



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Copenhagen Contractors A/S

Sankt Annæ Plads 11, 1, 1250 København K

Company reg. no. 29 51 92 26

Annual report

1 January - 31 December 2021

The annual report has been submitted and approved by the general meeting on the 30 June 2022.

Jeppe Handwerk
Chairman of the meeting



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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 Contractors 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 financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities and cash flows in 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, 30 June 2022

Managing Director

Jeppe Handwerk

Board of directors

Jeppe Handwerk

Meta Birgitte Zachau Handwerk

Casper Moltke-Leth



Independent auditor's report

To the Shareholder of Copenhagen Contractors A/S

Opinion

We have audited the financial statements of Copenhagen Contractors A/S for the financial year 1 January - 31 December 2021, which comprise income statement, statement of financial position, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the results of the company's activities 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 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 financial statements". We are independent of the company 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.

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

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 financial statements.



Independent auditor's report

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 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 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 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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

Statement on the Management's Review

Management is responsible for the Management's Review.

Our opinion on 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 financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with 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's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that Management's Review is consistent with 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's Review.

Copenhagen, 30 June 2022

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Elan Schapiro

State Authorised Public Accountant
mne33765



Company information

The company	Copenhagen Contractors A/S Sankt Annæ Plads 11, 1 1250 København K
	Company reg. no. 29 51 92 26 Established: 26 April 2006 Domicile: Copenhagen Financial year: 1 January - 31 December
Board of directors	Jeppe Handwerk Meta Birgitte Zachau Handwerk Casper Moltke-Leth
Managing Director	Jeppe Handwerk
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K
Parent company	Copenhagen Group A/S



Financial highlights

DKK in thousands.	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Income statement:					
Gross profit	1.657.355	12.345	180	-227	-437
Profit from operating activities	910.228	9.094	-490	-896	-966
Net financials	2.316	-548	-18	13	-57
Net profit or loss for the year	711.745	6.666	-400	-376	-333
Statement of financial position:					
Balance sheet total	675.271	76.156	4.635	4.462	5.080
Investments in property, plant and equipment	10.852	0	0	23	3.350
Equity	232.202	10.456	3.791	4.190	4.567
Cash flows:					
Operating activities	633.545	-15.300	38	11	-130
Investing activities	-12.709	0	0	-23	-3.350
Financing activities	-509.251	19.971	0	0	3.475
Total cash flows	111.586	4.671	38	-12	-6
Employees:					
Average number of full-time employees	1.109	3	0	0	0
Key figures in %:					
Solvency ratio	34,4	13,7	81,8	93,9	89,9
Return on equity	586,6	93,6	-10,0	-8,6	-7,0

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



Management's review

The principal activities of the company

Since Copenhagen Contractors A/S registered the trade name Copenhagen Medical A/S under its legal umbrella in October 2020 with the purpose of providing medical equipment and diagnostic services to support the fight against the COVID-19 pandemic, these business activities have become the primary business activities of Copenhagen Contractors A/S. In this management commentary, we therefore describe these business activities with reference to Copenhagen Medical A/S.

In addition to the provision of medical equipment and diagnostic services, Copenhagen Contractors A/S continues to manage projects and contracts awarded through direct tendering for the supply of products and services to international organisations, national governments and agencies. Primary services include the provision of camp support services, military hangars and shelters, container systems and solutions, wash-down and disinfection services, body armour and ballistic helmets, unmanned aerial systems (UAS) and counter-UAS technology. In this management commentary, we continue to refer to Copenhagen Contractors A/S, when describing the development of these field hospital services.

Development in activities and financial matters

In 2021, revenue rose significantly and was primarily generated from COVID-19 antigen (AG) testing services provided by Copenhagen Medical A/S across the Capital Region of Denmark. Throughout 2021, we became a key partner of the Danish Government in providing COVID-19 testing services to the general population, bringing down infection rates and thereby supporting the fight against the COVID-19 pandemic.

From the beginning of the year, COVID-19 testing services were provided from the first two testing centers established in Copenhagen at the end of 2020. Throughout 2021, more than 40 test centers were established throughout the Capital Region of Denmark, from Liseleje in the North to Rønne in the East, resulting in thousands of AG tests being carried out every day by our professionally trained swabbers under supervision of our medical staff.

In addition to the provision of AG testing services, Copenhagen Medical A/S also initiated PCR testing for both individuals and larger corporate clients, with the use of external laboratory service providers. Furthermore, we became one of the key providers of AG test kits to the Danish Government, as we provided approximately 8 million AG test kits from our key supplier SD Biosensor from South Korea, contributing to the re-opening of public educational institutions in the spring of 2021.

In the fall of 2021, we were also awarded the task of providing COVID-19 vaccinations to the Danish population in the greater Copenhagen area on behalf of the Danish Regions.

At the height of the pandemic, Copenhagen Medical A/S employed more than 8,000 staff, of which the vast majority underwent continuous health care related training carried out by our own doctors and nurses to become certified to perform both AG and PCR testing as well as COVID-19 vaccinations.



Management's review

In order to secure the best possible service and user experience, Copenhagen Medical A/S invested heavily in IT in 2021; both in the necessary hardware and infrastructure for securing smooth and secure operations in test and vaccine centers, as well as in establishing a substantial internal IT department. This investment has enabled Copenhagen Medical A/S to develop and launch a number of applications supporting both internal efficiency and quality, and the widely used end-user app Kviktest and MedicalMe, providing a secure private platform for the individual citizen to register tests and see results. The platform is continuously expanded and improved upon, with a strong focus on data security.

In addition to the sale of medical equipment and services, Copenhagen Contractors A/S continued to provide services under the wash-down and disinfection services framework contract with the Danish Defense throughout 2021.

As a result of the above, net profit increased significantly to DKK 711.7 million in 2021, up from 6.7 million for 2020. Total equity ultimo 2021 increased to DKK 232.2 million from DKK 10.5 million, which translated into an equity share/solvency ratio of 34.4% in 2021, up from 13.7%, in 2020. The increase in solvency ratio can be explained by the fact that Copenhagen Medical A/S has largely been able to finance itself by reinvesting earnings throughout 2021.

Risk Management

Proper management of risks is extremely important to us since our corporate set-up and customer database do not lend us much room for maneuvering with respect to social acceptability and financial credibility. Expansion into the medical equipment and diagnostic services field necessitates an additional level of risk compliance. As such, Copenhagen Medical A/S came under official supervision by the Danish Medicines Agency (“Lægemiddelstyrelsen”) and the Danish Patient Safety Authority (“Styrelsen for Patientsikkerhed”) in 2021, as the “traceability” of diagnostic products are of key importance and needs to be documented continuously. As such, Copenhagen Medical A/S implemented a number of industry solutions such as XMedicus (EPR) as well as a number of procedures for reporting and tracking potential incidents in order to secure continuous risk management and possible mitigating mechanisms.

Since the birth of Copenhagen Medical A/S in 2020, existing policies and guidelines have also been further developed and expanded, implemented and monitored to manage risks related to medical products, data and the testing services in particular, both at public testing locations and in connection with private company agreements. Furthermore, a QA Manager has consistently been monitoring KPIs related to risks and compliance on an ongoing basis across all areas related to medical equipment and related services.

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, 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.



Management's review

The vast majority of our contracts continue to be with stable national governments and reputable international Organisations. Consequently, a loss on debtors or a long delay in payments by a customer is rarely a problem for us.

Expected developments

The birth of a new line of business poses both new requirements to our internal processes and organizational set-up as well as new exciting prospects to diversify our business going forward.

We have continued to strengthen and expand our services and presence in the health care market throughout 2021. It was envisaged that Copenhagen Medical A/S would open 10 new health centers across Denmark in 2021, but given the volume of COVID-19 testing services we were given the task to provide on behalf of the Danish State, this expansion was postponed until spring 2022.

Going forward, it is expected that Copenhagen Medical A/S will continue to develop our IT infrastructure by introducing new services and solutions, focusing on providing health care services in demand through our fast-moving, agile business model. In this context, it is expected, that the Copenhagen Medical A/S development team will be further strengthened (OnPrem and OffPrem) to manage the MedicalMe platform with our app solution continuing to provide a state-of-the art digital platform with relevant health care services to the broader Danish population. Finally, we may look to expand our geographical presence, not only in Denmark, but also with international partners in new markets.

Events occurring after the end of the financial year

No events have occurred subsequent to the end of the fiscal year 2021, which could be of significant detriment to Copenhagen Contractors A/S' financial position.



Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	1.657.354.603	12.345.151
1 Staff costs	-741.354.802	-2.581.773
2 Depreciation and impairment of plant, machinery, other fixtures and fittings, tools and equipment	-4.463.259	-669.624
Other operating expenses	-1.308.586	0
Operating profit	910.227.956	9.093.754
Other financial income from group companies	6.464.555	55.273
Other financial income	1.512.858	0
Other financial expenses	-5.661.488	-602.983
Pre-tax net profit or loss	912.543.881	8.546.044
3 Tax on net profit or loss for the year	-200.798.648	-1.880.128
Net profit or loss for the year	711.745.233	6.665.916
Proposed appropriation of net profit:		
Extraordinary dividend adopted during the financial year	490.000.000	0
Transferred to retained earnings	221.745.233	6.665.916
Total allocations and transfers	711.745.233	6.665.916



Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Non-current assets			
4	Plant and machinery	611.290	0
5	Other fixtures and fittings, tools and equipment	6.614.136	837.035
	Total property, plant, and equipment	<u>7.225.426</u>	<u>837.035</u>
6	Deposits	1.357.353	0
	Total investments	<u>1.357.353</u>	<u>0</u>
	Total non-current assets	<u>8.582.779</u>	<u>837.035</u>
Current assets			
	Manufactured goods and goods for resale	81.082.234	45.463.444
	Prepayments for goods	44.736.875	29.424
	Total inventories	<u>125.819.109</u>	<u>45.492.868</u>
	Trade receivables	171.966.676	15.650.752
	Receivables from group companies	170.605.225	7.001.152
	Deferred tax assets	383.462	59.100
	Other receivables	83.124.706	1.056.129
	Prepayments	322.310	1.500.000
	Total receivables	<u>426.402.379</u>	<u>25.267.133</u>
	Cash and cash equivalents	<u>114.466.262</u>	<u>4.559.304</u>
	Total current assets	<u>666.687.750</u>	<u>75.319.305</u>
	Total assets	<u>675.270.529</u>	<u>76.156.340</u>



Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Equity			
7	Contributed capital	2.000.000	2.000.000
	Retained earnings	230.201.662	8.456.429
	Total equity	<u>232.201.662</u>	<u>10.456.429</u>
 Liabilities other than provisions			
	Bank loans	720.106	19.970.823
	Prepayments received from customers	1.529.241	1.519.308
	Trade payables	87.548.521	7.894.638
	Income tax payable to group companies	201.123.010	1.714.016
	Other payables	152.147.989	34.601.126
	Total short term liabilities other than provisions	<u>443.068.867</u>	<u>65.699.911</u>
	Total liabilities other than provisions	<u>443.068.867</u>	<u>65.699.911</u>
	Total equity and liabilities	<u>675.270.529</u>	<u>76.156.340</u>
 8 Charges and security			
9 Contingencies			
10 Related parties			



Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	2.000.000	1.790.513	3.790.513
Retained earnings for the year	0	6.665.916	6.665.916
Equity 1 January 2021	2.000.000	8.456.429	10.456.429
Retained earnings for the year	0	221.745.233	221.745.233
Extraordinary dividend adopted during the financial year	0	490.000.000	490.000.000
Distributed extraordinary dividend adopted during the financial year	0	-490.000.000	-490.000.000
	2.000.000	230.201.662	232.201.662



Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Net profit or loss for the year	711.745.233	6.665.916
11 Adjustments	203.445.983	3.097.462
12 Change in working capital	<u>-283.926.447</u>	<u>-25.407.306</u>
Cash flows from operating activities before net financials	631.264.769	-15.643.928
Interest received, etc.	6.464.556	55.273
Interest paid, etc.	<u>-2.469.883</u>	<u>-466.084</u>
Cash flows from ordinary activities	635.259.442	-16.054.739
Income tax paid	<u>-1.714.016</u>	<u>754.710</u>
Cash flows from operating activities	<u>633.545.426</u>	<u>-15.300.029</u>
Purchase of property, plant, and equipment	-10.852.241	0
Sale of property, plant, and equipment	590	0
Purchase of fixed asset investments	<u>-1.857.353</u>	<u>0</u>
Cash flows from investment activities	<u>-12.709.004</u>	<u>0</u>
Dividend paid	-490.000.000	0
Changes in short-term bank loans	<u>-19.250.717</u>	<u>19.970.823</u>
Cash flows from investment activities	<u>-509.250.717</u>	<u>19.970.823</u>
Change in cash and cash equivalents	111.585.705	4.670.794
Cash and cash equivalents at 1 January 2021	4.559.304	25.409
Foreign currency translation adjustments (cash and cash equivalents)	<u>-1.678.747</u>	<u>-136.899</u>
Cash and cash equivalents at 31 December 2021	<u>114.466.262</u>	<u>4.559.304</u>
Cash and cash equivalents		
Cash and cash equivalents	<u>114.466.262</u>	<u>4.559.304</u>
Cash and cash equivalents at 31 December 2021	<u>114.466.262</u>	<u>4.559.304</u>



Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Staff costs		
Salaries and wages	668.344.223	2.204.316
Pension costs	54.000	0
Other costs for social security	11.662.205	27.458
Other staff costs	<u>61.294.374</u>	<u>349.999</u>
	<u>741.354.802</u>	<u>2.581.773</u>
Executive board and board of directors	<u>-</u>	<u>625.000</u>
Average number of employees	<u>1.109</u>	<u>3</u>
For 2021, the company has chosen to use the exemption provision in section 98b(3) of the Danish Financial Statements Act.		
2. Depreciation and impairment of plant, machinery, other fixtures and fittings, tools and equipment		
Depreciation of plant and machinery	60.963	0
Depreciation of other fixtures and fittings, tools and equipment	4.402.886	669.624
Profit/loss on the sale of property, plant, and equipment	<u>-590</u>	<u>0</u>
	<u>4.463.259</u>	<u>669.624</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	201.123.010	1.714.016
Adjustment of deferred tax for the year	<u>-324.362</u>	<u>166.112</u>
	<u>200.798.648</u>	<u>1.880.128</u>



Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
4. Plant and machinery		
Cost 1 January 2021	2.227.329	2.227.329
Additions during the year	672.253	0
Disposals during the year	<u>-1.676.521</u>	<u>0</u>
Cost 31 December 2021	<u>1.223.061</u>	<u>2.227.329</u>
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	<u>1.676.521</u>	<u>0</u>
Depreciation and writedown 31 December 2021	<u>-611.771</u>	<u>-2.227.329</u>
Carrying amount, 31 December 2021	<u>611.290</u>	<u>0</u>
5. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	2.512.174	3.512.174
Additions during the year	10.179.988	0
Disposals during the year	<u>-50.000</u>	<u>-1.000.000</u>
Cost 31 December 2021	<u>12.642.162</u>	<u>2.512.174</u>
Amortisation and writedown 1 January 2021	-1.675.139	-2.005.515
Amortisation and depreciation for the year	-924.148	-669.624
Impairment loss for the year	-3.478.739	0
Depreciation, amortisation and impairment loss for the year, assets disposed of	<u>50.000</u>	<u>1.000.000</u>
Amortisation and writedown 31 December 2021	<u>-6.028.026</u>	<u>-1.675.139</u>
Carrying amount, 31 December 2021	<u>6.614.136</u>	<u>837.035</u>



Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
6. Deposits		
Additions during the year	1.857.353	0
Cost 31 December 2021	1.857.353	0
Impairment loss for the year	-500.000	0
Nedskrivninger 31 December 2021	-500.000	0
Carrying amount, 31 December 2021	1.357.353	0
7. Contributed capital		
Contributed capital 1 January 2021	2.000.000	2.000.000
	2.000.000	2.000.000

The share capital consists of 2.000 shares, each with a nominal value of DKK 1,000.

8. Charges and security

For bank debt, t.DKK 0, the company has provided security in company assets representing a nominal value of t.DKK 25.000. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Inventories	81.082
Other fixtures and fittings, tools and equipment	6.614
Trade receivables	171.967

9. Contingencies

Contingent liabilities

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 DKK 0.



Notes

All amounts in DKK.

9. Contingencies (continued)

Joint taxation

With Handwerk Holding A/S, company reg. no 33055899 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.

10. Related parties

Controlling interest

Copenhagen Group A/S

Majority shareholder

Handwerk Holding A/S

Majority shareholder
of Copenhagen Group
A/S

Transactions

All transactions with related parties take place on market terms.

11. Adjustments

Depreciation, amortisation, and impairment	4.463.260	669.624
Other financial income	-7.977.413	-55.273
Other financial expenses	5.661.488	602.983
Tax on net profit or loss for the year	200.798.648	1.880.128
Other provisions	500.000	0
	<u>203.445.983</u>	<u>3.097.462</u>

12. Change in working capital

Change in inventories	-80.326.241	-45.492.868
Change in receivables	-400.810.884	-23.085.334
Change in trade payables and other payables	197.210.678	43.170.896
	<u>-283.926.447</u>	<u>-25.407.306</u>



Accounting policies

The annual report for Copenhagen Contractors A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C 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 company 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 company 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.

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.

Income statement

Gross profit

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



Accounting policies

Revenue includes services and goods delivered during the year less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income if the control of the service or goods are transferred to the customer. Services are recognised over the time when the customer receives and consumes the benefits as the service is delivered by the company.

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.

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 company is 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).



Accounting policies

Statement of financial position

Plant, machinery, other fixtures and fittings, tools and equipment

Plant, machinery, other fixtures and fittings, tools 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
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 company'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 tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.



Accounting policies

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

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 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.



Accounting policies

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.

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 Contractors 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.



Accounting policies

Liabilities other than provisions

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 company'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 company'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.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

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