



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Copenhagen Election A/S

Sankt Annæ Plads 11, 1250 Copenhagen

Company reg. no. 30 71 34 78

Annual report

1 January - 31 December 2020

The annual report has been submitted and approved by the general meeting on the 17 September 2021.

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 report

Today, the board of directors and the managing director have presented the annual report of Copenhagen Election A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the company's results of activities and cash flows in the financial year 1 January – 31 December 2020.

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, 13 September 2021

Managing Director

Jeppe Handwerk

Board of directors

Casper Moltke-Leth

Jeppe Handwerk

Meta Birgitte Zachau Handwerk



Independent auditor's report

To the shareholders of Copenhagen Election A/S

Opinion

We have audited the financial statements of Copenhagen Election A/S for the financial year 1 January - 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, statement of cash flows, notes and 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 2020 and of the results of the company's activities and cash flows for the financial year 1 January - 31 December 2020 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 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, 13 September 2021

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Elan Schapiro

State Authorised Public Accountant
mne33765



Company information

The company

Copenhagen Election A/S
Sankt Annæ Plads 11
1250 Copenhagen

Company reg. no. 30 71 34 78
Established: 9 July 2007
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 Kjarulff
Statsautoriseret Revisionsaktieselskab
Store Kongensgade 68
1264 København K

Parent company

Copenhagen Group A/S



Financial highlights

DKK in thousands.	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Income statement:					
Gross profit	3.850	9.015	248	3.178	-3.249
Profit from operating activities	3.812	8.977	100	2.863	-3.572
Net financials	79	508	233	-317	-205
Net profit or loss for the year	3.035	7.729	260	2.400	-2.943
Statement of financial position:					
Balance sheet total	18.839	22.025	7.032	5.861	6.837
Investments in property, plant and equipment	0	0	0	190	0
Equity	16.678	13.642	5.913	5.654	3.254
Cash flows:					
Operating activities	-4.327	15.788	141	7.215	-6.373
Investing activities	0	0	0	-190	0
Financing activities	709	-12.068	-129	-7.105	6.320
Total cash flows	-3.618	3.721	12	-80	-53
Key figures in %:					
Solvency ratio	88,5	61,9	84,1	96,5	47,6
Return on equity	20,0	79,0	4,5	53,9	-84,7

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 Election A/S manages projects and contracts awarded through direct tendering for the supply of electoral material to international organisations, national governments and independent election commissions.

Copenhagen Election A/S specialises in the supply of ballot boxes, plastic security seals and indelible ink products to support free and fair elections worldwide.

Copenhagen Election A/S' business model is based on rapid delivery of high-quality electoral material manufactured in Europe.

Development in activities and financial matters

The revenue for Copenhagen Election A/S fluctuates heavily from year to year, since it is project based and subject to national elections worldwide, but predominantly developing countries in which the electoral material supplied by Copenhagen Election A/S is used, such as indelible ink for marking voters on election day.

In 2020, Copenhagen Election A/S supported elections in 5 countries, resulting in a gross profit of DKK 3.9 million and a net profit margin of 27%.

In January 2020, payment for a big order for electoral material supplied and delivered in December 2019 impacted the balance sheet in terms of trade debtors as reflected in the increase in solvency ratio, i.e. from 61.9% to 88.5%.



Management commentary

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, 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.

Expected developments

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 2021 and 2022 look promising in terms of number of elections to be conducted in developing countries, where our products are used; hence expectations for the next financial years remain high.

Events occurring after the end of the financial year

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



Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	3.850.266	9.014.811
1 Staff costs	0	0
Depreciation and impairment of property, land, and equipment	<u>-37.968</u>	<u>-37.968</u>
Operating profit	3.812.298	8.976.843
Other financial income from group enterprises	329.207	678.523
Other financial income	75.698	4.235
Other financial costs	<u>-325.813</u>	<u>-175.134</u>
Pre-tax net profit or loss	3.891.390	9.484.467
2 Tax on net profit or loss for the year	<u>-856.086</u>	<u>-1.755.381</u>
Net profit or loss for the year	<u>3.035.304</u>	<u>7.729.086</u>
Proposed appropriation of net profit:		
Transferred to retained earnings	<u>3.035.304</u>	<u>7.729.086</u>
Total allocations and transfers	<u>3.035.304</u>	<u>7.729.086</u>



Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Non-current assets			
3	Other fixtures and fittings, tools and equipment	69.601	107.569
	Total property, plant, and equipment	69.601	107.569
	Total non-current assets	69.601	107.569
Current assets			
	Raw materials and consumables	430.514	252.642
	Manufactured goods and goods for resale	335.288	323.357
	Total inventories	765.802	575.999
	Trade receivables	2.273.629	420.722
	Receivables from group enterprises	15.436.184	16.145.103
4	Deferred tax assets	97.066	126.172
	Other receivables	71.516	905.545
	Total receivables	17.878.395	17.597.542
	Cash on hand and demand deposits	125.438	3.743.418
	Total current assets	18.769.635	21.916.959
	Total assets	18.839.236	22.024.528



Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
5	Contributed capital	2.000.000	2.000.000
	Retained earnings	14.677.784	11.642.480
	Total equity	16.677.784	13.642.480
 Liabilities other than provisions			
	Trade payables	1.334.472	6.713.392
	Income tax payable	0	1.668.656
	Income tax payable to group enterprises	826.980	0
	Total short term liabilities other than provisions	2.161.452	8.382.048
	Total liabilities other than provisions	2.161.452	8.382.048
	Total equity and liabilities	18.839.236	22.024.528
 6 Charges and security			
7 Contingencies			
8 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 2019	2.000.000	3.913.394	5.913.394
Retained earnings for the year	<u>0</u>	<u>7.729.086</u>	<u>7.729.086</u>
Equity 1 January 2020	2.000.000	11.642.480	13.642.480
Retained earnings for the year	<u>0</u>	<u>3.035.304</u>	<u>3.035.304</u>
	<u>2.000.000</u>	<u>14.677.784</u>	<u>16.677.784</u>



Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Net profit or loss for the year	3.035.304	7.729.086
9 Adjustments	814.962	1.285.729
10 Change in working capital	-6.587.602	6.372.030
Cash flows from operating activities before net financials	-2.737.336	15.386.845
Interest received, etc.	404.906	682.758
Interest paid, etc.	-325.813	-175.134
Cash flows from ordinary activities	-2.658.243	15.894.469
Corporate tax paid	-1.668.656	-106.084
Cash flows from operating activities	-4.326.899	15.788.385
Changes in bank loans	0	-1.846
Other cash flows from financing activities	708.919	-12.066.037
Cash flows from investment activities	708.919	-12.067.883
Change in cash and cash equivalents	-3.617.980	3.720.502
Cash and cash equivalents at 1 January 2020	3.743.418	22.916
Cash and cash equivalents at 31 December 2020	125.438	3.743.418
Cash and cash equivalents		
Cash on hand and demand deposits	125.438	3.743.418
Cash and cash equivalents at 31 December 2020	125.438	3.743.418



Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Staff costs		
Executive board and board of directors	<u>625.000</u>	<u>504.000</u>
Average number of employees	<u>0</u>	<u>0</u>
2. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	826.980	1.668.656
Adjustment of deferred tax for the year	<u>29.106</u>	<u>86.725</u>
	<u>856.086</u>	<u>1.755.381</u>
3. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	<u>5.401.765</u>	<u>5.401.765</u>
Cost 31 December 2020	<u>5.401.765</u>	<u>5.401.765</u>
Depreciation and writedown 1 January 2020	-5.294.196	-5.256.224
Amortisation and depreciation for the year	<u>-37.968</u>	<u>-37.972</u>
Depreciation and writedown 31 December 2020	<u>-5.332.164</u>	<u>-5.294.196</u>
Carrying amount, 31 December 2020	<u>69.601</u>	<u>107.569</u>
4. Deferred tax assets		
Deferred tax assets 1 January 2020	126.172	212.897
Deferred tax of the net profit or loss for the year	<u>-29.106</u>	<u>-86.725</u>
	<u>97.066</u>	<u>126.172</u>
The following items are subject to deferred tax:		
Property, plant, and equipment	<u>97.066</u>	<u>126.172</u>
	<u>97.066</u>	<u>126.172</u>



Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
5. Contributed capital		
Contributed capital 1 January 2020	<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.

6. Charges and security

For bank debt, t.DKK 19.923, the company has provided security in company assets representing a nominal value of t.DKK 24.000. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Inventories	766
Trade receivables	2.274
Other fixtures and fittings, tools and equipment	70

7. Contingencies

Contingent liabilities

	<u>31/12 2020 DKK in thousands</u>
Recourse guarantee commitments	<u>19.923</u>
Total contingent liabilities	<u>19.923</u>

Comprising:

Contingent liabilities, group enterprises	<u>19.923</u>
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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.



Notes

All amounts in DKK.

7. Contingencies (continued)

Joint taxation (continued)

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

8. Related parties

Controlling interest

Copenhagen Group A/S, Sankt Annæ Plads 11, 1250 Copenhagen

Majority shareholder

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

Majority shareholder
of Copenhagen Group
A/S

9. Adjustments

	<u>2020</u>	<u>2019</u>
Depreciation, amortisation, and impairment	37.968	37.972
Other financial income	-404.905	-682.758
Other financial costs	325.813	175.134
Tax on net profit or loss for the year	856.086	1.755.381
	<u>814.962</u>	<u>1.285.729</u>

10. Change in working capital

Change in inventories	-189.803	174.806
Change in receivables	-1.018.878	494.179
Change in trade payables and other payables	-5.378.921	5.703.045
	<u>-6.587.602</u>	<u>6.372.030</u>



Accounting policies

The annual report for Copenhagen Election 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.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

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

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

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

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.



Accounting policies

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of 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 securities, debt and transactions in foreign currency as well as surcharges and reimbursements under the advance tax scheme, etc.

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

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

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

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

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



Accounting policies

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	0-20 %

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.

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.

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.

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 nominal value. In order to meet expected losses, impairment takes place at the net realisable value.



Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

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 Election 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 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.

Liabilities other than provisions

Other liabilities concerning payables to suppliers are measured at amortised cost which usually corresponds to the nominal value.



Accounting policies

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.

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.

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