

Copenhagen Contractors A/S

Sankt Annæ Plads 11, 1, 1250 København K

Company reg. no. 29 51 92 26

Annual report

1 January - 31 December 2016

The annual report has been submitted and approved by the general meeting on the 4 May 2017.

Casper Moltke-Leth
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Financial highlights	6
Management's review	7
Annual accounts 1 January - 31 December 2016	
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	12
Cash flow statement	13
Notes	14
Accounting policies used	18

Notes:

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

Management's report

The board of directors and the managing director have today presented the annual report of Copenhagen Contractors A/S for the financial year 1 January to 31 December 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 20 April 2017

Managing Director

Jeppe Handwerk

Board of directors

Jeppe Handwerk

Casper Moltke-Leth

Meta Birgitte Zachau Handwerk

Independent auditor's report

To the shareholder of Copenhagen Contractors A/S

Opinion

We have audited the annual accounts of Copenhagen Contractors A/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 20 April 2017

Christensen Kjærulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Elan Schapiro

State Authorised Public Accountant

Company data

The company

Copenhagen Contractors A/S
Sankt Annæ Plads 11, 1
1250 København K

Company reg. no. 29 51 92 26
Established: 26 April 2006
Domicile: Copenhagen
Financial year: 1 January - 31 December

Board of directors

Jeppe Handwerk
Casper Moltke-Leth
Meta Birgitte Zachau Handwerk

Managing Director

Jeppe Handwerk

Auditors

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab

Parent company

Copenhagen Group A/S

Financial highlights

DKK in thousands.	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Profit and loss account:					
Net turnover	13.795	18.023	36.776	41.169	54.940
Gross profit	8.272	11.791	27.007	32.373	37.357
Results from operating activities	3.063	5.815	13.407	10.966	5.548
Net financials	507	1.299	1.680	1.448	489
Results for the year	3.575	7.201	14.624	12.377	6.043
Balance sheet:					
Balance sheet sum	5.251	16.207	38.876	43.850	34.778
Investments in tangible fixed assets represent	0	0	362	2.581	10.383
Equity	4.900	15.325	38.124	43.500	31.123
Cash flow:					
Operating activities	5.491	7.212	17.921	18.753	27.312
Investment activities	0	25	733	1.491	-1.357
Financing activities	-5.676	-7.124	-18.778	-20.680	-25.471
Cash flow in total	-185	113	-124	-436	484
Employees:					
Average number of full time employees	12	14	42	47	60
Key figures in %:					
Return on equity investment	28,6	21,1	32,4	27,9	14,1
Solvency ratio	93,3	94,6	98,1	99,2	89,5
Return on equity	35,4	26,9	35,8	33,2	21,5

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Management's review

The Principal Activities of the Company

Copenhagen Contractors manages projects and contracts awarded through direct tendering for the supply of products and services to international organisations, national governments and agencies.

Copenhagen Contractors specialises in the provision of facility management and wash-down services, construction and deconstruction of camps, and unmanned aerial systems.

Financial Development

In 2016, revenue decreased by 23% from DKK 18 million to DKK 13.8 million due to less activity in Afghanistan following handover of our Morale, Welfare and Recreational facility at Kandahar Airfield ultimo 2015 to the US Army.

Gross profit decreased by 29.8% to DKK 8.3 million from DKK 11.8 million.

Similarly, operating profit decreased by 47.3% to DKK 3 million, constituting a profit margin of 22.2%.

With a net profit of DKK 3.6 million for 2016, total equity ultimo 2016 amounts to DKK 4.9 million and translates into an equity share of 93.3%, which is a slight deterioration from 94.6% last year.

Expectations for the Future

Year 2016 marked the ending of our, Copenhagen Contractors, support to the armed forces in Afghanistan as we had to handover our forensic facility at Kandahar Airfield, operating under the auspices of NATO, to the US Army.

Nonetheless, given the current political climate with geopolitical tensions, particular between the Western World and Russia, we expect heighten military presence in the Baltic countries by NATO forces. Copenhagen Contractors will spearhead our entry into these countries by offering support (products and services) to national and international armed forces operating on the border to Russia.

Utilising new technology for various purposes is also important to us, which is why we have teamed up with Textron Systems to provide unmanned aerial systems capabilities to customers worldwide. Textron Systems offers reliable and high-quality unmanned aerial vehicles – be it for military, civil or commercial purposes.

Management's review

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 same level of scrutiny, in particular with respect to ISO 9001 on quality, ISO 14001 on environment and OHSAS 18001 on occupational health and safety.

To hedge our financial risks, we aim to quote customers in the same currency as that quoted to us by our suppliers. Our business transactions are, for the most part, also restricted to DKK, EUR and USD; hence, the biggest risk relates to fluctuations in the USD exchange rate towards EUR and DKK.

The vast majority of our contracts are with stable national governments and reputable international organisations; hence, a loss on debtors or a long delay in payments by a customer is rarely a problem for us.

Events Subsequent to the End of the Financial Year

No events have occurred subsequent to the end of the fiscal year 2016, which could be of significant detriment to the Copenhagen Contractors' financial position.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Net turnover	13.795.339	18.022.760
Raw materials and consumables used	-231.899	-1.173.452
Other external costs	<u>-5.291.502</u>	<u>-5.058.144</u>
Gross results	8.271.938	11.791.164
1 Staff costs	-5.209.297	-5.639.569
2 Depreciation and writedown relating to tangible fixed assets	<u>0</u>	<u>-336.981</u>
Operating profit	3.062.641	5.814.614
Other financial income	605.608	1.389.411
3 Other financial costs	<u>-98.886</u>	<u>-90.340</u>
Results before tax	3.569.363	7.113.685
4 Tax on ordinary results	<u>5.500</u>	<u>87.736</u>
5 Results for the year	<u>3.574.863</u>	<u>7.201.421</u>

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Assets		
Fixed assets		
6 Land and property	0	0
7 Production plant and machinery	0	0
8 Other plants, operating assets, and fixtures and furniture	0	0
Tangible fixed assets in total	<u>0</u>	<u>0</u>
Fixed assets in total	<u>0</u>	<u>0</u>
Current assets		
Raw materials and consumables	0	25.000
Manufactured goods and trade goods	0	2.502.711
Inventories in total	<u>0</u>	<u>2.527.711</u>
Trade debtors	1.269.009	1.152.306
Amounts owed by group enterprises	3.546.482	11.869.907
9 Deferred tax assets	77.514	298.448
Receivable corporate tax	226.434	3.117
Other debtors	100.301	139.065
Debtors in total	<u>5.219.740</u>	<u>13.462.843</u>
Available funds	<u>30.829</u>	<u>216.124</u>
Current assets in total	<u>5.250.569</u>	<u>16.206.678</u>
Assets in total	<u>5.250.569</u>	<u>16.206.678</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2016</u>	<u>2015</u>
Equity		
Contributed capital	2.000.000	2.000.000
Results brought forward	2.899.874	3.325.011
Proposed dividend for the financial year	0	10.000.000
Equity in total	<u>4.899.874</u>	<u>15.325.011</u>
Liabilities		
Bank debts	271	0
Trade creditors	97.761	881.667
Other debts	252.663	0
Short-term liabilities in total	<u>350.695</u>	<u>881.667</u>
Liabilities in total	<u>350.695</u>	<u>881.667</u>
Equity and liabilities in total	<u>5.250.569</u>	<u>16.206.678</u>

10 Mortgage and securities

11 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Results brought forward</u>	<u>Proposed dividend for the financial year</u>	<u>In total</u>
Equity 1 January 2015	2.000.000	6.123.590	30.000.000	38.123.590
Distributed dividend	0	0	-30.000.000	-30.000.000
Profit or loss for the year brought forward	0	-2.798.579	10.000.000	7.201.421
Equity 1 January 2016	2.000.000	3.325.011	10.000.000	15.325.011
Distributed dividend	0	0	-10.000.000	-10.000.000
Profit or loss for the year brought forward	0	-425.137	0	-425.137
Extraordinary dividend adopted during the financial year	0	4.000.000	0	4.000.000
Distributed extraordinary dividend adopted during the financial year.	0	-4.000.000	0	-4.000.000
	<u>2.000.000</u>	<u>2.899.874</u>	<u>0</u>	<u>4.899.874</u>

Cash flow statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Results for the year	3.574.863	7.201.421
12 Adjustments	-512.222	-1.049.832
13 Change in working capital	1.918.525	-238.574
Cash flow from operating activities before net financials	4.981.166	5.913.015
Interest received and similar amounts	605.608	1.389.411
Interest paid and similar amounts	-98.886	-90.334
Cash flow from ordinary activities	5.487.888	7.212.092
Corporate tax paid	3.117	0
Cash flow from operating activities	5.491.005	7.212.092
Sale of financial fixed assets	0	24.798
Cash flow from investment activities	0	24.798
Dividend paid	-14.000.000	-30.000.000
Available funds	271	0
Other cash flows from financing activities	8.323.428	22.875.831
Cash flow from financing activities	-5.676.301	-7.124.169
Changes in available funds	-185.296	112.721
Available funds 1 January 2016	216.125	103.404
Available funds 31 December 2016	30.829	216.125
Available funds		
Available funds	30.829	216.125
Available funds 31 December 2016	30.829	216.125

Notes

All amounts in DKK.

	<u>2016</u>	<u>2015</u>
1. Staff costs		
Salaries and wages	4.322.668	4.521.960
Other costs for social security	5.192	0
Other staff costs	<u>881.437</u>	<u>1.117.609</u>
	<u>5.209.297</u>	<u>5.639.569</u>
Executive board and board of directors	<u>660.000</u>	<u>330.000</u>
Average number of employees	<u>12</u>	<u>14</u>
Board fee is paid from parent company.		
2. Depreciation and writedown relating to tangible fixed assets		
Depreciation on production plants and machinery	<u>0</u>	<u>336.981</u>
	<u>0</u>	<u>336.981</u>
3. Other financial costs		
Other financial costs	<u>98.886</u>	<u>90.340</u>
	<u>98.886</u>	<u>90.340</u>
4. Tax on ordinary results		
Group joint taxation	-226.434	-3.117
Adjustment for the year of deferred tax	220.934	-5.500
Write-down of deferred tax asset	<u>0</u>	<u>-79.119</u>
	<u>-5.500</u>	<u>-87.736</u>
5. Proposed distribution of the results		
Extraordinary dividend adopted during the financial year	4.000.000	0
Dividend for the financial year	0	10.000.000
Allocated from results brought forward	<u>-425.137</u>	<u>-2.798.579</u>
Distribution in total	<u>3.574.863</u>	<u>7.201.421</u>

Notes

All amounts in DKK.

	<u>31/12 2016</u>	<u>31/12 2015</u>
6. Land and property		
Cost 1 January 2016	6.496.504	6.496.504
Cost 31 December 2016	<u>6.496.504</u>	<u>6.496.504</u>
Depreciation and writedown 1 January 2016	-6.496.504	-6.496.504
Depreciation and writedown 31 December 2016	<u>-6.496.504</u>	<u>-6.496.504</u>
Book value 31 December 2016	<u>0</u>	<u>0</u>
7. Production plant and machinery		
Cost 1 January 2016	4.707.911	7.538.063
Disposals during the year	0	-2.830.152
Cost 31 December 2016	<u>4.707.911</u>	<u>4.707.911</u>
Depreciation and writedown 1 January 2016	-4.707.911	-7.201.082
Depreciation for the year	0	336.981
Reversal of depreciation, amortisation and writedown, assets disposed of	0	2.156.190
Depreciation and writedown 31 December 2016	<u>-4.707.911</u>	<u>-4.707.911</u>
Book value 31 December 2016	<u>0</u>	<u>0</u>
8. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2016	138.375	138.375
Cost 31 December 2016	<u>138.375</u>	<u>138.375</u>
Amortisation and writedown 1 January 2016	-138.375	-138.375
Amortisation and writedown 31 December 2016	<u>-138.375</u>	<u>-138.375</u>
Book value 31 December 2016	<u>0</u>	<u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2016</u>	<u>31/12 2015</u>
9. Deferred tax assets		
Deferred tax assets 1 January 2016	298.448	213.829
Adjustment for the year of deferred tax	-220.934	5.500
Write-down of deferred tax asset	<u>0</u>	<u>79.119</u>
	<u>77.514</u>	<u>298.448</u>
The following items are subject to deferred tax:		
Losses brought forward from previous years	<u>77.514</u>	<u>298.448</u>
	<u>77.514</u>	<u>298.448</u>

10. Mortgage and securities

For bank debts, tDKK 14.774, for the consolidated entities of Copenhagen Group A/S, the company has provided security in company assets representing a nominal value of tDKK 18.500. This security comprises the below assets, stating the book values:

Receivable from sales and services tDKK 1.269

11. Contingencies

Contingent assets

Copenhagen Contractors A/S has a negative basis for tax Calculation of tDKK 1.914, which represents a tax value of tDKK 421 at the 2016 Danish Corporate tax rate 22%. This basis stems from past losses as well as postponed tax depreciations and tax amortizations. This deferred tax asset is booked with a value of tDKK 78, which is the minimum value that is expected to be realized within the next three fiscal year's profit.

Contingent liabilities

Guarantee commitment

Guarantee has been provided as security for the consolidated entities of Copenhagen Group A/S' account with the Danske Andelskassers Bank A/S with a total net carrying amount of tDKK 14.774 as of December 31, 2016.

Joint taxation

Handwerk Holding A/S, company reg. no 33055899 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

Notes

All amounts in DKK.

. Contingencies (continued)

Joint taxation (continued)

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

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

	<u>2016</u>	<u>2015</u>
12. Adjustments		
Depreciation and amortisation	0	336.981
Other financial income	-605.608	-1.389.411
Other financial costs	98.886	90.334
Tax on ordinary results	-5.500	-3.117
Deferred tax	0	-84.619
	<u>-512.222</u>	<u>-1.049.832</u>
13. Change in working capital		
Change in inventories	2.527.711	-2.502.711
Change in debtors	-77.945	2.135.279
Change in trade creditors and other liabilities	-531.241	128.858
	<u>1.918.525</u>	<u>-238.574</u>

Accounting policies used

The annual report for Copenhagen Contractors A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

Accounting policies used

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

The cost comprises the acquisition cost and costs directly attached to 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.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Buildings	3-5 years
Technical plants and machinery	3-5 years
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Accounting policies used

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Copenhagen Contractors A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

The cash flow statement

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

Accounting policies used

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registeret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Casper Moltke-Leth

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-386448814352

IP: 195.249.78.109

2017-05-04 10:11:55Z

NEM ID 

Meta Birgitte Zachau Handwerk

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-847455552131

IP: 94.18.197.50

2017-05-04 10:16:23Z

NEM ID 

Jeppe Handwerk

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-687043937713

IP: 212.98.94.36

2017-05-04 11:20:54Z

NEM ID 

Jeppe Handwerk

Direktør

Serienummer: PID:9208-2002-2-687043937713

IP: 212.98.94.36

2017-05-04 11:20:54Z

NEM ID 

Elan Schapiro

Statsautoriseret revisor

På vegne af: CHRISTENSEN KJÆRULFF STATS AUTORISERET

REVISIONSAKTIESELSKAB

Serienummer: CVR:15915641-RID:1174558287756

IP: 212.98.75.202

2017-05-04 12:30:23Z

NEM ID 

Casper Moltke-Leth

Dirigent

Serienummer: PID:9208-2002-2-386448814352

IP: 195.249.78.109

2017-05-04 14:05:16Z

NEM ID 

Penneo dokumentnøgle: PV6CF-JSASA-UH5L0-7H060-5KI7D-ODCH7

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>