



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Copenhagen Arctic A/S

Sankt Annæ Plads 11, 1., 1250 København K

Company reg. no. 35 68 24 81

Annual report

1 January - 31 December 2022

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

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

Today, the Board of Directors and the Managing Director have approved the annual report of Copenhagen Arctic 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

Jeppe Handwerk

Meta Birgitte Zachau Handwerk



Independent auditor's report

To the Shareholders of Copenhagen Arctic A/S

Opinion

We have audited the financial statements of Copenhagen Arctic 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

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

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

The company	Copenhagen Arctic A/S Sankt Annæ Plads 11, 1. 1250 København K
	Company reg. no. 35 68 24 81
	Established: 5 March 2014
	Domicile: Copenhagen
	Financial year: 1 January - 31 December
Board of directors	Bjørn Damgaard Mortensen Jeppe Handwerk Meta Birgitte Zachau Handwerk
Managing Director	Jeppe Handwerk, CEO
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø
Parent company	Copenhagen Group A/S



Financial highlights

DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Income statement:					
Gross profit	-16	-19	-10	-9	-9
Profit from operating activities	-16	-19	-10	-9	-9
Net financials	24	22	16	-1	-1
Net profit or loss for the year	7	3	5	-8	276
Statement of financial position:					
Balance sheet total	1.276	1.266	1.257	1.250	1.258
Equity	1.260	1.253	1.250	1.245	1.253
Cash flows:					
Operating activities	-14	-12	583	-8	80
Investing activities	0	-1	-584	0	0
Financing activities	0	0	0	7	-81
Total cash flows	-14	-13	-1	-1	-1
Key figures in %:					
Solvency ratio	98,7	99,0	99,4	99,6	99,6
Return on equity	0,6	0,2	0,4	-0,6	24,8

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



Management's review

The principal activities of the company

Copenhagen Arctic A/S was established in 2014 as a Joint Venture between Copenhagen Group A/S and DynCorp International with the sole purpose of tendering for the contract for the operation and maintenance of the Thule Air Base in Greenland for the US Airforce.

Copenhagen Arctic A/S was unfortunately not awarded the contract for the Thule Air Base back in November 2014.

In December 2017, Copenhagen Group A/S bought DynCorp International's shareholding making it the sole owner of Copenhagen Arctic A/S. Copenhagen Arctic A/S is the primary business unit for projects and sales activities related to the Nordic Arctic region.

Development in activities and financial matters

No revenue was reported for 2022, but Copenhagen Arctic A/S continues to have a small amount of compliance related expenses (i.e. auditing) and net financial gains during the year. The solvency ratio remained intact compared to previous years at 99%.

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 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. Consequently, a loss on debtors or a long delay in payments by a customer is rarely a problem for us.

Expected developments

The management remains interested in pursuing other projects and business opportunities in the Nordic Arctic region during the next few years, which could be managed by Copenhagen Arctic A/S.

With increasing awareness of climate change and changing geo-political structures, the arctic region is expected to be a focus area in the years to come. Copenhagen Arctic A/S is able to supply products and services tailored to the demands of the arctic environment.



Management's review

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 Arctic A/S' financial position.



Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	-15.625	-18.750
Other financial income from group enterprises	25.999	23.553
Other financial expenses	-1.933	-1.536
Pre-tax net profit or loss	8.441	3.267
1 Tax on net profit or loss for the year	-1.848	-719
Net profit or loss for the year	6.593	2.548
Proposed distribution of net profit:		
Transferred to retained earnings	6.593	2.548
Total allocations and transfers	6.593	2.548



Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Current assets			
	Receivables from group enterprises	1.225.249	1.199.969
	Total receivables	<u>1.225.249</u>	<u>1.199.969</u>
	Cash on hand and demand deposits	<u>51.174</u>	<u>65.607</u>
	Total current assets	<u>1.276.423</u>	<u>1.265.576</u>
	Total assets	<u>1.276.423</u>	<u>1.265.576</u>



Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
2	Contributed capital	1.000.000	1.000.000
	Retained earnings	<u>259.575</u>	<u>252.982</u>
	Total equity	<u>1.259.575</u>	<u>1.252.982</u>
 Liabilities other than provisions			
	Trade payables	15.000	11.875
	Income tax payable to subsidiaries	<u>1.848</u>	<u>719</u>
	Total short term liabilities other than provisions	<u>16.848</u>	<u>12.594</u>
	Total liabilities other than provisions	<u>16.848</u>	<u>12.594</u>
	Total equity and liabilities	<u>1.276.423</u>	<u>1.265.576</u>
 3 Contingencies			
4 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 2021	1.000.000	250.434	1.250.434
Profit or loss for the year brought forward	<u>0</u>	<u>2.548</u>	<u>2.548</u>
Equity 1 January 2022	1.000.000	252.982	1.252.982
Profit or loss for the year brought forward	<u>0</u>	<u>6.593</u>	<u>6.593</u>
	<u>1.000.000</u>	<u>259.575</u>	<u>1.259.575</u>



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	6.593	2.548
5 Adjustments	-22.218	-21.298
6 Change in working capital	-22.155	-15.203
Cash flows from operating activities before net financials	-37.780	-33.953
Interest received, etc.	25.999	23.553
Interest paid, etc.	-1.933	-1.537
Cash flows from ordinary activities	-13.714	-11.937
Income tax paid	-719	0
Cash flows from operating activities	-14.433	-11.937
Other cash flows from (spent on) investment activities	0	-1.474
Cash flows from investment activities	0	-1.474
Change in cash and cash equivalents	-14.433	-13.411
Cash and cash equivalents at 1 January 2022	65.607	79.018
Cash and cash equivalents at 31 December 2022	51.174	65.607
Cash and cash equivalents		
Cash on hand and demand deposits	51.174	65.607
Cash and cash equivalents at 31 December 2022	51.174	65.607



Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Tax on net profit or loss for the year		
Group joint taxation	<u>1.848</u>	<u>719</u>
	<u>1.848</u>	<u>719</u>
2. Contributed capital		
Contributed capital 1 January 2022	<u>1.000.000</u>	<u>1.000.000</u>
	<u>1.000.000</u>	<u>1.000.000</u>

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

During the last 5 years, there has been no changes to the contributed capital.

3. Contingencies

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.

4. Related parties

Controlling interest

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

Majority shareholder
Majority shareholder
of Copenhagen Group
A/S



Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
5. Adjustments		
Other financial income	-25.999	-23.553
Other financial expenses	1.933	1.536
Tax on net profit or loss for the year	<u>1.848</u>	<u>719</u>
	<u>-22.218</u>	<u>-21.298</u>
6. Change in working capital		
Change in receivables	-25.280	-22.078
Change in trade payables and other payables	<u>3.125</u>	<u>6.875</u>
	<u>-22.155</u>	<u>-15.203</u>



Accounting policies

The annual report for Copenhagen Arctic 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

Other external costs comprise costs incurred for administration.

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 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).



Accounting policies

Statement of financial position

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.

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 Arctic 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.

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

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 at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Jeppe Handwerk

Navnet returneret af dansk MitID var:

Jeppe Handwerk

Direktør

ID: bf2cbbfc-fccb-44dc-b77d-367b3a1a4fbe

Tidspunkt for underskrift: 17-07-2023 kl.: 15:06:53

Underskrevet med MitID



Bjørn Damgaard Mortensen

Navnet returneret af dansk MitID var:

Bjørn Damgaard Mortensen

Bestyrelsesformand

ID: af7f5bf5-89e4-46a7-994b-613a869c63fe

Tidspunkt for underskrift: 17-07-2023 kl.: 15:30:25

Underskrevet med MitID



Jeppe Handwerk

Navnet returneret af dansk MitID var:

Jeppe Handwerk

Bestyrelsesmedlem

ID: bf2cbbfc-fccb-44dc-b77d-367b3a1a4fbe

Tidspunkt for underskrift: 18-07-2023 kl.: 20:09:01

Underskrevet med MitID



Meta Birgitte Zachau Handwerk

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Meta Birgitte Zachau Handwerk

Bestyrelsesmedlem

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Tidspunkt for underskrift: 18-07-2023 kl.: 12:43:19

Underskrevet med MitID



Elan Schapiro

Navnet returneret af dansk MitID var:

Elan Lieck Schapiro

Revisor

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Tidspunkt for underskrift: 18-07-2023 kl.: 21:13:32

Underskrevet med MitID



Bjørn Damgaard Mortensen

Navnet returneret af dansk MitID var:

Bjørn Damgaard Mortensen

Dirigent

ID: af7f5bf5-89e4-46a7-994b-613a869c63fe

Tidspunkt for underskrift: 18-07-2023 kl.: 21:43:24

Underskrevet med MitID

