CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

STORE KONGENSGADE 68
1264 KØBENHAVN K

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

Copenhagen Global A/S

Sankt Annæ Plads 11, 1250 Copenhagen

Company reg. no. 32 55 70 66

Annual report

1 January - 31 December 2021

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

Jeppe Handwerk
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Copenhagen Global A/S for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021.

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, 30 June 2022

Managing Director

Jeppe Handwerk

Board of directors

Casper Moltke-Leth Chairman	Meta Birgitte Zachau Handwerk	Jeppe Handwerk

Independent auditor's report

To the Shareholder of Copenhagen Global A/S

Opinion

We have audited the financial statements of Copenhagen Global A/S for the financial year 1 January - 31 December 2021, 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 2021, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (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.

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.

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, 30 June 2022

Christensen Kjærulff

Company reg. no. 15 91 56 41

Elan Schapiro
State Authorised Public Accountant
mne33765

Company information

The company	Copenhagen Global A/S Sankt Annæ Plads 11 1250 Copenhagen	
	Company reg. no.	32 55 70 66
	Established:	29 October 2009
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Casper Moltke-Leth, Chairman Meta Birgitte Zachau Handwerk Jeppe 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.	2021	2020	2019	2018	2017
Income statement:					
Gross profit	9.801	-1.285	5.243	7.476	9.895
Profit from operating activities	2.316	-4.319	1.762	4.484	8.554
Net financials	-247	-414	938	538	1.901
Net profit or loss for the year	1.606	-3.692	2.056	3.892	8.140
Statement of financial position:					
Balance sheet total	56.923	24.552	31.245	45.812	100.849
Investments in property, plant and equipment	1.658	529	529	305	77
Equity	20.251	18.645	22.337	20.281	16.389
Cash flows:					
Operating activities	10.299	-5.311	2.338	15.481	-7.885
Investing activities	-6.214	-1.493	-529	-305	3.274
Financing activities	0	3.621	358	-13.207	4.630
Total cash flows	4.085	-3.183	2.167	1.969	19
Employees:					
Average number of full-time employees	8	4	5	5	4
Key figures in %:					
Solvency ratio	35,6	75,9	71,5	44,3	16,3
Return on equity	8,3	-18,0	9,6	21,2	66,1

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

The principal activities of the company

Copenhagen Global A/S specialises in the provision of armoured vehicles, trucks, agricultural machinery, construction equipment, engines and generators, special purpose boats, tactical watercrafts, spare parts and after sales services to customers worldwide.

Copenhagen Global 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 Global A/S' business model is centred on obtaining long-term agreements with national governmental agencies and international organisations for the supply of products manufactured by our strategic business partners, such as FPT Industrial, IVECO, CASE, New Holland, MAGIRUS, United States Marine Inc. (USMI), Golden Arrow Marine, BRP, Marine Specialised Technology and ASC Armored Specialty Cars to name a few.

Development in activities and financial matters

In 2020, Copenhagen Global A/S saw a relatively large drop in revenue due to the COVID-19 global pandemic and a general halt on procurements by customers.

In 2021, Copenhagen Global A/S managed to secure a number of large contracts for the supply of MAGIRUS turntable ladders to different fire brigades in Denmark, BRP military snowmobiles for the Danish Defence, armoured vehicles for national governmental agencies, and IVECO trucks and New Holland agricultural machinery for international organisations. All these new orders contributed to almost a doubling in revenue from 2020.

In 2021, gross profit increased by 862.7% from DKK – 1.3 million to DKK 9.8 million.

Operating profit increased by 153.6% to DKK 2.3 million, constituting a profit margin of 2.2%.

With a net profit of DKK 1.6 million for 2021, total equity ultimo 2021 amounts to DKK 20.3 million and translates into an equity share/solvency ratio of 35.6%, which is lower compared to last year's 75.9%.

This decline in equity share/solvency ratio is due to significant investments within the marine segment, among these the development of the CPH 605 high-performance diesel engine in collaboration with FPT Industrial.

Expected developments

In 2022 and the years to come we expect our investments within the marine segment to bear fruit. We particularly expect to increase the sale of FPT engines to both private and governmental entities.

During 2021, we also tendered for a number of large contracts for the supply of various crafts and vehicles, which we hope will materialise in 2022 thus positively improving the revenue stream for Copenhagen Global A/S.

We continue to expand existing and explore new business opportunities both in national and international markets and go where others are unable to go in order to best support our customers – from Somalia in the south to Iraq in the East.

Financial risks and the use of financial instruments

Proper management of risks is extremely important to us, and we therefore continue to undertake risk assessments at all levels of our supply chain to ensure that our suppliers and customers comply with international standards and best practice.

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 always 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.

Events occurring after the end of the financial year

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

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross profit	**9.800.956**	**-1.284.989**
1	Staff costs	-6.854.566	-2.672.153
	Depreciation, amortisation, and impairment	-630.870	-361.611
	Operating profit	**2.315.520**	**-4.318.753**
	Other financial income from group companies	0	251.255
	Other financial income	76.933	0
2	Other financial expenses	-323.778	-665.305
	Pre-tax net profit or loss	**2.068.675**	**-4.732.803**
3	Tax on net profit or loss for the year	-463.029	1.040.575
	Net profit or loss for the year	**1.605.646**	**-3.692.228**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	1.605.646	0
	Allocated from retained earnings	0	-3.692.228
	Total allocations and transfers	**1.605.646**	**-3.692.228**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
4	Development projects in progress	5.521.505	964.688
	Total intangible assets	5.521.505	964.688
5	Other fixtures and fittings, tools and equipment	1.855.582	828.856
	Total property, plant, and equipment	1.855.582	828.856
6	Deposits	74.228	74.228
	Total investments	74.228	74.228
	Total non-current assets	**7.451.315**	**1.867.772**
	Current assets		
	Manufactured goods and goods for resale	3.659.754	4.117.925
	Prepayments for goods	4.352.581	0
	Total inventories	8.012.335	4.117.925
	Trade receivables	34.987.384	4.324.856
	Receivables from group companies	0	10.597.737
	Income tax receivables	582.208	0
	Tax receivables from group companies	0	1.293.732
	Other receivables	12.500	729.762
	Prepayments	274.796	0
	Total receivables	35.856.888	16.946.087
	Cash and cash equivalents	5.602.288	1.620.461
	Total current assets	**49.471.511**	**22.684.473**
	Total assets	**56.922.826**	**24.552.245**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	1.000.000	1.000.000
	Retained earnings	19.250.681	17.645.035
	Total equity	**20.250.681**	**18.645.035**
	Provisions		
	Provisions for deferred tax	1.078.375	33.138
7	Other provisions	100.000	100.000
	Total provisions	**1.178.375**	**133.138**
	Long term labilities other than provisions		
	Prepayments received from customers	0	751.708
	Trade payables	13.866.066	3.977.286
	Payables to group companies	18.008.101	0
	Other payables	3.619.603	1.045.078
	Total short term liabilities other than provisions	35.493.770	5.774.072
	Total liabilities other than provisions	**35.493.770**	**5.774.072**
	Total equity and liabilities	**56.922.826**	**24.552.245**

8 Charges and security

9 Contingencies

10 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	1.000.000	21.337.263	22.337.263
Retained earnings for the year	0	-3.692.228	-3.692.228
Equity 1 January 2021	1.000.000	17.645.035	18.645.035
Retained earnings for the year	0	1.605.646	1.605.646
	1.000.000	**19.250.681**	**20.250.681**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Net profit or loss for the year	1.605.646	-3.692.228
11	Adjustments	1.340.743	-264.914
12	Change in working capital	6.202.961	-379.553
	Cash flows from operating activities before net financials	9.149.350	-4.336.695
	Interest received, etc.	2	387.211
	Interest paid, etc.	-144.051	-801.263
	Cash flows from ordinary activities	9.005.301	-4.750.747
	Income tax paid	1.293.732	-560.032
	Cash flows from operating activities	**10.299.033**	**-5.310.779**
	Purchase of intangible assets	-4.556.817	-964.688
	Purchase of property, plant, and equipment	-1.657.595	-528.594
	Cash flows from investment activities	**-6.214.412**	**-1.493.282**
	Other cash flows from financing activities	0	3.621.210
	Cash flows from investment activities	**0**	**3.621.210**
	Change in cash and cash equivalents	**4.084.621**	**-3.182.851**
	Cash and cash equivalents at 1 January 2021	1.620.461	4.803.312
	Foreign currency translation adjustments (cash and cash equivalents)	-102.794	0
	Cash and cash equivalents at 31 December 2021	**5.602.288**	**1.620.461**

	Cash and cash equivalents		
	Cash and cash equivalents	5.602.288	1.620.461
	Cash and cash equivalents at 31 December 2021	**5.602.288**	**1.620.461**

Notes

All amounts in DKK.

		2021	2020
1.	**Staff costs**		
	Salaries and wages	6.890.695	2.642.045
	Other costs for social security	-36.129	30.108
		6.854.566	**2.672.153**
	Executive board and board of directors	-	625.000
	Average number of employees	8	4

For 2021, the company has chosen to use the exemption provision in section 98b(3) of the Danish Financial Statements Act.

		2021	2020
2.	**Other financial expenses**		
	Financial costs, group enterprises	51.884	0
	Other financial costs	271.894	665.305
		323.778	**665.305**
3.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	-582.208	-1.293.732
	Adjustment of deferred tax for the year	1.045.237	253.157
		463.029	**-1.040.575**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
4.	**Development projects in progress**		
	Cost 1 January 2021	964.688	0
	Additions during the year	4.556.817	964.688
	Cost 31 December 2021	**5.521.505**	**964.688**
	Carrying amount, 31 December 2021	**5.521.505**	**964.688**

The development project concerns the manufacture of a high-speed diesel marine engine for use in peacekeeping operations globally. The project is expected to be completed in 2022. The project proceeds as planned using the resources allocated by the management for the development project. We expect to launch the marine engine, engine components and spare parts to our customers of the existing market. Prior to initiating the project, we conducted a survey of our customers' needs for a high-speed marine engine solution in the product range, which was positively received.

		31/12 2021	31/12 2020
5.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2021	3.573.472	3.044.878
	Additions during the year	1.657.595	528.594
	Cost 31 December 2021	**5.231.067**	**3.573.472**
	Amortisation and writedown 1 January 2021	-2.744.616	-2.383.005
	Amortisation and depreciation for the year	-630.869	-361.611
	Amortisation and writedown 31 December 2021	**-3.375.485**	**-2.744.616**
	Carrying amount, 31 December 2021	**1.855.582**	**828.856**
6.	**Deposits**		
	Cost 1 January 2021	74.228	74.228
	Cost 31 December 2021	**74.228**	**74.228**
	Carrying amount, 31 December 2021	**74.228**	**74.228**

All amounts in DKK.

	31/12 2021	31/12 2020
7. Other provisions		
Other provisions 1 January 2021	100.000	100.000
	100.000	**100.000**

8. Charges and security

For group bank loans, 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:

	DKK in thousands
Inventories	3.660
Trade receivables	34.987
Other fixtures and fittings, tools and equipment	1.856

9. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	24
Recourse liability to products sold	10.157
Total contingent liabilities	**10.181**

Recourse guarantee commitments:

The company has guaranteed the bank loans of the group enterprises. On 31 December 2021, the total bank loans of the group enterprises totalled DKK 000.

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.

All amounts in DKK.

9. Contingencies (continued)

Joint taxation (continued)

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

All amounts in DKK.

10. 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.

		2021	2020
11.	**Adjustments**		
	Depreciation, amortisation, and impairment	630.869	361.611
	Other financial income	-76.933	-251.255
	Other financial expenses	323.778	665.305
	Tax on net profit or loss for the year	463.029	-1.040.575
		1.340.743	**-264.914**
12.	**Change in working capital**		
	Change in inventories	-3.894.410	-1.598.801
	Change in receivables	-19.622.326	3.692.455
	Change in trade payables and other payables	29.719.697	-2.473.207
		6.202.961	**-379.553**

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

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales 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. 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 trade goods and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses 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, amortisation of financial assets and liabilities 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

Intangible assets

Development projects

Development costs comprise directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

Property, plant, and equipment

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%

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.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and 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.

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.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents 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 Global 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.

Provisions

Warranty commitments comprise commitments to repair work being carried out within the warranty period of 1-5 years. The provisions are measured at the net realisable value and recognised on the basis of experience with warranty work. If provisions have an expected due date later than 1 year from the reporting date, they are discounted at the average bond interest.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

Jeppe Handwerk

Som Direktør
PID: 9208-2002-2-687043937713
Tidspunkt for underskrift: 30-06-2022 kl.: 20:33:25
Underskrevet med NemID

NEM ID

Casper Moltke-Leth

Som Bestyrelsesformand
PID: 9208-2002-2-386448814352
Tidspunkt for underskrift: 30-06-2022 kl.: 20:41:00
Underskrevet med NemID

NEM ID

Meta Birgitte Zachau Handwerk

Som Bestyrelsesmedlem
PID: 9208-2002-2-847455552131
Tidspunkt for underskrift: 30-06-2022 kl.: 20:42:20
Underskrevet med NemID

NEM ID

Jeppe Handwerk

Som Bestyrelsesmedlem
PID: 9208-2002-2-687043937713
Tidspunkt for underskrift: 30-06-2022 kl.: 21:27:27
Underskrevet med NemID

NEM ID

Elan Schapiro

Som Revisor
RID: 1174558287756
Tidspunkt for underskrift: 30-06-2022 kl.: 21:31:11
Underskrevet med NemID

NEM ID