

NHV A/S
Vestre Lufthavnsvej 60
6705 Esbjerg Ø
Business Registration No
26884640

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

Name: Lars-Henrik Thorngreen

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Entity details

Entity

NHV A/S

Vestre Lufthavnsvej 60

6705 Esbjerg Ø

Central Business Registration No (CVR): 26884640

Registered in: Esbjerg

Financial year: 01.01.2017 - 31.12.2017

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Board of Directors

Eric Joseph Denis Val Hal, chairman

Liesbeth Tielemans

Lars-Henrik Thorngreen

Executive Board

Lars-Henrik Thorngreen, director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

Postbox 200

6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of NHV A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 28.05.2018

Executive Board

Lars-Henrik Thorngreen
director

Board of Directors

Eric Joseph Denis Val Hal
chairman

Liesbeth Tielemans

Lars-Henrik Thorngreen

Independent auditor's report

To the shareholders of NHV A/S

Opinion

We have audited the financial statements of NHV A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant 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 Entity's financial position at 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 these financial statements.

Independent auditor's report

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Esbjerg, 28.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Mikael Grosbøl
State Authorised Public Accountant
Identification No (MNE) mne33707

Management commentary

	2017	2016	2015	2014	2013
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Revenue	406,677	394,494	593,102	675,008	671,024
Gross profit/loss	396,439	164,970	274,607	314,464	342,828
Operating profit/loss	232,856	(102,219)	24,779	47,719	83,181
Net financials	(40,545)	6,005	(1,973)	(7,652)	2,998
Profit/loss for the year	176,699	(106,938)	(6,291)	27,950	74,600
Total assets	710,397	547,300	565,679	725,384	728,765
Investments in property, plant and equipment	19,729	17,787	29,059	48,482	53,473
Equity	196,593	19,895	126,832	132,893	104,944
Cash flows from (used in) operating activities	198,846	(17,693)	58,254	36,361	167,919
Cash flows from (used in) investing activities	(20,124)	(19,157)	(31,113)	(69,608)	(53,522)
Cash flows from (used in) financing activities	(151,810)	26,273	9,955	15,554	(59,582)
Average numbers of employees	73	85	112	112	104
Ratios					
Gross margin (%)	97.5	41.8	46.3	46.6	51.1
Return on equity (%)	163.2	(145.8)	(4.8)	23.5	110.3
Equity ratio (%)	27.7	3.6	22.4	18.3	14.4
Profit margin	57.9	(25.9)	4.2	7.1	12.4
Return on assets	33.2	(18.7)	4.4	6.6	11.4

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Management commentary

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$	The entity's profit before financials compared to revenue.
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$	The entity's profit before financials compared to total assets.

Management commentary

Primary activities

The Company's principal activity comprises helicopter transports and related services.

Development in activities and finances

The income statement of the Company for 2017 shows a profit of DKK 176,698,793, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 196,593,328.

NHV A/S' results and financial development for 2017 are considered satisfactory by the Executive Board and the Board of Directors.

The Company has won some significant contracts in 2017, ensuring that all helicopters of the Company are fully used in the coming years.

Profit/loss for the year in relation to expected developments

The profit for the year is higher than expected due to the net income disclosed in notes 2 and 5.

Outlook

NHV A/S expects an activity in 2018 on the same level as in H2 2017. The Company has entered into several major contracts to provide helicopter services to offshore installations. The size of the contracts brings the Company back on track in terms of the strategy defined.

Management intends to continue the targeted control of the Company's costs in 2018, and streamlining and modernisation of the work processes will be assessed and optimised on a current basis.

Management expects the increasing level of activity for 2018 to contribute to the realisation of a pre-tax profit for the year of DKK 50-75m.

The Group Parent Company, NHV Group NV, has issued a comfort letter to the Company committing to financial support to NHV A/S to ensure the Company's future operations. The commitment remains effective until mid-2019.

Particular risks

Foreign exchange risks

NHV A/S invoices goods in Danish kroner, Euro, US Dollars and Naira. As a consequence, the Company is exposed to large fluctuations in these currencies. Management monitors the foreign exchange risk.

Foreign branches

The profit from the Company's branches in Nigeria, the Netherlands, the UK and the Faroe Islands is included in NHV A/S's profit for the year.

Statutory report on corporate social responsibility

Management places high demands on the business, and safety is a first priority. NHV A/S takes great responsibility for its impact on the environment, society and the business of our customers in the long term.

Management commentary

The Company is operated in a professional, secure and environmentally friendly way which meets all current statutory requirements, industry rules and agreements in the markets in which the Company operates.

NHV A/S is fully ISO 9001-certified and in compliance with ISO 14001 and OHSAS 18001/ISO 45001.

Competition

NHV A/S does not permit competition to be affected or destroyed by gifts, bribery, pricing collaboration, cartel building or other form of abuse of market dominance. Customers, suppliers and employees are made aware of this ethical set of rules (Code of Conduct), and all parties are expected to comply with and act in accordance with these basic principles. At the end of 2017, the Company had not yet experienced any cases of this type.

Environment and climate

NHV A/S takes every measure to prevent and continuously reduce the negative impact which its activities may have on the environment. Therefore, NHV A/S uses the newest helicopter technology applied in offshore operations when flying. The helicopters used thus meet the newest environmental requirements for climate impact (CO₂ emission, noise and pollution), and, going forward, NHV A/S will continue to focus on minimising the climate impact. All flights undertaken by NHV A/S's helicopters are subsequently carefully analysed, and employees always take the surroundings into consideration. NHV A/S is in compliance with OHSAS 18001/ISO 45001.

Working environment

NHV A/S works consciously and systematically to enhance a safe and good working environment – both physically and psychologically. Employees should be met with respect, fairness, dignity and an environment free of harassment. NHV A/S intends to continue being a leader in its fields and to continue cooperating with the authorities in order to promote the working environment.

Human rights

NHV A/S respects human and employee rights, respects the employees' right to organise, treats all employees fairly and with dignity, and wants to promote equal rights and opportunities. No employee of NHV A/S should be treated differently due to age, race, gender, religion, sexual orientation, handicap, political orientation or ethnic origins.

NHV A/S focuses on the health and job satisfaction of our employees and, therefore, in 2017 our employees had access to a gym at the workplace and were offered private health insurance. In 2017, the employees were moreover entitled to training and 89% of them attended courses and training.

Management commentary

Statutory report on the underrepresented gender

Equality in Management forms an integral part of the Company's staff policy. In 2017, the representation of women on NHV A/S's Board of Directors was 33%. This represents an equal share of the under-represented gender according to the Danish gender rules. The Company does not expect any changes to this in 2018. This represents an equal share of women on the Board of Directors. The representation of female managers in the Company was 25% in 2017 and so the same as in 2016. Among our employees, the representation of women decreased from 14% in 2016 to 12% in 2017. The decrease is due to natural leaves in the administration. In connection with future recruiting, NHV A/S will attempt to increase gender diversity.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Revenue	1	406,677,211	394,494,291
Other operating income	2	214,964,925	0
Cost of sales		(201,735,314)	(208,294,294)
Other external expenses		<u>(23,468,265)</u>	<u>(21,229,916)</u>
Gross profit/loss		396,438,557	164,970,081
Staff costs	3	(82,927,861)	(86,682,570)
Depreciation, amortisation and impairment losses	4	(55,540,372)	(57,164,243)
Other operating expenses	5	<u>(25,114,081)</u>	<u>(123,341,879)</u>
Operating profit/loss		232,856,243	(102,218,611)
Income from investments in group enterprises		2,636,399	1,186,152
Other financial income	6	10,882,089	17,017,829
Other financial expenses	7	<u>(54,063,332)</u>	<u>(12,199,481)</u>
Profit/loss before tax		192,311,399	(96,214,111)
Tax on profit/loss for the year	8	<u>(15,612,606)</u>	<u>(10,723,548)</u>
Profit/loss for the year	9	<u>176,698,793</u>	<u>(106,937,659)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Completed development projects		1,284,315	2,087,273
Intangible assets	10	<u>1,284,315</u>	<u>2,087,273</u>
Plant and machinery		698,845	1,767,533
Other fixtures and fittings, tools and equipment		356,528,127	391,882,680
Leasehold improvements		326,894	25,489
Property, plant and equipment	11	<u>357,553,866</u>	<u>393,675,702</u>
Investments in group enterprises		17,107,928	14,583,374
Other receivables		37,885,837	36,257,147
Fixed asset investments	12	<u>54,993,765</u>	<u>50,840,521</u>
Fixed assets		<u>413,831,946</u>	<u>446,603,496</u>
Trade receivables		45,746,876	59,065,357
Receivables from group enterprises		185,929,126	3,625,626
Other receivables		27,354,542	24,480,123
Prepayments	13	10,527,189	13,430,455
Receivables		<u>269,557,733</u>	<u>100,601,561</u>
Cash		<u>27,007,235</u>	<u>95,404</u>
Current assets		<u>296,564,968</u>	<u>100,696,965</u>
Assets		<u>710,396,914</u>	<u>547,300,461</u>

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital	14	2,362,500	2,362,500
Reserve for net revaluation according to the equity method		15,647,684	13,123,130
Reserve for development expenditure		1,001,765	1,927,075
Retained earnings		<u>177,581,379</u>	<u>2,481,830</u>
Equity		<u>196,593,328</u>	<u>19,894,535</u>
Other provisions	15	<u>12,536,338</u>	<u>72,886,083</u>
Provisions		<u>12,536,338</u>	<u>72,886,083</u>
Finance lease liabilities		<u>127,414,278</u>	<u>149,416,289</u>
Non-current liabilities other than provisions	16	<u>127,414,278</u>	<u>149,416,289</u>
Current portion of long-term liabilities other than provisions	16	22,202,978	20,930,422
Prepayments received from customers		14,370,000	22,212,498
Trade payables		54,793,578	33,647,968
Payables to group enterprises		250,275,461	199,052,533
Income tax payable		8,451,940	1,386,865
Other payables		<u>23,759,013</u>	<u>27,873,268</u>
Current liabilities other than provisions		<u>373,852,970</u>	<u>305,103,554</u>
Liabilities other than provisions		<u>501,267,248</u>	<u>454,519,843</u>
Equity and liabilities		<u>710,396,914</u>	<u>547,300,461</u>
Contingent liabilities	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Transactions with related parties	21		
Group relations	22		

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	2,362,500	13,123,130	1,927,075	2,481,830
Transfer to reserves	0	0	(925,310)	925,310
Profit/loss for the year	0	2,524,554	0	174,174,239
Equity end of year	2,362,500	15,647,684	1,001,765	177,581,379
				Total
				DKK
Equity beginning of year				19,894,535
Transfer to reserves				0
Profit/loss for the year				176,698,793
Equity end of year				196,593,328

Cash flow statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Operating profit/loss		232,856,243	(102,218,611)
Amortisation, depreciation and impairment losses		55,540,372	57,164,243
Other provisions		(60,349,745)	72,886,083
Working capital changes	17	<u>22,528,029</u>	<u>(27,949,500)</u>
Cash flow from ordinary operating activities		250,574,899	(117,785)
Financial income received		10,882,089	17,017,829
Financial income paid		(54,063,332)	(12,199,481)
Income taxes refunded/(paid)		<u>(8,547,531)</u>	<u>(22,393,565)</u>
Cash flows from operating activities		198,846,125	(17,693,002)
Acquisition etc of intangible assets		(1,650,095)	(2,890,612)
Acquisition etc of property, plant and equipment		(19,728,805)	(17,786,500)
Sale of property, plant and equipment		2,763,323	2,687,723
Acquisition of fixed asset investments		(1,628,690)	(1,167,728)
Dividends received		<u>120,000</u>	<u>0</u>
Cash flows from investing activities		(20,124,267)	(19,157,117)
Reduction of lease commitments		(20,729,455)	(20,904,725)
Change in debt/receivables to/from group enterprises		<u>(131,080,572)</u>	<u>47,177,259</u>
Cash flows from financing activities		(151,810,027)	26,272,534
Increase/decrease in cash and cash equivalents		26,911,831	(10,577,585)
Cash and cash equivalents beginning of year		<u>95,404</u>	<u>10,672,989</u>
Cash and cash equivalents end of year		27,007,235	95,404

Notes

	2017	2016
	DKK	DKK
1. Revenue		
Revenue, Denmark	200,010,923	197,939,085
Revenue, Exports	206,666,288	196,555,206
	406,677,211	394,494,291

2. Other operating income

Other operating income consists of reimbursement from grounded helicopters and income from sale- and leaseback transaction.

	2017	2016
	DKK	DKK
3. Staff costs		
Wages and salaries	53,584,078	60,121,187
Pension costs	4,532,592	5,034,760
Other social security costs	1,287,677	1,485,821
Other staff costs	23,523,514	20,040,802
	82,927,861	86,682,570
Average number of employees	73	85

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statement Act.

	2017	2016
	DKK	DKK
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	2,453,055	1,283,943
Depreciation of property, plant and equipment	53,140,317	55,909,900
Profit/loss from sale of intangible assets and property, plant and equipment	(53,000)	(29,600)
	55,540,372	57,164,243

5. Other operating expenses

Other operating expenses consists in 2017 of cost for redelivery of helicopters and in 2016 of cost for remaining leasing payments for helicopters that are not operational from juni 2016 until termination of leasingcontract.

Notes

	2017	2016
	DKK	DKK
6. Other financial income		
Financial income arising from group enterprises	4,147,078	1,391,329
Exchange rate adjustments	5,804,873	14,828,341
Other financial income	930,138	798,159
	10,882,089	17,017,829
	2017	2016
	DKK	DKK
7. Other financial expenses		
Financial expenses from group enterprises	5,458,924	4,356,226
Other interest expenses	6,646,484	7,396,666
Exchange rate adjustments	41,505,211	0
Other financial expenses	452,713	446,589
	54,063,332	12,199,481
	2017	2016
	DKK	DKK
8. Tax on profit/loss for the year		
Current tax	17,540,366	10,723,548
Adjustment concerning previous years	(1,927,760)	0
	15,612,606	10,723,548
	2017	2016
	DKK	DKK
9. Proposed distribution of profit/loss		
Transferred to reserve for net revaluation according to the equity method	2,524,554	956,456
Retained earnings	174,174,239	(107,894,115)
	176,698,793	(106,937,659)

Notes

			Completed develop- ment projects DKK
10. Intangible assets			
Cost beginning of year			19,000,626
Additions			1,650,095
Disposals			1
Cost end of year			20,650,722
Amortisation and impairment losses beginning of year			(16,913,353)
Impairment losses for the year			(2,453,054)
Amortisation and impairment losses end of year			(19,366,407)
Carrying amount end of year			1,284,315
Development cost relate to direct cost – including training of staff, etc. in connection with the achievement of new operational skills, etc.			
	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
11. Property, plant and equipment			
Cost beginning of year	15,220,032	550,920,342	158,010
Additions	19,818	19,372,491	336,495
Disposals	(332,700)	(24,703,836)	0
Cost end of year	14,907,150	545,588,997	494,505
Depreciation and impairment losses beginning of year	(13,452,499)	(159,037,662)	(132,521)
Depreciation for the year	(1,088,506)	(52,016,721)	(35,090)
Reversal regarding disposals	332,700	21,993,513	0
Depreciation and impairment losses end of year	(14,208,305)	(189,060,870)	(167,611)
Carrying amount end of year	698,845	356,528,127	326,894
Recognised assets not owned by entity	-	214,618,831	-

Notes

	Invest- ments in group enterprises DKK	Other receivables DKK
12. Fixed asset investments		
Cost beginning of year	1,460,244	36,257,147
Additions	0	1,628,690
Cost end of year	1,460,244	37,885,837
Revaluations beginning of year	13,123,130	0
Exchange rate adjustments	8,155	0
Share of profit/loss for the year	2,636,399	0
Dividend	(120,000)	0
Revaluations end of year	15,647,684	0
Carrying amount end of year	17,107,928	37,885,837

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in group enterprises comprise:			
Ejendomselskabet af 30. april 2003 ApS	Esbjerg	ApS	100.0
Faroecopter Sp/f	Faroe Islands	Sp/f	100.0
DanCopter UK Ltd.	Norwich	Ltd.	100.0
Dancopter NL B.V.	Den Helder	B.V.	100.0

13. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

	Number	Par value DKK	Nominal value DKK
14. Contributed capital			
Share capital	2,362,500	1	2,362,500
	2,362,500		2,362,500

Notes

15. Other provisions

For safety reasons, the Company has chosen to ground the Company's Airbus EC 225 helicopters as result of several crashes with this helicopter type, no later than April 2016 in Norway. The helicopters are leased operationally, and therefore the Company has chosen per. 31 December 2017 to make a provision for the remaining lease payments until expiration of leases in 2018.

	Due within 12 months 2017 DKK	Due within 12 months 2016 DKK	Due after more than 12 months 2017 DKK
16. Liabilities other than provisions			
Finance lease liabilities	22,202,978	20,930,422	127,414,278
	22,202,978	20,930,422	127,414,278

	2017 DKK	2016 DKK
17. Change in working capital		
Increase/decrease in receivables	13,347,328	(37,501,909)
Increase/decrease in trade payables etc	9,188,857	9,552,409
Other changes	(8,156)	0
	22,528,029	(27,949,500)

18. Contingent liabilities

The Company has entered into operating leases regarding helicopters with a total capitalised residual lease payment of TDKK 95.242 and cars and copy machines with a total capitalised residual lease payment of TDKK 153 at 31 December 2017.

Signed agreements regarding the sale of the Company's core services have been provided as security in case of default payments of operating lease fees.

The Company has entered into rental agreement regarding hangars and administrative buildings, etc. Total payment during the period of interminability amounts to TDKK 1.350.

The Company has since the fall of 2010 been operating in Nigeria in collaboration with a local operator. The Company has in connection with the activity in Nigeria made helicopters as well as staff available for the operation. The management believes that the company has established with the current local legislation. It is however stressed that the operation in Nigeria always will be subject to the risk that the local authorities interpret the rules differently than the company which may affect in risk of claims against the Company and its staff.

Notes

19. Assets charged and collateral

The Companies own helicopters are placed as security for the financing of the NHV Group. The total amount of own helicopters amounts til DKK 99.481.139.

The Company is jointly responsible with other group companies for the total debt regarding the group cash pool agreement. The cash pool agreement has a maximum limit of NOK 90 mill. The Company's net debt in the cash pool agreement is presented under debt to group companies in the annual report.

Moreover, security has been provided for the group's cash pool scheme in the form of a company charge (maximised to NOK 40 million) on unsecured claims and inventories of raw materials, semi-manufactures and finished goods. The carrying amount of mortgaged assets amounts to DKK 87.844.467.

The Company has provided guarantee to suppliers. The total guarantee amounts to DKK 20.200.000.

Following a customers cancellation of contracts in the Netherlands former employees in Dancopter NL have raised charges against Dancopter A/S, DanCopter NL and NHV NV claiming further salary payments in the notice period. Management does not expect any losses on the on going cases and therefore no provision for these cases has been made in the annual report nor in the annual reports for the daughter company. The charges against NHV A/S has been decided subsequently and has resulted in an extra cost for the company of DKK 3,476,170.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by the way dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjust ments of corporation taxes and withholdning taxes may increase the Company's liability.

20. Related parties with controlling interest

Blueway AS, Norway owns 100% of the company.

21. Transactions with related parties

Only transactions with related parties that are not carried out on an arm's length basis are disclosed in the annual report. No such transactions have taken place in the financial year.

Notes

22. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

NHV Group NV

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

NHV Group NV

The Group Annual Report of NHV Group NV may be obtained at the following adress:

NHV Group NV

Kalkaertstraat 101

BE-8400 Oostende

Belgium

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The Annual report of NHV A/S and subsidiaries are included in the consolidated financial statements of NHV Group NV, Belgium.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Company's primary activities.

Cost of sales

Cost of sales comprises operation of helicopters.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Company's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities as well as payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies as well as amortisation of financial liabilities.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 1-5 years.

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3-30 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Accounting policies

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.