Sandma Holding A/S

Lufthavnsvej 3, Ulkebøl, 6400 Sønderborg

CVR no. 12 09 42 99

Annual report 2019/20

Approved at the Company's annual general meeting on 14 December 2020

Chairman:

....
Henning Peter Tæstensen

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sandma Holding A/S for the financial year 1 May 2019 - 30 April 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 30 April 2020 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 May 2019 - 30 April 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Sønderborg, 14 December 2020
Executive Board:

Jens Østerlund Jensen	Henning Peter Tæstensen

Board of Directors:

Anders Aagaard Andresen Chairman	Elisa-Beth Rathcke	Jens Østerlund Jensen

Independent auditor's report

To the shareholder of Sandma Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Sandma Holding A/S for the financial year 1 May 2019 - 30 April 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2020, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2019 - 30 April 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Sønderborg, 14 December 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thorbjørn Bruhn	René Kirkegaard
State Authorised Public Accountant	State Authorised Public Accountant
mne23305	mne40045

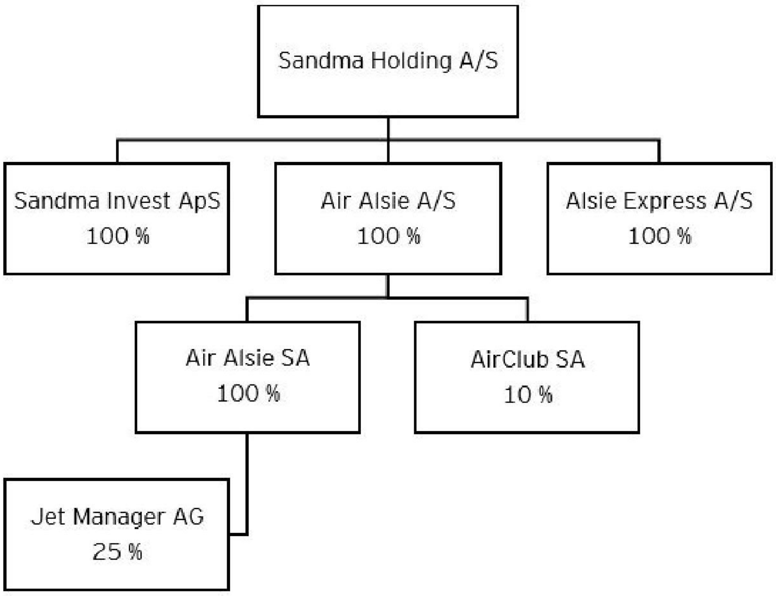
Management's review

Company details

Name	Sandma Holding A/S
Address, Postal code, City	Lufthavnsvej 3, Ulkebøl, 6400 Sønderborg
CVR no.	12 09 42 99
Established	22 March 1988
Registered office	Sønderborg
Financial year	1 May 2019 - 30 April 2020
Telephone	+45 74 42 98 88
Board of Directors	Anders Aagaard Andresen, Chairman Elisa-Beth Rathcke Jens Østerlund Jensen
Executive Board	Jens Østerlund Jensen Henning Peter Tæstensen
Auditors	EY Godkendt Revisionspartnerselskab Nørre Havnegade 43, 6400 Sønderborg, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2019/20	2018/19	2017/18	2016/17	2015/16
Key figures					
Revenue	612,684	590,191	486,708	413,153	418,057
Operating profit/loss	8,629	6,215	11,384	13,270	12,452
Net financials	1,472	2,439	-2,717	2,944	-3,066
Profit for the year	**7,818**	**7,831**	**5,861**	**9,863**	**5,064**
Total assets	208,197	212,354	201,471	193,974	170,308
Equity	**79,134**	**75,716**	**73,483**	**73,745**	**68,348**
Cash flows from operating activities	24,080	10,322	39,267	91	21,040
Net cash flows from investing activities	18,892	-2,363	999	-5,715	-19,725
Investment in property, plant and equipment	-791	-1,194	0	0	-505
Cash flows from financing activities	-1,746	-8,291	-7,868	-14,511	-16,230
Financial ratios					
Operating margin	1.4%	1.1%	2.2%	2.4 %	2.2 %
Return on assets	4.1%	3.0%	5.8%	7.3%	6.7%
Equity ratio	38.0%	35.7%	36.5%	38.0%	40.1%
Return on equity	10.1%	10.5%	8.0%	13.9%	7.4%
Average number of employees	**162**	**147**	**144**	**142**	**139**

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Management's review

Business review

As in previous years, the parent company's main activities consisted in owning shares in subsidiaries and in selling administrative services to them.

Like previous years, the Group's main activities have been in Aircraft Management, including route and taxi flight, maintenance of aircraft at own certified workshop and rental of fixed property.

Financial review

The income statement for 2019/20 shows a profit of DKK 7,818 thousand against a profit of DKK 7,831 thousand last year, and the group's balance sheet at 30 April 2020 shows equity of DKK 79,134 thousand.

The income statement for 2019/20 for the parant company shows a profit of DKK 6.763 against DKK 6.340 last year, and the balance sheet at 30 April 2020 shows equity of DKK 83.019.

Management expected a profit for both the Group and the parent company in the range of the result in the year 2018/19.

Management considers the result of financial investments as satisfactory.

Knowledge resources

There are high demands for safety in aircraft operations. The Group follows all guidelines for education and training of aircraft personnel.

Statutory CSR report

For reference to the Sandma Holding A/S Group's Corporate Social Responsibility Report, cf. §99a of the Danish Financial Statements Act, including policy on the environment, climate, social and employee relations, human rights and anti-corruption, please refer to this link

https://www.alsie.com/csr/

Account of the gender composition of Management

The Sandma Holding A/S Group has not set target figures or policies for the under-represented gender, as there is no under-representation of one gender in the board of directors.

In the parent company's top management (the board), the genders are divided into 1 woman (33%) and 2 men (67%).

There is also an equal gender composition in other management levels.

The Sandma Holding Group believes that diversity among employees, including equal distribution of gender, contributes positively to the working environment and strengthens the group's performance and competitiveness.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The management has assessed the situation around Covid-19. In the short term, we see a significant decline in activities. In the longer term, we cannot assess the consequences.

For the financial year 2020/21, a satisfactory result is expected for the Group and the parent company in the level of the result for 2019/20.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Income statement

Note	DKK'000	Group 2019/20	Group 2018/19	Parent company 2019/20	Parent company 2018/19
2	**Revenue**	612,684	590,191	1,283	1,283
	Other external expenses	-504,583	-487,946	-417	-145
	Gross profit	108,101	102,245	866	1,138
3	Staff costs	-96,394	-92,944	-2,812	-2,409
4	Amortisation/depreciation of intangible assets and property, plant and equipment	-3,078	-3,086	0	0
	Profit/loss before net financials	8,629	6,215	-1,946	-1,271
	Income from investments in group entities	0	0	7,638	9,235
5	Financial income	2,842	7,745	1,061	621
6	Financial expenses	-1,370	-5,306	-237	-3,058
	Profit before tax	10,101	8,654	6,516	5,527
7	Tax for the year	-2,283	-823	247	813
	Profit for the year	7,818	7,831	6,763	6,340

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Balance sheet

Note	DKK'000	Group 2019/20	Group 2018/19	Parent company 2019/20	Parent company 2018/19
	ASSETS				
	Fixed assets				
8	**Intangible assets**				
	Acquired intangible assets	907	616	0	0
		907	616	0	0
9	**Property, plant and equipment**				
	Land and buildings	21,834	23,460	0	0
	Other fixtures and fittings, tools and equipment	2,675	2,855	0	0
		24,509	26,315	0	0
10	**Investments**				
	Investments in group entities, net asset value	0	0	63,224	59,986
	Investments in associates, net asset value	1,616	1,493	0	0
		1,616	1,493	63,224	59,986
	Total fixed assets	27,032	28,424	63,224	59,986
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	5,095	4,810	0	0
		5,095	4,810	0	0
	Receivables				
	Trade receivables	54,069	67,147	0	0
	Receivables from group entities	0	0	15,338	10,672
13	Deferred tax assets	5,196	2,595	0	0
	Other receivables	8,287	11,480	0	0
11	Deferred income	6,653	15,606	0	0
		74,205	96,828	15,338	10,672
	Securities and investments				
	Other securities and investments	800	21,255	0	15,988
		800	21,255	0	15,988
	Cash	101,065	61,037	17,647	904
	Total non-fixed assets	181,165	183,930	32,985	27,564
	TOTAL ASSETS	208,197	212,354	96,209	87,550

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Balance sheet

Note	DKK'000	Group 2019/20	Group 2018/19	Parent company 2019/20	Parent company 2018/19
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	1,000	1,000	1,000	1,000
	Net revaluation reserve according to the equity method	0	0	41,967	38,729
	Retained earnings	76,134	69,716	38,052	35,927
	Dividend proposed for the year	2,000	5,000	2,000	5,000
	Total equity	79,134	75,716	83,019	80,656
	Provisions				
15	Other provisions	31,058	29,692	0	0
	Total provisions	31,058	29,692	0	0
	Liabilities other than provisions				
14	**Non-current liabilities other than provisions**				
	Other credit institutions	10,266	11,816	0	0
	Other payables	11,897	6,711	0	0
		22,163	18,527	0	0
	Current liabilities other than provisions				
14	Current portion of long-term liabilities	1,300	1,682	0	0
	Bank debt	734	1,932	0	1
	Prepayments received from customers	31,366	23,270	0	0
	Trade payables	16,377	26,206	100	84
	Payables to group entities	0	0	7,569	5,662
	Income taxes payable	4,664	580	4,664	580
	Other payables	21,141	29,622	607	567
16	Deferred income	260	5,127	250	0
		75,842	88,419	13,190	6,894
	Total liabilities other than provisions	98,005	106,946	13,190	6,894
	TOTAL EQUITY AND LIABILITIES	208,197	212,354	96,209	87,550

1 Accounting policies
17 Contractual obligations and contingencies, etc.
18 Collateral
19 Interest rate risks
20 Related parties
21 Fee to the auditors appointed by the Company in general meeting
22 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Statement of changes in equity

		Group			
Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 May 2018	1,000	66,483	6,000	73,483
	Transfer through appropriation of profit	0	2,831	5,000	7,831
	Exchange adjustment	0	356	0	356
	Adjustment of hedging instruments at fair value	0	46	0	46
	Dividend distributed	0	0	-6,000	-6,000
	Equity at 1 May 2019	1,000	69,716	5,000	75,716
	Transfer through appropriation of profit	0	5,818	2,000	7,818
	Exchange adjustment	0	554	0	554
	Adjustment of hedging instruments at fair value	0	46	0	46
	Dividend distributed	0	0	-5,000	-5,000
	Equity at 30 April 2020	1,000	76,134	2,000	79,134

		Parent company				
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 May 2018	1,000	33,595	39,323	6,000	79,918
22	Transfer, see "Appropriation of profit"	0	4,736	-3,396	5,000	6,340
	Exchange adjustment	0	353	0	0	353
	Other value adjustments of equity	0	46	0	0	46
	Dividend distributed	0	0	0	-6,000	-6,000
	Equity at 1 May 2019	1,000	38,729	35,927	5,000	80,656
22	Transfer, see "Appropriation of profit"	0	2,638	2,125	2,000	6,763
	Other value adjustments of equity	0	600	0	0	600
	Dividend distributed	0	0	0	-5,000	-5,000
	Equity at 30 April 2020	1,000	41,967	38,052	2,000	83,019

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Cash flow statement

Note	DKK'000	Group 2019/20	Group 2018/19
	Profit for the year	7,818	7,831
23	Adjustments	4,366	1,470
	Cash generated from operations (operating activities)	12,184	9,301
24	Changes in working capital	11,224	4,534
	Cash generated from operations (operating activities)	23,408	13,835
	Interest received, etc.	2,842	2,745
	Interest paid, etc.	-1,370	-1,401
	Income taxes paid	-800	-4,857
	Cash flows from operating activities	24,080	10,322
	Additions of intangible assets	-772	-330
	Additions of property, plant and equipment	-791	-1,194
	Disposals of property, plant and equipment	0	189
	Purchase of financial assets	0	-1,493
	Sale of financial assets	20,455	0
	Disposals of financial instruments	0	465
	Cash flows to investing activities	18,892	-2,363
	Dividends distributed	-5,000	-6,000
	Proceeds of long-term liabilities	3,254	0
	Repayments, long-term liabilities	0	-2,291
	Cash flows from financing activities	-1,746	-8,291
	Net cash flow	41,226	-332
	Cash and cash equivalents at 1 May	59,105	59,437
25	**Cash and cash equivalents at 30 April**	100,331	59,105

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

1 Accounting policies

The consolidated financial statements of the Sandma Holding Group for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large-sized reporting class C entities.

For the parent company, the annual report 2019/20 is presented in accordance with the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies applied by the company are consistent with those of last year. There has been a regroup in the composition of certain accounts in the financial statement. The changes have no influence on equity or profit. Comparative figures have been adjusted accordingly.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating policy decisions the group exercises significant influence are classified as associates. Significant influence is assumed to exist if the Parent Company directly or indirectly holds or controls 20%or more of the voting power of the investee, but does not control the investee.

The existence of potential voting rights which may presently be exercised or be converted into additional voting rights in considered when assessing if significant influence exists.

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

1 Accounting policies (continued)

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

New line

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

1 Accounting policies (continued)

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Losses on derivative financial instruments with a maturity of just 12 months are recognized under long-term response.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of services, which includes the sale of flights, is recognised in the income statement as the supply of the services to the buyer takes place.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

1 **Accounting policies (continued)**

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including gains on the sale of fixed assets.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	25-50 years
Other fixtures and fittings, tools and equipment	3-5 years

Land is not depreciated.

Profit from investments in subsidiaries and associates

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries and associates are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries. Only proportionate elimination of intra-group gains/losses is made for equity investments in associates.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

1 Accounting policies (continued)

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Other intangible assets include software.

Software is measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Investments in subsidiaries and associates

Equity investments in subsidiaries and associates are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

1 Accounting policies (continued)

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Other securities and investments

Securities which the Company intends to hold to maturity are measured at amortised cost, using the effective interest rate method at the date of acquisition. Value adjustments are recognised in the income statement under "Net financials".

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

1 Accounting policies (continued)

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

1 Accounting policies (continued)

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

2 Segment information

The Company has not disclosed the breakdown of revenue by geographical and business segmentat, see section 96(1) of the Danish Financial Statements Act, as Management is of the opinion that such disclosure could be highly detrimental to the Company. This is due to competitive reasons.

	Group		Parent company	
DKK'000	2019/20	2018/19	2019/20	2018/19
3 Staff costs				
Wages/salaries	83,615	80,336	2,507	2,104
Pensions	11,353	11,375	300	300
Other social security costs	1,426	1,233	5	5
	96,394	92,944	2,812	2,409
Average number of full-time employees	162	147	1	1

Remuneration to members of Management:

Group

Total remuneration to group Management : DKK 2,437 (2018/19: DKK 2,096)

Parent company

Total remuneration to Management: DKK 2,437 (2018/19: DKK 2,096)

	Group		Parent company	
DKK'000	2019/20	2018/19	2019/20	2018/19
4 Amortisation/depreciation of intangible assets and property, plant and equipment				
Amortisation of intangible assets	481	0	0	0
Depreciation of property, plant and equipment	2,597	3,086	0	0
	3,078	3,086	0	0
5 Financial income				
Interest receivable, group entities	0	0	373	261
Other financial income	2,842	7,745	688	360
	2,842	7,745	1,061	621
6 Financial expenses				
Interest expenses, group entities	0	0	231	196
Other financial expenses	1,370	5,306	6	2,862
	1,370	5,306	237	3,058
7 Tax for the year				
Estimated tax charge for the year	4,884	3,488	-247	-813
Deferred tax adjustments in the year	-2,601	-2,665	0	0
	2,283	823	-247	-813

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

8 Intangible assets

DKK'000	Group Acquired intangible assets
Cost at 1 May 2019	5,225
Additions in the year	772
Cost at 30 April 2020	5,997
Impairment losses and amortisation at 1 May 2019	4,609
Amortisation/depreciation in the year	481
Impairment losses and amortisation at 30 April 2020	5,090
Carrying amount at 30 April 2020	907
Amortised over	3-6 years

9 Property, plant and equipment

	Group		
DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 May 2019	63,712	12,473	76,185
Additions in the year	0	791	791
Disposals in the year	0	-3,003	-3,003
Cost at 30 April 2020	63,712	10,261	73,973
Impairment losses and depreciation at 1 May 2019	40,252	9,618	49,870
Amortisation/depreciation in the year	1,626	971	2,597
Reversal of amortisation/depreciation and impairment of disposals	0	-3,003	-3,003
Impairment losses and depreciation at 30 April 2020	41,878	7,586	49,464
Carrying amount at 30 April 2020	21,834	2,675	24,509
Depreciated over	25-50 years	3-5 years	

Note 18 provides more details on security for loans, etc. as regards property, plant and equipment.

10 Investments

DKK'000	Group Investments in associates, net asset value
Cost at 1 May 2019	1,493
Exchange adjustment	123
Cost at 30 April 2020	1,616
Carrying amount at 30 April 2020	1,616

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

10 Investments (continued)

Group

Name	Domicile	Interest
Subsidiaries		
Air Alsie A/S	Sønderborg	100.00%
Sandma Invest ApS	Sønderborg	100.00%
Alsie Express A/S	Sønderborg	100.00%
Air Alsie SA	Schweiz	100.00%
Associates		
JetManager AG	Schweiz	25.00%

Name	Domicile
Other investments in limited partnerships or partnerships	
AirClub SA	Schweiz

DKK'000	Parent company Investments in group entities, net asset value
Cost at 1 May 2019	21,257
Cost at 30 April 2020	21,257
Value adjustments at 1 May 2019	38,729
Exchange adjustment	600
Dividend distributed	-5,000
Share of the profit/loss for the year	7,638
Value adjustments at 30 April 2020	41,967
Carrying amount at 30 April 2020	63,224

Parent company

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Air Alsie A/S	Sønderborg	100.00%	47,251	6,706
Sandma Invest ApS	Sønderborg	100.00%	15,975	932
Alsie Express A/S	Sønderborg	100.00%	-10,887	-5,945

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

11 Deferred income

Group

Deferred income is prepayments which comprise accrual of expenses relating to subsequent years, including member-ship fees, subscriptions, insurance, etc.

Parent company

The parent company has no deferred income.

	Parent company	
DKK'000	2019/20	2018/19
12 Share capital		
Analysis of the share capital:		
1,000 shares of DKK 1,000.00 nominal value each	1,000	1,000
	1,000	1,000

The parent's share capital has remained DKK 1,000 thousand over the past 5 years.

13 Deferred tax

Analysis of the deferred tax

	Group		Parent company	
DKK'000	2019/20	2018/19	2019/20	2018/19
Deferred tax assets	-5,196	-2,595	0	0
	-5,196	-2,595	0	0

14 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 30/4 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other credit institutions	11,566	1,300	10,266	2,991
Other payables	11,897	0	11,897	0
	23,463	1,300	22,163	2,991

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

15 Other provisions

The provisions are expected to be payable in:

DKK'000	Group 2019/20	Group 2018/19	Parent company 2019/20	Parent company 2018/19
0-1 year	7,093	23,542	0	0
1-5 year	20,830	6,150	0	0
> 5 year	3,135	0	0	0
	31,058	29,692	0	0

Other provisions include provisions for the aircraft maintenance.

No provision is made for the Parent Company.

16 Deferred income

Group

Deferred income, DKK 260 thousand. (2018/19: DKK 5,127 thousand), consists of payments received from customers that may not be recognised until the subsequent financial year.

Parent company

Deferred income, DKK 250 thousand. (2018/19: DKK 0 thousand), consists of payments received from customers that may not be recognised until the subsequent financial year.

17 Contractual obligations and contingencies, etc.

Contingent liabilities

Group

Air Alsie A/S stands surety for the sister company, Sandma Invest ApS' balance with its bank. The surety is limited to DKK 20,000 thousand.

A company in the group has entered into a License Agreement with an associated company with an irrevocable period to the year 2023. The residual obligation during the irrevocable period amounts to DKK 3.114 thousand per April 30, 2020

Other contingent liabilities

Group

A company in the group has entered into an agreement on land rent with a total period of non-notice to the year 2035. The residual obligation during the period of irrevocability amounts to DKK 2,728 thousand per April 30, 2020.

A company in the group has entered into a rent contract regarding other premises with a term of one month. The yearly rent totals DKK 60 thousand.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

Other financial obligations

Group

The Group has liabilities under operating leases for cars and IT equipment, totalling DKK 108 thousand, with remaining contract terms of 1-24 month

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes the income years 2011-12 and withholding taxes falling due for payment on or after July 1st, 2012 in the group of jointly taxed entities.

18 Collateral

Group

As security for the group's debt to mortgage credit institutions, DKK 7,981 thousand, pledges have been given in land and buildings with a carrying amount of 19,582 thousand per April 30, 2020

A company in the group has issued a total of DKK 28,000 in mortgage deed, which gives security in the above land and buildings as well as pledges in tenancy rights for one of the company's plots and buildings.
The mortgage deed is deposited for security for debt to mortgage lenders.

Parent company

The parent Company has not placed any assets or other as security for loans per April 30, 2020

19 Interest rate risks

Group

Interest rate risks

The Group hedges interest rate risks through interest rate swaps whereby floating interest payments are rescheduled into fixed interest payments.

20 Related parties

Group

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

Consolidated financial statements and parent company financial statements 1 May 2019 - 30 April 2020

Notes to the financial statements

DKK'000	Group 2019/20	Group 2018/19
21 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	282	262
Assurance engagements	21	15
Tax assistance	0	49
Other assistance	201	132
	504	458

DKK'000	Parent company 2019/20	Parent company 2018/19
22 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	2,000	5,000
Net revaluation reserve according to the equity method	2,638	4,736
Retained earnings/accumulated loss	2,125	-3,396
	6,763	6,340

DKK'000	Group 2019/20	Group 2018/19
23 Adjustments		
Amortisation/depreciation and impairment losses	3,078	3,086
Financial income	-2,842	-7,745
Financial expenses	1,847	5,306
Tax for the year	4,884	3,488
Deferred tax	-2,601	-2,665
	4,366	1,470
24 Changes in working capital		
Change in inventories	12,793	-515
Change in receivables	12,146	-9,227
Change in trade and other payables	-15,081	-3,815
Other changes in working capital	1,366	18,091
	11,224	4,534
25 Cash and cash equivalents at year-end		
Cash according to the balance sheet	101,065	61,037
Short-term debt to banks	-734	-1,932
	100,331	59,105

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

Anders Aagaard Andresen
Bestyrelsesformand
På vegne af: Sandma Holding A/S
Serienummer: PID:9208-2002-2-667411150499
IP: 185.5.xxx.xxx
2020-12-14 11:22:46Z
NEM ID

Elisa-Beth Rathcke
Bestyrelse
På vegne af: Sandma Holding A/S
Serienummer: PID:9208-2002-2-492797299111
IP: 89.184.xxx.xxx
2020-12-14 11:45:49Z
NEM ID

Henning Peter Tæstensen
Direktion
På vegne af: Sandma Holding A/S
Serienummer: PID:9208-2002-2-138857223804
IP: 89.184.xxx.xxx
2020-12-15 12:29:07Z
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Henning Peter Tæstensen
Dirigent
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Serienummer: PID:9208-2002-2-138857223804
IP: 89.184.xxx.xxx
2020-12-15 12:29:07Z
NEM ID

Jens Østerlund Jensen
Direktion
På vegne af: Sandma Holding A/S
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2020-12-17 11:39:19Z
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Jens Østerlund Jensen
Bestyrelse
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IP: 89.184.xxx.xxx
2020-12-17 11:39:19Z
NEM ID

René Kirkegaard
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:92285157
IP: 145.62.xxx.xxx
2020-12-17 11:54:07Z
NEM ID

Thorbjørn Bruhn
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
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IP: 145.62.xxx.xxx
2020-12-17 12:03:23Z
NEM ID