



NHV A/S

Vestre Lufthavnsvej 60
6705 Esbjerg Ø
CVR No. 26884640

Annual report 2019

The Annual General Meeting adopted the
annual report on 07.09.2020

Lars Skov Christensen

Chairman of the General Meeting

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Entity details

Entity

NHV A/S

Vestre Lufthavnsvej 60

6705 Esbjerg Ø

CVR No.: 26884640

Registered office: Esbjerg

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Liesbeth Tielemans, Chairman

Lotte Rask Nielsen

Lars Skov Christensen

Executive Board

Lars Skov Christensen, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

P. O. Box 200

6701 Esbjerg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of NHV A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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, 07.09.2020

Executive Board

Lars Skov Christensen

Director

Board of Directors

Liesbeth Tielemans

Chairman

Lotte Rask Nielsen

Lars Skov Christensen

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019 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.

Material uncertainty related to going concern

We draw attention to note 1 and 2 that describes the impact of Covid-19 and material uncertainty relating to going concern.

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.

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.

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, 07.09.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mikael Grosbøl

State Authorised Public Accountant
Identification No (MNE) mne33707

Management commentary

Financial highlights

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Key figures					
Revenue	354,462	448,687	406,677	394,494	593,102
Gross profit/loss	133,328	172,628	396,439	164,970	274,607
Operating profit/loss	32,501	53,367	232,856	(102,219)	24,779
Net financials	(4,860)	1,990	(43,181)	6,005	(1,973)
Profit/loss for the year	23,579	43,339	176,699	(106,938)	(6,291)
Total assets	642,010	667,027	710,397	547,300	565,679
Investments in property, plant and equipment	15,513	23,614	19,729	17,787	29,059
Equity	263,516	239,932	196,593	19,895	126,832
Cash flows from (used in) operating activities	62,400	45,530	198,846	(17,693)	58,254
Cash flows from (used in) investing activities	4,373	(5,249)	(20,124)	(19,157)	(31,113)
Cash flows from (used in) financing activities	(74,842)	(37,404)	(151,810)	26,273	9,955
Average number of employees	73	75	73	85	112
Ratios					
Gross margin (%)	37.61	38.47	97.48	41.82	46.30
Return on equity (%)	9.37	19.86	163.24	(145.76)	(4.8)
Equity ratio (%)	41.05	35.97	27.67	3.64	22.42
Profit margin	9.6	11.8	57.9	(25.9)	4.2
Return on assets	5.3	8.0	33.2	(18.7)	4.4

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

Equity ratio (%):

Equity * 100

Total assets

Profit margin:

Profit before financials * 100

Revenue

Return on assets

Profit before financials * 100

Total assets

Primary activities

The Company's primary activity comprises offshore crew transport to Oil and Gas locations, both for production and exploration. Our mission is to be the European, global helicopter operator of choice. Global means that we want to be global, but with local presence.

We have a long lasting expertise and competences in the Oil and Gas sector. The company has an international presence with contracts on two continents.

At NHV we strive to deliver high quality services to our customers. While delivering our services it is our policy to take all necessary precautions to prevent accidents and incidents, to eliminate injury or ill-health to our people and our partners and to avoid harm to the environment.

We believe that all injuries are preventable; we strive for safety perfection which means we are committed to attaining zero incidents. We work to manage all our business processes, from back office to helicopter operations, to make this so. This integrated approach to safety is reflected in all decisions made in the company, under the motto: "if you can't do it safe, don't do it!"

Development in activities and finances

The income statement of the Company for 2019 shows a profit of DKK 23,578,780 and at 31 December 2019 the balance sheet of the Company shows equity of 263,515,533 DKK. NHV A/S' result and financial development for 2019 are considered satisfactory by the Executive Board and the Board of Directors.

Profit/loss for the year in relation to expected developments

The profit for the year is as expected.

Uncertainty relating to recognition and measurement

We draw attention to note 1 and 2 that describes the impact of Covid-19 and material uncertainty relating to going concern. Our opinion is not modified in respect of this matter.

Outlook

The outlook for 2020 is subject to considerable uncertainty due to the ongoing outbreak of COVID-19.

The COVID-19 has an impact on both flight frequencies and coefficient of utilization. The latter is only a customer impact. The activity in 2020 will be affected by the lack of possibility to find a suitable treatment or cure. As COVID-19 treatment is present, we expect a reduction of 25-30% in activity for 2020.

Decrease in Oil price and the excess production in relation to the world demand has cancelled a number of personnel heavy maintenance tasks and hereto our activity with approx 10%. We do not expect this will change in 2020 unless an unanticipated event will change the world demand and increase oil price to the level before COVID-19.

June 30th 2020 the current clients have the opportunity to call the first of three one year options but in order to make result a positive NHV A/S is forced to make new union and local agreement for pilots and engineers with emphasis on lower cost burden and higher flexibility. This should result in regaining a profitable operation. These negotiations have a noteworthy influence on NHV A/S predictability for 2020.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the company may experience further negative results, liquidity restraints and incur impairments on its assets in 2020.

The exact impact on our activities in the remainder of 2020 and thereafter cannot be predicted.

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 2021.

Statutory report on corporate social responsibility

The company's written statements on social responsibility can be found on the following website:

<https://nhv.be/downloads>

Statutory report on the underrepresented gender

Equality in Management forms an integral part of the Company's staff policy. In 2019, the representation of women on NHV A/S's Board of Directors was 66%. 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 2020. This represents an equal share of women on the Board of Directors. The representation of female managers in the Company was 29% in 2019, in par with 2018. Among our employees, the representation of women increased from 16% in 2018 to 19% in 2019. In connection with future recruiting, NHV A/S will attempt to increase gender diversity.

Events after the balance sheet date

Three unforeseen incidents which are important events happened after year end, but have no impact on 2019 figures:

- The loss of the TOTAL crew change contract with immediate effect from January 1st 2021. This contract loss will reduce the flying activity with up 80% in relation to the normal flying program before COVID-19
- COVID-19 has an impact on the both flight frequents and coefficient of utilization. The latter is only a customer impact. The activity in 2020 will be effected by the lack of possibility to find a suitable treatment or cure. As COVID-19 treat is presence, we expect a reduction of 25-30% in activity in 2020. The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments and NHV A/S to contain the virus have affected economic activity. Since mid-March, we have experienced a reduction of flight hours in our core business as a result of government and client measures, linked to safety rules and social distancing. The Danish Government has approval a salary support package to prevent employer termination and reduce our operating cost.
- Decrease in Oil price and the excess production in relation the world demand has cancelled a number of personnel heavy maintenance task and hereto our activity with app 10%. We do not expect this will change in 2020 unless an unanticipated event will change the world demand and increase oil price to the level before COVID-19

OPEC+ has decided to limit output by 9,7 million barrels, which is less than the loss of demand due to Corona restrictions. The effect of this cut will stabilize the oil price for now, albeit at a very low level, which will cause the oil companies to reduce expenses drastically, the already announced cuts are showing a 22% cut in average.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue	3	354,462,458	448,687,458
Cost of sales		(209,528,795)	(235,273,967)
Other external expenses		(11,605,650)	(40,785,161)
Gross profit/loss		133,328,013	172,628,330
Staff costs	4	(74,325,687)	(88,316,542)
Depreciation, amortisation and impairment losses	5	(26,501,203)	(30,944,310)
Operating profit/loss		32,501,123	53,367,478
Income from investments in group enterprises		1,533,536	1,491,867
Other financial income	6	9,022,198	33,689,243
Other financial expenses	7	(13,881,961)	(31,698,531)
Profit/loss before tax		29,174,896	56,850,057
Tax on profit/loss for the year	8	(5,596,116)	(13,511,062)
Profit/loss for the year	9	23,578,780	43,338,995

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	11	0	405,652
Intangible assets	10	0	405,652
Plant and machinery		68,700	384,561
Other fixtures and fittings, tools and equipment		317,686,436	348,596,715
Leasehold improvements		211,715	285,306
Property, plant and equipment	12	317,966,851	349,266,582
Investments in group enterprises		12,962,845	11,610,944
Other receivables		29,362,546	28,344,762
Other financial assets	13	42,325,391	39,955,706
Fixed assets		360,292,242	389,627,940
Trade receivables		71,603,598	44,420,158
Receivables from group enterprises		179,666,224	175,870,650
Other receivables		7,263,139	22,017,355
Prepayments	14	1,370,146	5,206,691
Receivables		259,903,107	247,514,854
Cash		21,814,756	29,883,922
Current assets		281,717,863	277,398,776
Assets		642,010,105	667,026,716

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	15	2,362,500	2,362,500
Reserve for net revaluation according to the equity method		11,689,166	10,150,700
Reserve for development expenditure		0	317,190
Retained earnings		249,463,867	227,101,296
Equity		263,515,533	239,931,686
Finance lease liabilities		82,048,197	105,578,911
Non-current liabilities other than provisions	16	82,048,197	105,578,911
Current portion of non-current liabilities other than provisions	16	23,604,227	22,698,314
Prepayments received from customers		12,202,794	7,185,000
Trade payables		45,351,241	35,935,154
Payables to group enterprises		175,731,253	224,152,804
Income tax payable		5,061,652	5,374,155
Other payables		34,495,208	26,170,692
Current liabilities other than provisions		296,446,375	321,516,119
Liabilities other than provisions		378,494,572	427,095,030
Equity and liabilities		642,010,105	667,026,716
Going concern	1		
Events after the balance sheet date	2		
Contingent liabilities	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Non-arm's length related party transactions	21		
Group relations	22		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,362,500	10,150,700	317,190	227,101,296	239,931,686
Exchange rate adjustments	0	5,067	0	0	5,067
Transfer to reserves	0	0	(317,190)	317,190	0
Profit/loss for the year	0	1,533,399	0	22,045,381	23,578,780
Equity end of year	2,362,500	11,689,166	0	249,463,867	263,515,533

Cash flow statement for 2019

	Notes	2019 DKK	2018 DKK
Operating profit/loss		32,501,123	53,367,478
Amortisation, depreciation and impairment losses		26,501,203	30,944,310
Other provisions		0	(12,536,338)
Working capital changes	17	14,165,718	(11,647,337)
Cash flow from ordinary operating activities		73,168,044	60,128,113
Financial income received		8,976,871	33,689,243
Financial expenses paid		(13,836,634)	(31,698,531)
Income taxes refunded/(paid)		(5,908,619)	(16,588,849)
Cash flows from operating activities		62,399,662	45,529,976
Acquisition etc of intangible assets		0	(40,705)
Acquisition etc of property, plant and equipment		(15,512,951)	(23,614,141)
Sale of property, plant and equipment		20,717,131	1,876,481
Acquisition of fixed asset investments		(1,017,784)	(1,053,683)
Sale of fixed asset investments		186,702	10,594,758
Dividends received		0	6,988,214
Cash flows from investing activities		4,373,098	(5,249,076)
Repayments of loans etc		(22,624,801)	(21,340,031)
Repayment of debt to group enterprises		(52,217,125)	(16,064,182)
Cash flows from financing activities		(74,841,926)	(37,404,213)
Increase/decrease in cash and cash equivalents		(8,069,166)	2,876,687
Cash and cash equivalents beginning of year		29,883,922	27,007,235
Cash and cash equivalents end of year		21,814,756	29,883,922
Cash and cash equivalents at year-end are composed of:			
Cash		21,814,756	29,883,922
Cash and cash equivalents end of year		21,814,756	29,883,922

Notes

1 Going concern

The company has received a letter of support from parent company. In light of the COVID-19 crisis and the challenging market environment that the group is in, several actions have been put in place to mitigate the impact. Negotiations with banks have been initiated and reduced debt repayments have been agreed. Also working capital improvements have been addressed, all of this has resulted in optimized cash flows.

Different scenarios in terms of further evolution of the business in the coming 12 months have been investigated to ensure to have a good view on the sensitivities that affect the business, to prepare for further cost reductions where needed, and focus on the right market opportunities. Also plan on midterm will be revised to reflect better current market conditions and adjust financing structure accordingly.

Management on group level is initiating thorough re-negotiations with the banks on the structural financing. Notwithstanding the fact that management is confident about a positive outcome, the process is in an early stage. Since the structural financing is important for the going concern and given the early stage of the negotiations, it needs to be noted that this constitutes a material uncertainty on group level in respect of the going concern.

The annual accounts closed on 31 December 2019 are therefore prepared in the assumption of continuity of the Company.

2 Events after the balance sheet date

Three unforeseen incidents which are important events happened after year end, but have no impact on 2019 figures:

- The loss of the TOTAL crew change contract with immediate effect from January 1st 2021. This contract loss will reduce the flying activity with up 80% in relation to the normal flying program before COVID-19
- COVID-19 has an impact on the both flight frequents and coefficient of utilization. The latter is only a customer impact. The activity in 2020 will be effected by the lack of possibility to find a suitable treatment or cure. As COVID-19 treat is presence, we expect a reduction of 25-30% in activity in 2020. The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments and NHV A/S to contain the virus have affected economic activity. Since mid-March, we have experienced a reduction of flight hours in our core business as a result of government and client measures, linked to safety rules and social distancing. The Danish Government has approval a salary support package to prevent employer termination and reduce our operating cost.
- Degrease in Oil price and the excess production in relation the world demand has cancelled a number of personnel heavy maintenance task and hereto our activity with app 10%. We do not expect this will change in 2020 unless an unanticipated event will change the world demand and increase oil price to the level before COVID-19

3 Revenue

	2019	2018
	DKK	DKK
Revenue, Denmark	236,711,854	248,274,252
Revenue, Exports	117,750,604	200,413,204
Total revenue by geographical market	354,462,458	448,687,456

4 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	55,286,944	62,920,225
Pension costs	5,101,326	4,980,077
Other social security costs	1,652,147	1,228,837
Other staff costs	12,285,270	19,187,403
	74,325,687	88,316,542

Average number of full-time employees	73	75
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	Remuneration of management 2019 DKK	Remuneration of management 2018 DKK
Executive Board	792,802	2,937,763
	792,802	2,937,763

5 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Amortisation of intangible assets	405,652	919,366
Depreciation of property, plant and equipment	31,309,411	30,069,944
Profit/loss from sale of intangible assets and property, plant and equipment	(5,213,860)	(45,000)
	26,501,203	30,944,310

6 Other financial income

	2019 DKK	2018 DKK
Financial income from group enterprises	2,607,885	4,763,210
Exchange rate adjustments	5,395,287	27,946,265
Other financial income	1,019,026	979,768
	9,022,198	33,689,243

7 Other financial expenses

	2019 DKK	2018 DKK
Financial expenses from group enterprises	3,529,319	4,447,883
Other interest expenses	5,069,418	7,319,363
Exchange rate adjustments	5,079,073	19,633,513
Other financial expenses	204,151	297,772
	13,881,961	31,698,531

8 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	5,351,206	13,989,887
Adjustment concerning previous years	244,910	(478,825)
	5,596,116	13,511,062

9 Proposed distribution of profit and loss

	2019 DKK	2018 DKK
Retained earnings	23,578,780	43,338,995
	23,578,780	43,338,995

10 Intangible assets

	Completed development projects DKK
Cost beginning of year	20,691,426
Cost end of year	20,691,426
Amortisation and impairment losses beginning of year	(20,285,772)
Impairment losses for the year	(405,652)
Reversal regarding disposals	(2)
Amortisation and impairment losses end of year	(20,691,426)
Carrying amount end of year	0

11 Development projects

Development cost relate to direct cost – including training of staff, etc. in connection with the achievement of new operational skills, etc.

12 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	14,945,370	543,618,586	525,964
Additions	0	15,512,951	0
Disposals	(9,084,026)	(34,652,831)	0
Cost end of year	5,861,344	524,478,706	525,964
Depreciation and impairment losses beginning of year	(14,560,809)	(195,021,871)	(240,658)
Depreciation for the year	(233,691)	(31,002,129)	(73,591)
Reversal regarding disposals	9,001,856	19,231,730	0
Depreciation and impairment losses end of year	(5,792,644)	(206,792,270)	(314,249)
Carrying amount end of year	68,700	317,686,436	211,715

13 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	1,460,244	28,344,762
Additions	0	1,017,784
Disposals	(186,565)	0
Cost end of year	1,273,679	29,362,546
Revaluations beginning of year	10,150,700	0
Exchange rate adjustments	5,071	0
Share of profit/loss for the year	1,533,536	0
Reversal of revaluations	(141)	0
Revaluations end of year	11,689,166	0
Carrying amount end of year	12,962,845	29,362,546

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Ejendomsselskabet af 30. april 2003 Aps	Esbjerg	ApS	100
Faroecopter Sp/f	Faroe Islands	Sp/f	100
Dancopter UK Ltd.	Norwich	Ltd.	100
Dancopter NL B.V.	Den Helder	B.V.	100

14 Prepayments

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

15 Share capital

	Number	Par value DKK	Nominal value DKK
Share Capital	(2,362,500)	1	2,362,500
	(2,362,500)		2,362,500

16 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
Finance lease liabilities	23,604,227	22,698,314	82,048,197
	23,604,227	22,698,314	82,048,197

17 Changes in working capital

	2019 DKK	2018 DKK
Increase/decrease in receivables	(8,592,677)	11,984,403
Increase/decrease in trade payables etc	22,758,395	(23,631,740)
	14,165,718	(11,647,337)

18 Contingent liabilities

The Company has entered into operating leases regarding helicopters with a total capitalised residual lease payment of TDKK 63,854 and cars and copy machines with a total capitalised residual lease payment of TDKK 164 at 31 December 2019.

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.

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 93,670,037.

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 94,803,500.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. 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 adjustments of corporation taxes and withholding taxes may increase the Company's liability.

20 Related parties with controlling interest

Blueway AS, Norway owns 100% of the company.

21 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

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

Copies of the consolidated financial statements of NHV Group NV may be ordered at the following address:
Kalkaerstraat 101
BE-8400 Oostende
Belgium

Accounting policies

Reporting class

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

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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, 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.

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.

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.

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.

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.

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.