CHRISTENSEN KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET REVISIONSAKTIESELSKAB
STORE KONGENSGADE 68
1264 KØBENHAVN K

CVR: 15 91 56 41
TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

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 2019

The annual report has been submitted and approved by the general meeting on the 20 July 2020.

Casper Moltke-Leth
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 report

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 2019.

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 2019, 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 2019.

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 by the general meeting.

Copenhagen, 20 July 2020

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 financial statements of Copenhagen Group A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity, statement af cash flows and notes, consolidated and of the company, respectively. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements present a fair view of the assets, equity and liabilities, and financial position, consolidated and of the company, respectively, at 31 December 2019 and of the results of the company's activities and cash flows, consolidated and of the company, respectively, for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements and the financial statements

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

In preparing the consolidated financial statements and 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 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 annual accounts and the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 financial statements.

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 the 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 preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 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 financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the consolidated financial statements and the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the consolidated financial statements or the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management commentary is consistent with the consolidated financial statements and the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 20 July 2020

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 Copenhagen Contractors Int. Ltd., Jordan Copenhagen Contractors Int. Ltd., Kuwait	

Consolidated financial highlights

DKK in thousands.	2019	2018	2017	2016	2015
Income statement:					
Revenue	184.814	145.140	258.621	212.314	216.777
Gross profit	20.714	15.662	24.370	36.965	27.413
Profit from ordinary operating activities	5.239	1.013	8.712	9.798	2.920
Net financials	-833	-877	-1.879	-2.834	1.071
Net profit or loss for the year	2.468	-1.205	8.327	5.366	3.741
Statement of financial position:					
Balance sheet total	42.834	58.314	116.197	38.510	78.331
Investments in property, plant and equip-ment	848	556	286	4.932	4.334
Equity	16.544	14.120	17.689	9.153	15.282
Cash flows:					
Operating activities	15.715	12.532	-3.818	15.459	-10.014
Investing activities	-956	-633	-159	-3.915	-1.443
Financing activities	-10.035	-9.020	5.164	-13.207	-5.272
Total cash flows	4.724	2.880	1.188	-1.663	-16.729
Employees:					
Average number of full-time employees	32	31	31	45	54
Key figures in %:					
Gross margin ratio	11,2	10,8	9,4	17,4	12,6
Profit margin (EBIT-margin)	2,8	0,7	3,4	4,6	1,3
Solvency ratio	38,6	24,2	15,2	23,8	19,5
Return on equity	16,1	-7,6	62,0	43,9	22,5

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

The principal activities of the group

Copenhagen Group A/S manages projects and contracts awarded through direct tendering for the supply of products and services to international organisations, national governments and agencies.

Copenhagen Group A/S' business model is based on recognising and realising opportunities in the difficult – be it urgent or long-term requirements for the Danish Defence, other deployed international forces in conflict countries and/or regions and humanitarian missions worldwide.

Copenhagen Group has five core businesses:

- Copenhagen Contractors A/S: Facility Management, Military Hangars, Containerised Systems and Solutions, Unmanned Aerial Systems (UAS) and Counter-UAS Solutions and Technologies
- 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
- HDD: Horizontal Directional Drilling Services

Copenhagen Group has offices in Denmark and Kuwait.

Copenhagen Group A/S currently employs 32 people on a permanent contract basis but makes extensive use of project-based employments to fit the scale and scope of work undertaken for customers.

Copenhagen Group A/S is solely owned by Handwerk Holding A/S, a family owned company.

Annual Review

Despite losing our long-term agreement for the supply of IVECO trucks and spare parts to an international organisation in 2018, we managed to keep and even increase our turnover this year. This is also a result of our customers wanting to extend the lifetime of trucks and equipment procured under our long-term agreement, which translates into a bigger sale of spare parts, both fast-moving and capital spare parts.

In 2019, our subsidiary company, Copenhagen Global A/S, also reported a higher revenue following delivery of two MAGIRUS turntable ladders for Denmark, armoured vehicles for international organisations worldwide, trucks and constructions equipment for Iraq, and conclusion of the sale of USMI's 11mtr Naval Special Warfare Rigid Inflatable Boats to the Danish Defence.

Similarly, in 2019, our other subsidiary company, Copenhagen Election A/S, reported an increase in revenue of 625.1% resulting in a gross profit of DKK 9 million.

Despite an increase in revenue of 180%, our subsidiary company, Copenhagen Contractors A/S, reported a net loss of DKK 0.4 million for 2019 due to high depreciation costs for wash-ramps and equipment procured in 2016.

No revenue reported for 2019 for Copenhagen Arctic. Copenhagen Arctic also continues to carry a loss following the expensive US court case back in 2016.

Our horizontal directional drilling business in Kuwait unfortunately generated a loss of DKK 4.8 million due to a decrease in revenue of 30.3% from the year before. It has not been possible to align staff numbers to this downward change in revenue resulting in a net loss for the year.

Development in activities and financial matters

In 2019, revenue increased by 27.3% from DKK 145 million to DKK 184.8 million due to bigger sales in both Copenhagen Global A/S and Copenhagen Election A/S.

Given this higher revenue, our gross profit increased by 32.3% to DKK 20.7 million from DKK 15.7 million, which translates into a gross profit margin of 11.2%, a slight increase from 10.8% last year.

Due to new accounting rules and regulations, staff travel costs are moved from staff costs to other external costs, whereby gross profit for 2018 has been amended from 2018 to 2019 reporting.

Operating profit increased by 417.2% to DKK 5.2 million constituting a profit margin of 2.8%, which is an improvement from last year's 0.7%.

Total balance decreased by 26.5% to DKK 42.8 million from DKK 58.3 million.

Total equity increased by 17.2% as a result of a net profit for 2019 of DKK 2.5 million, which translates into an equity share/solvency ratio of 38.6% - an improvement from 24.2% last year.

Special risks

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

Before bidding for a new potential contract 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 OHSAS 18001/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 for us.

Employees

Dedicated and motivated employees are paramount to the success of our company.

Offering employees the chance to further develop their skills set and taking on new responsibilities is important to us.

Our employees are also strongly encouraged to propose new products and services to market and ideas on how to further improve our internal processes.

Each year, all our employees are asked to participate in the employee satisfaction survey with the aim to improve employee engagement, satisfaction, work processes, and management practices.

Expected developments

Supporting international organisations and national governmental bodies worldwide with products and services from cradle to grave remains our core business focus.

In 2019, both Copenhagen Global A/S and Copenhagen Contractors A/S tendered for a few large long-term agreements with international organisations, which will affect our future financial results, either positively or negatively.

Given our strong and long-standing partnerships with manufacturers of boats and related equipment, such as marine engines, we expect the marine segment to constitute a growing share of our revenue in the years to come. Our aim is to be the leading supplier of special purpose boats – from search-and-rescue to special purpose boats – to both governmental and commercial entities in the Nordics.

By continuously expanding our list of dealerships for high quality and often niche products and services for the Kingdom of Denmark and the Baltic Region, we also expect to expand our presence in the Danish and European market in the years to come.

We also expect to increase sales of MAGIRUS fire trucks in the Kingdom of Denmark. Within just 3 years of assuming the dealership for this geographical area, we have established name recognition and a good reputation within this market. We already have confirmed orders lined up for delivery of MAGIRUS turntable ladders in 2020 and 2021.

Finally, we continue to focus on the sale of armoured vehicles to international organisations and governmental entities by expanding our product portfolio and after sales services. We also offer a leasing scheme for pre-owned armoured vehicles including on-site service.

Although it will still take some time and effort to develop new businesses for Copenhagen Contractors, we are optimistic as to the prospects of this business unit given the current political climate with geopolitical tensions, between the Western World and Russia, which necessitates increased military presence in the Baltic countries by NATO forces. Copenhagen Contractors A/S will spearhead our entry into these countries by offering support (products and services) to national and international armed forces operating on the border to Russia.

Furthermore, with the constant threat of terrorist attacks worldwide, we also foresee a big market for UAS and especially counter-UAS technology in Denmark and overseas.

Given that the procurement of electoral materials has been decentralised during the past few years, it requires a slightly new marketing model to sell our products for national elections. To support this new reality, we are now marketing and selling our electoral materials directly to national independent election commissions. Year 2020 and 2021 both look promising in terms of number of elections to be conducted in developing countries, where our products are used; therefore, expectations for the next financial year are somewhat high.

Events occurring after the end of the financial year

No events have occurred subsequent to the end of the fiscal year 2019, which could be of significant detriment to the Copenhagen Group A/S' financial position.

Statement of corporate social responsibility

We publish 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.

We are fully committed to reducing the impacts of our operations and business activities on the environment through the mitigation of natural resource depletion and pollution.

We respect internationally recognised human rights and work to ensure that we do not contribute to human rights violations as a result of our global business activities.

As a major supplier of products and services to various UN agencies, the UN's Sustainable Development Goals (SDGs) are very important to us and we do our best to contribute to the fulfilment of the SDGs most relevant to our businesses.

Of the 17 SDGs established and agreed upon globally, we currently aim to help fulfil the following SDGs through our business conduct:

- Goal # 2: Zero Hunger
- Goal # 5: Gender Equality
- Goal # 14: Life Below Water
- Goal # 15: Life on Land
- Goal # 16: Peace, Justice and Strong Institutions

Income statement 1 January - 31 December

All amounts in DKK.

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Revenue	184.813.612	145.140.016	13.393.160	8.835.695
	Other operating income	0	293.075	0	0
	Costs of raw materials and consumables	-151.863.154	-118.346.860	-18.613	-2.390
	Other external costs	-12.236.199	-11.423.846	-7.999.321	-7.638.455
	Gross profit	**20.714.259**	**15.662.385**	**5.375.226**	**1.194.850**
1	Staff costs	-14.421.921	-12.765.631	-6.359.366	-5.207.838
2	Depreciation and impairment of property, land, and equipment	-1.053.291	-1.884.121	-85.609	-50.011
	Operating profit	**5.239.047**	**1.012.633**	**-1.069.749**	**-4.062.999**
3	Income from equity investments in group enterprises	0	0	9.025.823	4.667.518
	Other financial income from group enterprises	0	0	1.014.481	907.982
	Other financial income	455.783	2.064.881	339.299	698.791
4	Other financial costs	-1.288.560	-2.941.562	-2.603.639	-2.209.158
	Pre-tax net profit or loss	**4.406.270**	**135.952**	**6.706.215**	**2.134**
5	Tax on net profit or loss for the year	-1.938.202	-1.340.600	351.152	-928.400
6	**Net profit or loss for the year**	**2.468.068**	**-1.204.648**	**7.057.367**	**-926.266**

Statement of financial position at 31 December

All amounts in DKK.

Assets

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Non-current assets				
7	Completed development projects, including patents and similar rights arising from development projects	0	0	0	0
	Total intangible assets	0	0	0	0
8	Property	1.672.082	1.697.414	1.672.082	1.697.414
9	Other fixtures and fittings, tools and equipment	2.683.707	2.863.205	292.543	34.187
	Total property, plant, and equipment	4.355.789	4.560.619	1.964.625	1.731.601
10	Equity investments in group enterprises	0	0	41.015.387	31.637.898
11	Deposits	625.116	596.848	550.888	522.620
	Total investments	625.116	596.848	41.566.275	32.160.518
	Total non-current assets	**4.980.905**	**5.157.467**	**43.530.900**	**33.892.119**
	Current assets				
	Raw materials and consumables	2.771.766	2.207.588	0	0
	Work in progress	823.180	1.741.158	0	0
	Manufactured goods and goods for resale	323.357	473.799	0	0
	Prepayments for goods	0	63.726	0	0
	Total inventories	3.918.303	4.486.271	0	0
	Trade receivables	19.860.803	38.048.191	0	0
12	Contract work in progress	207.513	1.609.390	0	0
	Receivables from group enterprises	293.479	305.682	14.174.754	12.312.063
13	Deferred tax assets	643.857	2.287.743	72.454	325.070
	Income tax receivables	0	0	603.768	1.138.290
	Other receivables	2.895.735	1.075.817	15.689	211.461
14	Prepayments and accrued income	54.559	67.839	54.559	67.839
	Total receivables	23.955.946	43.394.662	14.921.224	14.054.723
	Cash on hand and demand deposits	9.978.687	5.275.619	1.153.816	1.959.088
	Total current assets	**37.852.936**	**53.156.552**	**16.075.040**	**16.013.811**
	Total assets	**42.833.841**	**58.314.019**	**59.605.940**	**49.905.930**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Equity				
15	Contributed capital	3.000.000	3.000.000	3.000.000	3.000.000
	Retained earnings	13.543.531	11.120.091	18.411.195	11.398.456
	Total equity	**16.543.531**	**14.120.091**	**21.411.195**	**14.398.456**
	Provisions				
16	Other provisions	100.000	100.000	0	0
	Total provisions	**100.000**	**100.000**	**0**	**0**
	Liabilities other than provisions				
17	Mortgage loans	950.001	998.120	950.001	998.120
18	Other payables	1.833.055	2.889.137	81.967	1.449.519
	Total long term liabilities other than provisions	2.783.056	3.887.257	1.031.968	2.447.639
	Current portion of long term payables	48.120	47.620	48.120	47.620
	Bank loans	4.082.762	11.541.294	4.082.762	11.539.447
	Prepayments received from customers	0	1.107.557	0	0
	Trade payables	16.519.615	25.068.881	953.945	709.342
	Payables to group enterprises	0	0	30.958.004	19.799.359
	Income tax payable	294.316	45.953	0	3.266
	Other payables	2.462.441	2.395.366	1.119.946	960.801
	Total short term liabilities other than provisions	23.407.254	40.206.671	37.162.777	33.059.835
	Total liabilities other than provisions	**26.190.310**	**44.093.928**	**38.194.745**	**35.507.474**
	Total equity and liabilities	**42.833.841**	**58.314.019**	**59.605.940**	**49.905.930**

19 Charges and security

20 Contingencies

21 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Retained earnings	Non-controlling interests	Total
1 January 2018	3.000.000	14.396.161	293.086	17.689.247
Retained earnings for the year	0	-3.204.648	0	-3.204.648
Extraordinary dividend adopted during the financial year	0	2.000.000	0	2.000.000
Distributed extraordinary dividend adopted during the financial year	0	-2.000.000	0	-2.000.000
Currency translation	0	-71.422	0	-71.422
Minority sale of share capital	0	0	-293.086	-293.086
Equity 1 January 2019	3.000.000	11.120.091	0	14.120.091
Retained earnings for the year	0	2.468.068	0	2.468.068
Currency translation	0	-44.628	0	-44.628
	3.000.000	**13.543.531**	**0**	**16.543.531**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 1 January 2018	3.000.000	0	14.396.155	17.396.155
Share of profit or loss	0	0	-2.926.266	-2.926.266
Extraordinary dividend adopted during the financial year	0	0	2.000.000	2.000.000
Distributed extraordinary dividend adopted during the financial year	0	0	-2.000.000	-2.000.000
Currency translation	0	0	-71.433	-71.433
Equity 1 January 2019	3.000.000	0	11.398.456	14.398.456
Share of profit or loss	0	9.025.823	-1.968.456	7.057.367
Transfer	0	-9.025.823	9.025.823	0
Currency translation	0	0	-44.628	-44.628
	3.000.000	**0**	**18.411.195**	**21.411.195**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Net profit or loss for the year	2.468.068	-1.204.648	7.057.367	-926.266
22	Adjustments	3.841.000	4.101.402	-8.041.507	-3.086.722
23	Change in working capital	10.276.499	10.547.585	584.530	-188.678
	Cash flows from operating activities before net financials	16.585.567	13.444.339	-399.610	-4.201.666
	Interest received, etc.	443.243	2.054.441	1.353.781	1.606.774
	Interest paid, etc.	-1.267.521	-2.942.312	-2.603.639	-2.209.158
	Cash flows from ordinary activities	15.761.289	12.556.468	-1.649.468	-4.804.050
	Income tax paid	-45.954	-24.138	1.135.024	1.525.596
	Cash flows from operating activities	**15.715.335**	**12.532.330**	**-514.444**	**-3.278.454**
	Purchase of property, plant, and equipment	-847.612	-556.089	-318.633	-22.372
	Sale of property, plant, and equipment	0	15.834	0	0
	Other cash flows from (spent in) investment activities	-108.290	-92.553	0	0
	Cash flows from investment activities	**-955.902**	**-632.808**	**-318.633**	**-22.372**
	Repayments of long-term payables	-8.871.856	2.983.613	-8.871.856	2.983.613
	Dividends distributed	0	-2.000.000	0	-2.000.000
	Available funds	-1.846	-10.081.658	8.899.661	2.984.359
	Other cash flows from financing activities	-1.161.625	78.085	0	0
	Cash flows from investment activities	**-10.035.327**	**-9.019.960**	**27.805**	**3.967.972**
	Change in cash and cash equivalents	**4.724.106**	**2.879.562**	**-805.272**	**667.146**
	Cash and cash equivalents at 1 January 2019	5.275.620	2.349.506	1.959.088	1.291.942
	Foreign currency translation adjustments (cash and cash equivalents)	-21.039	46.551	0	0
	Cash and cash equivalents at 31 December 2019	**9.978.687**	**5.275.619**	**1.153.816**	**1.959.088**

	Group 2019	Group 2018	Parent 2019	Parent 2018
Cash and cash equivalents				
Cash on hand and demand deposits	9.978.687	5.275.619	1.153.816	1.959.088
Cash and cash equivalents at 31 December 2019	**9.978.687**	**5.275.619**	**1.153.816**	**1.959.088**

Notes

All amounts in DKK.

		Group 2019	2018	Parent 2019	2018
1.	**Staff costs**				
	Salaries and wages	14.356.280	12.708.165	6.331.357	5.184.733
	Other costs for social security	65.641	57.466	28.009	23.105
		14.421.921	**12.765.631**	**6.359.366**	**5.207.838**
	Executive board and board of directors	2.520.000	2.520.000	504.000	504.000
	Average number of employees	32	31	4	4
2.	**Depreciation and impairment of property, land, and equipment**				
	Depreciation of buildings	25.332	25.332	25.332	25.332
	Depreciation of other fixtures and fittings, tools and equipment	1.027.959	1.874.623	60.277	24.679
	Profit/loss on the sale of property, plant, and equipment	0	-15.834	0	0
		1.053.291	**1.884.121**	**85.609**	**50.011**

		Parent 2019	2018
3.	**Income from equity investments in group enterprises**		
	Copenhagen Contractors A/S	-399.760	-376.448
	Copenhagen Election A/S	7.729.086	259.623
	Copenhagen Global A/S	2.055.903	3.892.333
	Copenhagen Arctic A/S	-7.740	569.019
	Copenhagen Contractors Ltd. Kuwait	-358.986	763.519
	Copenhagen Contractors Ltd. Jordan	7.320	-440.528
		9.025.823	**4.667.518**

Notes

All amounts in DKK.

		Group 2019	Group 2018	Parent 2019	Parent 2018
4.	**Other financial costs**				
	Financial costs, group enterprises	0	0	1.914.894	1.340.019
	Other financial costs	1.288.560	2.941.562	688.745	869.139
		1.288.560	**2.941.562**	**2.603.639**	**2.209.158**
5.	**Tax on net profit or loss for the year**				
	Tax on net profit or loss for the year	294.316	45.953	-603.768	-1.135.024
	Adjustment of deferred tax for the year	1.643.886	1.294.647	252.616	2.063.424
		1.938.202	**1.340.600**	**-351.152**	**928.400**

		Parent 2019	Parent 2018
6.	**Proposed appropriation of net profit**		
	Extraordinary dividend adopted during the financial year	0	2.000.000
	Reserves for net revaluation according to the equity method	9.025.823	0
	Allocated from retained earnings	-1.968.456	-2.926.266
	Total allocations and transfers	**7.057.367**	**-926.266**

Notes

All amounts in DKK.

		Group 31/12 2019	Group 31/12 2018	Parent 31/12 2019	Parent 31/12 2018
7.	**Completed development projects, including patents and similar rights arising from development projects**				
	Cost 1 January 2019	1.542.997	2.148.315	1.542.997	1.542.997
	Disposals during the year	0	-605.318	0	0
	Cost 31 December 2019	**1.542.997**	**1.542.997**	**1.542.997**	**1.542.997**
	Amortisation and writedown 1 January 2019	-1.542.997	-2.148.315	-1.542.997	-1.542.997
	Depreciation, amortisation and impairment loss for the year, assets disposed of	0	605.318	0	0
	Amortisation and writedown 31 December 2019	**-1.542.997**	**-1.542.997**	**-1.542.997**	**-1.542.997**
	Carrying amount, 31 December 2019	**0**	**0**	**0**	**0**
8.	**Property**				
	Cost 1 January 2019	1.900.000	1.900.000	1.900.000	1.900.000
	Cost 31 December 2019	**1.900.000**	**1.900.000**	**1.900.000**	**1.900.000**
	Depreciation and writedown 1 January 2019	-202.586	-177.254	-202.586	-177.254
	Amortisation and depreciation for the year	-25.332	-25.332	-25.332	-25.332
	Depreciation and writedown 31 December 2019	**-227.918**	**-202.586**	**-227.918**	**-202.586**
	Carrying amount, 31 December 2019	**1.672.082**	**1.697.414**	**1.672.082**	**1.697.414**

All amounts in DKK.

		Group		Parent	
		31/12 2019	31/12 2018	31/12 2019	31/12 2018
9.	**Other fixtures and fittings, tools and equipment**				
	Cost 1 January 2019	28.947.971	28.104.617	2.116.461	2.171.467
	Translation at the exchange rate at the balance sheet date 31 December 2019	234.813	383.882	0	0
	Additions during the year	847.612	556.089	318.633	22.372
	Disposals during the year	0	-96.617	0	-77.378
	Cost 31 December 2019	**30.030.396**	**28.947.971**	**2.435.094**	**2.116.461**
	Amortisation and writedown 1 January 2019	-26.084.766	-23.942.514	-2.082.274	-2.134.973
	Translation at the exchange rate at the balance sheet date 31 December 2019	-229.772	-344.496	0	0
	Amortisation and depreciation for the year	-1.032.151	-1.894.373	-60.277	-24.679
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	96.617	0	77.378
	Amortisation and writedown 31 December 2019	**-27.346.689**	**-26.084.766**	**-2.142.551**	**-2.082.274**
	Carrying amount, 31 December 2019	**2.683.707**	**2.863.205**	**292.543**	**34.187**

Notes

All amounts in DKK.

		Parent	
		31/12 2019	31/12 2018
10.	**Equity investments in group enterprises**		
	Cost 1 January 2019	62.851.585	62.851.579
	Additions during the year	0	6
	Cost 31 December 2019	**62.851.585**	**62.851.585**
	Revaluations, opening balance 1 January 2019	-31.213.687	-37.172.230
	Translation at the exchange rate at the balance sheet date	-44.628	-71.433
	Net profit or loss for the year before amortisation of goodwill	4.366.583	4.096.061
	Other movements in capital	5.055.534	1.933.915
	Revaluation 31 December 2019	**-21.836.198**	**-31.213.687**
	Carrying amount, 31 December 2019	**41.015.387**	**31.637.898**

Group enterprises:

	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 %
Copenhagen Contractors Int. Ltd.	Jordan	100 %
Copenhagen Contractors Int. Ltd.	Kuwait	100 %

		Group		Parent	
		31/12 2019	31/12 2018	31/12 2019	31/12 2018
11.	**Deposits**				
	Cost 1 January 2019	596.848	624.471	522.620	476.015
	Additions during the year	28.268	-27.623	28.268	46.605
	Cost 31 December 2019	**625.116**	**596.848**	**550.888**	**522.620**
	Carrying amount, 31 December 2019	**625.116**	**596.848**	**550.888**	**522.620**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2019	31/12 2018	31/12 2019	31/12 2018
12.	**Contract work in progress**				
	Selling price of the production for the period	207.513	1.609.390	0	0
	Contract work in progress, net	**207.513**	**1.609.390**	**0**	**0**
13.	**Deferred tax assets**				
	Deferred tax assets 1 January 2019	2.287.743	3.582.390	325.070	2.388.494
	Deferred tax of the net profit or loss for the year	-1.643.886	-1.294.647	-252.616	-2.063.424
		643.857	**2.287.743**	**72.454**	**325.070**

14. Prepayments and accrued income

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

		Parent	
		31/12 2019	31/12 2018
15.	**Contributed capital**		
	Contributed capital 1 January 2019	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.

During the last 5 years, there has been the following changes to the contributed capital:
The company has in 2014 reduced the contributed capital from DKK 6.000.001 to DKK 3.000.000 through a share annulment paid out to the shareholders.

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2019	31/12 2018	31/12 2019	31/12 2018
16.	**Other provisions**				
	Other provisions 1 January 2019	100.000	100.000	0	0
	Change in other provisions for the year	0	0	0	0
		100.000	**100.000**	**0**	**0**
17.	**Mortgage loans**				
	Total mortgage loans	998.121	1.045.740	998.121	1.045.740
	Share of amount due within 1 year	-48.120	-47.620	-48.120	-47.620
		950.001	**998.120**	**950.001**	**998.120**
	Share of liabilities due after 5 years	758.141	795.761	758.141	795.761
18.	**Other payables**				
	Total other payables	1.833.055	2.889.137	81.967	1.449.519
	Share of amount due within 1 year	0	0	0	0
	Total other payables	**1.833.055**	**2.889.137**	**81.967**	**1.449.519**

19. Charges and security

As security for the group's mortgage debts, tDKK 998 (parent enterprise: tDKK 998), the group has granted mortgage on land and buildings representing a book value of tDKK 1,672 (parent enterprise: tDKK 1,672) at 31 December 2019.

For the group's bank debts, tDKK 3,943, (parent enterprise tDKK 3,943) the group has provided security in company assets representing a nominal value of tDKK 18,500. (parent enterprise tDKK 17,000). This security comprises the below assets, stating the book values:

Inventories	tDKK 3,918 (parent enterprise tDKK 0)
Trade debtors	tDKK 19,861 (parent enterprise tDKK 0)
Other plants, operating assets, fixtures and furniture	tDKK 2,684 (parent enterprise tDKK 293)

All amounts in DKK.

20. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	333
Recourse guarantee commitments	3.943
Recourse liability to products sold	9.059
Total contingent liabilities	**13.335**

Comprising:	
Contingent liabilities, group enterprises	3.943

Recourse guarantee commitments:

The company has guaranteed the bank loans of the group enterprises. On 31 December 2019, the total bank loans of the group enterprises totalled DKK 3,943.

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.

21. Related parties

Controlling interest

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

Notes

All amounts in DKK.

Controlling interest (continued)

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
Copenhagen Constractors Ltd., Kuwait	Group enterprise
Copenhagen Constractors Ltd., Jordan	Group enterprise

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

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.

Notes

All amounts in DKK.

		Group		Parent	
		2019	2018	2019	2018
22.	**Adjustments**				
	Depreciation, amortisation, and impairment	1.057.483	1.884.121	85.609	50.011
	Income from equity investments in group enterprises	0	0	-9.025.823	-4.667.518
	Other financial income	-443.243	-2.064.881	-1.353.780	-1.606.773
	Other financial costs	1.288.558	2.941.562	2.603.639	2.209.158
	Tax on net profit or loss for the year	1.938.202	1.340.600	-351.152	928.400
		3.841.000	**4.101.402**	**-8.041.507**	**-3.086.722**

		Group		Parent	
		2019	2018	2019	2018
23.	**Change in working capital**				
	Change in inventories	567.968	4.047.755	0	0
	Change in receivables	18.295.068	53.768.350	180.784	-177.889
	Change in trade payables and other payables	-8.586.537	-47.268.520	403.746	-10.789
		10.276.499	**10.547.585**	**584.530**	**-188.678**

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.

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. According to the group overview, enterprises in which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not dominant, control are considered associates.

In the consolidation process, intercompany income and expenses, shareholding, intercompany balances and dividends, and realised and unrealised profit and loss derived from transactions among the consolidated enterprises will be eliminated.

Equity investments in group enterprises are eliminated by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Income statement

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.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

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

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.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Results from equity investments in group enterprises

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

Aquired software and intellectual property is measured at cost price less accumulated amortization and is amortized by the straight-line method over the expected useful life estimated to three to five 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 when the useful lives of each individual components differ.

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 %
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

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

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 assets as well as equity investments in subsidiaries and associates 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 equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise’s equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises 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 group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Other financial instruments and equity investments

Financial instruments and equity investments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

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.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

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 face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed less invoicing on account and expected losses. Contract work in progress is characterised by the goods manufactured having a high degree of individualised design. Furthermore, it is a requirement to enter into a binding contract prior to commencing the work which, if cancelled, will result in penalties or damages.

The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an assessment of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it seems probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

When the results of a contract cannot be assessed reliably, the selling price is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Contracts, for which the selling price of the work performed exceeds the invoicing on account and expected losses, are recognised as trade receivables. Contracts, for which invoicing on account and expected losses exceed the selling price, are recognised as liabilities.

Prepayments from customers are recognised as liabilities.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

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

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

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 tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. 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 probable that the total costs will exceed the total income of contract work in progress, provisions are made for the total loss expected on the contract. Provisions are recognised as costs under production costs.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The statement of cash flows shows group and parent cash flows for the year divided into cash flows derived from operating activities, investment activities, and financing activities, respectively, changes in cash and cash equivalents, and cash and cash equivalents at the beginning and 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 profit or loss for the year adjusted for noncash operating items, changes in the working capital, and income tax paid.

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 comprise changes in the size or composition of the share capital and associated costs. Furthermore, cash flows comprise borrowings, repayments of interest-bearing payables, and payments of dividend to the 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.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Casper Moltke-Leth
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-386448814352
IP: 195.249.xxx.xxx
2020-07-20 08:40:37Z
NEM ID

Meta Birgitte Zachau Handwerk
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-847455552131
IP: 77.241.xxx.xxx
2020-07-23 14:39:12Z
NEM ID

Jeppe Handwerk
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-687043937713
IP: 85.202.xxx.xxx
2020-07-24 09:26:28Z
NEM ID

Jeppe Handwerk
Direktør
Serienummer: PID:9208-2002-2-687043937713
IP: 85.202.xxx.xxx
2020-07-24 09:26:28Z
NEM ID

Elan Lieck Schapiro
Statsautoriseret revisor
På vegne af: CHRISTENSEN KJÆRULFF STATSAUTORISERET REVISIONSAKTIESELSKAB
Serienummer: PID:9208-2002-2-178527781778
IP: 176.23.xxx.xxx
2020-07-24 12:19:07Z
NEM ID

Casper Moltke-Leth
Dirigent
Serienummer: PID:9208-2002-2-386448814352
IP: 80.62.xxx.xxx
2020-07-26 13:05:55Z
NEM ID