



COPENHAGEN ELECTION A/S

Copenhagen Election A/S

Copenhagen
CVR no.: 30 71 34 78
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 Election 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 Election A/S

Report on financial statements

We have audited the financial statements of Copenhagen Election 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

Élan Schapiro
State Authorized Public Accountant

**Key Figures**

(DKK '000)	2015	2014	2013	2012	2011
Income Statement					
Revenue	8.383	11.284	11.565	75.102	30.840
Gross Profit	-2.057	-1.507	-996	11.794	14
Operating Profit (EBIT)	-2.429	-1.928	-3.301	7.395	-4.173
Net Financial Expenses	68	241	445	-500	49
Profit for the year	-1.692	-1.981	-2.177	5.177	-3.094
Balance Sheet					
Fixed Assets	742	1.115	1.453	1.797	2.157
Total Balance	4.796	5.445	7.707	11.728	29.379
Equity	3.697	5.388	7.370	9.547	4.369
Cash Flow					
Operations	-2.431	-1.969	-3.190	2.836	1.103
Investments	0	0	-961	-716	-30
Financials	2.519	1.852	4.026	-1.939	-987
Employees					
Average number of full-time employees	0	0	1	3	4
Key Figures in %					
Return on Invested Capital	Neg.	Neg.	Neg.	36,0%	Neg.
Equity Share	77,1%	99,0%	95,6%	81,4%	14,9%
Return on Equity	Neg.	Neg.	Neg.	74,4%	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 Election provides election equipment and solutions for international organizations and local election committees. The company has specialized in the supply and production of all types of products used in elections. Copenhagen Election offers a wide selection of election materials, such as ballot boxes, voting screens and indelible ink for voter registration. The company can also provide transportation, distribution, warehouse services and project management.

Copenhagen Election's overall package of products and services enables the facilitation of elections around the world.

The company has established a strong and carefully selected supplier network where production predominantly takes place within Denmark. Along with Copenhagen Election's extensive experience with complex logistics, this grants a high degree of security that the company can deliver high quality products within a narrow time frame, which is a pivotal competitive parameter in this market.

Copenhagen Election works closely with international organizations such as UNDP that support and finance elections, but the company also delivers directly to national election commissions.

Financial highlights

The financial performance in 2015 did not live up to management's expectations. A major explanation for this was the relatively low level of activity within internationally sponsored elections and referendums and UNDP amongst others have been less active in the market than in the past.

Nonetheless, Copenhagen Election is satisfied to note that deliveries were flawless on all the projects that was conducted in 2015. Ballot boxes were delivered to Benin, Guinea, Ivory Coast and the Central African Republic, all of them sponsored by UN. Indelible ink was delivered to Suriname procured by the local election committee.

The low activity level resulted in a revenue of only DKK 8,4m. The net result recorded a loss

of DKK -1,7m and the Equity was reduced to DKK 3,7m by the end of the year.

Expectations for the future

Following a couple of disappointing years, Copenhagen Election has re-worked the business model with increased focus on rapid production and delivery. Inventories have been built up on components and raw materials need for both ballot box and indelible ink production in order to cut the time and risk associated with this sourcing out of the project equation. This will allow an unprecedented fast response time without compromising the product quality.

This change along with the current very favorable exchange rate development for exports from the Euro-zone means that the company will be in a very strong competitive position going into 2016.

Risk Management

There is usually a limited time frame from the point in time where an election is announced and until the Election Day and the latter date is rarely flexible. Hence, late delivery of electoral support remains a constant risk factor.

Copenhagen Election has been very successful in mitigating this risk by monitoring the end-to-end process closely from the production begins with our suppliers and all the way until the goods are delivered to customer. Moreover, the company has obtained considerable skills in dealing with the logistics of the deliveries and offers combined solutions where the freight is included in the services.

The risk associated with Copenhagen Election's customers is minimal. The company has never taken a loss on bad debts and on the occasions where dealing directly with local election committees the company always takes precautions in terms of prepayments, bank guarantees or letters of credit.

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	8.382.568	11.283.833
Cost of goods sold	6.945.338	8.106.990
Other external costs	3.494.024	4.683.346
Gross Profit	-2.056.793	-1.506.503
1 Staff costs	0	82.960
2 Depreciations, amortizations and write-downs	372.527	338.795
Operating profit (EBIT)	-2.429.320	-1.928.259
3 Financial income	106.292	295.773
4 Financial expenses	38.229	54.721
Profit before tax	-2.361.257	-1.687.207
5 Tax on profit for the year	-669.713	294.224
Net profit	-1.691.544	-1.981.431
Proposed distribution of net profit		
Dividend for the financial year	0	0
Retained earnings	-1.691.544	-1.981.431
Distributed, total	-1.691.544	-1.981.431



Balance Sheet December 31

Assets

Notes	2015 (DKK)	2014 (DKK)	
6	Intellectual property	206.548	363.431
	Intangible assets	206.548	363.431
7	Plant and machinery	535.444	751.088
	Tangible assets	535.444	751.088
	FIXED ASSETS TOTAL	741.992	1.114.519
	Raw materials and consumables	1.566.375	168.238
	Goods for resale	598.732	514.897
	Inventories	2.165.106	683.136
	Trade receivables	5.970	0
	Intercompany receivables	663.140	3.182.565
	Deferred tax asset	678.119	314.708
	Joint taxation receivable	306.302	0
	Other receivables	91.951	94.804
	Receivables	1.745.482	3.592.078
	Cash & Cash Equivalents	143.499	55.290
	CURRENT ASSETS TOTAL	4.054.087	4.330.504
	ASSETS TOTAL	4.796.079	5.445.023

**Balance Sheet December 31 - cont.****Equity and Liabilities**

	2015 (DKK)	2014 (DKK)
Notes		
Share Capital	2.000.000	2.000.000
Retained Earnings	1.696.614	3.388.158
EQUITY TOTAL	3.696.614	5.388.158
Trade payables	1.046.466	3.866
Other debts	53.000	53.000
Current liabilities	1.099.466	56.866
LIABILITIES TOTAL	1.099.466	56.866
EQUITY AND LIABILITIES TOTAL	4.796.079	5.445.023

- 8 Contingent liabilities
- 9 Assets charged or otherwise provided as security
- 10 Ownership



Cash Flow Statement

	2015 (DKK)	2014 (DKK)
Cash flow from operating activities		
Operating profit before net financial expenses and tax	-2.429.320	-1.928.259
Depreciations, amortizations and write-downs	372.527	338.795
Reversal of profit and loss of fixed assets	0	0
Cash flow before change in working capital	-2.056.793	-1.589.464
Change in inventory	-1.481.970	-406.123
Change in debtors	-3.117	66.601
Change in creditors	1.042.600	-280.714
Cash flow before financial expenses	-2.499.280	-2.209.699
Financial income received	106.292	295.773
Financial expenses paid	-38.229	-54.721
Cash flow from operating activities	-2.431.217	-1.968.648
Cash flow from financing activities		
Change in Intercompany debts	2.519.425	1.852.455
Cash flow from financing activities	2.519.425	1.852.455
Change in cash and cash equivalents	88.208	-116.193
Cash and cash equivalents at the beginning of the period	55.290	171.484
Cash and cash equivalents at the end of the period	143.499	55.290



Statement of Change in Equity

2015 (DKK)	Share Capital	Retained earnings	Total equity
Equity 1 January	2.000.000	3.388.158	5.388.158
Net profit for the year	0	-1.691.544	-1.691.544
Capital raise	0	0	0
Dividends proposed	0	0	0
Change in equity	0	-1.691.544	-1.691.544
Equity 31 December	2.000.000	1.696.614	3.696.614

2014 (DKK)	Share Capital	Retained earnings	Total equity
Equity 1 January	2.000.000	5.369.589	7.369.589
Net profit for the year	0	-1.981.431	-1.981.431
Capital raise	0	0	0
Dividends proposed	0	0	0
Change in equity	0	-1.981.431	-1.981.431
Equity 31 December	2.000.000	3.388.158	5.388.158

The company has in 2008 increased the share capital from DKK 600.000 to DKK 2.000.000. There have been no other changes to the share capital since the company's establishment.



Notes

	2015 (DKK)	2014 (DKK)
1. Staff costs		
Total average number of employees	0	0
<u>Total staff costs include</u>		
Salary	0	70.000
Social security expenses	0	213
Other employees expenses	0	12.747
	0	82.960
Pay for management and board of directors (Board fee is paid from parent company)	330.000	537.500
2. Depreciations, amortizations and write-downs		
Intellectual Property	156.883	122.880
Plant and Machinery	215.644	215.915
	372.527	338.795
3. Financial income		
Intercompany interests	86.448	295.773
Exchange rate gains	19.824	0
Other financial income	20	0
	106.292	295.773
4. Financial expenses		
Interest expenses	0	2.454
Exchange rate loss	0	5.810
Other financial expenses	38.229	46.457
	38.229	54.721
5. Tax on profit for the year		
Change in deferred tax	-524.270	-396.306
Group joint taxation	-306.302	0
Write-down of deferred tax asset	160.859	651.662
Adjustment for change in tax rate	0	38.868
	-669.713	294.224



Notes - cont.

	2015 (DKK)	2014 (DKK)
6. Intellectual Property		
Cost at January 1	605.318	605.318
Additions	0	0
Sale and disposals	0	0
Cost at December 31	605.318	605.318
Amortizations at January 1	241.887	119.007
Amortizations for the year	156.883	122.880
Amortizations reversed on disposed assets	0	0
Amortizations at December 31	398.770	241.887
Carrying amount at December 31	206.548	363.431
7. Plant and Machinery		
Cost at January 1	5.211.931	5.211.931
Additions	0	0
Sale and disposals	0	0
Cost at December 31	5.211.931	5.211.931
Depreciations at January 1	4.460.843	4.244.928
Depreciations for the year	215.644	215.915
Depreciations reversed on disposed assets	0	0
Depreciations at December 31	4.676.487	4.460.843
Carrying amount at December 31	535.444	751.088

8. 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.

9. 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 Election's bank liaison a company charge of DKK 17.000.000 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.

10. 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 Election 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 less 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 currencies, 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

Intangible assets

Intellectual property is measured at cost price less accumulated amortization and is amortized by the straight-line method over the expected useful life estimated to three to five years.

Tangible assets

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

Plant and machinery 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 year of acquisition.

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.

Dividends

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

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 liabilities and deferred tax assets.

According to the rules of joint taxation, Copenhagen Election 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 rate of 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.



Invoice

Adobe Systems Software
Ireland Ltd
4-6 Riverwalk
Citywest Business Park
Dublin 24
Ireland

VAT No: IE6364992H

Customer VAT No: DK28698941

Bill To:
Tech Support
Sankt Annæ Plads 11
1250 COPENHAGEN K
DENMARK

Invoice/Credit memo	Invoice
Invoice Number:	IEE2016001001162
Invoice Date:	06/04/2016
Billing Date:	06/04/2016
Customer Order Number:	AD005675569DK
Order Number	58822687
Customer	197735646

Payment Method

Contact

Credit Card

Product Number and Item description	Ordered Qty	Qty Back Order	Shipped Qty	Unit Price	Extended Price
65222748 APAP,ALL,MLP,DRI01,MUE,001,N/A,1 YR EAME Line Tax Rate: 0 %	1		1	112.00	112.00
.					
.					
.					
.					

Reverse charge supply - customer to self assess VAT DK28698941
VAT representative's
VAT number: 53 37 58 12.
<http://www.adobe.com/support/service/>

NET AMOUNT 112.00	TOTAL VAT 0.00
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Invoice Number IEE2016001001162	Total Due 0.00
------------------------------------	-------------------

VAT Code STD	VAT Rate 0.00 %
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EUR Analysis for Tax Purposes Only. EUR/DKK Exchange Rate:0.13417

Goods	112.00
Delivery Charges	0.00
VAT	0.00
Total Incl. VAT	112.00
Amount Paid	112.00
Currency	DKK

Note: If no tax is charged and your tax identification number is displayed, then this is either an exempt or a reverse charge transaction

No VAT liability in Seller's Country. Customer to Reverse Charge. Art. 44 & 196 EC Dir. 2006/112.