

Danish Air Transport A/S

Koldingegnens Lufthavn, Lufthavnsvej 4, 6580 Vamdrup

CVR no. 12 65 46 93

Annual report 2017

Approved at the Company's annual general meeting on 11 April 2018

Chairman:



Lars Dahl Hansen





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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 Danish Air Transport A/S for the financial year 1 January - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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


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

Vamdrup, 11 April 2018

Executive Board:


.....
Jesper Rungholm

Board of Directors:


.....
Finn Boel Pedersen
Chairman
.....
Kirsten Rungholm
.....
Cornelis Anthonie Kuypers
.....
Jørgen Flodgaard Olesen

Independent auditor's report

To the shareholders of Danish Air Transport A/S

Opinion

We have audited the financial statements of Danish Air Transport A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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 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 Company 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 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 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 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:

- ▶ 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 Company's internal control.

Independent auditor's report

- ▶ 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 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 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.

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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 11 April 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Michael Vakker Maass
State Authorized Public Accountant
MNE no.: mne32772



Sussi Toft
State Authorized Public Accountant
MNE no.: mne35830



Management's review

Company details

Name	Danish Air Transport A/S
Address, Postal code, City	Koldingegnens Lufthavn, Lufthavnsvej 4, 6580 Vamdrup
CVR no.	12 65 46 93
Registered office	Kolding
Financial year	1 January - 31 December
Telephone	+45 75 58 37 77
Telefax	+45 75 58 37 22
Board of Directors	Finn Boel Pedersen, Chairman Kirsten Rungholm Cornelis Anthonie Kuypers Jørgen Flodgaard Olesen
Executive Board	Jesper Rungholm
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding, Denmark

Management's review

Financial highlights

DKK'000	2017	2016	2015	2014	2013
Key figures					
Revenue	872,825	779,288	638,767	500,963	496,241
Gross margin	160,579	143,747	111,270	120,474	118,913
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	1,521	-8,875	-23,045	-4,467	-704
Operating profit/loss	61	-10,151	-24,275	-5,928	-2,067
Net financials	3,085	-190	9,057	8,469	2,698
Profit/loss for the year	2,488	-8,068	-11,872	1,911	368
Total assets	215,016	197,576	193,927	170,129	171,772
Investment in property, plant and equipment	2,295	2,370	2,547	1,534	664
Equity	24,479	21,991	24,595	41,931	40,020
Financial ratios					
Return on equity	10.7%	-34.6%	-35.7%	4.7%	0.9%
Average number of employees	277	267	250	211	218

Management's review

Business review

The Company's activities consist of operating fixed wing aircraft and related activities using own and leased aircraft, as well as aircraft trading. In relation to this the Company has signed agreements for the lease of aircraft on long-term contracts, see note 15.

Financial review

In 2017, the Company's revenue amounted to DKK 872,825 thousand against DKK 779,288 thousand last year. The income statement for 2017 shows a profit of DKK 2,488 thousand against a loss of DKK 8,068 thousand last year, and the balance sheet at 31 December 2017 shows equity of DKK 24,479 thousand.

The result is less than satisfactory but exceeds expectations. The positive trend is the result of major changes throughout the organization to increase efficiency and prepare the organization for the future.

Special risks

Currency risk

A large portion of the Company's income and expenses as well as external financing is settled in foreign currencies meaning that the profit may be affected by currency fluctuations.

Impact on the external environment

DAT Group's primary environmental influence is through CO₂-emissions from the Group's aircraft. DAT Group seeks to reduce fuel consumption and CO₂-emission as much as possible. Among other things this is done by continuously training pilots, adjusting aircraft sizes to the number of passengers, optimizing flight height and investing in more fuel efficient aircraft which have lower CO₂-emissions.

Statutory CSR report

We refer to the description about the social responsibility in the consolidated financial statements for Danish Air Transport Holding A/S.

Account of the gender composition of Management

We refer to the description about the gender composition of management in the consolidated financial statements for Danish Air Transport Holding A/S.

Events after the balance sheet date

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

Outlook

In overall terms we expect a positive result in 2018.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2017	2016
2	Revenue	872,825	779,288
	Production costs	-659,379	-585,580
3	Other operating income	38	1,207
	Other external expenses	-52,905	-51,168
	Gross margin	160,579	143,747
4	Staff costs	-159,058	-152,622
	Depreciation and impairment of property, plant and equipment	-1,460	-1,276
	Profit/loss before net financials	61	-10,151
5	Financial income	4,683	2,345
6	Financial expenses	-1,598	-2,535
	Profit/loss before tax	3,146	-10,341
7	Tax for the year	-658	2,273
	Profit/loss for the year	2,488	-8,068

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	ASSETS		
	Fixed assets		
8	Property, plant and equipment		
	Land and buildings	2,911	3,307
	Other fixtures and fittings, tools and equipment	4,511	3,430
		<u>7,422</u>	<u>6,737</u>
9	Investments		
	Other receivables	2,941	3,414
		<u>2,941</u>	<u>3,414</u>
	Total fixed assets	<u>10,363</u>	<u>10,151</u>
	Non-fixed assets		
	Inventories		
	Spareparts	54,335	33,894
		<u>54,335</u>	<u>33,894</u>
	Receivables		
	Trade receivables	30,001	18,568
	Receivables from group entities	53,269	92,851
13	Deferred tax assets	5,898	6,354
	Other receivables	22,040	7,867
10	Prepayments	5,480	900
		<u>116,688</u>	<u>126,540</u>
	Cash	<u>33,630</u>	<u>26,991</u>
	Total non-fixed assets	<u>204,653</u>	<u>187,425</u>
	TOTAL ASSETS	<u><u>215,016</u></u>	<u><u>197,576</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	10,000	10,000
	Retained earnings	14,479	11,991
	Total equity	<u>24,479</u>	<u>21,991</u>
	Liabilities other than provisions		
12	Non-current liabilities other than provisions		
	Mortgage debt	813	852
	Lease liabilities	719	0
14	Subordinate loan capital	46,000	46,000
		<u>47,532</u>	<u>46,852</u>
	Current liabilities other than provisions		
12	Current portion of long-term liabilities	215	37
	Bank debt	9,631	10,384
	Prepayments received from customers	49,026	43,563
	Trade payables	36,889	40,413
	Payables to group entities	13,482	5,000
	Joint taxation contribution payable	482	0
	Other payables	33,280	29,336
		<u>143,005</u>	<u>128,733</u>
	Total liabilities other than provisions	<u>190,537</u>	<u>175,585</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>215,016</u></u>	<u><u>197,576</u></u>

- 1 Accounting policies
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Fee to the auditors appointed by the Company in general meeting

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2016	10,000	14,595	24,595
19	Transfer, see "Appropriation of profit/loss"	0	-8,068	-8,068
	Adjustment of hedging instruments at fair value	0	5,464	5,464
	Equity at 1 January 2017	10,000	11,991	21,991
19	Transfer, see "Appropriation of profit/loss"	0	2,488	2,488
	Equity at 31 December 2017	10,000	14,479	24,479

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Danish Air Transport A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

According to section 96(3) of the Danish Financial Statement Act, audit fees are only specified in the consolidated financial statement for the parent company Danish Air Transport Holding A/S.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, Danish Air Transport Holding A/S.

Basis of recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

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

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the accumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report and that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Reporting currency

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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets or liabilities are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised as other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised directly in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously included in equity are included in the income statement in the period in which the hedged item is recognised in the income statement.

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.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

Revenue from the rendering of services is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end.

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

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains and losses on sales of property, plant and equipment.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, remuneration, pensions and other staff costs.

Depreciation

The item comprises depreciation of property, plant and equipment.

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The Company is covered by the Danish rules on compulsory joint taxation of the Runway Holding ApS Group's Danish subsidiaries.

Runway Holding ApS is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises joint taxation contributions for the year and changes in deferred tax for the year - due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Equipment and buildings are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The depreciation basis is cost less anticipated residual value after the expiry of the useful life. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings on owned land	30 years
Buildings on leased land	10 years
Fixtures and fittings, tools and equipment	5 years

Property, plant and equipment are written down to their recoverable amount if this is lower than their carrying amount.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income and other operating expenses.

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, which usually corresponds to the nominal value. Write-down is made for bad debt losses based on an individual assessment of 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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

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

Securities and investments

Securities recognised under current assets are measured at the market price at the balance sheet date.

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

Proposed dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Income taxes

Joint taxation contributions payable and receivable are recognised in the balance sheet as amounts owed by/to group enterprises.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet 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 other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, 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 and jurisdiction.

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. The change in deferred tax as a result of changes in tax rates is 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.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Segment information

According to section 96 of the Danish Financial Statement Act, no note for revenue allocated on activities and geographical areas has been prepared.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$
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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.

3 Other operating income

Other operating income includes gains on the sale of property, plant and equipment.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2017	2016
4 Staff costs		
Wages/salaries	147,439	141,402
Pensions	9,641	9,319
Other social security costs	1,978	1,901
	<u>159,058</u>	<u>152,622</u>
Included in wages/salaries is fee to subcontractors of DKK 11,401 thousand (2016: DKK 11,356 thousand).		
Average number of full-time employees	<u>277</u>	<u>267</u>
Total remuneration to Management: DKK 3.169 (2016: DKK 1.221)		
5 Financial income		
Interest receivable, group entities	2,217	2,340
Other interest income	30	5
Exchange rate adjustments	2,436	0
	<u>4,683</u>	<u>2,345</u>
6 Financial expenses		
Interest expenses, group entities	1,350	1,383
Other interest expenses	248	273
Exchange rate adjustments	0	879
	<u>1,598</u>	<u>2,535</u>
7 Tax for the year		
Estimated tax charge for the year	482	0
Deferred tax adjustments in the year	490	-2,273
Tax adjustments, prior years	-35	0
Refund in joint taxation	-279	0
	<u>658</u>	<u>-2,273</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment

DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2017	10,055	13,959	24,014
Additions in the year	0	2,295	2,295
Disposals in the year	0	-937	-937
Cost at 31 December 2017	10,055	15,317	25,372
Impairment losses and depreciation at 1 January 2017	6,748	10,529	17,277
Depreciation in the year	396	1,064	1,460
Reversal of amortisation/depreciation and impairment of disposals	0	-787	-787
Impairment losses and depreciation at 31 December 2017	7,144	10,806	17,950
Carrying amount at 31 December 2017	2,911	4,511	7,422
Property, plant and equipment include finance leases with a carrying amount totalling	0	1,094	1,094
Depreciated over	10-30 years	5 years	

9 Investments

DKK'000	Other receivables
Cost at 1 January 2017	3,414
Exchange rate adjustments	-184
Additions in the year	549
Disposals in the year	-838
Cost at 31 December 2017	2,941
Carrying amount at 31 December 2017	2,941

Financial assets comprise long term deposits.

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2017	2016
11 Share capital		
Analysis of the share capital:		
10,000 shares of DKK 1,000.00 nominal value each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

The share capital comprises shares of DKK 1 thousand or multiples thereof.

The Company's share capital has remained DKK 10,000 thousand over the past 5 years.

12 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	851	38	813	660
Lease liabilities	896	177	719	0
Subordinate loan capital	46,000	0	46,000	0
	<u>47,747</u>	<u>215</u>	<u>47,532</u>	<u>660</u>

DKK'000	2017	2016
13 Deferred tax		
Deferred tax relates to:		
Property, plant and equipment	-307	-631
Inventories	-856	0
Liabilities	-197	0
Tax loss	-4,538	-5,723
	<u>-5,898</u>	<u>-6,354</u>

Analysis of the deferred tax

Deferred tax assets	-5,898	-6,354
	<u>-5,898</u>	<u>-6,354</u>

14 Subordinate loan capital

DKK'000	Maturity	Amount outstanding
Danish Air Transport Holding A/S	30/6 2020	46,000
		<u>46,000</u>

It has been agreed that there are no regular instalments on the loans. The loans are irredeemable on the part of the creditor during the intervening period.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Runway Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

Other financial obligations

The Company has entered into agreements regarding aircraft leases. The total lease obligation amounts to DKK 66,857 thousand of which DKK 46,185 concerns 2018. The lease agreements run for the period up to 31 December 2020.

As a guarantor, the Company is liable for foreign loans and bank loans of DKK 90,455 thousand in Danish Air Transport Leasing A/S and for all other outstanding amounts that Danish Air Transport Leasing A/S may have with Spar Nord.

As a guarantor, the Company is liable for foreign loans and bank loans of DKK 124,836 thousand in Danish Air Transport Leasing A/S and for all other outstanding amounts that Danish Air Transport Leasing A/S may have with Sydbank.

As a guarantor, the Company is liable for foreign loans and bank loans of DKK 2,861 thousand in DOT LT UAB and for all other outstanding amounts that DOT LT UAB may have with Sydbank.

The Company has submitted resignation statement across all accounts regarding any debt Danish Air Transport Leasing A/S may have with Spar Nord.

16 Collateral

As security for mortgage debt to Nykredit of DKK 851 thousand, the Company has provided owner's mortgage amounting to DKK 1,100 thousand secured upon buildings at a carrying value of DKK 1,318 thousand.

Financial statements 1 January - 31 December

Notes to the financial statements

17 Related parties

Danish Air Transport A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Runway Holding ApS	Lufthavnsvej 7A, 6580 Vamdrup	Holds all shares and votes in Danish Air Transport Holding A/S
Danish Air Transport Holding A/S	Lufthavnsvej 7A, 6580 Vamdrup	Holds all shares and votes in Danish Air Transport A/S

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Runway Holding ApS	Lufthavnsvej 7A, 6580 Vamdrup	The consolidated financial statements of Runway Holding ApS can be requisitioned on www.cvr.dk
Danish Air Transport Holding A/S	Lufthavnsvej 7A, 6580 Vamdrup	The consolidated financial statements of Danish Air Transport Holding A/S can be requisitioned on www.cvr.dk

Related party transactions

Danish Air Transport A/S was engaged in the below related party transactions:

DKK'000	2017	2016
Sale of services to affiliated companies	9,960	7,560
Purchase of services from affiliated companies	275,181	274,125
Interest income from affiliated companies	2,217	2,340
Interest expenses to affiliated companies	1,350	1,383
Receivables from parent companies	14,896	11,728
Payables to parent companies	51,000	51,000
Receivables from affiliated companies	38,373	81,123
Payables to affiliated companies	8,482	0

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Danish Air Transport Holding A/S	Lufthavnsvej 7A, 6580 Vamdrup

Financial statements 1 January - 31 December

Notes to the financial statements

18 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for Danish Air Transport Holding A/S.

DKK'000	<u>2017</u>	<u>2016</u>
19 Appropriation of profit/loss		
Recommended appropriation of profit/loss	2,488	-8,068
Retained earnings/accumulated loss	<u>2,488</u>	<u>-8,068</u>