



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

CVR: 15 91 56 41

STORE KONGENSGADE 68
1264 KØBENHAVN K

TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

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 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



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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British 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 Contractors 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 financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities and cash flows in 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

Jeppe Handwerk

Casper Moltke-Leth

Meta Birgitte Zachau Handwerk



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 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity, statement of cash flows and notes. 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 2019 and of the results of the company's activities and cash flows 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 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 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 commentary

Management is responsible for the management commentary.

Our opinion on 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 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 commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary 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 commentary.

Copenhagen, 20 July 2020

Christensen Kjarulff

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
14th financial year

Board of directors

Jeppe Handwerk
Casper Moltke-Leth
Meta Birgitte Zachau Handwerk

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Income statement:					
Revenue	1.403	500	2.049	13.795	18.023
Gross profit	180	-227	-437	8.272	11.791
Profit from ordinary operating activities	-490	-896	-966	3.063	5.815
Net financials	-18	13	-57	507	1.299
Net profit or loss for the year	-400	-376	-333	3.575	7.201
Statement of financial position:					
Balance sheet total	4.635	4.462	5.080	5.251	16.207
Investments in property, plant and equipment	0	23	3.350	0	0
Equity	3.791	4.190	4.567	4.900	15.325
Cash flows:					
Operating activities	38	11	-130	5.505	7.212
Investing activities	0	-23	-3.350	0	25
Financing activities	0	0	3.475	-5.676	-7.124
Total cash flows	38	-12	-6	-171	113
Employees:					
Average number of full-time employees	0	0	0	12	14
Key figures in %:					
Solvency ratio	81,8	93,9	89,9	93,3	94,6
Return on equity	-10,0	-8,6	-7,0	35,4	26,9

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



Management commentary

The principal activities of the company

Copenhagen Contractors 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 Contractors A/S specialises in 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.

Development in activities and financial matters

In 2019, revenue increased by 180% from DKK 0.5 million to DKK 1.4 million given activity on our wash-down and disinfection services framework contract with the Danish Defence, our structural integrity project for an international organisation in Bangkok, Thailand and provision of counter-UAS services in Europe together with our British partner, Chess Dynamics. In 2019 there were no other active contracts in Copenhagen Contractors A/S besides these three.

The engineering consultancy contract in Bangkok, Thailand is still ongoing but our future input and thus income will not materialise until this structural integrity project moves into the construction phase, expected now sometime in 2021. Copenhagen Contractors A/S and its local partner, Asian Institute of Technology, will then conduct construction supervision.

We are still writing down the costs of procuring our wash-ramps and equipment back in 2016; hence, our gross results are further negatively amplified resulting in an operating loss of DKK 0.5 million in 2019.

With a net loss of DKK 0.4 million for 2019, total equity ultimo 2019 amounts to DKK 3.8 million, which translates into an equity share/solvency ratio of 81.8%, which is somewhat lower compared to last year's 93.9%. The deterioration in solvency ratio is due to greater liabilities at year end in 2019 compared to 2018.

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 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, 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.



Management commentary

Expected developments

As mentioned during the previous few years, 2017 marked the beginning of a new chapter for Copenhagen Contractors A/S outside of Afghanistan.

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.

We also expect to continue to offer our wash-down and disinfection services to the Danish Defence in the years to come.

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 Contractors A/S' financial position.



Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Revenue	1.402.686	500.335
Costs of raw materials and consumables	-1.102.675	-607.397
Other external costs	-119.989	-120.035
Gross profit	180.022	-227.097
1 Staff costs	0	0
2 Depreciation and impairment of property, land, and equipment	-669.631	-668.483
Operating profit	-489.609	-895.580
Other financial income from group enterprises	19.137	6.135
Other financial income	0	10.534
3 Other financial costs	-37.233	-3.277
Pre-tax net profit or loss	-507.705	-882.188
4 Tax on net profit or loss for the year	107.945	505.740
Net profit or loss for the year	-399.760	-376.448
Proposed appropriation of net profit:		
Allocated from retained earnings	-399.760	-376.448
Total allocations and transfers	-399.760	-376.448



Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Non-current assets			
5	Plant and machinery	0	0
6	Other fixtures and fittings, tools and equipment	1.506.659	2.176.290
	Total property, plant, and equipment	1.506.659	2.176.290
	Total non-current assets	1.506.659	2.176.290
Current assets			
	Trade receivables	1.374.375	35.035
	Receivables from group enterprises	0	542.935
7	Deferred tax assets	225.212	871.977
	Income tax receivables	754.710	75.108
	Other receivables	748.324	752.791
	Total receivables	3.102.621	2.277.846
	Cash on hand and demand deposits	25.409	8.146
	Total current assets	3.128.030	2.285.992
	Total assets	4.634.689	4.462.282



Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
8	Contributed capital	2.000.000	2.000.000
	Retained earnings	1.790.513	2.190.273
	Total equity	3.790.513	4.190.273
 Liabilities other than provisions			
	Trade payables	180.301	160.520
	Payables to group enterprises	663.875	0
	Other payables	0	111.489
	Total short term liabilities other than provisions	844.176	272.009
	Total liabilities other than provisions	844.176	272.009
	Total equity and liabilities	4.634.689	4.462.282
 9 Charges and security			
10 Contingencies			
11 Related parties			



Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2018	2.000.000	2.566.721	4.566.721
Retained earnings for the year	0	-376.448	-376.448
Equity 1 January 2019	2.000.000	2.190.273	4.190.273
Retained earnings for the year	0	-399.760	-399.760
	2.000.000	1.790.513	3.790.513



Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Net profit or loss for the year	-399.760	-376.448
12 Adjustments	579.782	149.351
13 Change in working capital	-219.771	-90.178
Cash flows from operating activities before net financials	-39.749	-317.275
Interest received, etc.	19.137	6.224
Interest paid, etc.	-16.194	-3.277
Cash flows from ordinary activities	-36.806	-314.328
Income tax received	75.108	325.717
Cash flows from operating activities	38.302	11.389
Purchase of property, plant, and equipment	0	-23.308
Cash flows from investment activities	0	-23.308
Change in cash and cash equivalents	38.302	-11.919
Cash and cash equivalents at 1 January 2019	8.146	9.622
Foreign currency translation adjustments (cash and cash equivalents)	-21.039	10.443
Cash and cash equivalents at 31 December 2019	25.409	8.146
Cash and cash equivalents		
Cash on hand and demand deposits	25.409	8.146
Cash and cash equivalents at 31 December 2019	25.409	8.146



Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Executive board and board of directors	<u>504.000</u>	<u>504.000</u>
Board fee is paid from parent company.		
2. Depreciation and impairment of property, land, and equipment		
Depreciation of other fixtures and fittings, tools and equipment	<u>669.631</u>	<u>668.483</u>
	<u>669.631</u>	<u>668.483</u>
3. Other financial costs		
Financial costs, group enterprises	13.404	423
Other financial costs	<u>23.829</u>	<u>2.854</u>
	<u>37.233</u>	<u>3.277</u>
4. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	-754.710	-75.108
Adjustment of deferred tax for the year	<u>646.765</u>	<u>-430.632</u>
	<u>-107.945</u>	<u>-505.740</u>
	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Plant and machinery		
Cost 1 January 2019	<u>2.227.329</u>	<u>2.227.329</u>
Cost 31 December 2019	<u>2.227.329</u>	<u>2.227.329</u>
Depreciation and writedown 1 January 2019	<u>-2.227.329</u>	<u>-2.227.329</u>
Depreciation and writedown 31 December 2019	<u>-2.227.329</u>	<u>-2.227.329</u>
Carrying amount, 31 December 2019	<u>0</u>	<u>0</u>



Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
6. Other fixtures and fittings, tools and equipment		
Cost 1 January 2019	3.512.174	3.488.866
Additions during the year	<u>0</u>	<u>23.308</u>
Cost 31 December 2019	<u>3.512.174</u>	<u>3.512.174</u>
Amortisation and writedown 1 January 2019	-1.335.884	-667.401
Amortisation and depreciation for the year	<u>-669.631</u>	<u>-668.483</u>
Amortisation and writedown 31 December 2019	<u>-2.005.515</u>	<u>-1.335.884</u>
Carrying amount, 31 December 2019	<u>1.506.659</u>	<u>2.176.290</u>
7. Deferred tax assets		
Deferred tax assets 1 January 2019	871.977	441.345
Deferred tax of the net profit or loss for the year	<u>-646.765</u>	<u>430.632</u>
	<u>225.212</u>	<u>871.977</u>
The following items are subject to deferred tax:		
Property, plant, and equipment	225.212	263.452
Losses carried forward from previous years	<u>0</u>	<u>608.525</u>
	<u>225.212</u>	<u>871.977</u>
8. Contributed capital		
Contributed capital 1 January 2019	<u>2.000.000</u>	<u>2.000.000</u>
	<u>2.000.000</u>	<u>2.000.000</u>

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



Notes

All amounts in DKK.

9. Charges and security

For bank loans, tDKK 3,943, the company has provided security in company assets representing a nominal value of tDKK 18,500. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Receivable from sales and services	1.374
Other plants, operating assets, and fixtures and furniture	1.507

10. Contingencies

Contingent liabilities

	DKK in thousands
Recourse guarantee commitments	3.943
Total contingent liabilities	3.943

Comprising:

Contingent liabilities, group enterprises	3.943
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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.



Notes

All amounts in DKK.

11. Related parties

Controlling interest

Copenhagen Group A/S, Sankt Annæ Plads 11, 1., 1250 Copenhagen,
Denmark

Majority shareholder

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

Majority shareholder
of Copenhagen Group
A/S

Transactions

All transactions with related parties take place on market terms.



Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
12. Adjustments		
Depreciation, amortisation, and impairment	669.631	668.483
Other financial income	-19.137	-16.669
Other financial costs	37.233	3.277
Tax on net profit or loss for the year	-107.945	-505.740
	<u>579.782</u>	<u>149.351</u>
13. Change in working capital		
Change in receivables	-791.938	151.515
Change in trade payables and other payables	572.167	-241.693
	<u>-219.771</u>	<u>-90.178</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 transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

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 and other nonmonetary assets acquired in foreign currency and not considered to be investment assets are measured using the exchange rate at the transaction date.

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.



Accounting policies

Cost of sales

Cost of sales comprises costs concerning purchase related to revenue.

Other external costs

Other external costs comprise costs incurred for sales, administration and premises.

Staff costs

Staff costs include salaries to board members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of 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 etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

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).

Statement of financial position

Property, plant, and equipment

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.



Accounting policies

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
Other fixtures and fittings, tools and equipment	3-5 years	0 %

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.

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.

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.

Cash on hand and demand deposits

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



Accounting policies

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 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 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.

Liabilities other than provisions

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The statement of cash flows shows company 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.



Accounting policies

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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Casper Moltke-Leth

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Jeppe Handwerk

Bestyrelsesmedlem

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Direktør

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Meta Birgitte Zachau Handwerk

Bestyrelsesmedlem

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