CHRISTENSEN KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET REVISIONSAKTIESELSKAB
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Copenhagen Group A/S

Sankt Annæ Plads 11, 1., 1250 København K

Company reg. no. 28 69 89 41

Annual report

1 January - 31 December 2021

The annual report has been submitted and approved by the general meeting on the 8 July 2022.

Jeppe Handwerk
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of Copenhagen Group A/S for the financial year 1 January - 31 December 2021.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2021, and of the result of the activities and cash flows, consolidated and of the company, respectively and cash flows, during the financial year 1 January – 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 7 July 2022

Managing Director

Jeppe Handwerk

Board of directors

Casper Moltke-Leth

Jeppe Handwerk

Meta Birgitte Zachau Handwerk

Independent auditor's report

To the Shareholder of Copenhagen Group A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Copenhagen Group A/S for the financial year 1 January to 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies for both the Group the Parent Company. The consolidated financial statements and the parent company financial statements are prepared under 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 2021, and of the results of the Group and the Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent 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 consolidated financial statements and the parent company 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 Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

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

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

Copenhagen, 7 July 2022

Christensen Kjærulff

Company reg. no. 15 91 56 41

Elan Schapiro
State Authorised Public Accountant
mne33765

Company information

The company	Copenhagen Group A/S Sankt Annæ Plads 11, 1. 1250 København K	
	Company reg. no.	28 69 89 41
	Established:	10 May 2005
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Casper Moltke-Leth Jeppe Handwerk Meta Birgitte Zachau Handwerk	
Managing Director	Jeppe Handwerk	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K	
Parent company	Handwerk Holding A/S	
Subsidiaries	Copenhagen Contractors A/S, Copenhagen Copenhagen Election A/S, Copenhagen Copenhagen Global A/S, Copenhagen Copenhagen Arctic A/S, Copenhagen	

Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Gross profit	1.683.986	29.563	20.714	15.662	24.370
Profit from operating activities	915.134	14.117	5.239	1.013	8.712
Net financials	475	-2.280	-833	-877	-1.879
Net profit or loss for the year	713.949	8.947	2.468	-1.205	8.327
Statement of financial position:					
Balance sheet total	920.907	141.760	42.834	58.314	116.197
Investments in property, plant and equipment	12.671	529	848	556	286
Equity	239.889	25.940	16.544	14.120	17.689
Cash flows:					
Operating activities	778.693	1.062	15.715	12.532	-3.818
Investing activities	-19.084	-13.800	-956	-633	-159
Financing activities	-644.296	12.575	-10.035	-9.020	5.164
Total cash flows	115.313	-162	4.724	2.880	1.188
Employees:					
Average number of full-time employees	1.123	26	32	31	31
Key figures in %:					
Solvency ratio	26,0	18,3	38,6	24,2	15,2
Return on equity	537,1	42,1	16,1	-7,6	62,0

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The principal activities of the group

Copenhagen Group manages projects and contracts awarded through direct tendering for the supply of products and services to international organizations, national governments and agencies. Furthermore, and with the registration of Copenhagen Medical A/S as a trade name under the umbrella of Copenhagen Contractors A/S, the company has engaged in providing health care related services directly to the broader Danish population.

Copenhagen Group's business model has been based on recognizing and realizing opportunities in the difficult – be it urgent requirements for assistance to national health authorities during the times of a global pandemic, or long-term requirements for national and international governments and agencies worldwide.

Copenhagen Group has five core businesses:

· **Copenhagen Contractors A/S:** Facility Management and Turnkey Solutions
·**Copenhagen Medical A/S (registered trade name under Copenhagen Contractors A/S):** Medical Equipment and Services
· **Copenhagen Global A/S:** Vehicle and Boat Fleet Management Solutions
· **Copenhagen Election A/S:** Electoral Support Products
· **Copenhagen Arctic A/S:** Product and Services for the Nordic Arctic Region

Copenhagen Group is based in Copenhagen, Denmark, and is solely owned by Handwerk Holding A/S, a family-owned company.

Annual Review

In 2021, the COVID-19 pandemic exercised significant influence on the operations of Copenhagen Group A/S.

In 2021, revenue increased significantly, primarily due to large scale public rapid COVID-19 antigen testing services undertaking on behalf of the Danish health authorities in the capital region of Denmark.

During 2021, Copenhagen Medical A/S operated 40+ rapid COVID-19 antigen testing sites in the capital region of Denmark. In addition to rapid COVID-19 antigen tests, Copenhagen Medical A/S also undertook vaccination and behalf of the Danish health authorities and PCR-tests of private citizens and staff of corporate entities in Denmark, both onshore and offshore.

To support the medical services, Copenhagen Medical A/S invested heavily in IT, developing app's, MedicalMe and Kviktest, for registering citizens/users and distributing COVID-19 test results in a secure and seamless manner with a user friendly interface.

In addition to the sale of medical equipment and services, Copenhagen Contractors A/S also continued to provide services to the Danish Defence throughout 2021.

In 2021, Copenhagen Global A/S managed to secure a number of large contracts for the supply of MAGIRUS turntable ladders to different fire brigades in Denmark, BRP military snowmobiles for the Danish Defence, armoured vehicles for national governmental agencies, and IVECO trucks and New Holland agricultural machinery for international organisations. All these new orders contributed to almost a doubling in revenue from 2020.

Copenhagen Election A/S, managed to provide support in the form of i.e. ballot boxes and ink for elections in 5 countries worldwide. Consequently, Copenhagen Election A/S reported a gross profit of DKK 6.3 million in 2021.

In 2021 we published an independent Communication on Progress (COP) disclosing our corporate responsibility polices, key actions and performance.

Throughout all aspects of our operations – from tendering to buy-back and disposal of products – we are committed to conduct our business in a responsible and lawful manner with respect for the wider economic, social and environmental impacts of our activities.

We strive to promote the same principles and values underlying our business in our relationships with customers, suppliers and business partners.

In 2021 we continued to report on our progress with respect to the SDG goals, and in 2022 we will aim to work towards further operationalizing and measuring our progress towards achieving these goals on an ongoing basis. In this context, it is expected that Copenhagen Group A/S will work towards implementing Environment, Social and Governance (ESG) related KPIs and framework as part of our overall CSR and sustainability strategy and policies.

Development in activities and financial matters

Based on the above, the gross profit of Copenhagen Group A/S overall increased to an impressive DKK 1.7 billion in 2021 from DKK 29.6 million in 2020, mainly due to the significant turnover from Covid-19 antigen testing activities and the sale of test kits to health authorities.

Although significant investments were made in the Covid-19 testing infrastructure in the form of test center locations, diagnostic equipment and an adequate number of qualified staff trained by health care professionals, net profit soared at DKK 713.9 million in 2021 compared to DKK 8.9 million in 2020.

Based on the historically high level of revenue generated by Copenhagen Contractors A/S in 2021, top management decided to procure a higher amount of expert advisory services compared to previous years, and therefore the larger volume of expenses carried by Copenhagen Group A/S in 2021 should be seen to constitute a strategic investment in the future of Copenhagen Group as a whole.

In addition to the above Copenhagen Group initiated the implementation of the new cloud-based ERP system, Business Central (BC) Cloud, in 2021, which also demanded additional advisory resources due to the volume of data, transparency and reporting requirements related to the new business.

While the cash flow from operating activities soared, the cash flow from investing and financing activities was affected significantly in 2021 due to the very high investments conducted in diagnostic equipment and the operational set-up related to the COVID-19 testing services in Copenhagen Contractors A/S as well as the investment in the development of a special purpose engine, targeting the demands of particular client segments in Copenhagen Global A/S.

Overall, in 2021, Copenhagen Group A/S consolidated itself to very strong financial positionl. While the total balance increased to DKK 708 million in 2021 from DKK 107.5 million in 2020, total equity increased significantly to DKK 240 million in from DKK 25.9 million in 2020.

Financial risks and the use of financial instruments

Proper management of risks is extremely important to us, since our corporate set-up and customer database do not lend us much room for maneuvring with respect to social acceptability and financial credibility.

Before bidding for new potential contracts we conduct an internal assessment of the customer and scope of work to ensure it meets our obligations to UN Global Compact to which we are a long-standing signatory.

Our suppliers undergo the same level of scrutiny, in particular with respect to ISO 9001 on quality, ISO 14001 on environment and ISO 45001 on occupational health and safety.

To hedge our financial risks, we aim to quote customers in the same currency as that quoted to us by our suppliers. Our business transactions are, for the most part, also restricted to DKK, EUR and USD; hence, the biggest risk relates to fluctuations in the USD exchange rate towards EUR and DKK.

The vast majority of our contracts are with stable national governments and reputable international organisations; hence, a loss on debtors or a long delay in payments by a customer is rarely a problem.

Finally, we have developed a number of operational procedures and risk mitigating mechanisms to support our diagnostic/health care related services, i.e. procedures for reporting incidents and ensuring traceability of diagnostic equipment, which serve as a guideline for our diagnostic/health care related activities as requires by the Danish Medicines Agency ("Lægemiddelstyrelsen").

Employees

Dedicated and motivated employees are paramount to the success of our company, and we maintain significant focus on giving our employees the chance to further develop their skills set and taking on new responsibilities..

In 2021, we managed to attract a very high number of highly qualified and motivated employees from various backgrounds, who made a significant contribution to our company. At the height of the pandemic, Copenhagen Medical A/S employed 8,500 staff members. We employed a number of medical and other health professionals from different educational and ethnic backgrounds, who were attracted to the new services provided by Copenhagen Medical A/S, as well as the higher purpose of making a difference in the fight against the COVID-19 pandemic.

Expected developments

In 2021, both Copenhagen Global A/S and Copenhagen Contractors A/S continued to tender for long-term agreements (LTAs) with national governments and international organizations. Furthermore, we developed a platform for providing health care services to both private citizens and companies from our agile and flexible business platform.

In 2022 and the years to come, we expect our investments within the marine segment to bear fruit. We particularly expect to increase the sale of FPT engines to both private and public entities.

During 2021 we also tendered for a number of large contracts for the supply of various boats and vehicles, which we hope will materialise in 2022/23 thus positively improving the revenue stream for Copenhagen Global A/S. .

We continue to expand existing and explore new business opportunities both inside and outside Denmark and go where others are unable to operate in order to best support our customers worldwide.

Given our agility and rapid response to the request by the Danish State to establish the COVID-19 test centers and the provision a high quality health services to Danish citizens and companies from this platform throughout 2021, we remain very optimistic as to the further development of Copenhagen Medical A/S. We firmly believe, that the MedicalMe digital platform is central to the provision of tailored, agile and timely health care services to both governments, private citizens and companies worldwide. Copenhagen Medical A/S under the umbrella of Copenhagen Contractors A/S will continue to develop the MedicalMe platform and spearhead our geographical entry into new countries.

Given that the procurement of electoral materials has been decentralised during the past few years, we continue to strengthen our new marketing model to sell our products for national elections. Consequently, we are now marketing and selling our electoral materials directly to national independent election commissions. Year 2022 and 2023 both look promising in terms of
number of elections to be conducted in developing countries, where our products are used. Consequently, expectations for the next financial year remain high.

Events occurring after the end of the financial year

No events have occurred subsequent after the end of the fiscal year 2020, which could be of significant detriment to the Copenhagen Group A/S' financial position.

Income statement 1 January - 31 December

All amounts in DKK.

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Gross profit	**1.683.986.132**	**29.562.819**	**10.502.201**	**7.965.899**
1	Staff costs	-762.252.775	-14.237.488	-14.043.407	-8.983.561
2	Depreciation, amortisation, and impairment	-5.291.059	-1.208.205	-158.963	-139.002
	Other operating expenses	-1.308.585	0	0	0
	Operating profit	**915.133.713**	**14.117.126**	**-3.700.169**	**-1.156.664**
	Income from equity investments in subsidiaries	0	0	718.419.589	20.080.998
	Other financial income from group enterprises	5.201.827	9.107	5.253.713	-13.420.713
	Other financial income	2.041.394	215.413	333.449	139.716
3	Other financial costs	-6.768.383	-2.504.934	-7.389.335	-1.562.834
	Pre-tax net profit or loss	**915.608.551**	**11.836.712**	**712.917.247**	**4.080.503**
4	Tax on net profit or loss for the year	-201.659.805	-1.248.413	1.031.499	448.700
5	Results for the year after tax on discontinued operations	0	-1.641.058	0	0
6	**Net profit or loss for the year**	**713.948.746**	**8.947.241**	**713.948.746**	**4.529.203**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Non-current assets				
7	Development projects in progress and prepayments for intangible assets	5.521.505	964.688	0	0
	Total intangible assets	5.521.505	964.688	0	0
8	Property	1.621.418	1.646.750	1.621.418	1.646.750
9	Plant and machinery	611.290	0	0	0
10	Other fixtures and fittings, tools and equipment	8.707.489	1.914.367	206.135	178.873
	Total property, plant, and equipment	10.940.197	3.561.117	1.827.553	1.825.623
11	Investments in subsidiaries	0	0	275.449.259	47.029.670
12	Other receivables	10.908.226	12.443.633	10.908.226	12.443.633
13	Deposits	2.020.783	603.035	589.202	528.807
	Total investments	12.929.009	13.046.668	286.946.687	60.002.110
	Total non-current assets	**29.390.711**	**17.572.473**	**288.774.240**	**61.827.733**
	Current assets				
	Raw materials and consumables	441.785	430.514	0	0
	Manufactured goods and goods for resale	85.048.879	49.916.658	0	0
	Prepayments for goods	49.089.456	29.424	0	0
	Total inventories	134.580.120	50.376.596	0	0
	Trade receivables	206.954.061	22.249.238	0	0
	Receivables from group enterprises	340.049.676	36.266.766	145.114.396	2.053.803
14	Deferred tax assets	0	219.780	99.157	96.752
	Income tax receivables	0	0	1.029.094	0
	Tax receivables from group enterprises	1.611.302	1.718.134	0	424.402
	Other receivables	84.124.700	1.863.557	776.224	6.150
15	Prepayments and accrued income	849.118	1.677.574	252.012	177.574
	Total receivables	633.588.857	63.995.049	147.270.883	2.758.681
	Cash on hand and demand deposits	123.347.266	9.816.216	3.065.943	3.431.995
	Total current assets	**891.516.243**	**124.187.861**	**150.336.826**	**6.190.676**
	Total assets	**920.906.954**	**141.760.334**	**439.111.066**	**68.018.409**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Equity				
16	Contributed capital	3.000.000	3.000.000	3.000.000	3.000.000
	Reserve for net revaluation according to the equity method	0	0	231.719.291	0
	Retained earnings	236.889.144	22.940.397	5.169.853	22.940.398
	Total equity	**239.889.144**	**25.940.397**	**239.889.144**	**25.940.398**
	Provisions				
17	Provisions for deferred tax	518.432	0	0	0
18	Other provisions	100.000	100.000	0	0
	Total provisions	**618.432**	**100.000**	**0**	**0**
	Liabilities other than provisions				
19	Mortgage loans	855.241	902.330	855.241	902.330
	Total long term liabilities other than provisions	855.241	902.330	855.241	902.330
	Current portion of long term payables	47.089	47.671	47.089	47.671
	Bank loans	1.103.588	20.299.075	383.482	328.252
	Prepayments received from customers	1.529.241	2.271.015	0	0
	Trade payables	104.116.980	14.758.986	1.497.471	1.547.590
	Payables to group enterprises	212.943.382	34.212.964	194.935.281	34.212.964
	Income tax payable to group enterprises	202.532.895	2.542.470	0	0
	Other payables	157.270.962	40.685.426	1.503.358	5.039.204
	Total short term liabilities other than provisions	679.544.137	114.817.607	198.366.681	41.175.681
	Total liabilities other than provisions	**680.399.378**	**115.719.937**	**199.221.922**	**42.078.011**
	Total equity and liabilities	**920.906.954**	**141.760.334**	**439.111.066**	**68.018.409**

20 Charges and security

21 Contingencies

22 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2020	3.000.000	13.543.531	0	16.543.531
Retained earnings for the year	0	8.947.241	0	8.947.241
Adjustment disposed group enterprises	0	449.625	0	449.625
Equity 1 January 2021	3.000.000	22.940.397	0	25.940.397
Retained earnings for the year	0	213.948.747	0	213.948.747
Extraordinary dividend adopted during the financial year	0	500.000.000	0	500.000.000
Distributed extraordinary dividend adopted during the financial year	0	-500.000.000	0	-500.000.000
	3.000.000	**236.889.144**	**0**	**239.889.144**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January 2020	3.000.000	0	18.411.195	21.411.195
Share of profit or loss	0	0	4.529.203	4.529.203
Equity 1 January 2021	3.000.000	0	22.940.398	25.940.398
Share of profit or loss	0	718.419.589	-504.470.843	213.948.746
Extraordinary dividend adopted during the financial year	0	0	500.000.000	500.000.000
Distributed extraordinary dividend adopted during the financial year	0	0	-500.000.000	-500.000.000
Distributed dividend	0	-490.000.000	490.000.000	0
Transfer	0	3.299.702	-3.299.702	0
	3.000.000	**231.719.291**	**5.169.853**	**239.889.144**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Net profit or loss for the year	713.948.746	8.947.241	713.948.746	4.529.203
23	Adjustments	206.976.024	5.186.656	-717.487.547	-19.163.954
24	Change in working capital	-143.664.262	-10.496.681	-2.955.461	-8.022.125
	Cash flows from operating activities before net financials	777.260.508	3.637.216	-6.494.262	-22.656.876
	Interest received, etc.	5.653.427	224.522	5.587.159	336.094
	Interest paid, etc.	-3.397.051	-2.504.934	-7.389.334	-1.562.834
	Cash flows from ordinary activities	779.516.884	1.356.804	-8.296.437	-23.883.616
	Income tax paid	-824.333	-294.316	424.402	603.768
	Cash flows from operating activities	**778.692.551**	**1.062.488**	**-7.872.035**	**-23.279.848**
	Purchase of intangible assets	-4.556.817	-964.688	0	0
	Purchase of property, plant, and equipment	-12.670.729	-528.594	-160.893	0
	Sale of property, plant, and equipment	590	115.061	0	0
	Purchase of fixed asset investments	-1.857.353	-12.443.633	0	0
	Sale of enterprise	0	0	0	14.066.715
	Dividends received	0	0	490.000.000	0
	Purchase of deposits	0	22.081	0	0
	Cash flows from investment activities	**-19.084.309**	**-13.799.773**	**489.839.107**	**14.066.715**
	Repayments of long-term payables	0	14.335.138	0	-3.884.597
	Dividend paid	-500.000.000	0	-500.000.000	0
	Changes in short-term bank loans	-19.243.158	-1.760.324	7.559	0
	Other cash flows from financing activities	-125.052.493	0	17.659.317	15.375.911
	Cash flows from investment activities	**-644.295.651**	**12.574.814**	**-482.333.124**	**11.491.314**
	Change in cash and cash equivalents	**115.312.591**	**-162.471**	**-366.052**	**2.278.181**
	Cash and cash equivalents at 1 January 2021	9.816.216	9.978.687	3.431.995	1.153.816
	Foreign currency translation adjustments (cash and cash equivalents)	-1.781.541	0	0	-2
	Cash and cash equivalents at 31 December 2021	**123.347.266**	**9.816.216**	**3.065.943**	**3.431.995**
	Cash and cash equivalents				
	Cash on hand and demand deposits	123.347.266	9.816.216	3.065.943	3.431.995
	Cash and cash equivalents at 31 December 2021	**123.347.266**	**9.816.216**	**3.065.943**	**3.431.995**

Notes

All amounts in DKK.

		Group 2021	Group 2020	Parent 2021	Parent 2020
1.	**Staff costs**				
	Salaries and wages	689.222.901	13.791.377	13.987.983	8.945.016
	Pension costs	54.000	0	0	0
	Other costs for social security	11.681.500	96.112	55.424	38.545
	Other staff costs	61.294.374	349.999	0	0
		762.252.775	**14.237.488**	**14.043.407**	**8.983.561**
	Average number of employees	1.123	26	6	6

For 2021, the company has chosen to use the exemption provision in section 98b(3) of the Danish Financial Statements Act.

		Group 2021	Group 2020	Parent 2021	Parent 2020
2.	**Depreciation, amortisation, and impairment**				
	Depreciation of buildings	25.332	25.332	25.332	25.332
	Depreciation of plant and machinery	60.963	0	0	0
	Depreciation of other fixtures and fittings, tools and equipment	5.205.354	1.182.873	133.631	113.670
	Profit/loss on the sale of property, plant, and equipment	-590	0	0	0
		5.291.059	**1.208.205**	**158.963**	**139.002**

Notes

All amounts in DKK.

		Group 2021	Group 2020	Parent 2021	Parent 2020
3.	**Other financial costs**				
	Financial costs, group enterprises	0	0	6.856.009	653.278
	Other financial costs	6.768.383	2.504.934	533.326	909.556
		6.768.383	**2.504.934**	**7.389.335**	**1.562.834**

		Group 2021	Group 2020	Parent 2021	Parent 2020
4.	**Tax on net profit or loss for the year**				
	Tax on net profit or loss for the year	200.921.593	824.336	-1.029.094	-424.402
	Adjustment of deferred tax for the year	738.212	424.077	-2.405	-24.298
		201.659.805	**1.248.413**	**-1.031.499**	**-448.700**

5. Discontinued operations

In the course of 2020, as a part of the enterprise's future strategy, the management has decided to discontinue the business segment of horizontal directional drilling in Kuwait, which, as a result, is recognised in a separate item in the income statement as ”Post-tax net profit or loss for the year on discontinued operations”.

In 2020, the enterprise entered into an agreement on the sale of this activity to an external party.

The comparative figures for 2020 have not been adjusted for discontinued operations.

	Group 2020
Breakdown of post-tax net profit or loss for the year of discontinued operations into principal items:	
Gross profit	2.777.680
Staff costs	-2.797.771
Depreciation, amortisation and impairment	-80.565
Other financial income	267.029
Other financial costs	-961.543
Pre-tax profit or loss	-795.170
Tax on results	-845.888
Post-tax net profit or loss for the year of discontinued operations	**-1.641.058**

All amounts in DKK.

	Parent 2021	Parent 2020
6. Proposed appropriation of net profit		
Extraordinary dividend adopted during the financial year	500.000.000	0
Reserves for net revaluation according to the equity method	718.419.589	0
Transferred to retained earnings	0	4.529.203
Allocated from retained earnings	-504.470.843	0
Total allocations and transfers	**713.948.746**	**4.529.203**

	Group 31/12 2021	Group 31/12 2020
7. Development projects in progress and prepayments for intangible assets		
Cost 1 January 2021	964.688	0
Additions during the year	4.556.817	964.688
Cost 31 December 2021	**5.521.505**	**964.688**
Carrying amount, 31 December 2021	**5.521.505**	**964.688**

The development project concerns the manufacture of a high-speed diesel marine engine for use in peacekeeping operations globally. The project is expected to be completed in 2022. The project proceeds as planned using the resources allocated by the management for the development project. We expect to launch the marine engine, engine components and spare parts to our customers of the existing market. Prior to initiating the project, we conducted a survey of our customers' needs for a high-speed marine engine solution in the product range, which was positively received.

	Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
8. Property				
Cost 1 January 2021	1.900.000	1.900.000	1.900.000	1.900.000
Cost 31 December 2021	**1.900.000**	**1.900.000**	**1.900.000**	**1.900.000**
Depreciation and writedown 1 January 2021	-253.250	-227.918	-253.250	-227.918
Amortisation and depreciation for the year	-25.332	-25.332	-25.332	-25.332
Depreciation and writedown 31 December 2021	**-278.582**	**-253.250**	**-278.582**	**-253.250**
Carrying amount, 31 December 2021	**1.621.418**	**1.646.750**	**1.621.418**	**1.646.750**

All amounts in DKK.

		Group 31/12 2021	Group 31/12 2020
9.	**Plant and machinery**		
	Cost 1 January 2021	2.227.329	2.227.329
	Additions during the year	672.253	0
	Disposals during the year	-1.676.521	0
	Cost 31 December 2021	**1.223.061**	**2.227.329**
	Depreciation and writedown 1 January 2021	-2.227.329	-2.227.329
	Amortisation and depreciation for the year	-60.963	0
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	1.676.521	0
	Depreciation and writedown 31 December 2021	**-611.771**	**-2.227.329**
	Carrying amount, 31 December 2021	**611.290**	**0**

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
10.	**Other fixtures and fittings, tools and equipment**				
	Cost 1 January 2021	19.886.849	30.030.396	2.435.094	2.435.094
	Disposals concerning company transfer	0	-9.672.141	0	0
	Additions during the year	11.998.476	528.594	160.893	0
	Disposals during the year	-50.000	-1.000.000	0	0
	Cost 31 December 2021	**31.835.325**	**19.886.849**	**2.595.987**	**2.435.094**
	Amortisation and writedown 1 January 2021	-17.972.482	-27.346.689	-2.256.221	-2.142.551
	Amortisation and depreciation for the year	-1.726.615	-1.182.873	-133.631	-113.670
	Impairment loss for the year	-3.478.739	0	0	0
	Depreciation, amortisation and impairment loss for the year, assets disposed of	50.000	10.557.080	0	0
	Amortisation and writedown 31 December 2021	**-23.127.836**	**-17.972.482**	**-2.389.852**	**-2.256.221**
	Carrying amount, 31 December 2021	**8.707.489**	**1.914.367**	**206.135**	**178.873**

All amounts in DKK.

		Parent 31/12 2021	Parent 31/12 2020
11.	**Investments in subsidiaries**		
	Cost 1 January 2021	43.729.968	62.851.585
	Disposals during the year	0	-19.121.617
	Cost 31 December 2021	**43.729.968**	**43.729.968**
	Revaluations, opening balance 1 January 2021	3.299.702	-21.836.198
	Net profit or loss for the year before amortisation of goodwill	718.419.589	6.014.283
	Reversals for the year concerning disposals	0	19.121.617
	Dividend	-490.000.000	0
	Revaluation 31 December 2021	**231.719.291**	**3.299.702**
	Carrying amount, 31 December 2021	**275.449.259**	**47.029.670**

Subsidiaries:

	Domicile	**Equity interest**
Copenhagen Contractors A/S	Copenhagen	100 %
Copenhagen Election A/S	Copenhagen	100 %
Copenhagen Global A/S	Copenhagen	100 %
Copenhagen Arctic A/S	Copenhagen	100 %

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
12.	**Other receivables**				
	Cost 1 January 2021	12.443.633	0	12.443.633	0
	Additions during the year	0	12.443.633	0	12.443.633
	Disposals during the year	-1.535.407	0	-1.535.407	0
	Cost 31 December 2021	**10.908.226**	**12.443.633**	**10.908.226**	**12.443.633**
	Carrying amount, 31 December 2021	**10.908.226**	**12.443.633**	**10.908.226**	**12.443.633**
	Specified as follows:				
	Other receivables	10.908.226	12.443.633	10.908.226	12.443.633
		10.908.226	**12.443.633**	**10.908.226**	**12.443.633**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
13.	**Deposits**				
	Cost 1 January 2021	603.035	625.116	528.807	550.888
	Additions during the year	1.917.748	50.605	60.395	50.605
	Disposals during the year	0	-72.686	0	-72.686
	Cost 31 December 2021	**2.520.783**	**603.035**	**589.202**	**528.807**
	Impairment loss for the year	-500.000	0	0	0
	Nedskrivninger 31 December 2021	**-500.000**	**0**	**0**	**0**
	Carrying amount, 31 December 2021	**2.020.783**	**603.035**	**589.202**	**528.807**

		Parent	
		31/12 2021	31/12 2020
14.	**Deferred tax assets**		
	Deferred tax assets 1 January 2021	96.752	72.454
	Deferred tax of the net profit or loss for the year	2.405	24.298
		99.157	**96.752**

At 31 December 2021, the enterprise has recognised a tax asset totalling t.DKK 99. The tax asset is unutilised tax deductions in the form of timing differences of t.DKK 99.

Based on expectations on future earnings, management finds it likely that future taxable income will be available where unutilised tax deductions may be utilised.

15. Prepayments and accrued income

Accruals consist of prepaid expenses related to the next fiscal year.

		Parent	
		31/12 2021	31/12 2020
16.	**Contributed capital**		
	Contributed capital 1 January 2021	3.000.000	3.000.000
		3.000.000	**3.000.000**

The share capital consists of 3.000.000 shares, each with a nominal value of DKK 1.

All amounts in DKK.

		Group 31/12 2021	Group 31/12 2020
17.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2021	-219.780	-643.857
	Deferred tax relating to the net profit or loss for the year	738.212	424.077
		518.432	**-219.780**

All amounts in DKK.

	Group 31/12 2021	Group 31/12 2020
18. Other provisions		
Other provisions 1 January 2021	100.000	100.000
Change in other provisions for the year	0	0
	100.000	**100.000**

Management assesses that a warranty liability exists on goods sold.

	Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
19. Mortgage loans				
Total mortgage loans	902.330	950.001	902.330	950.001
Share of amount due within 1 year	-47.089	-47.671	-47.089	-47.671
	855.241	**902.330**	**855.241**	**902.330**
Share of liabilities due after 5 years	619.796	710.501	619.796	710.501

20. Charges and security

As security for the group's mortgage debts, t.DKK 902 (parent enterprise: t.DKK 902), the group has granted mortgage on land and buildings representing a book value of tDKK 1.621 (parent enterprise: t.DKK 1.621) at 31 December 2021.

For the group's bank debts, t.DKK 0, (parent enterprise t.DKK 0) the group has provided security in company assets representing a nominal value of t.DKK 25.500. (parent enterprise t.DKK 24.000). This security comprises the below assets, stating the book values:

Inventories	t.DKK 85.491 (parent enterprise t.DKK 0)
Trade debtors	t.DKK 206.954(parent enterprise t.DKK 0)
Other plants, operating assets, fixtures and furniture	t.DKK 8.707(parent enterprise t.DKK 206)

21. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	1.036
Other contingent liabilities	536
Recourse liability to products sold	10.157
Total contingent liabilities	**11.729**

All amounts in DKK.

21. Contingencies (continued)

Contingent liabilities (continued)

Recourse guarantee commitments:

The company has guaranteed the bank loans of the group enterprises. On 31 December 2021, the total bank loans of the group enterprises totalled t.DKK 0.

Joint taxation

With Handwerk Holding A/S, company reg. no 33055889 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

22. Related parties

Controlling interest

Handwerk Holding A/S, Sankt Annæ Plads 11, 1., 1250 Copenhagen, Denmark	Majority shareholder

Other related parties

Casper Moltke-Leth	Board member
Jeppe Handwerk	Board member
Meta Birgitte Zachau Handwerk	Board member
Copenhagen Constractors A/S	Group enterprise
Copenhagen Election A/S	Group enterprise
Copenhagen Arctic A/S	Group enterprise
Copenhagen Global A/S	Group enterprise

The shareholder of the group is also employed as CEO. Remuneration is granted on market terms.

All amounts in DKK.

Transactions

All transactions with related parties are made on market terms.

Consolidated financial statements

The company is included in the consolidated financial statements of Handwerk Holding A/S, Sankt Annæ Plads 11, 1., 1250 Copenhagen, Denmark.

		Group 2021	Group 2020	Parent 2021	Parent 2020
23.	**Adjustments**				
	Depreciation, amortisation, and impairment	5.291.059	1.208.205	158.963	139.002
	Income from equity investments in subsidiaries	0	0	-718.419.589	-20.080.998
	Other financial income	-7.243.221	-224.520	-5.587.162	-336.092
	Other financial costs	6.768.383	2.504.934	7.389.335	1.562.834
	Tax on net profit or loss for the year	201.659.803	1.248.413	-1.029.094	-448.700
	Other adjustments	500.000	449.624	0	0
		206.976.024	**5.186.656**	**-717.487.547**	**-19.163.954**

		Group 2021	Group 2020	Parent 2021	Parent 2020
24.	**Change in working capital**				
	Change in inventories	-84.196.650	-46.458.293	0	0
	Change in receivables	-282.670.599	-2.771.758	630.500	-12.535.028
	Change in trade payables and other payables	223.202.987	38.733.370	-3.585.961	4.512.903
		-143.664.262	**-10.496.681**	**-2.955.461**	**-8.022.125**

The annual report for Copenhagen Group A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Recognition of discontinued operations

Discontinued operations represent a considerable part of the enterprise if activities and cash flows, in operational and accounting terms, are recognised separately from the rest of the enterprise and if the entity has either been sold or demerged and held for sale and this sale is expected to be completed within one year in accordance with a formal plan. Also, discontinued operations comprise enterprises which, on acquisition, were classified as held for sale.

Post-tax profit or loss on discontinued operations and value adjustments after tax on related assets and liabilities as well as gains/losses from sales are recognised as separate items in the income statement without restating comparatives. Revenue, costs, value adjustments, and tax on the discontinued operation in question are recognised in the notes. Assets and related liabilities concerning discontinued operations are recognised as separate items in the statement of financial position without restating comparatives and the principal items are specified in the notes.

Assets relating to discontinued operations comprise non-current assets and disposal groups, the disposal of which is expected as a result of discontinued operations. Disposal groups are assets disposed of in whole by sale or similar transaction. Liabilities arising from assets concerning discontinued operations are obligations related directly to these assets and will be transferred upon transaction. Assets are classified as assets relative to discontinued operations when their carrying amount is primarily recovered through disposal within a 12-month period in accordance with a formal plan rather than through continued use.

Assets or disposal groups relative to discontinued operations are measured at the lowest value at the time of an operation being classified as a discontinued operation, or at fair value less sales costs. Assets are not depreciated or amortised as of the time they are classified as discontinued operations.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

The consolidated financial statements

The consolidated income statements comprise the parent company Copenhagen Group A/S and those group enterprises of which Copenhagen Group A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning subcontractors, purchase of goods and consumables and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the income statement of the parent as a proportional share of the subsidiaries' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings, Denmark	30 years	0-20 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, Copenhagen Group A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Other Provisions

Provisions comprise expected costs of warranty commitments. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Warranty commitments comprise commitments to repair work being carried out within the warranty period of 1-5 years. The provisions are measured at the net realisable value and recognised on the basis of experience with warranty work. If provisions have an expected due date later than 1 year from the reporting date, they are discounted at the average bond interest.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's and parent's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's and parent's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

Jeppe Handwerk

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