



COPENHAGEN CONTRACTORS A/S

Copenhagen Contractors A/S

Copenhagen
CVR no.: 29 51 92 26
Annual Report for 2015

The Annual Report has been presented and approved at the Annual General Meeting of the Company
April 21, 2016

Casper Moltke-Leth
Chairman



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Please note that Danish decimal and digit grouping symbols have been used in the Financial Statements.



Statement by the Management

Today, the Board of Directors and the Executive Board presented the Annual Report for 2015 of Copenhagen Contractors A/S.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

We find the accounting policies applied appropriate, and the Annual Report therefore gives a true and fair view of the Company's assets, liabilities and equity, financial position and results.

In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, April 11, 2016

Executive Board



Jeppe Handwerk

Board of Directors



Casper Moltke-Leth
(Chairman)

Jeppe Handwerk

Meta Birgitte Zachau Handwerk



Independent Auditor's Report

To the shareholders of Copenhagen Contractors A/S

Report on financial statements

We have audited the financial statements of Copenhagen Contractors A/S for the financial year 1 January - 31 December 2015, which comprise accounting policies used, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the financial statements

The 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 the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, April 11, 2016

Christensen Kjærulff

Statsautoriseret Revisionsaktieselskab

Elan Schapiro

State Authorized Public Accountant



Key Figures

(DKK '000)	2015	2014	2013	2012	2011
Income Statement					
Revenue	18.023	36.776	41.169	54.940	91.411
Gross Profit	11.791	27.007	32.373	37.357	51.590
Operating Profit (EBIT)	5.815	13.407	10.966	5.548	733
Net Financial Expenses	1.299	1.680	1.448	489	-2.436
Profit for the year	7.201	14.624	12.377	6.043	-1.696
Balance Sheet					
Fixed Assets	0	362	2.581	10.383	22.156
Total Balance	16.207	38.876	43.850	34.778	43.819
Equity	15.325	38.124	43.500	31.123	25.080
Cash Flow					
Operations	7.212	17.921	18.753	27.312	12.542
Investments	25	733	1.491	-1.357	-4.924
Financials	-7.124	-18.778	-20.680	-25.471	-7.841
Employees					
Average full-time employees	14	42	47	60	94
Key Figures in %					
Return on Invested Capital	21,1%	32,4%	27,9%	14,1%	1,2%
Equity Share	94,6%	98,1%	99,2%	89,5%	57,2%
Return on Equity	26,9%	35,8%	33,2%	21,5%	Neg.

Key figures are prepared in accordance with the Danish Society of Financial Analysts' "Recommendation and key figures 2010".

The key figures are calculated as follows:

Return on invested capital: $\frac{\text{Operating profit} \times 100}{\text{Average assets}}$

Equity share: $\frac{\text{Equity at the end of year} \times 100}{\text{Liabilities at the end of year}}$

Return on equity: $\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$



Management's Review

Business activities

Copenhagen Contractors core competence is to provide facility management solutions for NATO bases in Afghanistan. At Kandahar Airfield Base, Copenhagen Contractors operates a forensic facility that supports the armed forces and has continuously earned high levels of customer satisfaction since 2008.

Alongside this activity, Copenhagen Contractors performs maintenance and repair tasks for facilities and vehicles under long term agreements as well as on ad hoc enquiries. Moreover, Copenhagen Contractors has successfully embraced the business opportunities that as emerged in the wake of troops' withdrawal from Afghanistan, namely de-construction and de-mobilization.

In addition to business activities in Afghanistan, Copenhagen Contractors has in 2015 also provided support for the Danish Air Force detachment temporarily stationed in Kuwait.

Financial Highlights

The financial results for 2015 have been satisfactory and have exceeded expectations. Revenue was cut to DKK 18m which is 50% of the 2014 revenue, but this was an anticipated consequence of the down-scaling of Western military presence in Afghanistan and Copenhagen Contractors.

EBIT amounted to DKK 5,8m equal to a margin of 32%. Total cash flow from operating activities amounted to DKK 7,2m.

Expectations for the future

Although the recent years have seen a significant down-sizing of military presence in Afghanistan, there is still a demand for Copenhagen Contractors its particular set competencies. Hence, the long-term contract for the mortuary has been extended into 2016.

However, though rewarding business is yet available in Afghanistan, Copenhagen Contractors is in a process of transferring our competencies to other business areas. This could be in other conflict areas, but also in other areas where facility support for armed forces are requested.

Risk management

The combination of Copenhagen Contractors' markets and business areas means that effective risk management is absolutely essential for the company's success. Copenhagen Contractors operates in challenging conflict and post-conflict regions. The company's ability to operate freely can be strained by regulations from military authorities, sudden changes in local legislation or acts of warfare.

Over the years, Copenhagen Contractors has proven its ability to generate spectacular results under these conditions but it is also constantly reminded that there are serious consequences if it does not succeed in determining or managing the particular risks the nature of the business engenders. Therefore, Copenhagen Contractors has established a comprehensive control and reporting environment in order to ensure quality in the project management, without compromising the ability to meet the customers' needs with speed and flexibility.

As Copenhagen Contractors' customers mainly comprise of large international organizations and western governments, the risk posed by our customers is minimal and losses on debtors are largely non-existent.

Employees

The ability to recruit and keep qualified employees is vital to delivering high quality facility management and conducting specialized projects in Afghanistan and other challenging regions.

Copenhagen Contractors has established itself as an attractive workplace, which takes care of its employees in any way and endorses sound values. This is also the way the company wants to be perceived in the future by our present and future employees as well as our customers.

Events subsequent to the end of the fiscal year

No events have occurred subsequent to the end of the fiscal year which could be of significant detriment to the company's financial position.



Income Statement

Notes	2015 (DKK)	2014 (DKK)
Revenue	18.022.763	36.775.753
Cost of goods sold	1.173.452	3.745.929
Other external costs	5.058.152	6.022.492
Gross Profit	11.791.159	27.007.333
1 Staff costs	5.639.569	12.114.350
2 Depreciations, amortizations and write-downs	336.981	1.485.612
Operating profit (EBIT)	5.814.608	13.407.370
3 Financial income	1.389.411	1.902.824
4 Financial expenses	90.334	223.278
Profit before tax	7.113.685	15.086.915
5 Tax on profit for the year	-87.736	463.307
Net profit	7.201.421	14.623.608
Proposed distribution of net profit		
Dividend for the financial year	10.000.000	30.000.000
Retained earnings	-2.798.579	-15.376.392
Distributed, total	7.201.421	14.623.608



Balance Sheet December 31

Assets

Notes	2015 (DKK)	2014 (DKK)
6 Land and Buildings	0	0
7 Plant and Machinery	0	336.981
8 Vehicles and equipment	0	0
Tangible Assets	0	336.981
Deposits	0	24.798
Financial assets	0	24.798
FIXED ASSETS TOTAL	0	361.779
Consumables and raw materials	25.000	25.000
Goods for resale	2.502.711	0
Inventory	2.527.711	25.000
Trade Receivables	1.152.300	3.186.203
Intercompany receivables	11.869.907	34.745.738
Deferred tax asset	298.448	213.829
Joint taxation receivable	3.117	0
Other receivables	139.065	240.440
Receivables	13.462.837	38.386.211
Cash & Cash Equivalents	216.125	103.404
CURRENT ASSETS TOTAL	16.206.672	38.514.614
ASSETS TOTAL	16.206.672	38.876.393



Balance Sheet December 31 - cont.

Equity and Liabilities

Notes	2015 (DKK)	2014 (DKK)
Share Capital	2.000.000	2.000.000
Retained Earnings	3.325.005	6.123.584
Proposed dividends	10.000.000	30.000.000
EQUITY TOTAL	15.325.005	38.123.584
Prepayments from customers	0	121.630
Trade payables	806.667	224.245
Other Debts	75.000	406.935
Current liabilities	881.667	752.809
TOTAL LIABILITIES	881.667	752.809
TOTAL EQUITY AND LIABILITIES	16.206.672	38.876.393

- 9 Contingent assets and contingent liabilities
- 10 Assets charged or otherwise provided as security
- 11 Ownership



Cash Flow Statement

	2015 (DKK)	2014 (DKK)
Cash flow from operating activities		
Operating profit before net financial expenses and tax	5.814.608	13.407.370
Depreciations, amortizations and write-downs	336.981	2.194.640
Reversal of profit and loss of fixed assets	0	-709.028
Cash flow before change in working capital	6.151.590	14.892.982
Change in inventory	-2.502.711	441.299
Change in debtors	2.135.279	503.935
Change in creditors	128.858	403.145
Cash flow before financial expenses	5.913.016	16.241.361
Financial income received	1.389.411	1.902.824
Financial expenses paid	-90.334	-223.278
Cash flow from operating activities	7.212.093	17.920.906
Cash flow from investing activities		
Change in deposits	24.798	-3.405
Sale and disposal for tangible assets	0	736.769
Cash flow from investing activities	24.798	733.364
Cash flow from financing activities		
Dividends paid	-30.000.000	-20.000.000
Change in Intercompany debts	22.875.831	1.222.083
Cash flow from financing activities	-7.124.169	-18.777.917
Change in cash and cash equivalents	112.721	-123.647
Cash and cash equivalents at the beginning of the period	103.404	227.051
Cash and cash equivalents at the end of the period	216.125	103.404



Statement of Change in Equity

2015 (DKK)	Share Capital	Retained earnings	Proposed dividends	Total equity
Equity 1 January	2.000.000	6.123.584	30.000.000	38.123.584
Net profit for the year	0	-2.798.579	10.000.000	7.201.421
Capital raise	0	0	0	0
Dividends paid	0	0	-30.000.000	-30.000.000
Change in equity	0	-2.798.579	-20.000.000	-22.798.579
Equity 31 December	2.000.000	3.325.005	10.000.000	15.325.005

2014 (DKK)	Share Capital	Retained earnings	Proposed dividends	Total equity
Equity 1 January	2.000.000	21.499.976	20.000.000	43.499.976
Net profit for the year	0	-15.376.392	30.000.000	14.623.608
Capital raise	0	0	0	0
Dividends paid	0	0	-20.000.000	-20.000.000
Change in equity	0	-15.376.392	10.000.000	-5.376.392
Equity 31 December	2.000.000	6.123.584	30.000.000	38.123.584

The company has in 2008 increased the share capital from DKK 500.000 to DKK 2.000.000. There have been no other changes to the share capital since the company's establishment.



Notes

	2015	2014
	(DKK)	(DKK)
1. Staff costs		
Total average number of employees	14	42
<u>Total staff costs include</u>		
Salary	4.521.960	10.121.728
Other employees expenses	1.117.609	1.992.622
	5.639.569	12.114.350
Management and Board of Directors (paid from parent company)	330.000	510.000
2. Depreciations, amortizations and write-downs		
Land and buildings	0	1.625.135
Plant and Machinery	336.981	566.800
Vehicles and Equipment	0	2.706
Profit/loss on disposed or sold assets	0	-709.028
	336.981	1.485.612
3. Financial income		
Intercompany interests	1.301.183	1.835.233
Exchange rate gains	69.089	67.256
Other financial income	19.139	335
	1.389.411	1.902.824
4. Financial expenses		
Interest expenses, banks	598	34.110
Other financial expenses	89.736	189.169
	90.334	223.278
5. Tax on profit for the year		
Change in deferred tax	-5.500	-6.125
Group joint taxation	-3.117	0
Write-down of deferred tax asset	-79.119	426.211
Adjustment for change in tax rate	0	43.221
	-87.736	463.307



Notes - cont.

	2015 (DKK)	2014 (DKK)
6. Land and Buildings		
Cost at January 1	6.496.504	32.323.102
Additions	0	0
Sale and disposals	0	-25.826.598
Cost at December 31	6.496.504	6.496.504
Depreciations at January 1	6.496.504	30.670.226
Depreciations for the year	0	1.625.135
Depreciations reversed on disposed assets	0	-25.798.857
Depreciations at December 31	6.496.504	6.496.504
Carrying amount at December 31	0	0
7. Plant and Machinery		
Cost at January 1	7.538.063	7.924.497
Additions	0	0
Sale and disposals	-2.830.152	-386.434
Cost at December 31	4.707.911	7.538.063
Depreciations at January 1	7.201.082	7.020.716
Depreciations for the year	336.981	566.800
Depreciations reversed on disposed assets	-2.830.152	-386.434
Depreciations at December 31	4.707.911	7.201.082
Carrying amount at December 31	0	336.981
8. Vehicles and equipment		
Cost at January 1	138.375	1.705.820
Additions	0	0
Sale and disposals	0	-1.567.445
Cost at December 31	138.375	138.375
Depreciations at January 1	138.375	1.703.114
Depreciations for the year	0	2.706
Depreciations reversed on disposed assets	0	-1.567.445
Depreciations at December 31	138.375	138.375
Carrying amount at December 31	0	0



Notes – cont.

9. Contingent assets and contingent liabilities

Handwerk Holding A/S 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.

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.

10. Assets charged or otherwise provided as security

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 DKK -16.950.312 as of December 31, 2015.

As a security for Copenhagen Contractors A/S' bank liaison company charges of DKK 17.000.000 and DKK 1.500.000 for a total of DKK 18.500.000 has been claimed. The company charge covers all the company's receivables and inventories as well as tangible and intangible assets.

There are no assets charged or otherwise provided as security apart from those mentioned in the Annual Report.

11. Ownership

The following shareholders are registered in the Company's register of shareholders as being the owners of minimum 5% of the voting rights or minimum 5% of the share capital:

Copenhagen Group A/S
Registered address: Copenhagen



Accounting Policies

The Annual Report of Copenhagen Contractors A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting class C companies.

The applied accounting policies are consistent with the previous year.

The Company is part of the consolidated financial statements of Copenhagen Group A/S and Handwerk Holding A/S.

Recognition and measurement

Income is recognized in the Income Statement as earned, including value adjustments of financial assets and liabilities. All expenses including depreciation/amortization and impairment losses are recognized in the Income Statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and when the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable.

On initial recognition, assets and liabilities are recognized at cost. Subsequently, assets and liabilities are measured as described below for each item.

Certain financial assets and liabilities are measured at amortized cost where a constant effective interest is recognized over the maturity. Amortized cost is stated as original cost less any principal repayments and with the addition/deduction of the cumulative amortization of any difference between cost and nominal amount.

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

The Income Statement

Revenue

Revenue related to sales of goods for resale and financial services is recognized in the Income Statement if delivery and transfer of risk have taken place before the end of the year. Revenue is recognized without VAT and discounts granted in connection with the sale.

Other external expenses

Other external expenses include selling and distribution costs, advertising, administrative expenses, expenses related to Company premises, bad debts, costs related to operating leases etc.

Net financials

Financial income and financial expenses are recognized in the Income Statement with the amounts related to the financial year. Financial income and financial expenses include interest receivable and payable, financial expenses related to finance leases, realized and unrealized gains and losses on securities, exchange gains and losses on debt and transactions denominated in foreign exchange, repayment of mortgage loans and charges and extra charges related to the Danish Scheme for Payment of Tax on Account etc.

Tax on results for the year

Tax on results for the year which comprises current tax and changes in deferred tax is recognized in the Income Statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognized directly in equity.

Joint taxation

The Company falls within the Danish regulation on statutory national joint taxation of the Copenhagen Group of companies. The parent Handwerk Holding A/S is managing company of the joint taxation, and thus settles all payments of taxes with the tax authorities.

The current company tax is allocated by the settlement of joint taxation contribution between the jointly taxed companies proportionately to the taxable income. In addition, enterprises with a tax loss, receive



jointly taxation contribution from enterprises that are able to make use of tax losses for a reduction of their own tax profit.

The Balance Sheet

Tangible assets

Land and buildings, plant and machinery, other fixtures and fittings, vehicles, equipment and other assets are measured at cost less accumulated depreciation.

The depreciable amount is cost less expected residual value after the end of the asset's useful life. Land is not depreciated.

Cost comprises acquisition price and costs directly related to acquisition until the time when the Company starts using the asset.

Land and Buildings, plant and machinery, vehicles, equipment and other assets are depreciated under the straight-line method over the expected useful lives of the assets. The depreciation periods are 3-5 years.

Assets with a purchase price not exceeding DKK 12.800 per unit are recognized as costs in the Income Statement in the acquisition year.

Profits and losses arising from disposal of property, plant and equipment are stated as the difference between the selling price less the selling costs and the carrying amount of the asset at the time of the disposal. Profits and losses are recognized in the Income Statement under depreciation.

Inventories

Inventories are measured at cost using the first-in, first-out (FIFO) formula. Where net realizable value is lower than cost, inventories are written down to the lower value.

Cost of goods for resale as well as raw materials and consumables comprises the acquisition price plus landed costs. The net realizable value of inventories is measured as the selling price less costs related to the completion of the products and cost related to the execution of sales. Furthermore, net realizable value is determined with regard to marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortized cost which usually equals nominal value. Provisions made for bad debts reduce the value.

Prepayments

Prepayments are recognized in the Balance Sheet and comprise incurred expenses related to the following financial year.

Dividends

Dividends expected distributed for the year are shown as a separate item under equity.

Accruals

Accruals are recognized in the Balance Sheet and comprise incurred expenses related to the following financial year.

Provisions

Provisions are recognized where the entity as a consequence of an event occurred at the balance sheet date at the latest, has a legal or actual liability, and when it is probable that financial advantages must be given up in order to pay the liability. Other provisions include guarantee liabilities for making good of work within the guarantee period of one year. Provisions are measured and recognized on the basis of the experience in guarantee work.

Tax payable and deferred tax

Current tax liabilities and current tax receivable are recognized in the Balance Sheet as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account/prepaid.

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, e.g. in respect of shares in which the statement of the tax base can be made according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carry-forwards, are measured at the expected realizable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realizable value.



Deferred tax is measured on the basis of the tax rules and tax rates in force at the balance sheet date when the deferred tax is expected to crystallize as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax assets and tax liabilities.

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.

Payable joint taxation liabilities and joint taxation receivables are recognized separately in the balance sheet until the time for settlement to the management company.

Liabilities other than provisions

Financial liabilities other than provisions are recognized initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities other than provisions are measured at amortized cost corresponding to the capitalized value using the effective interest method; consequently the difference between the proceeds and the nominal value is recognized in the Income Statement over the maturity period of the loan. Other payables are measured at amortized cost corresponding to nominal value.

Translation policies

Transactions denominated in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising between the rate on the date of transaction and the rate on the payment day are recognized in the Income Statement as financial income or financial expenses. Where foreign exchange exposures are considered cash flow hedges, value adjustments are recognized directly in equity.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated by applying the exchange rates at the balance sheet date. Differences arising between the rate at the balance sheet date and the rate at the date of the arising of

the receivable or payable are recognized in the Income Statement under financial income and expenses.

Fixed assets purchased in foreign currencies are measured at the date of transaction.

Cash Flow Statement

Cash Flow Statement includes the Company's cash flow for the year, distributed in operations, investments and financials for the year, adjustments of cash funds and bank debt as well as cash funds and bank debt at the beginning and at the end of the year.

Cash flow from operations is assessed as profit/loss for the year adjusted for non-cash operating items, changes in working capital and settled corporation tax.

Cash flow from investments includes payments in relation to acquisition and selling of entities and activities as well as acquisition and selling of intangible fixed assets, tangible fixed assets and financial fixed assets.

Cash flow from financials includes changes in the sum or the make-up of share capital and related costs. Moreover, cash flow includes borrowing, interest and repayments and payment of dividend to shareholders.