHI', DHI's own AI-supported language and data model streamlining modelling and enhancing the processing of data.

We consolidated our launch processes aiming at bringing new products and digital solutions to the market more efficiently and effectively, enabling our clients to make an impact on their clients and to the communities they serve. Initiatives included updated internal training procedures and systemised customer feedback plans. We also launched a new DHI Customer Care Portal providing clients access to an extensive selection of online resources including product documentation, FAQs, video tutorials and user forums.

To further support an internal working environment that stimulates and unleashes the innovation potential in our organisation, we developed and launched in 2023 a new career path framework with clear and attractive career paths for development and individual growth for everyone at DHI. The design of the career path provides a structured roadmap for advancement, skill development and achieving the career goals of each individual. Learn more on [page 37](#).

OUR PEOPLE

‘Every day, I connect internally and externally with peers and clients, experimenting with different approaches to enhance the awareness of our MIKE software.’

[READ THE FULL STORY →](#)



Xu Lijun
Deputy Head of Department
MIKE Sales
China

OUR SOLUTIONS: CITIES

Overcoming water challenges in cities

As the world continued to face rapid global urbanisation, climate change and increasing water scarcity in 2023, DHI helped cities devise more holistic adaptation and mitigation strategies to deal with increasing populations, a changing climate and evolving regulatory requirements.

DHI helped optimise urban water management by implementing innovative and sustainable solutions to ensure clean water for drinking and clean environments for living. We collaborated with clients to ensure clean drinking water, alleviate flood risks and optimise energy consumption.

We leverage the latest technological advancements and knowledge to develop water management tools that foster better collaboration, predict the effects of interventions and accelerate implementation processes. Our solutions focus on planning, design and operation of urban infrastructure and help ensure liveable cities, now and in the future.

Our solutions include:

- **Water supply and distribution** – Accessing real-time data and information on water supply and distribution systems to drive improvements in delivering a continuous supply of high-quality and affordable drinking water from source to tap
- **Wastewater treatment** – Enabling ways to increase capacity, reduce effluent concentrations, become an energy producer rather than consumer and recover valuable and scarce resources. Establishing automated data-driven operations to minimise risks of human error and ensure regulatory compliance

- **Urban drainage** – Supporting cities and utilities to achieve sustainable and efficient wastewater and stormwater management for daily operations and long-term strategic planning, reducing the risks and environmental impact, supporting regulatory compliance and justifying efficient investments in infrastructure and development
- **Product safety and chemical regulatory compliance** – Assisting industries in complying with chemical and chemical product regulations. Our integrated approach combines in-depth knowledge of chemicals with regulatory expertise
- **Resource efficiency and industrial production risk** – Supporting industrial clients in achieving resource efficiency and reduction of waste within the entire industrial value chain

Tracing sources of PFAS

Our urban projects in 2023 included tracing the sources of PFAS in wastewater. Denmark's largest wastewater utility [BIOFOS](#) asked DHI to trace the sources of PFAS and other environmentally harmful substances in the catchment area of 15 municipalities in the Greater Copenhagen area together with the 15 catchment municipalities. The investigation provided these municipalities with a tool for identifying the major sources of PFAS contamination in their municipality.

'PFAS chemicals are ubiquitous, and we need to work together to limit PFAS from contaminating the environment. We can identify hot spots that contribute the majority of PFAS to wastewater treatment plants. But we need to have a holistic and pragmatic approach to the PFAS challenge and this will require joint efforts from many stakeholders,' explains Kristina Buus Kjær, DHI's Head of Projects in Wastewater Treatment.

A digital twin for rainwater management

In another project, DHI implemented a digital twin for a [rainwater management project](#) in Bydgoszcz, Poland. The goal is to support decision-making processes related to the operation of the reservoir retention system in the Bydgoszcz area based on data provided by measurement systems, which will then be processed by artificial intelligence.

The team will implement *Future City Flow*, DHI's web-based decision support system and digital twin that will help Bydgoszcz Utility improve the efficiency of water resources management. Waldemar Mlaś, DHI's Vice President for Water Supply & Urban Drainage in Central and Southern Europe says, *'Using the power of a digital twin, Bydgoszcz Utility will be able to better execute weather-adapted control strategies to mitigate the effects of increased rainfall on infrastructure.'*

OUR SOLUTIONS: ENERGY

Accelerating the development of a sustainable energy sector

The increasing demand for renewable energy puts pressure on the energy sector to increase efficiency without compromising on safety and protection of vulnerable species and ecosystems. By integrating data and knowledge of the natural world with technology and training, DHI helps clients in the energy sector comply with regulations and achieve operational efficiency, safety for employees and protection of local ecosystems.

DHI has state-of-the-art test facilities at our headquarters in Denmark that are used to reduce design risks in major energy projects. DHI's wave pool lab is unique in hydraulic testing, and we have 60 years of experience in physical model tests and numerical tools for infrastructure development in the offshore energy sector. Several major infrastructure works, including those from 2023, were given final shape here based on the laboratory results.

DHI's solutions for the energy sector combine knowledge of natural processes with models and data. Model results become solutions designed to cope with future climate and development needs.

Our solutions include:

- **Offshore wind** – Identification of new offshore wind farm opportunities and evaluation of potential environmental impacts with high-quality data, modelling tools and detailed analyses, enabling clients to ease approval processes, prevent operational hiccups and reduce investment risks. Using our expertise within engineering, metocean services, water environments and ports and terminals infrastructure to support the expansion, installation and continuation of offshore wind services. DHI has contributed to more than 80% of commissioned offshore wind farms worldwide

- **Carbon capture and storage** – DHI provides seabed analyses, risk assessment and modelling of potential CO₂ leakage from aquifers to be used for the environmental impact assessment of projects. We also develop software tools for assessing the possible impact to the marine ecosystem as a result of CO₂ releases from CCS operations and during storage. Our activities also include biological monitoring of sediments in the vicinity of sites
- **Geothermal energy** – DHI's modelling and visualisation solutions allow for 3D representation models, using sub-surface simulators, advanced algorithms and 3D meshing. These models are crucial for recognising the geothermal potential and will determine the feasibility of achieving carbon-neutral energy production in an area using geothermal
- **Oil and gas development** – Solutions include metocean data, forecast of wind, waves, water levels and currents, online monitoring, physical model testing, hydrodynamic load and response analysis for both fixed and floating structures and Environmental Impact Assessments (EIAs)

30 years of data from the North Sea

In 2023, we announced that DHI will publish more than 30 years of data on environment and biodiversity trends in the North Sea on an open portal named [the North Sea Environment Portal](#) funded by TotalEnergies Denmark. The project is done in collaboration with the Danish Underground Consortium (DUC). The aim is to create the best possible basis for developing robust plans to protect the marine environment.

'We find that transparent and open access to information is crucial for creating action and accelerating the work to safeguard the state of the marine environment and biodiversity', says Mikael Kamp Sørensen, Executive Vice President for DHI's Energy & Ports business unit. With the expected expansion of wind farms, CO₂ storage and many other offshore activities, our goal is that other stakeholders in the North Sea will make use of the portal and contribute by adding more data.

Energy island model built at DHI

DHI also welcomed a visit to our headquarters in Denmark from the Belgian Minister of Energy, Tinne Van der Straeten, who came to see the large-scale model of the world's first renewable energy island, [the Princess Elisabeth Island](#). The Belgian energy island will be an extension of the electricity grid in the North Sea, connect wind farms from the sea to the mainland and create new connections with select countries. *'We want to take physical model testing into the future. The tests that we can do at our unique test facilities reveal details that simulations simply cannot do',* explains Karsten Lindegaard Jensen, Director of Offshore Wind – Marine and Hydraulic Structures at DHI. At 8.6 by 3.8 metres, the scale model of the Princess Elisabeth Island (1/60) was one of the largest ever built in DHI's wave basins, and the experts at DHI tested the resistance of the design against current and waves.



OUR SOLUTIONS: MARINE AND COAST

Protecting marine and coastal environments

The marine and coastal ecosystems face mounting challenges due to a rising incidence of intense weather events, a trend that persisted and intensified throughout 2023. Concurrently, the expansion of coastal cities, ports and marine infrastructures adds to the complexity, with their increasing scale and numbers. Coupled with the effects of climate change, these dynamics exert considerable pressure on our natural environment.

DHI works with clients in the public and private sectors such as governments, insurance, real estate and shipping. Our solutions, technologies and data help our clients transform model results into sustainable engineering solutions designed to cope with future climate and development needs.

Our solutions include:

- **Marine infrastructure** – DHI provides solutions for all aspects of the infrastructure lifecycle from design, construction and operations to ensure that the new structures such as bridges, artificial islands and tunnels work with nature, not against it. We help ensure that the infrastructure complies with strict environmental legislation and can cope with even the harshest environmental conditions. By harmonising marine infrastructure with nature, DHI helps clients find the right mix of artificial coastal elements such as beaches, headlands, cliffs and lagoon environments to support the protection of life below water
- **Coastal development** – Safeguarding against coastal flooding and adapting to climate change has never been more important. We help our clients implement sustainable mitigation measures for cost-efficient and resilient design and development of new land, islands and waterfront projects while protecting the surrounding environment

- **Aquaculture production** – DHI's tools and services include environmental impact assessments and strategic environmental assessments, site selection, farm design optimisation, water forecasting and toxicological and biological expertise with respect to legislation and documentation
- **Environment and ecosystems management** – With DHI's ecosystem-based approach, we help clients solve challenges with alleviating environmental pollution and degradation, carbon capture through restoration of wetlands, coping with the impact of climate change on ecosystems, conserving and restoring biodiversity in water environments and meeting increasingly strict environmental requirements and legislation

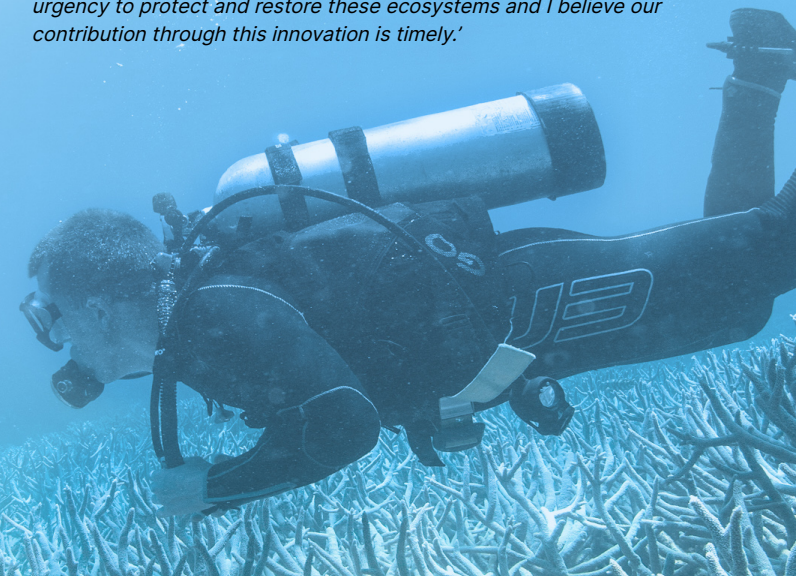
Using hydrodynamic models in Venice

In Venice, DHI and partners have identified ways to balance navigational safety, infrastructure operations and environmental sustainability. *'As a bustling port city, traffic from ships and other vessels can affect the ecosystem of the surrounding lagoon'*, shares Andrea Pedroncini, Head of Marine & Coastal Solutions, DHI Italy. He adds, *'To protect the UNESCO World Heritage site, Port of Venice has invested two years of time and resources into a comprehensive analysis of the port's effect on the local environment. In 2023, our team completed the project and together with Port of Venice, implemented a wide programme to disseminate the results.'* This project is within the framework of the 'Channelling the Green Deal for Venice' project, co-financed by the European Commission through the CEF Program. Through hydrodynamic models and navigation simulations, Venice is enabled to stay true to its commitment to preserving its heritage while adapting to the changing needs of modern times. [Watch the video.](#)

Mapping marine habitats in Malaysia

In 2023, a DHI project on [mapping marine habitats with satellite data](#) was announced as one of four projects selected in the third Ocean Innovation Challenge (OIC) of the United Nations Development Programme (UNDP). A web platform called MCSAV is now being developed to map mangroves, corals and submerged aquatic vegetation using remote sensing for the popular tourist destination Semporna in Sabah, Malaysia. With this platform, stakeholders will find it easier to plan, manage and monitor marine habitats in the area, which will in turn protect and enhance resilience for coastal-dependent communities.

'Direct threats to marine habitats and resources have rapidly changed the seascape in this region', says Malinda Auluck, DHI's Senior Environmental Consultant based in Malaysia. *'There is an urgency to protect and restore these ecosystems and I believe our contribution through this innovation is timely.'*



OUR PEOPLE

‘What I love about DHI is the breadth of knowledge and the passion of the people working here. This is not a place for *business as usual*.’

[READ THE FULL STORY →](#)



Frank Thomsen
Principal Scientist
Offshore Wind Environment
Denmark

OUR SOLUTIONS: MINING

Solving water-related challenges for the mining industry

Water is an essential part of running and maintaining efficient mining operations. Mines are highly dynamic environments subject to frequently changing site conditions, mine plans, seasonal climatic variations as well as various other water-related factors. As a result, sustainable and efficient mine water management operations call for a thorough understanding of existing conditions and for learning from historical data to improve decision-making. DHI helps mining companies adopt an integrated water management strategy for mines to run efficiently with minimal environmental impact.

Our solution includes:

- **Mine dewatering** – Groundwater extraction planning for open-pit dewatering to minimise water volume, time and cost and increase mine profitability
- **Determining site-wide and watershed scale water balances** – Development of deterministic and probabilistic mine water balances to improve water management from the early planning and design phase through operations and ultimately closure
- **Slope stability evaluation** – Creation of high-resolution 3D groundwater flow models to evaluate pit groundwater inflows and pit wall depressurisation under various pit configurations. Insight from such models has proven effective at increasing the reliability of critical pore pressure estimates.
- **Mine water management optimisation** – Automated forecasting and analysis to reduce water management costs, by synchronising dewatering programmes with mine water management from planning to production

- **Mine closure planning** – Impact evaluation of multiple stressors and creating a framework for detailed planning and design to minimise the impact of mine closure and improve tailings stewardship

Water management in lithium mining

One of DHI's mining projects in 2023 involved implementing the *MIKE Mine* decision support system for the lithium mining company Eramet to help them better manage their lithium mining operations. *'With DHI's solution, Eramet can now create and evaluate their lithium pumping scenarios through a web platform to determine the optimal set-up for maximum lithium production'*, says Ferdinand Flechtner, DHI's Senior Consultant and Product Specialist of MIKE Mine. The system was successfully implemented on Eramet's Microsoft Azure cloud environment and a Phase 2 contract has already been signed to add functionality to the platform by connecting it to the mine's data historian.

Environmental assessment in Peru

In 2023, DHI continued to serve as a key advisor in facilitating the environmental permit acquisition for one of the largest copper mines in the world as part of the USD 2 billion Antamina Replacement project. This permit allows modifications to extend the operational life of the current mine for eight years from 2028 to 2036. Pablo Saez Martinez, Project Manager and Water Resources Specialist, says, *'DHI conducted an extensive environmental assessment as well as offered expert advisory services in hydrology and water management. And collaborating closely with Stantec, we presented the study before regulatory bodies.'*



OUR SOLUTIONS: PORTS AND MARITIME

Empowering environmentally conscious decisions for ports

DHI was founded by solving a challenging harbour development project in Denmark 60 years ago. Since then, our impact has extended to over 600 harbours, ports and terminals across 100 countries. We help port authorities and operators accommodate increasingly large ships and work with shipping companies to reduce their fuel costs and minimise biofouling. DHI's objective is to empower clients to make well-informed, environmentally conscious decisions related to water.

Our solutions include:

- **Port operations and management** – Leveraging smart technology to support clients in achieving safer and more efficient port operations and reducing a port's environmental impact. DHI's port-specific solutions are recognised by PIANC, IMO, UN and IALA.
- **Ballast water testing** – Biological performance evaluating of ballast water management systems according to international standards. Our test facilities provide opportunities for verification of biological performance in fresh, brackish and high saline waters.
- **Current data and biofouling predictions** – Optimisation of route planning to reduce fuel consumption and operational costs, through hourly current data and biofouling predictions on vessel hulls

Centralised vessel scheduling system in Canada

In 2023, Vancouver Fraser Port Authority reached a key milestone as it launched its first centralised vessel scheduling system which DHI was contracted to design and implement. Simon Brandi Mortensen, DHI's Vice President of Ports & Terminals says, *'The port's vessel scheduling system is backed by DHI's physics-based NCOS ONLINE solution, which provides an accurate and extensively validated decision support platform to optimise vessel scheduling for safe port expansion and reduce transit delays.'* Moving forward, the port will use the system to plan and coordinate more than 1,000 ship transits every year in the busiest waterway of the Port of Vancouver, helping to gain efficiencies and increase sustainable vessel traffic scheduling as the port continues to expand in the future.

Ballast water management in China

For the Chinese manufacturer SunRui Marine Environment Engineering Co., Ltd., with DNV as classification society, DHI performed a full testing programme for type approval of SunRui's ballast water management system in 2023. SunRui's system treats ballast water by electrochlorination, and compared to previous products, the filtration unit has been omitted. The testing by DHI confirmed that the system can eliminate live organisms in ballast water to the levels required by IMO and U.S. Coast Guard. *'Ballast water management systems without a filter represent a new development, and it is encouraging to witness that SunRui's system can meet the requirements that are expected of discharged ballast water'*, says Gitte Ingelise Petersen, Business Area Manager at DHI.



OUR PEOPLE

'I wanted to be part of this dynamic, powerhouse of a company where I could play a small role in shaping our future.'

[READ THE FULL STORY →](#)



Prema Bhautoo
Head of Digital Port Services
Ports & Terminals
Australia

OUR SOLUTIONS: WATER RESOURCES

Sharing water for a sustainable future

The growing global population poses significant challenges to current approaches in sharing water resources and mitigating risks from natural hazards. DHI bridges the gap between risk and action and helps ensure a more sustainable future through an integrated water resources management approach.

Our solutions include:

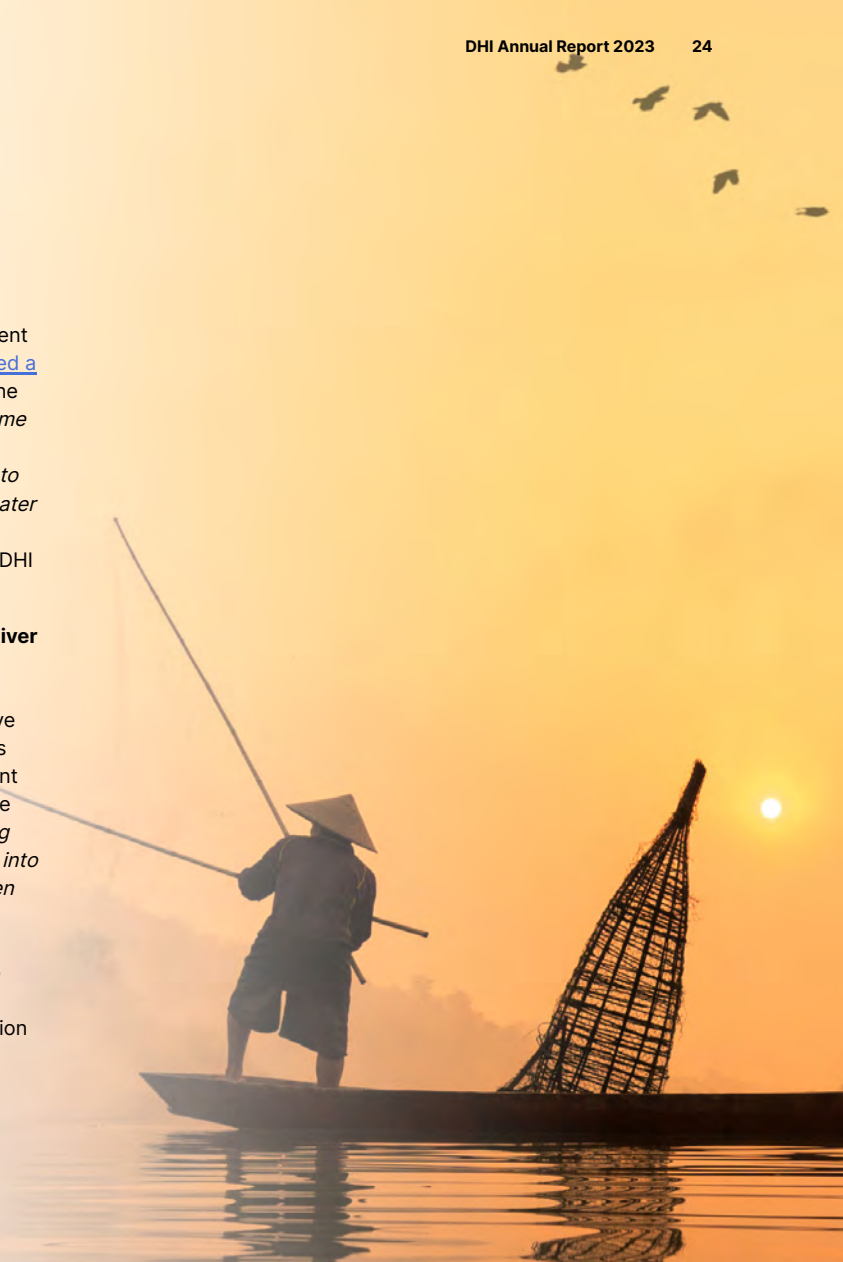
- **Integrated water resources management** – Using real-time monitoring and reporting decision support systems, we help nations share information on flood and drought, water availability, diversions and quality for transboundary water sharing and the protection of biodiversity and freshwater ecosystems
- **Sustainable river management** – Assisting river and reservoir managers in meeting the various demands of riverine environmental management
- **Flood risk management** – Supporting governments, authorities and emergency responders to capture flood hazards, quantify impacts, design interventions and evaluate adaptation pathways, disseminate flood risk alerts, transfer residual risks through parametric insurance and more
- **Groundwater management** – Providing reliable assessments of the total groundwater resource, balancing abstraction with recharge, and ensuring water quality is maintained
- **Efficiency improvement for irrigation systems** – Optimising irrigation systems through smart technology, improved reuse and enhanced reservoir and river operations
- **Hydropower production optimisation** – Helping to increase hydropower production by enabling sustainable flood control and effectively managing multiple reservoirs through reliable forecasts

Forecasting flows and water levels in Segura River

In a 2023 project supported by the Spanish Ministry of Science and Development, backed by the European Regional Development Fund (FEDER), DHI and partners have [designed and implemented a digital twin](#) that is expected to improve water management in the Segura River Basin. *'The digital twin draws on a range of real-time data sources, meteorological forecasts, satellite observations, integrated hydrological/hydraulic models and data assimilation to provide daily updated forecasts of water use, storage, flows, water levels and water balances in a single web platform to support decision-making'*, says Peter Torp Larsen, Country Manager of DHI Spain.

Supporting shared water resources planning in the Mekong River

Together with Royal HaskoningDHV, DHI started working on a project in 2023 for the Mekong River Commission (MRC). The 'Proactive Regional Planning' project aims to develop an adaptive basin plan that is aligned with stakeholders' priorities, as well as supplements national plans through joint and national investment projects that increase overall benefits and decrease costs at the basin level. Project Manager Henrik Garsdal says, *'DHI is leading the project to upgrade the current decision support framework into a flexible tool for planning and operation. We will also strengthen proficiency in using the tool to facilitate the adaptive basin planning process and support improved implementation of the MRC procedures.'* The overall aim is to enhance MRC's ability to evaluate and propose joint investment options for the Mekong countries, taking future challenges like climate change, population and economic growth into consideration when planning for sustainable use of shared water resources in the Mekong River basin.



A man with grey hair, wearing glasses and large white headphones, is seated at a dark wooden table. He is focused on his work, with his hands on a laptop. A white mug sits on the table next to the laptop. The setting is a bright, modern office or workspace with a light-colored wall and several large green plants in the foreground, creating a natural and professional atmosphere.

Financial review

In 2023, DHI realised revenue growth of 11.2% compared to 2022 and generated revenue of EUR 132.1 million. Order inflow was the highest ever in DHI's history and increased 13.3% compared to 2022. EBIT was EUR 0.6 million higher than 2022, reaching EUR 0.0 million.

Revenue

In 2023, DHI generated revenue of EUR 132.1 million, an increase of 11.2% compared to 2022. The increased revenue was driven by growth in all segments. Order inflow was EUR 120.4 million, the highest ever in DHI's history, with an increase of EUR 14.1 million or 13.3% compared to 2022.

Net project revenue, which is DHI's own project production (excluding revenue from subcontractors), including revenue from software, was EUR 109.2 million, which was 11.7% higher than 2022. The growth has been obtained fully through organic growth. Growth was strong in all regions, especially in Europe and the Americas. However, in 2023 DHI was impacted by a downturn in the Chinese market. This negatively impacted revenue and earnings for the year.

In 2023, EUR 0.6 million has been adjusted in the comparative figures for 2022. Reference is made to the description included in Note 1 - Basis for preparations.

Earnings

We continued the implementation of the DHI+ strategy to ensure digitally enabled advisory and digital solutions for our clients. As a result, DHI has continued investing in innovation and services to support clients in all key market segments.

EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by EUR 0.7 million to EUR 2.4 million equivalent to an EBITDA margin of 1.8%, which was 0.4 percentage point higher than in 2022.

EBIT (earnings before interest and tax) increased by EUR 0.6 million to EUR 0.0 million.

Financial items positively impacted DHI in 2023 with EUR 0.3 million compared to a negative impact from financial items of EUR 1.3 million in 2022 (following a 2022 with negative development in the financial markets). Generally, DHI pursues a relatively low-risk investment strategy for investments in bonds and shares.

Result for the year

As a consequence of the above, DHI generated a profit before tax of EUR 0.3 million in 2023 compared to a loss before tax of EUR 1.9 million in 2022.

Tax for the year contributed negatively by EUR 0.9 million to the net result due to withholding tax on dividends and tax payments in local jurisdictions.

Loss for the year amounted to EUR 0.6 million compared to a loss of EUR 1.6 million in 2022. The loss in 2023 is not considered satisfactory.

Cash flow

Cash flow from operating activities was positive in 2023, EUR 5.7 million, significantly higher than the negative operating cash flow of EUR 1.1 million generated in 2022. The higher operating cash flow in 2023 was primarily due to an improvement in working capital.

Investments in tangible assets amounted to EUR 3.0 million against EUR 2.2 million in 2022.

Total net cash flow for the year amounted to EUR 4.1 million.

Financial position

The financial position of DHI remains strong. Cash position, including securities, as of 31 December 2023 amounted to EUR 43.5 million compared to EUR 39.9 million as of 31 December 2022.

Balance sheet

Total assets increased to EUR 109.3 million from EUR 99.9 million in 2022. The increase was mainly due to the increase in the working capital items, Trade receivables and Contract work in progress, net, as a result of the increased activity level.

As a result of the loss for the year, equity decreased by EUR 1.0 million to EUR 47.2 million. The solvency ratio was 43% as of 31 December 2023 and the solvency ratio remains strong, despite current year loss.

Events after the balance sheet date

Management is not aware of any events subsequent to 31 December 2023 that are expected to have a material impact on DHI's financial position.

2024 outlook

Increasing inflation and salary levels remain a risk as fully compensating index adjustments in consultancy and software sales prices are not always possible due to various contract terms. These factors are expected to have a negative impact on EBIT in 2024. In addition, the development of the financial markets and the geopolitical instability and the related consequential impacts remain uncertain. Despite these headwinds, we expect revenue to continue to grow and profitability to improve. For 2024, we expect revenue in the range of EUR 130-140 million, and a positive EBIT in the range of EUR 0-2 million, due to efficiency measures taken.



OUR PEOPLE

'As a coastal engineer, I have the opportunity to help shape the coastline to meet the needs of both people and the environment. Seems pretty cool to me.'

[READ THE FULL STORY →](#)

Jessica Wilson
Global Nature-based Solutions Lead
and Senior Coastal Engineer
Canada



ESG review

Sustainability is deeply rooted in our company purpose and in our business, and our sustainability framework outlines clear targets, commitments and actions, directing us in our work to increase our contribution. We have set ambitious targets of reducing carbon emissions from our own operations, and we make a positive impact on our planet together with our clients and partners, having been engaged in more than 2,700 projects in 2023 supporting water environments across the world.

Our contribution to sustainable development

Sustainability is a central part of DHI's DNA and purpose. In everything we do, we strive to make a positive contribution to the sustainable development of our planet. It lies within the nature of our work at DHI that we have always been advocates for the protection of water environments.

Our strategy, DHI+, integrates sustainability with our business strategy as we recognise the two are intertwined, and this connection impacts the environment and societies in which we operate. Climate change drives more extreme weather conditions, global warming and rising sea levels, and at the same time urbanisation requires new standards for water distribution and water quality. We support the UN sustainable development goals (SDGs) and have highlighted five SDGs that reflect the areas in which we make the largest impact together with our clients and partners:

- SDG 6: Ensure availability and sustainable management of water and sanitation for all
- SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all
- SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- SDG 13: Take urgent action to combat climate change and its impacts
- SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Our work in relation to these SDGs includes:

- Improving access to safe water, reducing untreated wastewater and increasing water-use efficiency
- Reducing water scarcity and implementing integrated water resource management
- Enabling increased use of renewable energy
- Develop sustainable and resilient marine infrastructure
- Strengthening resilience and adaptive capacity to climate-related hazards and natural disasters
- Protecting and restoring water-related ecosystems



Sustainability reporting

DHI is a signatory to UN Global Compact and committed to upholding the 10 principles of human rights, labour rights, anti-corruption and the environment.

The information contained in the Annual Report also serves as our progress report on DHI's implementation of the 10 principles of the UN Global Compact.

Our sustainability reporting connects with DHI's contribution to the SDGs and the principles of the UN Global Compact.

Our reporting is structured based on the principles following the EU Corporate Sustainability Reporting Directive's structure for Sustainability Statements. For DHI, the new EU Directive is effective for the financial year starting 1 January 2025.

The key sustainability topics are structured on the basis of ESG issues and KPIs.

Our ambitions and commitments

Our approach to sustainability is described in our sustainability framework, which outlines our ambitions, key targets and commitments within the two overall impact levels: the impact we have together with clients and partners through our advisory services and solutions, and the impact we have within DHI from our own operations.

The framework, described in more detail on the next page, is based on a double materiality approach and furthermore, we have applied the GRI requirements to determine our material topics. This means we have taken an 'outside-in' view of sustainability matters that can affect our business as well as an 'inside-out' view of where our actions influence the environment and society. Both positive and negative outcomes are included.

DHI Sustainability Framework

Due to the nature of our business, sustainability is two-sided for DHI. We are first and foremost making an impact together with our clients and partners through the work that we do and the services we provide. Seeing how our solutions are making a difference is what motivates us to take on global water challenges, be it enabling the design of offshore wind farms, protecting large cities from stormwater, removing plastic from the ocean or managing the world's biggest water basins. Second, we can make an impact with our own operations and footprint within DHI.

Enabling sustainable development in water environments



Acting & operating with responsibility

Enabling sustainable development with our clients and partners

Sustainability is not only a critical business opportunity for DHI, but also deeply rooted in our company purpose and in our business. Together with our clients and partners, our impact is predominant on three different levels:

- **Conserving and enhancing ecosystems** – We help to protect the natural world and its biodiversity through the application of predictive tools and practical applications. Our modelling software suite in combination with our advisory services is equipped to support science-based decisions on the management, conservation and restoration of nature
- **Tackling climate change and building resilience** – We enable our clients to reduce their climate impact through our products and services, supporting climate adaptation and focusing on resiliency for water and environment, e.g., in offshore wind farms projects. Furthermore, we collaborate and co-create with partners in engineering, insurance and economics to understand vulnerabilities and impacts
- **Driving outcomes** – We help decision-makers target at-risk areas for intervention, influence strategy or permitting processes and developing accurate predictive models. Our partnerships across sectors, from UN agencies to international donors and academic institutions, drive innovations, extend our reach and allow us to positively influence developments around the globe

Our key targets and commitments towards 2025 include:

1. Mapping of how DHI's products and services contribute to the SDGs
2. Implementing sustainability as a key driver in our technology and innovation investments

3. Innovating and connecting to develop new ways to support our clients' sustainability agendas

From methodology to practice

At solution level, we embody our strategic vision for sustainability through our collaborations with clients and partners. This encompasses i) identifying, assessing and showcasing the tangible sustainability impact that our products enable when we carry out projects with clients and ii) identifying and developing sustainability-driven solutions.

In this context, sustainability assessment is a valuable supporting tool that can help us make progress towards these two interconnected objectives.

Based on this motivation, DHI's Innovation Lab conducted an explorative project in 2023, centred on exploring the role of sustainability assessment within DHI and its potential applications. Specifically, the project chose Life Cycle Assessment (LCA) and carbon footprint accounting as the sustainability assessment approaches to explore in depth. While there are no actual impact quantifications yet, the project has highlighted perspectives for doing this. This involves understanding the sustainability priorities specific to each industry as well as the terminology, methods and strategies our clients are employing in relation to sustainability. The project has outlined a structured approach to gather this information.

One example of how DHI has started to work with carbon footprint reporting is from the wastewater segment under the Water in Cities business unit. In TwinPlant, a digital twin solution designed for wastewater treatment plants (WWTPs), DHI has integrated a standardised methodology into the software to measure clients'

greenhouse gas emissions from wastewater treatment operations, including scope 1, scope 2 and scope 3 emission reporting.

The recently introduced Optimised Plant module is part of TwinPlant. This module addresses the intricacies of aeration systems within wastewater treatment plants, offering operators data-backed advice on optimal settings to minimise energy consumption and reduce the carbon footprint. Previous research from DHI suggests that energy optimisation of WWTPs can reduce the total CO₂e emissions from the global wastewater treatment sector by up to 20%, while providing cost savings of EUR 24 billion per year. The aeration process can account for up to 60% of energy consumption in wastewater treatment, so major reductions can be achieved by improving the aeration process alone. One installation of Optimised Plant could potentially reduce emissions of 50-100 t CO₂e per year for a medium-sized WWTP.

Sustainability focus in investments

To support our efforts in enabling our clients and partners to overcome their water-related challenges and achieve their sustainability agendas, and based on a previous idea generation, in 2023 we defined a top-20 list of the most important client challenges that DHI should look to solve with innovations. The top-20 list is based on the extensive market outreach performed during 2023, adding to the already massive knowledge about our clients' most pressing challenges. Work will continue on identifying opportunities to leverage existing solutions and exploring the feasibility and viability of new solutions targeting the top-20 client challenges. DHI conducted different types of research activities to discover possible new solutions that address the identified challenges.

Acting and operating with responsibility within DHI

In line with our strategy, DHI continuously works with sustainability due diligence to identify, prevent and mitigate actual and potential negative impacts on the environment and people connected with our business. These negative impacts may be caused by DHI, and they may be directly linked to our own operations and/or our services. Some of these sustainability due diligence actions include internal initiatives for energy reductions and sourcing (own operations) and development of new sustainable and innovative client solutions. Our ambition is to increase the incorporation of sustainability due diligence as an integrated part of our processes and decision-making across our organisation.

Acting and operating responsibly at DHI means that we are integrating key sustainability parameters into our operations at three main levels; environmental footprint, people, diversity and inclusion, and operational excellence.

Environmental footprint

We continue to identify and map our operations, and take action to minimise our climate impacts and water footprint. In 2023, we prepared a new internal air travel fee to reduce our own carbon emissions. The internal fee, which is applied to all DHI air travels from 1 January 2024, aligns with DHI's broader efforts to consider the environment while going about our business activities.

In line with achieving a net-zero target by 2025, we have started acquiring high-quality and permanent carbon removal credits, which focus on capturing and storing carbon dioxide from the atmosphere. Within DHI, we have teams specialising in blue carbon projects that further reinforce our commitment to reducing carbon for our clients and our planet.

People, diversity and inclusion

We are committed to uniting our organisation and maximising the potential of our global competencies and skills. For our people, it means that we enable them to make an impact as we grow and develop a culture of collaboration. A key objective is to create an attractive workplace with high employee engagement driven by the overall objectives of developing our people and attracting outstanding talent. We embrace an inclusive culture that recognises and values diversity and prevents discrimination based on gender, nationality, race, religion, etc.

Operational excellence


Rooted in our DHI+ strategy and an overarching focus on enhancing our operational excellence, key initiatives include protecting against data fraud and theft, building strong client relationships and driving market-based innovation.






We are guided by our DHI Business Excellence Policy and Code of Conduct in all our actions.

Ambitions for 2025

 **DHI's Environmental Footprint**

<p style="text-align: center;">Carbon neutral by 2025 (NetZero for scope 1 and 2)</p> <div style="display: flex; align-items: center;">  <p style="font-size: small;">Supporting SDG Target 13.3 to build knowledge and capacity to meet climate change</p> </div>	<p style="text-align: center;">Measure and reduce our water footprint</p> <div style="display: flex; align-items: center;">  <p style="font-size: small;">Supporting SDG Target 6.4 to increase water-use efficiency and ensure freshwater supplies</p> </div>
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 **People, Diversity & Inclusion**

<p style="text-align: center; font-size: small;">Stimulate employee learning and engagement</p>	<p style="text-align: center; font-size: small;">% of women in leadership corresponds to women in company</p> <div style="display: flex; align-items: center; font-size: x-small;">  <p>Supporting SDG Target 5.5 to ensure women's full and effective participation and equal opportunities for leadership</p> </div>	<p style="text-align: center; font-size: small;">Zero work related injuries</p> <div style="display: flex; align-items: center; font-size: x-small;">  <p>Supporting SDG Target 8.8 to protect labour rights and promote safe and secure working environments for all</p> </div>	<p style="text-align: center; font-size: small;">Zero discrimination or harassment grievances</p> <div style="display: flex; align-items: center; font-size: x-small;">  <p>Supporting SDG Target 10.3 to ensure equal opportunity and reduce inequalities of outcome</p> </div>
 Operational Excellence			
<p style="text-align: center; font-size: small;">Increase our ability to invest in innovation</p> <div style="display: flex; align-items: center; font-size: x-small;">  <p>Supporting SDG Target 9.5 to build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p> </div>		<p style="text-align: center; font-size: small;">Zero reports of cyber security breaches</p>	

Sustainability governance and organisation

The Board of Directors sets the strategic direction and oversees our sustainability work as the highest authority, while the Executive Leadership Team is accountable for our sustainability process and execution. Currently, sustainability-related performance is not directly included in the internal incentive schemes for the Executive Leadership Team.

Over the course of 2023, we have continued to formalise a sustainability management structure for our organisation. The work has been spearheaded by a sustainability workstream sponsor within the Executive Leadership Team, while ownership and responsibility to drive actions have been anchored in a central steering committee representing key functions within DHI to ensure direction, coordination and data collection.

Environmental KPIs

Within DHI, we continuously strive to conduct our operations in an environmentally sound manner. We actively seek to avoid or reduce any waste and minimise our carbon footprint through our operations and water usage. Parts of our operations are more energy-intensive than others, e.g. the use of diesel fuel for our fleet of marine vessels. When available, in future, we are open to new technologies to decrease these harmful substances.



We are committed to working towards reaching net zero by 2025 for our scope 1 and 2 emissions.

Water consumption

DHI is in the business of protecting and managing water environments and ecosystems, and that is why being prudent in the way we use water is second nature to us.

Each DHI office is responsible for monitoring usage and ensuring functioning utilities infrastructure. These offices are typically not water intensive as consumption is limited to restrooms and kitchen/canteen facilities.

In addition to business offices, DHI operates ballast water test facilities and laboratories in Denmark. The ballast water test facility conducts biological evaluations of maritime technologies and other

technical equipment. For 2023, our water consumption in our test facilities and ballast water business increased from 6.1 mega litres in 2022 to 13.8 mega litres in 2023. The increase was due to increased business activity in the ballast water business.

The majority of the water consumption is from using freshwater and seawater in these test facilities. This consumption is not comparable to other businesses of DHI, including FTE-comparable.

For 2023, our total water footprint, excluding test facilities, amounted to 5.2 mega litres, approximately at the same level as the year before (2022: 5.0 mega litres). This equates to a water intensity of 4,724 litres per FTE for the year (2022: 4,846 litres per FTE).

Going forward, we will continue to monitor our water footprint and work towards reductions.

Our energy use and carbon footprint

DHI has committed to working towards reaching net zero by 2025 related to sources that are owned or controlled by DHI, namely within scope 1 and scope 2. Our scope 1 emissions stem from our owned assets such as fuel for our fleet of marine vessels and cars, whereas scope 2 emissions relate to energy purchases, with considerable energy used to power our servers, IT equipment and test facilities.

Our carbon footprint (scope 1 and 2 market-based) amounted to 924 MtCO₂e (2022: 1,368 MtCO₂e). Based on investigations on options for residual emissions e.g., verified carbon offsetting programmes, we started acquiring high-quality and permanent

carbon removal credits, which focus on capturing and storing carbon dioxide from the atmosphere.

Our carbon footprint (scope 1 and 2 location-based) was 1,490 MtCO₂e, an increase of 7% compared to the year before (2022: 1,399 MtCO₂e) due to increased business activity, amounting to 1.4 MtCO₂e per FTE (2022: 1.4 MtCO₂e per FTE).

We will continue to implement energy savings to reduce emission and costs.

As expected, our scope 3 emissions from air travel increased in 2023 compared to 2022. Thus, emissions from air travel increased from 578 MtCO₂e in 2022 to 1,291 MtCO₂e in 2023. For 2024, we expect the emission to stabilise at the current level.

Future scope

DHI's net zero commitment is confirmed, and in the coming years, we will work to continuously reduce our consumption of energy and water. As a company working with water contributing to solving the world's water challenges and protecting water-related ecosystems, our aim is to invest in our own services and especially the method for blue carbon looks like a promising method to achieve net zero.

We will improve the data collection and tracking of emissions, including the continuance of internal initiatives to reduce our emissions. We will also establish formalised roles and responsibilities to undertake the global energy audit needed for all our offices, focusing on scope 1 and scope 2 emissions. As part of the implementation of CSRD, we will during 2025 complete a scope 3 mapping to understand our full footprint.

OUR PEOPLE

'I started in a support role for our DHI Campus platform and internal training activities. Gradually, my role has evolved into Campus manager, driving the entire lifecycle of training courses.'

[READ THE FULL STORY →](#)

Gabriela Mudrova
Learning Specialist
the Czech Republic

Social KPIs

At DHI, all employees are ambassadors of DHI's purpose and sustainability efforts. They are the channel through which we influence, educate and co-create with our clients to develop solutions to handle and protect water environments.

As a 2023 average, our workforce amounted to 1,093 full-time employee equivalents (FTEs) compared to 1,022 in 2022. The largest concentration of people is at our offices in Hørsholm, Denmark (HQ), Singapore and Prague, the Czech Republic.

Diversity

The underrepresented gender remains females constituting 39% of the workforce by the end of 2023, a slight increase from the year before (2022: 38%). As of 1 January 2023, DHI is required to set a target and a policy for the share of the underrepresented gender in 'Upper management', defined as the CEO and the executive vice presidents (the Executive Leadership Team, ELT) as well as their direct reports with leadership responsibility (vice presidents or directors). The share of underrepresented gender and targets are as follows:

	Share of the underrepresented gender (women/men)		Target for the underrepresented gender
	2023	2022	
Board of Directors	37% (3/5)	50% (4/4)	N/A
Shareholder-elected Board of Directors	40% (2/3)	60% (3/2)	40%
Executive Leadership Team (ELT)	33% (3/6)	33% (3/6)	40% by 2030
Upper management ¹	22% (10/35)	20% (8/33)	40% by 2030
All leadership positions ²	30% (42/99)	28% (37/97)	40% by 2030

1) CEO and executive vice presidents (ELT) as well as their direct reports with leadership responsibility (vice presidents or directors)

2) Executive Leadership Team, vice presidents, directors, department heads and local management, excluding the Board of Directors.

In 2023, the ratio between women and men in the Board of Directors, including employee-elected board members, was 37:63 (2022: 50:50). Excluding employee-elected board members, the ratio between women and men was 40:60 (2022: 60:40) and met the Danish Business Authority's gender diversity requirements.

Like 2022, the ratio between women and men in DHI's Executive Leadership Team was 33:67 in 2023. The gender diversity in Upper management was 22:78 by year-end 2023 (2022: 20:80), and in all leadership positions it was 30:70 (2022: 28:72). Despite these improvements from the year before, the current gender diversity ratio in leadership positions is below our targets. We have set a target of 40:60 by 2030 for all management groups, including the Executive Leadership Team (ELT), Upper management and all Leadership positions.

We believe a diverse workforce and inclusive environment are essential for innovation and progress. In 2023, we have initiated various initiatives aiming at increasing the share of under-represented gender, such as minimising the unconscious bias in the recruitment process. We also reiterated our approach to diversity, equity and inclusion (DEI), which aims to foster diversity across gender, race, ethnicity, nationality, religion, abilities, orientation and age. Our focus is on attracting new talent for their fresh perspectives, while also retaining experienced professionals to maintain diversity and inclusion at all levels. To foster awareness and address unconscious gender biases, we will conduct regular training sessions for staff and decision-makers. These sessions will cover topics such as gender and LGBT+ equality, diversity and inclusion, and unconscious bias.

Discrimination

DHI strives to be a great place to work for all employees and to have zero discrimination or harassment grievances. As we make it clear in DHI's Code of Conduct, we do not practise any form of discrimination in hiring and employment practices, including access to training, promotions and rewards on the grounds of race, colour, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, union membership or marital status.

Our Non-harassment Policy and guidelines, established in 2020, states that no employee or manager should silently tolerate or witness unwelcome conduct that leads to a hostile work environment. There was one incident reported of discrimination in 2023 (2022: 0). This reported incident was handled by the involvement of global HR.

Health, safety and well-being

The health, safety and well-being of our employees is our top priority. According to our global DHI Health & Safety Policy, each country in which DHI has offices and facilities must, as a minimum, implement a system that complies with local regulations. This will be ensured by the Country Manager, supported by designated regional health and safety officers.

In 2024, we will build on our existing health and safety management system to meet the requirements of ISO 45001, the international standard for occupational health and safety. We will implement this enhanced management system in offices where

field work or out-of-office work is carried out as a known high-risk activity.

Potential health and safety risks that may be present in our workplaces and in our activities or ventures will be assessed on an ongoing basis. Where potential risks are identified, a documented risk assessment is completed to describe the actions that need to be taken to effectively eliminate or control harm. Since the implementation of our health and safety processes in 2012, there have been no serious incidents involving fatalities or serious injuries. In 2023, three work-related injuries were recorded (2022: 3), of which one occurred in the field and two in the office.

As part of our global employee engagement process, DHI is monitoring employee engagement on a quarterly basis to drive continuous feedback and foster development of teams and individuals. The overall engagement rate increased in 2023.

Skills, development and training

At DHI, we strive to establish an organisational environment that stimulates employee learning and development. The professional and personal development of each employee development is facilitated through a blend of avenues, which include the annual Performance and Development Dialogue (PDD), on-the-job training and courses and learning activities at the DHI Campus, our internal platform for learning and development.

In 2023, 97% of all employees completed the PDD, and a total of 1,759 participants attended the internal training courses at the DHI Campus where 90 courses and webinars were completed, an

increase of more than 25% compared to 2022. Our Global Mobility Scholarship programme promotes opportunities for career development within DHI and allows employees to spend one to three months in another country to get exposed to different working cultures and technical approaches and to build relations and networks globally. A total of 12 scholarships were granted in 2023, and the programme continues in 2024.

All new employees at DHI are required to undertake a mandatory onboarding curriculum. During 2023, a total of 200 new employees completed the virtual training programme. New employees are also trained in the DHI Code of business conduct and ethics, anti-corruption, cyber and information security, and General Data Protection Regulation (GDPR). Annual refresher training is provided for all employees. Key health and safety policies and processes are also communicated on an office-specific basis, depending on their local requirements.

Recruitment and retention

The talent, expertise and resources of our staff are cornerstones in DHI's growth and progress. Talent management is essential to retaining and recruiting the best people, and in 2023, we developed and launched a new career path framework to further stimulate and unleash the innovation potential in our organisation. It is a roadmap for advancement and skill development, defining how an employee can grow and achieve specific professional milestones within DHI, and describing the required competencies for each role and how they are linked. The career path framework will be fully implemented during 2024.

Governance KPIs

Our focus on operational excellence at DHI covers a multitude of aspects, from business ethics to innovation, client relationships and data security. The security of our operations and client data remains paramount.

Investments in innovation

Investing in innovation is essential to DHI. To reflect our commitment, we have created a Technology & Innovation unit within our global structure to provide support to our global business units. Part of this new structure is an Innovation Lab, which focuses on commercialising our innovations. The Lab seeks upfront market validation through experimentation, staying true to market-driven innovation and supporting fast scaling of ideas. Engagement spans all of DHI, from investigating potential within blue carbon markets to providing design and mock-ups for prototypes or facilitation of innovation processes.

In 2023, DHI's investment in innovation amounted to EUR 6.1 million, which is an increase from the previous year (2022: EUR 5.8 million). All resources are invested with the goal of boosting our innovation capabilities and connecting DHI with external innovation ecosystems such as start-ups, funding, R&D partners, etc., linking innovation and sustainability. In 2023, DHI's external revenue from research & development amounted to EUR 8.3 million (2022: EUR 7.7 million).

Advancing client relationships

Client relationships build our reputation as a trusted advisor. Whilst bringing in new clients is important, maintaining our excellent relationships with existing clients is essential for sustainable business growth.

DHI+ is centred on operational excellence and client management. We are committed to:

- **Creating value** – We help our clients make sustainable and robust decisions to meet their targets and climate objectives
- **Earning trust** – We listen, understand, solve and deliver on our promises
- **Providing support** – We constantly design new training programmes for knowledge building and sharing plus offer unparalleled client care

Our global business unit heads have an overall responsibility for maintaining client relationships, with oversight from the Executive Leadership Team. Our ambition is for our clients and other stakeholders to be involved with our innovation work and their inputs to drive our innovation and sustainability direction so our innovation has the highest value possible for our clients and partners.

To maintain our good reputation, each of our project and sales managers is trained in client communication and management. Following the conclusion of a product or service, we also issue a client satisfaction survey to review our performance and delivery and to help us improve our service in future from lessons learnt.

During 2023, our key account managers have further developed trusted relationships with clients and built an understanding of their needs and how DHI can contribute to solving their water challenges. The effectiveness of our approach is evaluated

through our revenue figures as well as our order inflow. In the future, we will additionally be establishing a net promoter score (NPS) to assess the loyalty of our clients as a measure of our positive relationships with them.

Excellence in information security

DHI deals with client solutions where confidentiality is essential for data and knowledge. We build decision support systems for different clients where integrity is paramount. Furthermore, availability of data is a critical factor, and constant access needs to be maintained. Our clients need to be able to trust our services and recommendations.

Protecting DHI's confidentiality, integrity and availability is the foundation of our information security governance. Our Chief Information Security Officer is tasked with the responsibility of maintaining our information security. We have established a Cyber Security Board as a steering committee to implement security policies, comprised of senior management and the Executive Leadership Team. The role of the board is to ensure compliance with relevant regulations and to ensure the necessary resources and commitments.

We aim to continuously improve our enterprise security architecture. In 2023, we have implemented a DHI-wide Information Security Management System according to ISO 27001. The external certification process was carried out end-2023, and we achieved the certification on 26 February 2024.

Employee knowledge of our systems and requirements is essential to maintain information security. We run annual awareness training and certification for General Data Protection Regulation (GDPR) compliance, Information Security compliance and fraud and corruption topics.

In 2023, DHI received one complaint regarding client privacy (2022: 0). The case was handled by the management of the Sales organisation involved.

Similar to 2022, there were no reports of any substantial data losses or non-compliance in 2023.

Data ethics

Data and technology are great enablers in creating opportunities for delivering services and solutions to our clients and partners. As our business models are increasingly powered by data and technology to deliver reliable and stable services to our clients, high data-ethical standards are key in our operations.

Our approach and commitment to data ethics consider the principles of data privacy, the ethical use of artificial intelligence, careful and respectful use of confidential and sensitive information and the necessary collection of data. Handling and processing data from our clients and stakeholders is based on trust. To earn and maintain that trust, we commit ourselves to protecting and securing the data, no matter the state of the data.

Our goals and objectives of data ethics are to integrate data ethics into decision-making systems, including processes and technologies across DHI.

DHI's Data Ethics Policy

We use and process data based on the principles of necessity, transparency, respect, security, ethical design and innovation with the overall purpose of creating value for our clients and partners.

- **Necessity** – As our business models increasingly rely on data to produce reliable and accurate results, we commit ourselves to restrict the creation, collection and acquisition of data beyond what is necessary for the purpose
- **Transparency** – Transparency is a key aspect of collecting data. Transparency means that our clients, stakeholders, business partners and employees know what data is collected and shared and how it is used by DHI and its affiliates
- **Respect** – Data is handled with respect for human rights and the privacy of our clients, business partners and employees. We integrate internal controls and train employees in applying high ethical standards when handling data and using our systems
- **Security** – Our clients, business partners, stakeholders and employees trust us with their data, which is why as a trusted company, we are committed to protecting and storing their data securely and safely using state-of-the-art security measurements. We apply DHI's global security policies and controls when processing and handling data to protect confidentiality and integrity and to ensure compliance with applicable legislation and regulations. We ensure that systems and services operate securely and effectively using advanced technologies

- **Ethical design** – We integrate data ethics principles into processes where data is the key element of success to ensure high ethical standards when developing services and solutions for our clients and employees, including the use of artificial intelligence
- **Innovation** – We are committed to bringing innovative solutions to our clients, business partners and employees and equally to using innovation to positively impact the global sustainability challenges through operational optimisations

Business ethics

We operate our business in compliance with all legal requirements. Our business practices are transparent and in accordance with the International Federation of Consulting Engineers (FIDIC) Code of Ethics. We acknowledge and respect the requirements of the United Nations Declaration of Human Rights and the Convention against Corruption, and we require that our employees work actively to ensure continued compliance in all their work.

DHI adheres to all relevant laws and regulations aimed at the protection and promotion of human rights both in the workplace and more broadly in our business activities. Every employee is an important member of the DHI team. We believe diversity and inclusion help to attract, develop and retain talent, generate innovation and help fulfil and exceed client expectations. We are committed to providing equal opportunities regardless of ethnicity, race, national origin, religion or belief, gender identity or expression, sexual orientation, age, disability or any other characteristic. Our assessment is that the highest risks in respect of human rights are related to DHI's use of subcontractors and suppliers.

Risks relating to human rights are considered within our risk management due diligence process, overseen by the Board of Directors. During the year, DHI has continued to work on protecting and promoting human rights to ensure that we comply with applicable legislation at all times.

We are committed to promoting transparency and accountability globally in DHI and we are committed to making anti-corruption part of the DHI culture and operations. Our assessment is that the highest risks within anti-corruption and bribery relate to the interaction with suppliers and to the receipt of gifts or other benefits. Through our practices and DHI's Code of Conduct, we show employees, clients and suppliers that DHI applies a zero-tolerance policy on corruption in any form, including bribery and facilitation payments. Our Code of Conduct is communicated to all employees during onboarding and is available on our website.

We demonstrate our commitment to the principles of our Code of Conduct by having established suitable management systems, including adequate training and controls to ensure compliance, and by maintaining necessary documentation to demonstrate our compliance. All employees have a duty to report to management any violations and/or suspected violations of the Code of Conduct or any other unethical behaviour by anyone employed by or working for DHI, clients, distributors, suppliers or subcontractors. Any concerns may be reported anonymously via the DHI Whistleblower Portal, which is publicly available from the DHI website, enabling employees and other stakeholders to report if

they become aware of or suspect unlawful/non-confirming activity is taking place in the company. Any concern reported is sent to two members of our external Board of Directors for investigation, who are independent of the daily management of DHI. They initiate an investigation of the matter reported, and reports are kept strictly confidential. There are no retaliation or implications for any person making any such reports. In 2023, one report was submitted via the whistleblower portal (2022: 1).

Every business segment management representative – Operational Excellence Director of the global business units or segment manager – is responsible for monitoring legal requirements applicable to their segment(s) and for ensuring that applicable legal requirements are communicated to relevant parts of the organisation whenever there is a relevant change to these.

DHI has been a signatory to the UN Global Compact since 2013. This requires us to operate responsibly across areas such as human rights, business ethics, labour and environment through the incorporation of the Ten Principles of the UN Global Compact into our Code of Conduct as well as our strategies, policies and procedures.

Looking to 2024, we will continue to ensure all new employees are aware of our commitments to human rights and anti-corruption. We will continue to promote our whistle-blower scheme through internal communications and employee onboarding training. We will also roll out annual refresher sessions for our online anti-corruption e-learning course.



OUR PEOPLE

‘The best part about working at DHI? That’s an easy one. Working with intelligent and kind people in a relatively flat hierarchy, where the focus is on solving challenges and doing something useful.’

[READ THE FULL STORY →](#)

Gareth James Lloyd
Deputy Chief Manager UNEP-DHI
Denmark



ESG highlights

Selected material Topics	Target 2025	Unit	2023	2022	2021	2020	2019
ENVIRONMENT							
Water footprint (excluding test facilities), total		Mega litres	5.2	5.0	5.7	4.8	6.3
Water footprint (excluding test facilities) per FTE		Litres	4,724	4,846	5,501	4,608	5,990
Water consumption, test facilities (Ballast water and laboratories), mega litres		Mega litres	13.8	6.1	9.4	9.1	9.9
Scope 1 Direct emissions		MtCO ₂ e	437	445	358	314	554
Scope 2 Indirect emissions (including electricity and district heating) - market-based	NetZero	MtCO ₂ e	487	923	1,408	1,521	1,352
Scope 2 Indirect emissions (including electricity and district heating) - location-based		MtCO ₂ e	1,053	954	895	946	1,119
Total scope 1 & 2 (market-based)	NetZero	MtCO ₂ e	924	1,368	1,766	1,834	1,906
Total scope 1 & 2 (location-based)		MtCO ₂ e	1,490	1,399	1,253	1,260	1,673
Scope 3 emissions from air travel, total		MtCO ₂ e	1,291	578	162	253	2,177
Scope 3 emissions from air travel, per FTE		MtCO ₂ e	1.2	0.6	0.2	0.3	2.1
SOCIAL							
Number of employees (FTEs)		FTEs	1,093	1,022	1,028	1,014	1,055
Men:Women ratio			61:39	62:38	62:38	62:38	61:39
Proportion of women in leadership positions (Executive Leadership Team, vice presidents, directors, department heads and local management), excl. the Board of Directors		%	30	28	27		
Incidents of discrimination recorded	Zero	Number	1	0	0		
<i>Health and safety</i>							
Fatalities because of work-related injury	Zero	Number	0	0	0		
High-consequence work-related injuries (excluding fatalities)	Zero	Number	0	0	0		
Recordable work-related injuries reported in line with local laws and regulation	Zero	Number	3	3	4		
GOVERNANCE							
External revenue from research & development		mEUR	8.3	7.7	6.7		
DHI investments in innovation		mEUR	6.1	5.8	5.2		
Substantiated data losses	Zero	Number	0	0	0		
External complaints regarding customer privacy	Zero	Number	1	0	0		
Complaints/non-compliance regarding customer privacy	Zero	Number	0	0	0		

Reporting principles

The ESG Review section focuses on the topics we consider most important and material to our business and society, by taking into consideration relevant stakeholder inputs. The reporting covers the statutory reporting on corporate social responsibility, as required by section 99a, 99b and 99d of the Danish Financial Statements Act.

Framework and reporting metrics

The sustainability reporting for 2023 includes all offices and legal entities of DHI. In 2023, DHI has worked to improve the internal process and accuracy of data collation. Consequently, the environmental data for 2019–2022 has been slightly restated. Subsidiaries not fully owned are included 100% in the reporting metrics.

The sustainability reporting is not externally assured.

UN Global Compact index

DHI is a signatory to the United Nations Global Compact (UNGC) and we express our ongoing commitment to the 10 principles of the UNGC. This report forms part of our annual communication on implementing the principles of the UNGC and supporting broader UN goals.

Environmental calculation principles

Water

Actual water consumption figures for our offices are available, with the exception of offices where data collection from landlords has not been feasible. To mitigate this lack of information, we have included an estimate for the specific office based on the average consumption per FTE in comparable locations.

In 2023, we have slightly changed the calculation of the testing facilities water consumption to include lake and sea water utilised.

Scope 1 Direct emissions

Includes emissions that occur from sources that are controlled or owned by DHI, including use of diesel fuel for our fleet of marine vessels. Data is based on invoices and/or estimates where no actual data is available. Emissions are calculated centrally by multiplying activity data with the relevant emission factor.

Electricity

Actual electricity consumption figures for our offices are available, except for offices where data collection from landlords has not been feasible. To mitigate this lack of information, we have included an estimate for the specific office based on the average consumption per FTE in comparable locations. We have used the following electricity emission factors:

- Electricity location-based – We have used the local published conversion factors, or where not available, the most recent currently available Country Specific Electricity Grid Greenhouse Gas Emission Factor for production mix emission factors as published by carbonfootprint.com. The production mix emission is based on the mix of fuels used by power stations in the specific area. When the actual production mix emission factor was available for a specific office, this has been used
- Electricity market-based – We have used 0 as emission factor for our headquarters in Denmark from 2022, as our electricity

comes from renewable sources, mainly wind turbines. For the other locations and previous years, we have used the local published conversion factors, or where not available, the most recent currently available Country Specific Electricity Grid Greenhouse Gas Emission Factor for residual mix emission factors as published by carbonfootprint.com. These residual mix emission factors are based on the mix of fuels used by power stations in the area where the energy from certain fuels that has been sold to specific consumers has been taken out

District heating

Actual heating consumption figures for our offices are available, except for smaller offices where data collection from landlords has not been feasible. To mitigate this lack of information, we have included an estimate for the specific office that has district heating, based on the average consumption per person in comparable locations. For our headquarters in Hørsholm, Denmark, the emission factor has been based on the specific district heating provider. For the remaining offices that have district heating, emission factors are based on the country's emission factors.

Business travel

Scope 3 air travel emissions have been estimated via the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator, except for Denmark where flight emissions were provided directly from the travel agent (Egencia and TravelPoolEurope).

Social calculation principles*Full-time equivalent (FTE)*

Averages across a 12-month period. Data collected via our ERP system. The calculation of FTEs includes hourly paid employees, substitutes (MSc students, trainees/internship), DHI Consultants and regular employees.

Gender diversity

Gender diversity data is based on registrations in DHI's global HR system. All FTEs are included. Employees are registered with their gender during the recruitment process.

Incidents of discrimination recorded

Number of incidents of discrimination is collected by DHI's global HR based on our Non-harassment Policy and guidelines.

Fatalities because of work-related injury

An occurrence of death during work for DHI.

High-consequence work-related injuries (excluding fatalities)

Work-related injury from which the worker cannot, does not or is not expected to recover fully to pre-injury health status within six months.

Recordable work-related injuries reported in line with local laws and regulations

Workplace injury as defined per local law and regulation, and which leads to loss of productive work in the form of absenteeism or delays.

Governance calculation principles*External revenue from research & development*

Total revenue from Research, Development & Innovation and the Danish Research Contract.

DHI investments in innovation

Resources used to deliver new ideas, products or methods or significantly improved products and processes for the market.

Substantiated data losses

Substantiated data losses are an incident where data is destroyed, deleted, corrupted, or made unreadable by users and software applications. A data loss incident can be intentional or accidental.

External complaints regarding customer privacy

An external complaint regarding customer privacy is logged by the receiver/DHI contact in our Non-Compliance tool. Subsequently, a root cause investigation and implement corrective actions is initiated.

Complaints/non-compliance regarding customer privacy

The complaint is logged by the DHI employee that disclosed the complaints/non-compliance. Subsequently, a root cause investigation and implementation of corrective actions is initiated.





Corporate governance

DHI is owned by the DHI Foundation and is a Danish government-approved Research and Technology Organisation (RTO) recognised by the Danish Ministry of Higher Education and Science. We have a two-tier management structure comprising the Board of Directors and the Executive Management.

Ownership and company structure

DHI is owned by the DHI Foundation (Danish: DHI Fonden), which owns 100% of the company shares in DHI A/S.

The foundation is a Danish, philanthropic commercial foundation, established in 2018 with the objective to support non-profit or charitable purposes, in particular to promote and support technological development and competence in Denmark in the areas of aquaculture and offshore technology, oceanography and marine environment, water resources, aquatic ecology, environmental chemistry, health and environment, water in industry and urban environment and related areas. The foundation seeks to enhance business and society's opportunities to create development and welfare in a technically, economically and environmentally optimal way, and to develop more technology services to the benefit of our clients.

The Parent Company, DHI A/S, is a Danish government-approved Research and Technology Organisation, RTO (in Danish named GTS), recognised by the Danish Ministry of Higher Education and Science. Learn more on [page 12](#).

DHI A/S wholly or partially owns subsidiaries in 26 countries across the world.

Leadership

DHI has a two-tier management structure comprising the Board of Directors and the Executive Management. There are no overlapping members.

Board of Directors

The Board of Directors is responsible for the overall and strategic management and proper organisation of the Group's business and operations. On behalf of the shareholder, the Board of Directors supervises DHI's organisation, day-to-day management and results.

The Board of Directors consists of eight members and has appointed a Chair and a Deputy Chair. Three members are elected by the employees. Meet the Board of Directors on [page 47](#).

The Board of Directors evaluates its work on an annual basis and determines once a year the qualifications, experience and skills needed for the Board of Directors to best perform its tasks. All board members, excluding employee-elected board members, are up for election at each Annual General Meeting.

The Board of Directors has established an Audit Committee consisting of three board members. The Audit Committee's responsibilities include assisting the Board of Directors in monitoring the effectiveness of the internal control and risk management systems and reviewing DHI's financial reporting and audit process.

Management

The Executive Management includes DHI's CEO, who is appointed by the Board of Directors.

Furthermore, DHI has an Executive Leadership Team (ELT), which is responsible for the day-to-day operations of their respective business areas while also playing an integral role in the overall leadership of DHI. In 2023, the ELT consisted of nine members including the CEO. Effective 1 April 2024, the ELT consists of eight members, as the Strategy Portfolio function was integrated into a new global Process Excellence function. See [page 48](#).

Board of Directors



Jakob Thomsen

Chair

Chairman and CEO,
Thomsen Safety
Member of the Board of Directors
since 2015
Audit Committee member



Merete Søby

Deputy Chair

CEO,
Schultz
(from 1 June 2024)
Member of the Board of Directors
since 2016

Shareholder-elected Board members



Birgitte Nauntofte

Chair, Aarhus University and
Professional Board member
Member of the Board of Directors
since 2021



Sonu Banga

Founding Partner, INTELLISHORE
Member of the Board of Directors
since 2023



Michael Rosenvold

Professional full-time Board
member
Member of the Board of Directors
since 2018
Audit Committee Chair

Employee-elected Board members



**Bo Brautz
Christensen**

Senior Coastal Engineer
Elected to the Board of Directors in
2020



**Anders Chr.
Erichsen**

Head of Environmental Solutions
Elected to the Board of Directors in
2012
Audit Committee member



**Gunvor Tychsen
Philip**

Operational Excellence Director,
Technology & Innovation
Elected to the Board of Directors in
2020

The Executive Leadership Team



Mette Vestergaard
CEO



Kenneth Barrett
CFO



Ann-Louise Elkjær
Senior Vice President,
People & Communications



Anders Liehti
CTO



Stefan Paul Szykarski
Executive Vice President,
Water Resources & Mining



Mikael Kamp Sørensen
Executive Vice President,
Energy & Ports



Cheng-ann Tan
Executive Vice President,
Marine & Coastal



Cecilia Wennberg
Executive Vice President,
Water in Cities

Risk assessment

The Executive Leadership Team assesses risk on an ongoing basis, including risks related to financial reporting. The overall risk management due diligence process is overseen by the Board of Directors.

Operating risks and financial risks

DHI operates in a highly competitive and rapidly changing global marketplace. We consider risk management and due diligence a necessity for sound business and have adopted a structured approach comprising four elements: risk identification, risk assessment, identification of mitigating actions and risk reporting. Our risk management and due diligence approach includes non-financial topics such as environment, social and governance (ESG) aspects.

Operating risks

In 2023, DHI delivered on more than 2,700 client projects globally. Loss on projects is minimised by carefully evaluating risks during the bidding and execution process. A thorough risk evaluation process is in place during the bidding process, and executing risks are evaluated as part of the daily project management process and the monthly follow-up process. Project resources are allocated between the DHI entities to the extent possible to minimise under or overcapacity.

Risk of potential losses from claims from clients is mitigated by a thorough quality review of all projects delivered and by an international liability insurance programme.

Potential risks from breakdown of our central IT systems and from cyber security issues are mitigated by our internal IT policies and processes.

Market risks

As a global advisory company, DHI is influenced by the geopolitical development and economic situation. These market risks are mitigated by the global presence and variety of products and services offered to a wide span of both public and private clients.

Financial risks

DHI's financial risks are managed centrally to ensure alignment of financial risk management with corporate objectives; to optimise access to debt capital and to ensure that treasury operates within a controlled environment.

DHI's excess funds, which are not required to meet operational financial obligations, are placed in short-term bonds and shares with a relatively low-risk profile.

Business management system certifications

The DHI Business Management System is an integrated system for the management of business, quality, business integrity, environment and health and safety. It fulfils the requirements of ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 45001 (health and safety management). All our office operations are ISO 9001 certified, and certification of environmental and/or health and safety operations is optional. For information about our certifications, see Policies and Certifications on our Group website www.dhigroup.com/legal-and-compliance/policies-and-certifications

As explained in the ESG Review section, we have started implementing a DHI-wide Information Security Management System according to ISO 27001. The external certification process was carried out end-2023 and we achieved the certification 26 February 2024.

Independent auditor

DHI's independent group auditors are appointed for a term of one year at the Annual General Meeting following a proposal from the Board of Directors, which is based on a recommendation from the Audit Committee. The framework for the auditors' duties, including their remuneration, audit and non-audit services, is agreed annually between the board and the auditors following the recommendation of the Audit Committee.

OUR PEOPLE

'At DHI, we are well-versed in taking all types of satellite data to the test... you name it, we've probably done it.'

[READ THE FULL STORY →](#)



Mads Christensen
Senior Business Development Manager
Data & Analytics
USA



Financial statements

Consolidated financial statements

Consolidated profit and loss account

EUR million	Note	2023	2022
Revenue	3	132.1	118.8
Project costs		-22.9	-21.0
Net project revenue		109.2	97.8
Other operating income		0.2	0.2
Other external costs		-21.0	-19.2
Staff costs	4	-86.0	-77.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		2.4	1.7
Depreciation and amortisation	8	-2.4	-2.3
Earnings before interest and tax (EBIT)		0.0	-0.6
Financial income	5	1.4	0.5
Financial expenses	6	-1.1	-1.8
Profit/loss before tax		0.3	-1.9
Tax	7	-0.9	0.3
LOSS FOR THE YEAR		-0.6	-1.6

Consolidated cash flow statement

EUR million	Note	2023	2022
Earnings before interest and tax (EBIT)		0.0	-0.6
Depreciation and amortisation		2.4	2.3
Cash flow from operating activities before changes in working capital		2.4	1.7
Change in working capital, total		3.7	-2.9
Tax paid/received, net		-0.5	0.3
Financial items, net		0.1	-0.2
CASH FLOW FROM OPERATING ACTIVITIES		5.7	-1.1
Investments in tangible assets	8	-3.0	-2.2
Hereof non-paid property, plant and equipment (leasing)		0.7	-
Sale of property, plant and equipment		0.2	-
Change in other fixed asset investments	9	-0.1	-
Realisation of investments in securities		1.1	0.0
Increase in deposits pledged		-0.3	-0.3
CASH FLOW FROM INVESTING ACTIVITIES		-1.4	-2.5
Repayment of mortgage loans		-0.1	-0.1
Payment of lease commitments		-0.1	-
CASH FLOW FROM FINANCING ACTIVITIES		-0.2	-0.1
NET CASH FLOW FOR THE YEAR		4.1	-3.7
Cash and cash equivalents at 1 January		25.2	28.6
Exchange adjustment of cash at bank and in hand		-0.6	0.3
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		28.7	25.2
Available cash in bank and hand		28.7	25.2
Deposits pledged		2.7	2.4
Total cash in bank and hand according to balance		31.4	27.6

Accounting policies

The cash flow statement shows DHI's consolidated 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 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 earnings before interest and tax (EBIT), adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation, 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, plant and equipment as well as other fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from the shareholder.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" which is immediately available.

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

Consolidated balance sheet

ASSETS - EUR million				LIABILITIES - EUR million			
	Note	2023	2022		Note	2023	2022
Land and buildings		1.5	1.7	Share capital	14	1.3	1.3
Other fixtures and fittings, tools and equipment		5.3	5.4	Foreign currency translation reserve		-0.2	0.2
Leasehold improvements		1.3	0.8	Retained earnings		44.8	45.5
Property, plant and equipment	8	8.1	7.9	Equity attributable to shareholders of the Parent Company		45.9	47.0
Deposits and other fixed assets investments		1.1	1.0	Minority interests		1.3	1.2
Deposits and other fixed assets investments	9	1.1	1.0	Total equity		47.2	48.2
Total fixed assets		9.2	8.9	Mortgage loans		0.8	0.9
Inventories		0.2	0.2	Lease obligations		0.4	-
Trade receivables		28.8	24.6	Provisions		0.8	-
Contract work in progress	10	19.0	17.6	Total long-term liabilities	15	2.0	0.9
Other receivables		0.4	0.7	Mortgage loans	15	0.1	0.1
Tax receivables		0.9	1.1	Lease obligations	15	0.1	-
Deferred tax assets	11	5.0	5.0	Trade payables		7.0	6.3
Prepayments	12	2.3	1.9	Prepayments from clients	10	23.9	19.4
Receivables		56.4	50.9	Corporation tax		0.5	0.4
Securities	13	12.1	12.3	Other payables	16	21.0	17.9
Cash at bank and in hand		31.4	27.6	Deferred income	17	7.5	6.7
Currents assets		100.1	91.0	Total short-term liabilities		60.1	50.8
TOTAL ASSETS		109.3	99.9	Total liabilities		62.1	51.7
				TOTAL EQUITY AND LIABILITIES		109.3	99.9
				Basis for preparations	1		
				Accounting estimates and judgement	2		
				Distribution of loss	18		
				Contingent liabilities and other financial obligations	19		
				Related parties	20		
				Auditors' fee	21		
				Subsequent events	22		

Statement of changes in consolidated equity

EUR million	Share capital	Foreign currency translation reserve	Retained earnings	Equity attributable to shareholders of the Parent Company	Minority interests	Total equity
Total equity at 1 January 2022	1.3	0.4	47.2	48.9	1.1	50.0
Exchange adjustments	-	0.2	-	-0.2	0.0	-0.2
Loss for the year	-	-	-1.7	-1.7	0.1	-1.6
Total equity at 1 January 2023	1.3	0.2	45.5	47.0	1.2	48.2
Exchange adjustments	-	0.4	-	-0.4	0.0	-0.4
Loss for the year	-	-	-0.7	-0.7	0.1	-0.6
TOTAL EQUITY AT 31 DECEMBER 2023	1.3	-0.2	44.8	45.9	1.3	47.2

Notes to the consolidated financial statements

Note 1 - Basis for preparations

DHI A/S is a public limited company domiciled in Denmark.

The financial statements for 2023 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year. The Consolidated and Parent Company Financial Statements for 2023 are presented in EUR million rounded with one decimal. Notes for management remuneration and auditors fee have been presented in EUR thousand.

In 2023, a misstatement of EUR 0.6 million was identified related to incorrect recognition of sales in 2022. Based on the materiality of the misstatement, Management has adjusted this in 'Revenue' for 2022, resulting in an increased 'Loss for the year' for 2022 from EUR 1.0 million as reported previously to EUR 1.6 million. 'Equity' and related note disclosures have been adjusted accordingly.

Recognition and measurement

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

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

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, DHI A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company.

Translation policies

EUR is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the consolidated financial statements (continued)

Explanation of financial ratios

$$\text{Revenue growth} = \frac{\text{Change in revenue}}{\text{Revenue previous year}}$$

$$\text{Net project revenue growth} = \frac{\text{Change in Net project revenue}}{\text{Net project revenue previous year}}$$

$$\text{EBIT margin} = \frac{\text{EBIT}}{\text{Revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity}}{\text{Balance sheet total}}$$

$$\text{Return on equity} = \frac{\text{Profit/loss for the year}}{\text{Average equity}}$$

$$\text{Liquidity ratio} = \frac{\text{Current assets}}{\text{Short – term liabilities}}$$

Order inflow is determined as the total contract sum of new contracts and agreements on consultancy services and software, where a commercial and identifiable agreement has been entered into with the customer on delivery and payment that has been approved by both parties and which both parties have committed to performing, and where it is probable that the consideration will be received from the customer.

Note 2 – Accounting estimates and judgement

The calculation of the carrying amount of certain assets and liabilities requires assessments, estimates and assumptions concerning future events.

The estimates and assumptions made are based on historical experience and other factors that Management finds reasonable in the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Moreover, the Group is subject to risks and uncertainties that may entail those actual results differ from these estimates.

It may be necessary to change previous estimates due to changes in the conditions on which these previous estimates were based or due to new knowledge or subsequent events. Estimates that are significant to the financial reporting are made by determining revenue and selling price on contract, including valuation of deferred tax assets.

Recognition of revenue from fixed-price contracts

Revenue from fixed-price contracts is recognised based on the stage of completion of the services, which is determined based on time spent and an assessment of the fee value thereof. The assessment of the stage of completion is part of the continuous internal management control and budgetary control over the individual projects, which reduces the uncertainty related to the determination thereof. Reference is made to note 10 for an overview of contract work in progress.

Trade receivables

The write-down is based on historical data based on expected losses over the total term of the receivable, corrected for estimates of the effect of expected changes in relevant parameters such as economic development.

Deferred tax assets

Deferred tax balances relate in all material matters to goodwill which arose as a result of the group-internal restructuring as of 31 December 2018. The Group has chosen to recognise EUR 4.3 million as a deferred tax asset based on the projected Danish taxable income for the next 3-5 years. The valuation of the deferred tax asset is especially dependent on DHI A/S being able to realise the projected growth in projects and achieving the necessary market shares to profit from the investments in development projects. The remaining amount relates to foreign subsidiaries. Reference is made to note 11 for an overview of deferred tax assets.

Notes to the consolidated financial statements (continued)

Note 3 - Segment information

Revenue by reporting segments

EUR million	2023	2022
Marine & Coastal	39.4	35.4
Energy & Ports	26.4	21.2
Water Resources & Mining	23.8	21.2
Water in Cities	23.5	20.8
Product Sales and Support	13.0	14.9
Technology & innovation	6.0	5.3
Total	132.1	118.8

Revenue by geography

EUR million	2023	2022
Denmark	23.2	22.4
Europe (excluding Denmark)	50.3	41.0
Americas	13.1	12.2
Asia & Pacific	40.1	38.1
Africa	5.4	5.1
Total	132.1	118.8

Revenue from the Danish Research Contract amounted to EUR 4.9 million (2022: EUR 4.9 million).

Segment information

For internal management purposes, DHI is organised into global business units (GBUs) based on products and services. Segment information is provided on these global business units (reporting segments), as these are regarded as the reportable segments which are also aligned with the internal financial reporting.

The Board of Directors and Executive Leadership Team monitors the operating results of the global business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group's financing (including finance costs, finance income and other income) and taxes are managed on a Group basis and are not allocated to operating segments.

Revenue by geography is based on the location of the client.

Notes to the consolidated financial statements (continued)

Note 3 - Segment information (continued)

Accounting policies

DHI, predominantly, performs consultancy services and sells software.

Revenue recognition requires an agreement with the client which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected.

Revenue generally is recognised net of discounts relating to sales and any taxes collected from customers and subsequently remitted to governmental authorities.

Consultancy services

Consultancy services are provided on a time and material basis or as a fixed-price contract. Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred. Revenue from fixed-price contracts is recognised under the percentage of completion method.

Under the percentage of completion method, revenue is generally recognised based on the services performed to date as a percentage of the total service to be performed.

Revenue includes re-invoicing of work performed by sub-suppliers at the Group's expense and risk, i.e. where the Group is considered to be principal in the transaction as well as other outlays.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income during the period in which the circumstances that give rise to the revision become known by Management.

Revenue from the Danish GTS-performance contract (Danish Research Contract) and project grants are recognised as they are used at approved rates, adjusted for any self-financing.

Software

Revenue is recognised when the client has obtained control of the license and has the ability to use and obtain substantially all the benefits from the license. License revenue is therefore generally recognised at that point-in-time.

Software as a Service (SaaS), such as digital operational services for ports are revenue recognised over the term of the service.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Notes to the consolidated financial statements (continued)

Note 4 - Staff costs

EUR million	2023	2022
Wages and salaries	-77.7	-69.7
Pension costs	-2.3	-1.9
Other social security costs	-6.0	-5.5
Total staff costs	-86.0	-77.1

Remuneration to the Executive Board and fee to the Board of Directors (EUR thousand)

Remuneration to the Executive Board and fee to the Board of Directors	-1,041	-1,051
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For 2022 and 2023, separate information on remuneration for the Executive Management and Board of Directors has been omitted in accordance with the exemption provision in the Danish Financial statements Act § 98 b, subsection 3.

Remuneration of the Executive Board consists of fixed monthly salary, pension contribution, car allowance and a variable short-term bonus incentive.

	2023	2022
Number of full-time employee equivalents (FTEs)	1,093	1,022

Accounting policies

Staff costs comprise wages and salaries as well as payroll expenses and other related expenses.

Notes to the consolidated financial statements (continued)

Note 5 - Financial income

EUR million	2023	2022
Unrealised capital gains, securities	1.1	-
Foreign exchange gains	-	0.4
Interests and other financial income	0.3	0.1
Financial income	1.4	0.5

Accounting policies

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Note 6 - Financial expenses

EUR million	2023	2022
Unrealised capital loss, securities	-	1.6
Foreign exchange losses	-0.9	-
Interests and other financial expenses	-0.2	-0.2
Financial expenses	-1.1	-1.8

Note 7 - Tax

EUR million	2023	2022
Current tax for the year	-1.6	-1.4
Change in deferred tax for the year	0.0	0.3
Income due to tax credit schemes	0.7	1.4
Tax	-0.9	0.3

Accounting policies

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the consolidated financial statements (continued)

Note 8 - Property, plant and equipment

EUR million	Land and Buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January	5.1	22.9	2.5	30.5
Exchange adjustment	0.0	-0.3	0.0	-0.3
Additions for the year	-	2.2	0.8	3.0
Disposals for the year	-	1.0	-	1.0
Cost at 31 December	5.1	23.8	3.3	32.2
Depreciation at 1 January	-3.4	-17.5	-1.7	-22.6
Exchange adjustment	0.0	0.2	0.0	0.2
Depreciation for the year	-0.2	-1.9	-0.3	-2.4
Reversal of depreciations on disposals	-	0.7	-	0.7
Depreciation at 31 December	-3.6	-18.5	-2.0	-24.1
Carrying amount at 31 December 2023	1.5	5.3	1.3	8.1

Carrying amount of lease assets included in Other fixtures and fittings, tools and equipment at 31 December 2023 amounts to EUR 0.5 million.

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

- Production buildings 30-50 years
- Other buildings 30-50 years
- Other fixtures and fittings, tools and equipment 3-5 years
- Leasehold improvements 5-10 years

The fixed assets' residual values are determined at nil. Depreciation period and residual value are reassessed annually.

The carrying amounts of intangible and tangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

Notes to the consolidated financial statements (continued)

Note 9 - Deposits and other fixed assets investments

EUR million	2023	2022
Cost at 1 January	1.0	1.0
Additions for the year	0.1	0.0
Cost at 31 December	1.1	1.0
Carrying amount at 31 December	1.1	1.0

Note 10 - Contract work in progress

EUR million	2023	2022
Selling price of work in progress	152.2	195.7
Payments received on account	-157.1	-197.5
	-4.9	-1.8
<i>Recognised in the balance sheet as follows:</i>		
Contract work in progress recognised in assets	19.0	17.6
Prepayments from clients recognised in liabilities	-23.9	-19.4
Contract work in progress, net	-4.9	-1.8

Accounting policies

Other fixed asset investments consist of deposits and other capital investments and are measured at the lower of cost and net realisable value at the balance sheet date.

Accounting policies

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative. Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Notes to the consolidated financial statements (continued)

Note 11 - Deferred tax assets

EUR million	2023	2022
Deferred tax asset at 1 January	5.0	4.7
Recognised in the income statement for the year	0.0	0.3
Carrying amount at 31 December	5.0	5.0

Accounting policies

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively. Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Note 12 - Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Note 13 - Securities

EUR million	2023	2022
Value at 1 January	14.2	14.2
Unrealised value adjustment for the year	1.1	-1.6
Realised value adjustment for the year	-1.3	-0.3
Carrying amount at 31 December	12.1	12.3

Accounting policies

Securities include bonds and shares are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price (fair value level 1).

Notes to the consolidated financial statements (continued)

Note 14 - Share capital

The share capital consists of 10,000,000 shares of a nominal value of EUR 1.344 thousand. No shares carry any special rights.

The share capital has not changed during the last 5 years.

Note 15 - Long-term liabilities

EUR million	2023	2022
<i>Mortgage loans</i>		
Between 1 and 5 years	0.4	0.4
After 5 years	0.4	0.5
<i>Lease obligations</i>		
Between 1 and 5 years	0.4	-
After 5 years	-	-
<i>Provisions</i>		
Between 1 and 5 years	-	-
After 5 years	0.8	-
Long-term part	2.0	0.9
Within 1 year	0.2	0.1
Carrying amount at 31 December	2.2	1.0

Accounting policies

Mortgage loans

Mortgage loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Provisions

Provisions are recognised when, as a result of an event occurring before or at the date of the statement of financial position, DHI has a legal or a constructive obligation, and it is probable that there may be an outflow of economic benefits to meet the obligation. Provisions are measured as Management's best estimate of the amount which is expected to be required to settle the liability. Provisions mainly relates to the reinstatement of tenancies etc.

Other debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the consolidated financial statements (continued)

Note 16 - Other payables

EUR million	2023	2022
Taxes and VAT payable	3.2	2.9
Accrued holiday allowance	7.0	6.5
Other debt	10.8	8.5
Carrying amount at 31 December	21.0	17.9

Note 17 - Deferred income

Deferred income comprises payments relating to sales that are not recognised as income until subsequent financial years, when the recognition criteria are satisfied.

Note 18 - Distribution of loss

EUR million	2023	2022
Minority interest	0.1	0.1
Retained earnings	-0.7	-1.7
Loss for the year	-0.6	-1.6

Notes to the consolidated financial statements (continued)

Note 19 - Contingent liabilities and other financial obligations

Rental obligations

As of 31 December 2023, the Group has a rental obligation of EUR 9.0 million (2022: EUR 10.8 million), of which the Parent Company's obligation amounts to EUR 6.0 million (2022: EUR 6.7 million). The present part of the Parent Company's leases may be terminated at 6 months, however the contract for the Domicile in Denmark cannot be terminated before May 2029 and hereafter 12 months.

Lease obligations

As of 31 December 2023, the remaining payments relating to leases amount to EUR 0.4 million (2022: EUR 0.4 million) for the Group. The remaining terms run from 6 to 60 months. The lease obligation of the Parent Company amounts to EUR 0.0 million (2022: EUR 0.1 million) of the total obligations.

Guarantees

As of 31 December 2023, total guarantees of EUR 10.2 million (2022: EUR 5.3 million) have been provided by the Group in connection with project completion. Guarantees provided by the Parent Company amounts to EUR 7.8 million (2022: EUR 3.6 million).

As of 31 December 2023, the Parent Company has issued a guarantee of EUR 0.3 million (2022: EUR 0.3 million) with respect to operating credits in DHI Sweden. DHI Sweden has moreover provided its outstanding invoices as security for the company's operating credit (EUR 0.2 million). Furthermore, The Parent Company has stated that it provides financial support to the Australian subsidiary, DHI Water & Environment Pty Ltd. and Seaport OPX Pty Ltd. at a total maximum of AUD 2.0 million.

Note 20 - Related parties

Transactions

Related parties comprise DHI Fonden (the DHI Foundation), Board of Directors, Executive Board, Managers and other key employees and subsidiaries. Apart from usual intercompany transactions and usual management remuneration, no transactions were made during the year with related parties.

Transactions with related parties at arm's length have not been disclosed in accordance with section 98 c(7) of the Danish Financial Statements Act.

Ownership

DHI A/S is controlled by DHI Fonden (The DHI Foundation), Agern Allé 5, 2970 Hørsholm, Denmark which owns 100% of the shares. The DHI Foundation does not carry out any independent business, and no material transactions are conducted between the foundation and DHI.

Notes to the consolidated financial statements (continued)

Note 21 - Auditors' fee

EUR thousand	2023	2022
Fee, statutory audits	146	172
Assurance engagements	55	32
Tax consultancy	8	61
Services other than audit	1	-
Total invoiced fee, PricewaterhouseCoopers	210	265
Others	103	92
Total invoiced fee within the year	313	357

Note 22 - Subsequent events

Management is not aware of any events subsequent to 31 December 2023 that are expected to have a material impact on DHI's financial position.

Parent Company financial statements

Profit and loss account for the Parent Company, DHI A/S

EUR million	Note	2023	2022
Revenue	3	64.7	53.2
Project costs		-20.4	-13.9
Net project revenue		44.3	39.3
Other operating income		11.5	6.1
Other external costs		-16.3	-15.2
Staff costs	4	-38.0	-33.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		1.5	-3.4
Depreciation and amortisation	8	-1.5	-1.3
Earnings before interest and tax (EBIT)		0.0	-4.7
Income from subsidiaries	9	-1.3	4.2
Financial income	5	1.4	0.5
Financial expenses	6	-1.0	-1.9
Loss before tax		-0.9	-1.9
Tax	7	0.2	0.2
LOSS FOR THE YEAR		-0.7	-1.7

Balance sheet for the Parent Company, DHI A/S

ASSETS - EUR million	Note	2023	2022
Land and buildings		0.9	1.0
Other fixtures and fittings, tools and equipment		3.4	3.4
Leasehold improvements		1.2	0.7
Property, plant and equipment	8	5.5	5.1
Investments in subsidiaries	9	21.5	27.0
Deposits and other fixed assets investments	10	0.7	0.6
Other fixed assets investments		22.2	27.6
Total fixed assets		27.7	32.7
Inventories		0.1	0.1
Trade receivables		11.3	8.9
Contract work in progress	11	5.6	4.0
Receivables from subsidiaries		14.0	12.6
Tax receivables		0.7	0.7
Deferred tax assets	12	4.3	4.3
Prepayments	13	1.5	1.4
Receivables		37.4	31.9
Securities	14	12.1	11.1
Cash at bank and in hand		4.0	1.9
Currents assets		53.6	45.0
TOTAL ASSETS		81.3	77.7

LIABILITIES - EUR million	Note	2023	2022
Share capital	15	1.3	1.3
Revaluation reserve under the equity method		0.2	5.8
Retained earnings		44.4	39.9
Total equity		45.9	47.0
Mortgage loans		0.8	0.9
Lease obligations		0.1	-
Provisions		0.3	-
Total long-term liabilities	16	1.5	0.9
Mortgage loans	16	0.1	0.1
Lease obligations	16	0.1	-
Trade payables		5.6	4.9
Prepayments from clients	11	12.8	9.5
Payables to to subsidiaries		0.0	1.9
Other payables	17	10.4	8.9
Deferred income	18	4.9	4.5
Total short-term liabilities		33.9	29.8
Total liabilities		35.4	30.7
TOTAL EQUITY AND LIABILITIES		81.3	77.7
Basis for preparations	1		
Accounting estimates and judgement	2		
Distribution of loss	19		
Contingent liabilities and other financial obligations	20		
Related parties	21		
Auditors' fee	22		
Subsequent events	23		

Statement of changes in equity for the Parent Company, DHI A/S

EUR million	Share capital	Revaluation reserve under the equity method	Retained earnings	Total equity
Total equity at 1 January 2022	1.3	5.0	42.6	48.9
Exchange adjustments	-	-0.2	-	-0.2
Dividend from subsidiaries	-	-3.2	3.2	-
Loss for the year	-	4.2	-5.9	-1.7
Total equity at 1 January 2023	1.3	5.8	39.9	47.0
Exchange adjustments	-	-0.4	-	-0.4
Dividend from subsidiaries	-	-3.1	3.1	-
Loss for the year	-	-2.1	1.4	-0.7
TOTAL EQUITY AT 31 DECEMBER 2023	1.3	0.2	44.4	45.9

Notes to the Parent Company's financial statements

Note 1 - Basis for preparations

The Parent Company financial statements show the financial position and results of DHI A/S on a non-consolidated basis for the financial year 1 January to 31 December 2023.

No separate cash flow statement has been prepared for the Parent Company, in accordance with section 86(4) of the Danish Financial Statements Act.

In 2023, a misstatement of EUR 0.6 million was identified related to incorrect recognition of sales in 2022 in a subsidiary. Based on the materiality of the misstatement, Management has adjusted this in 'Income from subsidiaries' for 2022, resulting in an increased 'Loss for the year' for 2022 from EUR 1.1 million as reported previously to EUR 1.7 million. 'Equity', 'Investments in subsidiaries' and related note disclosures have been adjusted accordingly.

The accounting policies of the Parent Company are unchanged from last year and identical to the accounting policies in DHI's consolidated financial statements, with the following exceptions:

Income from subsidiaries

The item 'Income from subsidiaries' in the income statement includes the proportionate share of the profit for the year.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method. The item 'Investments in subsidiaries' in the balance sheet include the proportionate ownership share of the

net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to 'Reserve for net revaluation under the equity method' under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Note 2 – Accounting estimates and judgement

Accounting estimates and judgements of the Parent Company are identical to the items included in the consolidated financial statements. Reference is made to note 2 Accounting estimates and judgement to the consolidated financial statements.

Notes to the Parent Company's financial statements (continued)

Note 3 - Segment information

Revenue by global business units

EUR million	2023	2022
Marine & Coastal	15.7	13.1
Energy & Ports	18.9	14.8
Water Resources & Mining	10.1	8.6
Water in Cities	7.1	6.8
Product Sales and Support	6.9	6.4
Technology & innovation	6.0	3.5
Total	64.7	53.2

Revenue by geography

EUR million	2023	2022
Denmark	23.2	22.4
Europe (excluding Denmark)	18.1	13.0
Americas	4.1	3.1
Asia & Pacific	14.7	10.2
Africa	4.6	4.5
Total	64.7	53.2

Note 4 - Staff costs

EUR million	2023	2022
Wages and salaries	-36.5	-32.5
Pension costs	-1.2	-0.8
Other social security costs	-0.3	-0.3
Total staff costs	-38.0	-33.6

Remuneration to the Executive Board and fee to the Board of Directors: See note 4 - Staff costs to the consolidated financial statements as identical for the Parent Company.

	2023	2022
Number of full-time employee equivalents (FTEs)	335	308

Notes to the Parent Company's financial statements (continued)

Note 5 - Financial income

EUR million	2023	2022
Unrealised capital gains, securities	1.1	-
Interest, subsidiaries	0.2	0.1
Foreign exchange gains	-	0.4
Interests and other financial income	0.1	0.0
Financial income	1.4	0.5

Note 6 - Financial expenses

EUR million	2023	2022
Unrealised capital loss, securities	-	1.7
Foreign exchange losses	-0.8	-
Interests and other financial expenses	-0.2	-0.2
Financial expenses	-1.0	-1.9

Note 7 - Tax

EUR million	2023	2022
Current tax for the year (withholding tax)	-0.5	-0.5
Income due to tax credit schemes	0.7	0.7
Tax	0.2	0.2

Accounting policies

The Parent Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes. Taxes include corporation taxes and withholding taxes etc.

Notes to the Parent Company's financial statements (continued)

Note 8 - Property, plant and equipment

EUR million	Land and Buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January	3.5	11.5	1.8	16.8
Additions for the year	-	1.1	0.8	1.9
Disposals for the year	-	-0.4	-	-0.4
Cost at 31 December	3.5	12.2	2.6	18.3
Depreciation at 1 January	-2.5	-8.1	-1.1	-11.7
Depreciation for the year	-0.1	-1.1	-0.3	-1.5
Reversal of depreciation on disposals	-	0.4	-	0.4
Depreciation at 31 December	-2.6	-8.8	-1.4	-12.8
Carrying amount at 31 December 2023	0.9	3.4	1.2	5.5

Carrying amount of lease assets included in Other fixtures and fittings, tools and equipment at 31 December 2023 amounts to EUR 0.5 million.

Notes to the Parent Company's financial statements (continued)

Note 9 - Investments in subsidiaries

EUR million	2023	2022
Cost at 1 January	15.3	15.3
Exchange adjustment	0.1	-
Additions for the year	0.4	-
Disposals for the year	-0.2	-
Cost at 31 December	15.6	15.3
Value adjustments at 1 January	5.8	5.0
Disposals for the year	-0.7	-
Exchange adjustment	-0.5	-0.2
Net profit/loss for the year	-1.3	4.2
Dividends to the Parent Company	-3.1	-3.2
Value adjustments at 31 December	0.2	5.8
Equity investments with negative net asset value amortised over receivables	5.7	5.9
Carrying amount at 31 December 2023	21.5	27.0

Disposals for the year: During 2023, the 100% owned Danish subsidiary, DHI GRAS A/S, was closed.

Notes to the Parent Company's financial statements (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	
DHI Sverige AB	Gothenburg, Sweden	SEK 1,000,000	100%	*
DHI AS	Trondheim, Norway	NOK 210,000	100%	**
DHI WASY GmbH	Berlin, Germany	EUR 2,740,000	100%	
DHI Vietnam	Hanoi, Vietnam	USD 50,000	100%	
Utilizero ApS	Hørsholm, Denmark	DKK 100,000	65%	***
DHI Toxispot A/S	Hørsholm, Denmark	DKK 501,000	100%	
DHI Invest ApS	Hørsholm, Denmark	DKK 200,000	100%	
DHI SARL	Nantes, France	EUR 150,000	* 100%	
DHI S.r.l. a socio unico	Genova, Italy	EUR 200,000	100%	
DHI WATER & ENVIRONMENT ESPAÑA, S.L.	San Sebastián, Spain	EUR 700,000	100%	
DHI WATER ENVIRONMENTS (UK) LTD	Southampton, United Kingdom	GBP 50,000	100%	
- DHI Österreich GmbH	Vienna, Austria	EUR 35,000	100%	
DHI a.s.	Prague, Czech Republic	CZK 12,243,000	72.5%	
- DHI SW Projects S.R.L.	Bucarest, Romania		100%	
- DHI SLOVAKIA, s.r.o.	Bratislava, Slovak Republic		100%	
- DHI Hungary Kft.	Budapest, Hungary		100%	
DHI Polska Sp. z. o. o.	Warsaw, Poland	PLN 1,110,000	100%	
DHI Water & Environment, Inc	Lakewood, CO, USA	USD 4,950,000	100%	
DHI Water & Environment, Inc	Cambridge, ON, Canada	CAD 100,000	100%	
DHI AUSTRALIA HOLDING PTY LTD	Brisbane, Australia	AUD 1	100%	
- DHI Water & Environment Pty Ltd	Brisbane, Australia	AUD 700,000	100%	
- DHI Water & Environment Ltd	Takapuna, New Zealand	NZD 100,000	100%	
- Seaport OPX Pty Ltd	Southport, Australia	AUD 0	100%	
- Eco-Nautic Pty Ltd	Brisbane, Australia	AUD 120	100%	
DHI Peru S.A.C. Miraflores	Lima, Peru	PEN 500,000	** 100%	
DHI Water & Environment (S) Pte Ltd	Singapore, Singapore	SGD 2,250,000	100%	
- DHI Philippines Holding	Manilla, Philippines	Dormant - under closure	40%	
- DHI Philippines	Manilla, Philippines	Dormant - under closure	64%	
DHI WATER & ENVIRONMENT (M) SDN. BHD.	Selangor, Malaysia	MYR 500,000	100%	
DHI (India) Water & Environment Private Limited	New Delhi, India	INR 49,804,492	** 100%	
PT DHI Water & Environment	Jakarta Selatan, Indonesia	USD 297,000	*** 100%	
DHI Water & Environment (B) Sdn Bhd	Kg. Delima Satu, BSB, Brunei	BND 10,000	*** 100%	
DHI China	Shanghai, China	CNY 3,070,186	100%	

* DHI Invest ApS owns 0.2% of France (DHI SARL)

** DHI Invest ApS owns 1% of Peru (DHI Peru S.A.C. Miraflores) and India (DHI (India) Water & Environment Private Limited)

*** DHI Singapore owns 1% of Indonesia (PT DHI Water & Environment) and Brunei (DHI Water & Environment (B) Sdn Bhd)

Notes to the Parent Company's financial statements (continued)

Note 10 - Deposits and other fixed assets investments

EUR million	2023	2022
Cost at 1 January	0.6	0.6
Additions for the year	0.1	-
Cost at 31 December	0.7	0.6
Carrying amount at 31 December	0.7	0.6

Note 11 - Contract work in progress

EUR million	2023	2022
Selling price of work in progress	79.9	78.7
Payments received on account	-87.1	-84.2
	-7.2	-5.5
<i>Recognised in the balance sheet as follows:</i>		
Contract work in progress recognised in assets	5.6	4.0
Prepayments from clients recognised in liabilities	-12.8	-9.5
Contract work in progress, net	-7.2	-5.5

Note 12 - Deferred tax assets

EUR million	2023	2022
Deferred tax asset at 1 January	4.3	4.3
Carrying amount at 31 December	4.3	4.3

Note 13 - Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Parent Company's financial statements (continued)

Note 14 - Securities

EUR million	2023	2022
Value at 1 January	11.1	13.0
Unrealised value adjustment for the year	1.1	-1.7
Realised value adjustment for the year	-0.1	-0.2
Carrying amount at 31 December	12.1	11.1

Note 15 - Share capital

See note 14 - Share capital to the consolidated financial statements as identical for the Parent Company.

Note 16 - Long-term liabilities

EUR million	2023	2022
<i>Mortgage loans</i>		
Between 1 and 5 years	0.4	0.4
After 5 years	0.4	0.5
<i>Lease obligations</i>		
Between 1 and 5 years	0.4	-
<i>Provisions</i>		
After 5 years	0.3	-
Long-term part	1.5	0.9
Within 1 year	0.2	0.1
Carrying amount at 31 December	1.7	1.0

Note 17 - Other payables

EUR million	2023	2022
Taxes and VAT payable	0.6	0.8
Accrued holiday allowance	5.5	5.4
Other debt	4.3	2.7
Carrying amount at 31 December	10.4	8.9

Notes to the Parent Company's financial statements (continued)

Note 18 - Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Note 19 - Distribution of loss

EUR million	2023	2022
Reserve for net revaluation under the equity method	-2.1	4.2
Retained earnings	1.4	-5.9
Loss for the year	-0.7	-1.7

Note 20 - Contingent liabilities and other financial obligations

See note 19 - Contingent liabilities and other financial obligations to the consolidated financial statements as identical for the Parent Company.

In addition to the contingent liabilities and other financial obligations disclosed in note 19 to the consolidated financial statements, the Group's Danish entities, including the Parent Company, are jointly and severally liable for tax on the jointly taxed incomes etc. The total amount of corporation tax payable by the Group's Danish entities is nil.

Moreover, the Danish entities are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Note 21 - Related parties

Transactions

See note 20 - Related parties to the consolidated financial statements as identical for the Parent Company.

In addition to the related parties disclosed in note 20 - Related parties to the consolidated financial statements, related parties of DHI A/S also include the subsidiaries listed in note 9 Investment in Subsidiaries.

Ownership

See note 20 - Related parties to the consolidated financial statements as identical for the Parent Company.

Notes to the Parent Company's financial statements (continued)

Note 22 - Auditors' fee

EUR thousand	2023	2022
Fee, statutory audits	121	133
Assurance engagements	51	32
Tax consultancy	8	57
Services other than audit	1	0
Total invoiced fee, PricewaterhouseCoopers	181	222
Others	-	-
Total invoiced fee within the year	181	222

Note 23 - Subsequent events

See note 22 - Subsequent events to the consolidated financial statements as identical for the Parent Company.

Management's statement

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of DHI A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2023, including the transactions comprised the Financial Statements are in accordance with the grants given, legislation and other regulations as

well as with agreements concluded and generally accepted practice. This includes that due financial consideration having been made in the administration of the funds and the operation of the Parent Company comprised by the Financial Statements and ensuring established systems and processes that support economy, productivity and efficiency.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Hørsholm, 10 April 2024

Executive Board

Mette Vestergaard Jakobsen
CEO

Board of Directors

Jakob Bo Thomasen
Chair

Michael Rosenvold

Sonu Banga

Gunvor Tychsen Philip

Mette Søby
Deputy Chair

Birgitte Nauntofte

Henrik Bo Christensen

Anders Christian Erichsen

Independent auditor's report

TO THE SHAREHOLDER OF DHI A/S

Report on the Consolidated Financial Statements and the Parent Company Financial Statements

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements of DHI A/S give a true and fair view of the financial position of the Group and the Parent Company as of 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of DHI A/S for the financial year 1 January - 31 December 2023, which comprise profit and loss account, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated cash flows statement ('the Financial Statements').

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole

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

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

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

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

Reporting on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for the transactions comprised by the financial reporting being in accordance with the grants given, legislation and other regulations as well as with agreements concluded and generally accepted practice. Management is also responsible for due financial consideration having been made in the administration of the funds and the operation of the Parent Company comprised by the Financial Statements. In this connection, Management is responsible for establishing systems and processes that support economy, productivity and efficiency.

In connection with our audit of the Financial Statements, it is our responsibility to perform a compliance audit and a performance audit of selected subject matters in accordance with public auditing standards. During our compliance audit, we verify with reasonable assurance for the subject matters selected whether the examined transactions comprised by the financial reporting are in accordance with the relevant provisions relating to the grants given, legislation and other regulations as well as with agreements concluded and generally accepted practice. During our performance audit, we assess with reasonable assurance whether the systems, processes or transactions examined support due financial consideration made in the administration of the funds and the operation of the Parent Company comprised by the Financial Statements.

If, on the basis of the work performed, we conclude that our audit gives rise to material critical comments, we are to report on these in this statement.

We do not have any material critical comments to report in this respect.

Hellerup, 10 April 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Alexander

State Authorised Public Accountant

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Jeff Boye Ibsen

State Authorised Public Accountant

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