



COPENHAGEN GLOBAL A/S

Copenhagen Global A/S

Copenhagen
CVR no.: 32 55 70 66
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 Global 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 Global A/S

Report on financial statements

We have audited the financial statements of Copenhagen Global 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	175.911	172.070	65.883	18.654	16.044
Gross Profit	7.350	7.166	2.534	-317	-2.331
Operating Profit (EBIT)	5.179	4.415	1.364	-2.370	-5.703
Net Financial Expenses	277	-462	-1.329	-534	-1.428
Profit for the year	4.209	2.960	-95	-2.257	-5.283
Balance Sheet					
Fixed Assets	382	429	0	0	71
Total Balance	54.495	42.495	15.802	10.517	15.642
Equity	8.513	4.304	1.344	1.439	696
Cash Flow					
Operations	-8.950	11.980	-2.750	5.425	-12.214
Investments	-501	-1.707	0	0	71
Financials	-5.711	5.939	-1.169	-1.133	12.136
Employees					
Average number of full-time employees	2	2	2	3	5
Key Figures in %					
Return on Invested Capital	10,7%	15,1%	10,4%	Neg.	Neg.
Equity Share	15,6%	10,1%	8,5%	13,7%	4,4%
Return on Equity	65,7%	104,8%	Neg.	Neg.	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 Global sells vehicles to international customers that operate in areas with conflicts or civil unrest.

The company's largest customer is the UN, but other important customers are NATO, the Danish Armed Forces and the foreign services of Denmark and Norway. The products include trucks and four-wheel drives, the latter of which most are armored vehicles.

Copenhagen Global delivers vehicles from leading manufacturers. Iveco has chosen Copenhagen Global as their primary supplier to UN and has granted exclusivity to deal with a number of branches under UN. Iveco is a part of CNH Industrial group (former Fiat Industrial) and is one of the world's leading truck manufacturers.

Armored vehicles are supplied by reliable and carefully selected partners that are capable of complying with the highest international quality measures and can offer certified armored vehicles that are compliant with well-proven demolition specifications and ballistic tests.

Copenhagen Global covers most of the supply chain and delivers vehicles from inventory or directly from production site to the final destination; often to areas with exceedingly challenging infrastructure; primarily in Africa, Middle East and Central Asia. Support before, during and after delivery are keywords and this is delivered through advising, training, supply of spare parts, support on warranty repairs etc.

In 2012, Copenhagen Global entered into a framework agreement with UNPD (United Nations Procurement Division), which grants Copenhagen Global and Iveco exclusive supply of trucks for the UN's peacekeeping forces around the world for at least three years. Other UN organizations also have access to placing orders under this agreement. Moreover, in 2013 Copenhagen received a similar deal with UNPD for the supply of certain types of armored four-wheel drives.

Other business areas within Copenhagen Global include diverse elements such as wash-down of the Danish Armed Forces' heavy equipment retuning from Afghanistan, tailor-made solutions for handling and cleaning hazardous materials for NATO and driver's training courses for armored vehicles for the Danish Foreign services.

Financial highlights

With the UN as paramount customer Copenhagen managed to surpass the 2014 revenue with 2% for a total of DKK 176m in 2015. Revenue comprised for the larger part of vehicle sale under the long-term agreements with the UNPD and a considerable cross-sale to other branches of UN (e.g. UNICEF, and WHO) as well as sale of other models beyond the frame agreement.

Operating profit (EBIT) also struck a new all-time-high of DKK 5,2m. Net profit amounted to DKK 4,2m which ultimately increased the company's equity to DKK 8,5m equal to an equity share of 16%.

By the end of 2015 work was in progress on a large number of armored vehicles destined for UN, which creates a temporary inflated balance sheet with substantial prepayments on one side and short-term bank loans on the other side.

Expectations for the future

In 2016 Copenhagen Global expects a revenue of more than DKK 150m mostly based on the sale of trucks and armored vehicles to the UN and governmental customers.

The nature of Copenhagen Global's project oriented business is bound to create significant, albeit, temporary fluctuations in the balance in terms of work-in-progress and trade payables/ receivables. However, favorable payment terms have been settled with the vendors so this will only have a minor impact on the company's cash position and can be handled within the present bank arrangement.



Risk management

The most clear and present project risk for Copenhagen Global is failure to deliver on time to our clients, which leads to discontent customers and in most cases it also delays inbound payments and prolongs the period of time where Copenhagen Global undertakes the bridge funding. Late deliveries can be caused by failure to have customizations (e.g. armoring) delivered on time or by delays in the freight to often remote and inaccessible delivery destinations.

These risks are mitigated by strict quality assurance with our sub-suppliers in order to assure timely deliveries and by negotiating more favorable delivery terms as well as payment terms with customers and vendors so that logistical and financial risks are shared with our business partners.

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	175.911.097	172.069.518
Cost of goods sold	163.188.857	160.323.817
Other external costs	5.372.284	4.579.661
Gross Profit	7.349.956	7.166.039
1 Staff costs	1.623.995	1.472.571
2 Depreciations, amortizations and write-downs	547.281	1.278.526
Operating profit (EBIT)	5.178.680	4.414.942
3 Financial income	534.615	0
4 Financial expenses	257.991	461.864
Profit before tax	5.455.304	3.953.079
5 Tax on profit for the year	1.245.849	992.960
Net profit	4.209.455	2.960.119
Proposed distribution of net profit		
Dividends	0	0
Retained earnings	4.209.455	2.960.119
Distributed, total	4.209.455	2.960.119



Balance Sheet December 31

Assets

Notes	2015 (DKK)	2014 (DKK)
6		
Vehicles, equipment and other assets	308.212	428.737
Tangible Assets	308.212	428.737
Deposits and securities	74.228	0
Financial Assets	74.228	0
TOTAL FIXED ASSETS	382.440	428.737
Work in progress	115.834	177.660
Prepayments to vendors	8.450.686	0
Inventories	8.566.520	177.660
Trade receivables	36.176.289	24.271.506
Intercompany receivables	7.031.386	0
Deferred tax assets	290.906	912.447
Other receivables	578.625	75.060
Total Receivables	44.077.206	25.259.013
Cash and cash equivalents	1.468.529	16.629.895
TOTAL CURRENT ASSETS	54.112.255	42.066.567
TOTAL ASSETS	54.494.695	42.495.304



Balance Sheet December 31 - cont.

Equity and Liabilities

Notes	2015 (DKK)	2014 (DKK)
Share Capital	1.000.000	1.000.000
Retained earnings	7.513.388	3.303.933
TOTAL EQUITY	8.513.388	4.303.933
Provision for warranties	173.387	130.529
TOTAL PROVISIONS	173.387	130.529
Short term debts to banks and other credit institutions	9.419.100	5.443.108
Trade payables	34.638.150	29.011.879
Intercompany debts	0	2.655.275
Joint taxation payable	624.308	0
Other payables	1.126.362	950.581
Current liabilities	45.807.920	38.060.842
TOTAL LIABILITIES	45.807.920	38.060.842
TOTAL EQUITY AND LIABILITIES	54.494.695	42.495.304

- 7 Contingent assets and contingent liabilities
- 8 Assets charged or otherwise provided as security
- 9 Ownership



Cash Flow Statement

	2015 (DKK)	2014 (DKK)
Cash flow from operating activities		
Operating profit before net financial expenses and tax	5.178.680	4.414.942
Depreciations, amortizations and write-downs	547.281	1.278.525
Reversal of profit and loss of fixed assets	0	1
Cash flow before change in working capital	5.725.961	5.693.468
Change in inventory	-8.388.860	-162.683
Change in debtors	-12.408.348	-10.882.462
Change in creditors	5.844.910	17.793.730
Cash flow before financial expenses	-9.226.337	12.442.054
Financial income received	534.615	0
Financial expenses paid	-257.991	-461.864
Corporate tax paid	0	0
Cash flow from operating activities	-8.949.713	11.980.191
Cash flow from investing activities		
Purchase of equipment and other assets	-426.756	-1.707.262
Payment of deposits and securities	-74.228	0
Cash flow from investing activities	-500.984	-1.707.262
Cash flow from financing activities		
Change in financial liabilities	3.975.992	5.440.914
Change in Intercompany debts	-9.686.661	498.110
Cash flow from financing activities	-5.710.668	5.939.024
Exchange rate adjustment of cash and cash equivalents	0	0
Change in cash and cash equivalents	-15.161.366	16.211.952
Cash and cash equivalents at the beginning of the period	16.629.895	417.942
Cash and cash equivalents at the end of the period	1.468.529	16.629.895



Statement of Change in Equity

2015 (DKK)	Share Capital	Retained earnings	Total equity
Equity 1 January	1.000.000	3.303.933	4.303.933
Net profit for the year	0	4.209.455	4.209.455
Capital raise	0	0	0
Dividends proposed	0	0	0
Change in equity	0	4.209.455	4.209.455
Equity 31 December	1.000.000	7.513.388	8.513.388

2014 (DKK)	Share Capital	Retained earnings	Total equity
Equity 1 January	1.000.000	343.815	1.343.815
Net profit for the year	0	2.960.119	2.960.119
Capital raise	0	0	0
Dividends proposed	0	0	0
Change in equity	0	2.960.119	2.960.119
Equity 31 December	1.000.000	3.303.933	4.303.933

In 2012 share capital was increased from DKK 500.000 to DKK 1.000.000. There have been no further changes to the share capital since the company's establishment.



Notes

	2015 (DKK)	2014 (DKK)
1. Staff costs		
Total average number of employees	2	2
<u>Total staff costs include</u>		
Salary	1.074.055	1.114.093
Pension contribution plans	0	96.000
Social security expenses	11.552	11.575
Other employees expenses	538.388	250.903
	1.623.995	1.472.571
Pay for management and board of directors (Board fee is paid from parent company)	330.000	510.000
2. Depreciations, amortizations and write-downs		
Vehicles, equipment and other assets	547.281	1.278.525
	547.281	1.278.525
3. Financial income		
Intercompany interest	258.419	0
Exchange rate gains	276.196	0
	534.615	0
4. Financial expenses		
Intercompany interest	0	121.349
External interest	96.973	15.979
Exchange rate loss	0	279.921
Other financial expenses	161.018	44.615
	257.991	461.864
5. Tax on profit for the year		
Change in deferred tax	621.541	871.337
Group joint taxation	624.308	0
Adjustment for change in tax rate	0	121.623
	1.245.849	992.960



Notes - cont.

	2015 (DKK)	2014 (DKK)
6. Vehicles, equipment and other assets		
Cost at January 1	1.707.262	0
Additions	426.756	1.707.262
Sale and disposals	0	0
Cost at December 31	2.134.018	1.707.262
Depreciations at January 1	1.278.525	0
Depreciations for the year	547.281	1.278.525
Depreciations reversed on disposed assets	0	0
Depreciations at December 31	1.825.806	1.278.525
Carrying amount at December 31	308.212	428.737

7. Contingent assets and contingent liabilities

The Company has accepted a recourse liability related to products sold. The liability amounts to max DKK 4.336.964. The Management finds that utilization of the liability will not cause a loss as the recourse liability is not expected to deviate materially from the net selling price of the products. There are no further contingent assets and contingent liabilities apart from those mentioned in the Annual Report.

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.

8. 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 Global'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 exist apart from those mentioned in the Annual Report.

9. 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 Global A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting class C companies.

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.

Gross profit

Gross profit includes revenue less cost of sales and other external expenses.

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

Tangible assets

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

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 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.

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.

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 liabilities and assets.

According to the rules of joint taxation, Copenhagen Global 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 on transaction date.

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.