



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 2022

The annual report has been submitted and approved by the general meeting on the 17 July 2023.

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Bjørn Damgaard Mortensen  
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

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Today, the Board of Directors and the Managing Director have approved the annual report of Copenhagen Election A/S for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Copenhagen, 12 July 2023

### Managing Director

Jeppe Handwerk  
CEO

### Board of directors

Bjørn Damgaard Mortensen  
Chairman

Jeppe Handwerk

Meta Birgitte Zachau Handwerk



## Independent auditor's report

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### 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 2022, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. 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.

#### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 in preparing the financial statements 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and 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 internal control that we identify during our audit.

### Statement on Management's Review

Management is responsible for Management's Review.

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



## Independent auditor's report

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

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

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

Copenhagen, 12 July 2023

### **Christensen Kjarulff**

Company reg. no. 15 91 56 41

**Elan Schapiro**

State Authorised Public Accountant  
mne33765



## Company information

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<b>The company</b>	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
<b>Board of directors</b>	Bjørn Damgaard Mortensen, Chairman Jeppe Handwerk Meta Birgitte Zachau Handwerk
<b>Managing Director</b>	Jeppe Handwerk, CEO
<b>Auditors</b>	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø
<b>Parent company</b>	Copenhagen Group A/S



## Financial highlights

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DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Income statement:</b>					
Gross profit	-293	6.347	3.850	9.015	248
Profit from operating activities	-360	6.309	3.812	8.977	100
Net financials	458	186	79	508	233
Net profit or loss for the year	105	5.066	3.035	7.729	260
<b>Statement of financial position:</b>					
Balance sheet total	21.942	24.346	18.839	22.025	7.032
Investments in property, plant and equipment	142	0	0	0	0
Equity	21.849	21.744	16.678	13.642	5.913
<b>Cash flows:</b>					
Operating activities	-3.735	7.716	-4.327	15.788	141
Investing activities	-142	0	0	0	0
Financing activities	4.009	-7.694	709	-12.068	-129
Total cash flows	132	22	-3.618	3.721	12
<b>Key figures in %:</b>					
Solvency ratio	99,6	89,3	88,5	61,9	84,1
Return on equity	0,5	26,4	20,0	79,0	4,5

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





## Management's review

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### **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**

Copenhagen Election A/S' business model continues to be project-based and subject to national elections worldwide, but predominantly in 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.

Copenhagen Election A/S also holds long term agreements with international organisations, which support free and fair elections; hence, revenue is affected by the requests for funding and sourcing of electoral materials via such international organisations too.

Although Copenhagen Election A/S did support a few but notable elections in 2021, they year 2022 has been dismal with very few tenders for electoral materials issued and thus contracts awarded to Copenhagen Election A/S.

As a result of these external factors, Copenhagen Election A/S reported a zero revenue for 2022 and thus also a net loss of DKK 293,117, comprising administration and storage costs.

Given the nature of Copenhagen Election A/S' business model and the market demand for rapid delivery of electoral materials, Copenhagen Election A/S scaled up its stock of raw materials and consumables in 2022 as evident from the substantial increase in current assets.



## Management's review

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### **Risk Management**

Proper management of risks continues to be 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 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**

Although there has been a slight shift away from traditional ways of conducting elections, i.e. paper-based, to electronic voting during the past few years, there is still a market for analogue/traditional voting material, such as that supplied by Copenhagen Election A/S.

Copenhagen Election A/S will thus continue to respond to requests for quotations for the foreseeable future.

### **Events occurring after the end of the financial year**

No events have occurred subsequent to the end of the fiscal year 2022, which could be of significant detriment to the Copenhagen Election A/S' financial position.



## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Gross loss</b>	<b>-293.117</b>	<b>6.347.122</b>
Depreciation and impairment of property, land, and equipment	-67.074	-37.968
<b>Operating profit</b>	<b>-360.191</b>	<b>6.309.154</b>
Other financial income from group enterprises	0	36.559
Other financial income	464.044	449.495
Other financial costs	-5.562	-300.138
<b>Pre-tax net profit or loss</b>	<b>98.291</b>	<b>6.495.070</b>
1 Tax on net profit or loss for the year	6.609	-1.428.908
<b>Net profit or loss for the year</b>	<b>104.900</b>	<b>5.066.162</b>
<b>Proposed distribution of net profit:</b>		
Transferred to retained earnings	104.900	5.066.162
<b>Total allocations and transfers</b>	<b>104.900</b>	<b>5.066.162</b>



## Balance sheet at 31 December

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All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>			
2	Other fixtures and fittings, tools and equipment	106.312	31.634
	Total property, plant, and equipment	106.312	31.634
	<b>Total non-current assets</b>	<b>106.312</b>	<b>31.634</b>
<b>Current assets</b>			
	Raw materials and consumables	1.232.876	441.785
	Manufactured goods and goods for resale	306.891	306.891
	Total inventories	1.539.767	748.676
	Receivables from group enterprises	19.579.906	23.130.087
	Deferred tax assets	91.435	77.324
	Other receivables	345.014	211.270
	Total receivables	20.016.355	23.418.681
	Cash on hand and demand deposits	279.590	147.167
	<b>Total current assets</b>	<b>21.835.712</b>	<b>24.314.524</b>
	<b>Total assets</b>	<b>21.942.024</b>	<b>24.346.158</b>

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## Balance sheet at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Equity</b>			
3	Contributed capital	2.000.000	2.000.000
	Retained earnings	19.848.846	19.743.946
	<b>Total equity</b>	<b>21.848.846</b>	<b>21.743.946</b>
 <b>Liabilities other than provisions</b>			
	Trade payables	85.676	1.193.046
	Income tax payable	0	216.150
	Income tax payable to subsidiaries	7.502	1.193.016
	Total short term liabilities other than provisions	93.178	2.602.212
	<b>Total liabilities other than provisions</b>	<b>93.178</b>	<b>2.602.212</b>
	<b>Total equity and liabilities</b>	<b>21.942.024</b>	<b>24.346.158</b>
 <b>4 Charges and security</b>			
<b>5 Contingencies</b>			
<b>6 Related parties</b>			



## Statement of changes in equity

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2021	2.000.000	14.677.784	16.677.784
Retained earnings for the year	0	5.066.162	5.066.162
Equity 1 January 2022	2.000.000	19.743.946	21.743.946
Retained earnings for the year	0	104.900	104.900
	<b>2.000.000</b>	<b>19.848.846</b>	<b>21.848.846</b>



## Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Net profit or loss for the year	104.900	5.066.162
7 Adjustments	-398.019	1.280.959
8 Change in working capital	<u>-2.032.205</u>	<u>2.009.574</u>
Cash flows from operating activities before net financials	-2.325.324	8.356.695
Interest received, etc.	5.059	486.055
Interest paid, etc.	<u>-5.562</u>	<u>-300.138</u>
Cash flows from ordinary activities	-2.325.827	8.542.612
Income tax paid	<u>-1.409.166</u>	<u>-826.980</u>
<b>Cash flows from operating activities</b>	<b><u>-3.734.993</u></b>	<b><u>7.715.632</u></b>
Purchase of property, plant, and equipment	<u>-141.750</u>	<u>0</u>
<b>Cash flows from investment activities</b>	<b><u>-141.750</u></b>	<b><u>0</u></b>
Other cash flows from financing activities	<u>4.009.166</u>	<u>-7.693.903</u>
<b>Cash flows from investment activities</b>	<b><u>4.009.166</u></b>	<b><u>-7.693.903</u></b>
<b>Change in cash and cash equivalents</b>	<b>132.423</b>	<b>21.729</b>
Cash and cash equivalents at 1 January 2022	<u>147.167</u>	<u>125.438</u>
<b>Cash and cash equivalents at 31 December 2022</b>	<b><u>279.590</u></b>	<b><u>147.167</u></b>
<b>Cash and cash equivalents</b>		
Cash on hand and demand deposits	<u>279.590</u>	<u>147.167</u>
<b>Cash and cash equivalents at 31 December 2022</b>	<b><u>279.590</u></b>	<b><u>147.167</u></b>



## Notes

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All amounts in DKK.

	<u>2022</u>	<u>2021</u>
<b>1. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	7.502	1.409.166
Adjustment of deferred tax for the year	-14.111	19.742
	<u><b>-6.609</b></u>	<u><b>1.428.908</b></u>
<b>2. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2022	5.401.765	5.401.765
Additions during the year	141.750	0
<b>Cost 31 December 2022</b>	<u><b>5.543.515</b></u>	<u><b>5.401.765</b></u>
Depreciation and writedown 1 January 2022	-5.370.131	-5.332.164
Amortisation and depreciation for the year	-67.072	-37.967
<b>Depreciation and writedown 31 December 2022</b>	<u><b>-5.437.203</b></u>	<u><b>-5.370.131</b></u>
<b>Carrying amount, 31 December 2022</b>	<u><b>106.312</b></u>	<u><b>31.634</b></u>





## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>3. Contributed capital</b>		
Contributed capital 1 January 2022	<u>2.000.000</u>	<u>2.000.000</u>
	<b><u>2.000.000</u></b>	<b><u>2.000.000</u></b>

The share capital consists of 2.000 shares, each with a nominal value of DKK 1.000.

### 4. Charges and security

For bank debt, t.DKK 0, 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	0
Trade receivables	0
Other fixtures and fittings, tools and equipment	106

### 5. Contingencies

#### Contingent liabilities

Recourse guarantee commitments:

The company has guaranteed the bank loans of the group enterprises. On 31 December 2022, the total bank loans of the group enterprises totalled DKK 0.

#### Joint taxation

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

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

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



## Notes

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All amounts in DKK.

### 6. 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

	<u>2022</u>	<u>2021</u>
<b>7. Adjustments</b>		
Depreciation, amortisation, and impairment	67.072	37.967
Other financial income	-464.044	-486.054
Other financial costs	5.562	300.138
Tax on net profit or loss for the year	-6.609	1.428.908
	<u><b>-398.019</b></u>	<u><b>1.280.959</b></u>
<b>8. Change in working capital</b>		
Change in inventories	-791.091	17.126
Change in receivables	-133.744	2.133.875
Change in trade payables and other payables	-1.107.370	-141.427
	<u><b>-2.032.205</b></u>	<u><b>2.009.574</b></u>



## Accounting policies

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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 loss**

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

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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

#### **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.



## Accounting policies

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### 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.

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 %



## Accounting policies

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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 estimated selling 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.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank.



## Accounting policies

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### **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 "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

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 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.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers 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.



## Accounting policies

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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.

## Jeppe Handwerk

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Jeppe Handwerk

Direktør

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## Bjørn Damgaard Mortensen

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Bestyrelsesformand

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## Jeppe Handwerk

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Bestyrelsesmedlem

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## Meta Birgitte Zachau Handwerk

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## Elan Schapiro

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Elan Lieck Schapiro

Revisor

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## Bjørn Damgaard Mortensen

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Bjørn Damgaard Mortensen

Dirigent

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