



Alliance Of Democracies Foundation, Fond

Bredgade 71, 1. th
1260 København K
CVR No. 39209349

Annual report 2022

The Board of Directors adopted the annual
report on 09.06.2023

Anders Fogh Rasmussen
Chairman of the Board of Directors

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022	13
Balance sheet at 31.12.2022	14
Statement of changes in equity for 2022	16
Notes	17
Accounting policies	18

Entity details

Entity

Alliance Of Democracies Foundation, Fond

Bredgade 71, 1. th

1260 København K

Business Registration No.: 39209349

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Klaus Søgaard

Fritz Henrik Schur

Anders Fogh Rasmussen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors has today considered and approved the annual report of Alliance Of Democracies Foundation, Fond for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Copenhagen, 09.06.2023

Board of Directors

Klaus Søgaard

Fritz Henrik Schur

Anders Fogh Rasmussen

Independent auditor's report

To the Board of Directors of Alliance Of Democracies Foundation, Fond

Opinion

We have audited the financial statements of Alliance Of Democracies Foundation, Fond for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 09.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Stine Eva Grothen

State Authorised Public Accountant

Identification No (MNE) mne29431

Management commentary

Primary activities

The Alliance of Democracies Foundation is a non-profit organization founded in 2017 by Anders Fogh Rasmussen, the former NATO Secretary General and former Prime Minister of Denmark.

The vision of the Alliance of Democracies Foundation is to become the world's leading "megaphone" for the cause of democracy. The Foundation is dedicated to the advancement of democracy and free markets across the globe.

In 2022, the Alliance revisited its program structure and refocused our three core initiatives: The Copenhagen Democracy Summit, Advancing Business and Technology for Freedom and Democracy, and Creating an Alliance of Democracies.

Development in activities and finances

Copenhagen Democracy Summit 2022

On 9-10 June 2022, we hosted the fifth edition of the Copenhagen Democracy Summit.

As in previous editions, the Summit ran over two days and hosted over 700 people and streamed to an online audience and had over 6.3 million social media impressions.

The first day was dedicated to technology and democracy including a return of our Democracy and Tech Entrepreneur Fellowship, from countries such as Georgia, Ukraine, Moldova and Venezuela.

The second day of the Summit engaged with high-level representatives and democracy activists to discuss defending Ukraine and democracy globally. Main speakers were the Lithuanian Prime Minister, Ingrida Šimonytė, EU President Roberta Metsola, Ukrainian President Vladimir Zelenskyy, Taiwan President Tsai Ing Wen and former US President Barack Obama, among other leaders.

In addition, we provided a platform for democracy champions from around the world including Leopoldo Lopez, Venezuelan opposition leader, Sviatlana Tsikhanouskaya and a musical performance by Taiwan-Australian Kimberly Chen, among other inspiring voices.

We were featured in over 4k print media mentions and widely covered in the Guardian, Foreign Policy, Der Spiegel, Berlingske, and many more. In addition, we had a media partnership with Newsweek and with Berlingske.

Business & Technology for Freedom & Democracy

We believe that democracy and free market economies are strongly interlinked. Business engagement is key to underpinning fundamental democratic values. We work closely with the tech industry to find solutions to the challenges technologies pose to democracy, and we bring forward new entrepreneurial ideas also as a way of spurring growth and stability in emerging democracies.

Democracy Tech Entrepreneur Fellowship

Our fellowship is established against this backdrop with an aim to support tech entrepreneurs with innovative solutions to democracies' problems. We recognize the need to build from the bottom up, while bringing out what

the free world does best: innovation, entrepreneurship, and new ideas.

Over a period of four months, the Fellows attended bi-weekly master classes conducted by selected speakers from Denmark. The fellows were also matched with mentors from Denmark's business and start-up ecosystem. The fellows attended Copenhagen Democracy Summit in June of 2022 and pitched their Democracy Tech solutions, met their mentors and visited the startup eco-system in Denmark.

Transatlantic Commission on Election Integrity

Election interference is a major threat to the universal right of people to take part in democratic elections. Still, democratic governments and technology companies around the world are scrambling to meet the challenges of the latest election meddling tactics and technologies. Our commission helps advance solutions to protect the integrity of democratic elections.

Media Literacy

The Media Litlab was launched in 2022 through two of our workshops, with young politicians and students from both the Copenhagen Business School and the Copenhagen University. The media LitLab project is designed to broaden and deepen current and future decision-makers' understanding of the complexity of how politically motivated disinformation operations work and how harmful they can be. The centerpiece of this project is a half-day interactive simulation game based on real-life examples of past disinformation events, in which participants gained first-hand experience that helps them better understand how the spread of disinformation undermines our democracies and what they can concretely do to counter such a threat. In addition, building citizens' digital media and information literacy is considered one of the most effective non-regulatory measures to build civic resilience to foreign information manipulation.

Creating an Alliance of Democracies

We aim to build a worldwide movement for an Alliance of Democracies consisting of democratic countries globally and among democratic forces everywhere. We work actively with governments, young leaders in democratic countries as well as democracy activists from non-free societies and emerging democracies.

During 2022, the Alliance teamed up with colleagues at both Freedom House and the Lithuanian Government to develop a cohort as part of the Biden's second Summit for Democracy 'year of action'. The cohort focused on 'Resisting Authoritarian Pressure'. The Alliance's contribution was expanding on its Economic Article 5 among democracies to counter authoritarian economic coercion.

2023 outlook

The Alliance of Democracies' overall goal for 2023 is to continue to support and defend democracy. We need support for our important work, and we would like to thank our partners and supporters who play an indispensable part in enabling the foundation to fulfill its mission.

The foundation has a profit before tax of DKK 10.873, which management considers satisfactory.

Statutory report on foundation governance

Section 60 of the Danish Act on Commercial Foundations requires the Foundation's Executive Committee to consider the recommendations of the Committee on Foundation Governance under the Comply or Explain approach. The Executive Committee has reviewed and considered each recommendation, as stated below.

No. 1.1 It is recommended that the board of directors adopt principles for external communication that address

the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.

The foundation is compliant.

No. 2.1.1 It is recommended that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.

The foundation is compliant.

No. 2.1.2 It is recommended that the board of directors regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.

The foundation is compliant.

No. 2.2.1 It is recommended that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members, individually and collectively.

The foundation is compliant.

No. 2.2.2 It is recommended that if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special activities for the commercial foundation which extend beyond the duties of chairman, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.

The foundation is compliant.

No. 2.3.1 It is recommended that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors needs to possess in order to best perform the tasks incumbent upon the board of directors.

The foundation is compliant.

No. 2.3.2 It is recommended that, with due respect of any right in the articles of association to make appointments, the board of directors approves a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.

The foundation is compliant.

No. 2.3.3 It is recommended that members of the board of directors are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the board, and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity in relation to commercial and grants experience, age and gender.

The foundation is compliant.

No. 2.3.4 It is recommended that in the management commentary in the annual report and on the commercial foundation's website, if any, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:

- the name and position of the member,
- the age and gender of the member,
- date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,
- any special competences possessed by the member,
- other managerial positions held by the member, including positions on executive boards, boards of directors and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions, as well as other demanding organisation tasks,
- whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies,
- whether the member has been appointed by authorities/providers of grants etc., and
- whether the member is considered independent.

The foundation is non compliant.

The foundation does not inform of the boards other management positions. As the board work required in the foundation does not require a significant time effort, it is not considered relevant to disclose other management positions. Furthermore, this information is widely available to the public elsewhere. However, the board focuses on whether the relevant competencies are present as well as on the members' active participation in the meetings.

No. 2.3.5 It is recommended that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully owned actual holding company.

The foundation is compliant.

No. 2.4.1 It is recommended that an appropriate proportion of the board of directors be independent. If the board of directors (excluding employee representatives) is composed of

- up to four members, at least one member should be independent,
- between five and eight members, at least two members should be independent, or
- nine to eleven members, at least three members should be independent, and so on.

To be considered independent, this person may not, for example:

- be or within the past three years have been member of the executive board, or senior employee in the foundation, or an essential subsidiary or associated company to the foundation,
- within the past five years have received larger emoluments, including distributions or other benefits from the foundation/group or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors or executive board of the foundation,
- within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation/group or a subsidiary or associated company to the foundation,
- be or within the past three years have been employed or partner at the external auditor,

- have been a member of the board of directors or executive board of the foundation for more than 12 years,
- be a close relative of, or in some other way be especially close to, persons who are not considered independent,
- be the founder or a significant donor if the purpose of the foundation is to grant support to this person's family or others who are especially close to this person, or
- be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years has received significant donations from the foundation.

The foundation is compliant.

No. 2.5.1 It is recommended that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.

Board members are appointed for a maximum of four years according to the foundations articles of association. It does not apply to Anders Fogh Rasmussen personally, as he is entitled to remain in the Board for as long as he lives.

No. 2.5.2 It is recommended that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.

There is an age limit for the members of the board in the foundations articles of association, whereby the Board members are obliged to terminate their duties at the end of the month in which they reach the age of 80. It does not apply to Anders Fogh Rasmussen personally, as he is entitled to remain in the Board for as long as he lives.

No. 2.6.1 It is recommended that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually, and the result is discussed by the board of directors.

The foundation is compliant.

No. 2.6.2 It is recommended that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria.

The foundation is compliant.

No. 3.1.1 It is recommended that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of an executive board, if any, be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.

The Board of directors receive no remuneration.

No. 3.1.2 It is recommended that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation and from the foundation's subsidiaries and associated companies. Furthermore there should be information on any other remuneration which members of the board of directors and any executive board have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.

The Board of directors receive no remuneration.

	Anders Fogh Rasmussen	Klaus Søgaard	Fritz Henrik Schur
Occupation	CEO Rasmussen Global	Partner, Gorrissen Federspiel	CEO Fritz Schur Group
Birth year	1953	1955	1951
Gender	Male	Male	Male
Joined the Board	21.12.2017	21.12.2017	21.12.2017
Particular skills	Geopolitics, global leadership	Regulatory & legal advisory, capital markets	Business management, foundation leadership
Dependent/ Independent	Dependent	Independent	Independent

Statutory report on distribution policy

The Foundation makes no distribution.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		3,233,375	2,760,972
Staff costs	1	(3,150,180)	(2,236,642)
Operating profit/loss		83,195	524,330
Other financial income	2	9,945	5,028
Other financial expenses	3	(82,267)	(45,880)
Profit/loss before tax		10,873	483,478
Tax on profit/loss for the year	4	(15,291)	(104,638)
Profit/loss for the year		(4,418)	378,840
Proposed distribution of profit and loss			
Retained earnings		(4,418)	378,840
Proposed distribution of profit and loss		(4,418)	378,840

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Deposits		15,332	0
Financial assets	5	15,332	0
Fixed assets		15,332	0
Trade receivables		0	48,168
Other receivables		110,016	124,444
Income tax receivable		32,709	67,334
Prepayments		183,988	186,357
Receivables		326,713	426,303
Cash		4,496,369	2,602,719
Current assets		4,823,082	3,029,022
Assets		4,838,414	3,029,022

Equity and liabilities

	2022	2021
	DKK	DKK
Contributed capital	300,000	300,000
Retained earnings	1,428,937	1,433,355
Equity	1,728,937	1,733,355
Prepayments received from customers	2,724,385	627,565
Trade payables	103,196	370,999
Other payables	281,896	297,103
Current liabilities other than provisions	3,109,477	1,295,667
Liabilities other than provisions	3,109,477	1,295,667
Equity and liabilities	4,838,414	3,029,022

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	300,000	1,433,355	1,733,355
Profit/loss for the year	0	(4,418)	(4,418)
Equity end of year	300,000	1,428,937	1,728,937

Notes

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	2,566,348	1,842,781
Pension costs	273,444	163,330
Other social security costs	21,396	16,662
Other staff costs	288,992	213,869
	3,150,180	2,236,642
Average number of full-time employees	6	5

2 Other financial income

	2022	2021
	DKK	DKK
Exchange rate adjustments	9,897	5,028
Other financial income	48	0
	9,945	5,028

3 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	28,407	27,404
Exchange rate adjustments	53,860	18,476
	82,267	45,880

4 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	15,291	104,638
	15,291	104,638

5 Financial assets

	Deposits
	DKK
Additions	15,332
Cost end of year	15,332
Carrying amount end of year	15,332

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises interest income, including payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.