

# DAT A/S

Lufthavnsvej 4, 6580 Vamdrup

CVR no. 12 65 46 93

## Annual report 2018

Approved at the Company's annual general meeting on 24 May 2019

Chairman:

.....  
Jørgen Flodgaard Olesen





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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 DAT A/S for the financial year 1 January - 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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, 24 May 2019

Executive Board:



*Capl. Jesper Rungholm*  
President / CEO

Jesper Rungholm

Board of Directors:

.....  
Anders Rosendahl Poulsen  
Chairman

.....  
Kirsten Rungholm

.....  
Cornelis Anthonie Kuypers

.....  
Jørgen Flodgaard Olesen

## Independent auditor's report

### To the shareholders of DAT A/S

#### Opinion

We have audited the financial statements of DAT A/S for the financial year 1 January - 31 December 2018, 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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, 24 May 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Michael Vakker Maass  
State Authorized Public Accountant  
mne32772

Sussi Toft  
State Authorized Public Accountant  
mne35830



## Management's review

### Company details

Name	DAT A/S
Address, Postal code, City	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	Anders Rosendahl Poulsen, 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	2018	2017	2016	2015	2014
<b>Key figures</b>					
Revenue	1,057,137	872,825	779,288	638,767	500,963
Gross margin	130,046	160,579	143,747	111,270	120,474
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-51,832	1,521	-8,875	-23,045	-4,467
Operating profit/loss	-56,216	61	-10,151	-24,275	-5,928
Net financials	-2,717	3,085	-190	9,057	8,469
<b>Profit/loss for the year</b>	<b>-45,738</b>	<b>2,488</b>	<b>-8,068</b>	<b>-11,872</b>	<b>1,911</b>
<b>Total assets</b>					
Investment in property, plant and equipment	30,993	2,295	2,370	2,547	1,534
<b>Equity*</b>	<b>-21,259</b>	<b>24,479</b>	<b>21,991</b>	<b>24,595</b>	<b>41,931</b>
<b>Total equity and subordinated loan capital</b>					
	24,741	70,479	67,991	70,595	77,931
<b>Financial ratios</b>					
Return on equity	-2,840.9%	10.7%	-34.6%	-35.7%	4.7%
<b>Average number of employees</b>					
	284	277	267	250	211

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

\* Subsequent to the balance sheet date the parent company made an equity contribution by converting subordinated loan of DKK 36,000 thousand to equity. The share capital has thus been reestablished in 2019. Had the contribution been effectuated prior to the balance sheet date equity would have shown a positive balance of DKK 14,741 thousand.

## Management's review

### Business review

The Company's activities consist of operating fixed wing aircraft and related activities using own and leased aircraft.

### Financial review

In 2018, the Company's revenue amounted to DKK 1,057 million against DKK 873 million last year. Despite the very strong growth in revenue, the Company reported a loss of DKK 46 million against a profit of DKK 2 million in 2017. The result is not satisfactory. The airline's operations were negatively impacted by aircraft delayed from heavy maintenance as well as high fuel costs. But also a major increase in EU 261 compensation costs and lack of crew availability have impacted the result negatively.

The development has led to a strategic change where the airline will focus on regional routes and ACMI leasing.

Due to the loss of the year, the Company's equity is negative at year-end. To reestablish the share capital the parent company has decided to subsidize the Company through a grant of DKK 36 million.

### 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 CO<sub>2</sub>-emissions from the Group's aircraft. DAT Group seeks to reduce fuel consumption and CO<sub>2</sub>-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 CO<sub>2</sub>-emissions.

### Foreign branches

- ▶ DAT A/S, Italy, VAT no. IT10399580967

### Statutory CSR report

For DAT A/S' statutory description of Corporate Social Responsibility, hereunder human rights, social and labor conditions, climate, environment and anti-corruption, in accordance with §99a in the Financials Statements act, please refer to the financial statements for DAT Holding A/S (<https://datacvr.virk.dk/data/visenhed?enhedstype=virksomhed&id=27493572&soeg=DAT Holding A/S&type=undefined&language=da>).

### Account of the gender composition of Management

We refer to the description about the gender composition of management in the consolidated financial statements for DAT Holding A/S (<https://datacvr.virk.dk/data/visenhed?enhedstype=virksomhed&id=27493572&soeg=DAT Holding A/S&type=undefined&language=da>).

### Events after the balance sheet date

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

### Outlook

The outlook for 2019 is positive after a better than budget start of the year but in particular due to the transition of Airbus and ATR aircraft to DAT LT which will ensure a more streamlined and flexible operation.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2018	2017
3	<b>Revenue</b>	1,057,137	872,825
	Production costs	-872,485	-659,379
4	Other operating income	19,175	38
	Other external expenses	-73,781	-52,905
	<b>Gross margin</b>	130,046	160,579
5	Staff costs	-181,792	-159,058
6	Depreciation of property, plant and equipment	-4,384	-1,460
7	Other operating expenses	-86	0
	<b>Profit/loss before net financials</b>	-56,216	61
	Income from investments in group entities	398	0
8	Financial income	1,956	4,683
9	Financial expenses	-4,673	-1,598
	<b>Profit/loss before tax</b>	-58,535	3,146
10	Tax for the year	12,797	-658
	<b>Profit/loss for the year</b>	-45,738	2,488

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2018	2017
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
11	<b>Property, plant and equipment</b>		
	Land and buildings	2,557	2,911
	Aircraft	26,252	0
	Other fixtures and fittings, tools and equipment	4,821	4,511
		33,630	7,422
12	<b>Investments</b>		
	Investments in group entities	448	0
	Receivables from group entities	300	0
	Other receivables	15,341	2,941
		16,089	2,941
	<b>Total fixed assets</b>	49,719	10,363
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Spareparts	58,069	54,335
		58,069	54,335
	<b>Receivables</b>		
	Trade receivables	60,857	30,001
	Receivables from group entities	53,212	53,269
15	Deferred tax assets	18,611	5,899
	Other receivables	14,832	22,040
13	Prepayments	11,208	5,480
		158,720	116,689
	<b>Cash</b>	13,349	33,630
	<b>Total non-fixed assets</b>	230,138	204,654
	<b>TOTAL ASSETS</b>	279,857	215,017

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2018	2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
14	Share capital	10,000	10,000
	Retained earnings	-31,259	14,479
	<b>Total equity</b>	<b>-21,259</b>	<b>24,479</b>
<b>Liabilities other than provisions</b>			
16	<b>Non-current liabilities other than provisions</b>		
	Mortgage debt	774	813
	Lease liabilities	14,487	719
17	Subordinate loan capital	46,000	46,000
		<b>61,261</b>	<b>47,532</b>
<b>Current liabilities other than provisions</b>			
16	Current portion of long-term liabilities	8,119	215
	Bank debt	28,569	9,631
	Prepayments received from customers	38,490	49,026
	Trade payables	105,800	36,890
	Payables to group entities	9,521	13,482
	Joint taxation contribution payable	0	482
	Other payables	49,356	33,280
		<b>239,855</b>	<b>143,006</b>
	<b>Total liabilities other than provisions</b>	<b>301,116</b>	<b>190,538</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>279,857</b>	<b>215,017</b>

- 1 Accounting policies
- 2 Reestablishment of share capital
- 18 Contractual obligations and contingencies, etc.
- 19 Collateral
- 20 Related parties
- 21 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 2017	10,000	11,991	21,991
22	Transfer, see "Appropriation of profit/loss"	0	2,488	2,488
	<b>Equity at 1 January 2018</b>	<b>10,000</b>	<b>14,479</b>	<b>24,479</b>
22	Transfer, see "Appropriation of profit/loss"	0	-45,738	-45,738
	<b>Equity at 31 December 2018</b>	<b>10,000</b>	<b>-31,259</b>	<b>-21,259</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of DAT A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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 DAT 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, DAT 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)

##### 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.

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

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

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 and operating expenses

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.

###### 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 statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Profit from investments in subsidiaries

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses.

##### 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.

##### 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
Aircraft	10-20 years

Fixtures and fittings, tools and equipment      5 years

The portion of the aircraft cost, which is subject to periodical inspections and/or replacement, is depreciated on the basis of the intensity of the production.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Property, plant and equipment are written down to their recoverable amount if this is lower than their carrying amount. Impairment tests are performed annually for each asset and for groups of assets, respectively.

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.

#### Investments in subsidiaries

Investments in subsidiaries and associates are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognised under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.

Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

The purchase method of accounting is applied to corporate takeovers.

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 measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

#### 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.

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.

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.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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 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

##### *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*

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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### 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

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 Reestablishment of share capital

As per 31 December 2018 the Company realised a negative equity and is thus subject to article 119 of the Danish Companies Act.

Subsequent to the balance sheet date the parent company made an equity contribution by converting subordinated loan of DKK 36,000 thousand to equity. The share capital has thus been reestablished in 2019. Had the contribution been effectuated prior to the balance sheet date equity would have shown a positive balance of DKK 14,741 thousand.

#### 3 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 4 Other operating income

Other operating income includes gains on the sale of property, plant and equipment DKK 70 thousand and net income from insurance compensation DKK 19,106 thousand.

DKK'000	2018	2017
<b>5 Staff costs</b>		
Wages/salaries	169,283	147,439
Pensions	10,522	9,641
Other social security costs	1,987	1,978
	<u>181,792</u>	<u>159,058</u>

Included in wages/salaries is fee to subcontractors of DKK 19,841 thousand (2017: DKK 11,401 thousand).

Average number of full-time employees	<u>284</u>	<u>277</u>
---------------------------------------	------------	------------

Total remuneration to Management: DKK 1,355 (2017: DKK 3,169)

DKK'000	2018	2017
<b>6 Depreciation of property, plant and equipment</b>		
Depreciation of property, plant and equipment	4,384	1,460
	<u>4,384</u>	<u>1,460</u>

#### 7 Other operating expenses

Other operating expenses include losses on the sale of property, plant and equipment, including other operating equipment, totalling DKK 86 thousand.

DKK'000	2018	2017
<b>8 Financial income</b>		
Interest receivable, group entities	1,943	2,217
Other interest income	13	30
Exchange rate adjustments	0	2,436
	<u>1,956</u>	<u>4,683</u>

#### 9 Financial expenses

Interest expenses, group entities	1,338	1,350
Other interest expenses	1,261	248
Exchange rate adjustments	2,074	0
	<u>4,673</u>	<u>1,598</u>

#### 10 Tax for the year

Estimated tax charge for the year	0	482
Deferred tax adjustments in the year	-12,713	490
Tax adjustments, prior years	0	-35
Refund in joint taxation	-84	-279
	<u>-12,797</u>	<u>658</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 11 Property, plant and equipment

DKK'000	Land and buildings	Aircraft	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2018	10,055	0	15,317	25,372
Additions in the year	0	29,028	1,964	30,992
Disposals in the year	0	0	-705	-705
Cost at 31 December 2018	10,055	29,028	16,576	55,659
Impairment losses and depreciation at 1 January 2018	7,144	0	10,806	17,950
Depreciation in the year	354	2,776	1,254	4,384
Reversal of amortisation/depreciation and impairment of disposals	0	0	-305	-305
Impairment losses and depreciation at 31 December 2018	7,498	2,776	11,755	22,029
<b>Carrying amount at 31 December 2018</b>	<b>2,557</b>	<b>26,252</b>	<b>4,821</b>	<b>33,630</b>
Property, plant and equipment include finance leases with a carrying amount totalling	0	26,252	1,001	27,253

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 12 Investments

DKK'000	Investments in group entities	Receivables from group entities	Other receivables	Total
Cost at 1 January 2018	0	0	2,941	2,941
Exchange rate adjustments	0	0	487	487
Additions in the year	50	300	12,667	13,017
Disposals in the year	0	0	-754	-754
Cost at 31 December 2018	50	300	15,341	15,691
Share of the profit/loss for the year	105	0	0	105
Badwill recognised upon aquisition	293	0	0	293
Value adjustments at 31 December 2018	398	0	0	398
<b>Carrying amount at 31 December 2018</b>	<b>448</b>	<b>300</b>	<b>15,341</b>	<b>16,089</b>

Receivables from group entities and other receivables comprise long term deposits.

Name	Legal form	Domicile	Interest
<b>Subsidiaries</b>			
DAT Hotac ApS	ApS	Vamdrup, Denmark	100.00%

#### 13 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

DKK'000	2018	2017
<b>14 Share capital</b>		
Analysis of the share capital:		
10,000 shares of DKK 1,000.00 nominal value each	10,000	10,000
	10,000	10,000

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

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2018	2017
<b>15 Deferred tax</b>		
Deferred tax at 1 January	-5,898	-6,354
Refund in joint taxation	84	279
Tax for the year	-12,798	212
Tax adjustments prior year	0	-35
<b>Deferred tax at 31 December</b>	<b>-18,612</b>	<b>-5,898</b>

Deferred tax asset mainly relates to tax losses brought forward.

### 16 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2018	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	812	38	774	622
Lease liabilities	22,568	8,081	14,487	0
Subordinate loan capital	46,000	0	46,000	0
	<b>69,380</b>	<b>8,119</b>	<b>61,261</b>	<b>622</b>

### 17 Subordinate loan capital

DKK'000	Maturity	Amount outstanding
DAT Holding A/S	30/6 2020	46,000
		<b>46,000</b>

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.

Subsequent to the balance sheet date DKK 36,000 thousand of the subordinate loan capital has been converted to equity, cf. note 2.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 18 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with its ultimate 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 313,962 thousand of which DKK 46,464 concerns 2019. The lease agreements run for the period up to 30 November 2030.

As a guarantor, the Company is liable for foreign loans and bank loans of DKK 108,659 thousand in DAT Leasing A/S and for all other outstanding amounts that DAT Leasing A/S may have with Spar Nord.

As a guarantor, the Company is liable for foreign loans and bank loans of DKK 91,574 thousand in DAT Leasing A/S and for all other outstanding amounts that DAT Leasing A/S may have with Sydbank.

As a guarantor, the Company is liable for foreign loans and bank loans of DKK 2,501 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 DAT Leasing A/S may have with Spar Nord.

#### 19 Collateral

As security for mortgage debt to Nykredit of DKK 812 thousand, the Company has provided owner's mortgage amounting to DKK 1,100 thousand secured upon buildings at a carrying value of DKK 1,260 thousand.

The Company has provided Sydbank with a floating charge of DKK 20,000 thousand providing Sydbank with collateral in the Company's receivables.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 20 Related parties

DAT 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 DAT Holding A/S
DAT Holding A/S	Lufthavnsvej 7A, 6580 Vamdrup	Holds all shares and votes in DAT 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 <a href="http://www.cvr.dk">www.cvr.dk</a>
DAT Holding A/S	Lufthavnsvej 7A, 6580 Vamdrup	The consolidated financial statements of DAT Holding A/S can be requisitioned on <a href="http://www.cvr.dk">www.cvr.dk</a>

##### Related party transactions

DAT A/S was engaged in the below related party transactions:

DKK'000	2018	2017
Sale of services to affiliated companies	7,560	9,960
Purchase of services from affiliated companies	273,267	275,181
Interest income from affiliated companies	1,943	2,217
Interest expenses to affiliated companies	1,338	1,350
Receivables from parent companies	15,698	14,896
Payables to parent companies	51,000	51,000
Receivables from affiliated companies	37,514	38,373
Payables to affiliated companies	4,521	8,482

##### 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
DAT Holding A/S	Lufthavnsvej 7A, 6580 Vamdrup



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 21 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 DAT Holding A/S.

DKK'000	<u>2018</u>	<u>2017</u>
22 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-45,738	2,488
	<u>-45,738</u>	<u>2,488</u>

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## Jørgen Flodgaard Olesen

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