



COPENHAGEN ARCTIC A/S

Copenhagen Arctic A/S

Copenhagen
CVR no.: 35 68 24 81
Annual Report for 2015

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

Anders Sejersdal
Chair of the Assembly



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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 Arctic 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

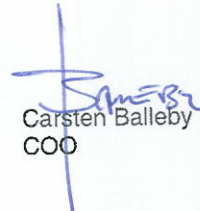
Executive Board



Jeppe Handwerk
CEO

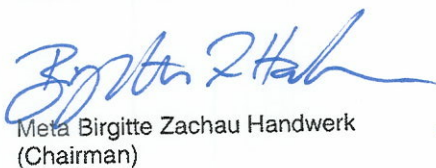


Anders Sejersdal
CFO



Carsten Balleby
COO

Board of Directors



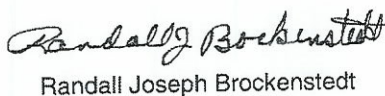
Meta Birgitte Zachau Handwerk
(Chairman)



Jeppe Handwerk



Anders Sejersdal



Randall Joseph Brockenstedt



Scott Lance Cassara



Independent Auditor's Report

To the shareholders of Copenhagen Arctic A/S

Report on financial statements

We have audited the financial statements of Copenhagen Arctic 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
Income Statement		
Revenue	0	0
Gross Profit	-2.191	-1.576
Operating Profit (EBIT)	-2.191	-1.577
Net Financial Expenses	0	1
Profit for the year	-1.650	-1.461
Balance Sheet		
Fixed Assets	0	0
Total Balance	1.096	616
Equity	1.031	182
Cash Flow		
Operations	-2.486	-1.217
Investments	0	0
Financials	2.426	1.717
Employees		
Average number of full-time employees	0	0
Key Figures in %		
Return on Invested Capital	Neg.	Neg.
Equity Share	94,1%	29,5%
Return on Equity	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

Copenhagen Arctic provides facility management and related services in the North Atlantic region.

Copenhagen Arctic was established in 2014 with the main purpose of bidding on the Thule Air Base maintenance Contract.

By the end of 2015, this contract was not yet awarded after the recent tender process, as a number of legal disputes are pending in the US legal system. Copenhagen Arctic is a part of these disputes and remains confident that the ongoing court case will eventually result in the

US Air Force having to re-evaluate the bids submitted or announce a re-tender. In any case, this can potentially have a positive outcome for Copenhagen Arctic.

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

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	0	0
Cost of goods sold	0	0
Other external costs	2.191.185	1.576.396
Gross Profit	-2.191.185	-1.576.396
1 Staff costs	0	186
Operating profit (EBIT)	-2.191.185	-1.576.582
2 Financial expenses	0	750
Profit before tax	-2.191.185	-1.577.332
3 Tax on profit for the year	-540.825	-116.046
Net profit	-1.650.360	-1.461.286
Proposed distribution of net profit		
Dividends	0	0
Retained earnings	-1.650.360	-1.461.286
Distributed, total	-1.650.360	-1.461.286



Balance Sheet December 31

Assets

Notes	2015 (DKK)	2014 (DKK)
Deferred tax assets	383.672	116.046
Receivable from joint taxation	273.199	0
Receivables	656.871	116.046
Cash and cash equivalents	439.380	500.000
TOTAL ASSETS	1.096.251	616.046

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

	2015 (DKK)	2014 (DKK)
Notes		
Share Capital	1.000.000	500.000
Retained earnings	31.251	-318.389
Equity	1.031.251	181.611
Intercompany debts	0	74.435
Other payables	65.000	360.000
Liabilities	65.000	434.435
TOTAL EQUITY AND LIABILITIES	1.096.251	616.046

- 4 Contingent assets and contingent liabilities
- 5 Assets charged or otherwise provided as security
- 6 Ownership



Cash Flow Statement

	2015 (DKK)	2014 (DKK)
Cash flow from operating activities		
Operating profit before net financial expenses and tax	-2.191.185	-1.576.582
Cash flow before change in working capital	-2.191.185	-1.576.582
Change in creditors	-295.000	360.000
Cash flow before financial expenses	-2.486.185	-1.216.582
Financial expenses paid	0	-750
Cash flow from operating activities	-2.486.185	-1.217.332
Cash flow from financing activities		
Change in share capital	2.500.000	500.000
Capital transfer from parent	0	1.142.898
Change in Intercompany debts	-74.435	74.435
Cash flow from financing activities	2.425.565	1.717.332
Change in cash and cash equivalents	-60.620	500.000
Cash and cash equivalents at the beginning of the period	500.000	0
Cash and cash equivalents at the end of the period	439.380	500.000



Statement of Change in Equity

2015 (DKK)	Share Capital	Retained earnings	Total equity
Equity 1 January	500.000	-318.389	181.611
Net profit for the year	0	-1.650.361	-1.650.361
Capital raise	500.000	2.000.000	2.500.000
Capital transfer	0	0	0
Change in equity	500.000	349.639	849.639
Equity 31 December	1.000.000	31.251	1.031.251

2014 (DKK)	Share Capital	Retained earnings	Total equity
Equity 5 March	500.000	0	500.000
Net profit for the year	0	-1.461.286	-1.461.286
Capital raise	0	0	0
Capital transfer	0	1.142.898	1.142.898
Change in equity	0	-318.389	-318.389
Equity 31 December	500.000	-318.389	181.611

The company has in 2015 increased the share capital 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	0	0
<u>Total staff costs include</u>		
Other employees expenses	0	186
	0	186
2. Financial expenses		
Other financial expenses	0	750
	0	750
3. Tax on profit for the year		
Adjustment of deferred tax	-482.061	-370.673
Joint taxation	-273.199	0
Write-down of deferred tax asset	214.435	254.627
	-540.825	-116.046
4. Contingent assets and contingent liabilities		
<p>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.</p> <p>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.</p>		
5. Assets charged or otherwise provided as security		
<p>There exist no assets charged or otherwise provided as security.</p>		
6. Ownership		
<p>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:</p> <p>Copenhagen Group A/S Copenhagen, Denmark</p> <p>DynCorp International LLC McLean (VA), USA</p>		



Accounting Policies

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

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 liability value 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

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 assets.

According to the rules of joint taxation, Copenhagen Arctic 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.