Danish Air Transport Holding A/S

Lufthavnsvej 4, DK-6580 Vamdrup

CVR no. 27 49 35 72

Annual report 2017

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

Chairman:

Lars Hansen

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Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Danish Air Transport Holding A/S for the financial year 1 January - 31 December 2017.

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

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

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

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

Vamdrup, 11 April 2018
Executive Board:

Jesper Rungholm

Board of Directors:

Finn Boel Pedersen
Chairman

Kirsten Rungholm

Cornelis Anthonie Kuypers

Jørgen Flodgaard Olesen

Independent auditor's report

To the shareholders of Danish Air Transport Holding A/S

Opinion

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2017, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Independent auditor's report

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

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

Michael Vakker Maass	Sussi Toft
State Authorised Public Accountant	State Authorised Public Accountant
MNE no.: mne32772	MNE no.: mne35830

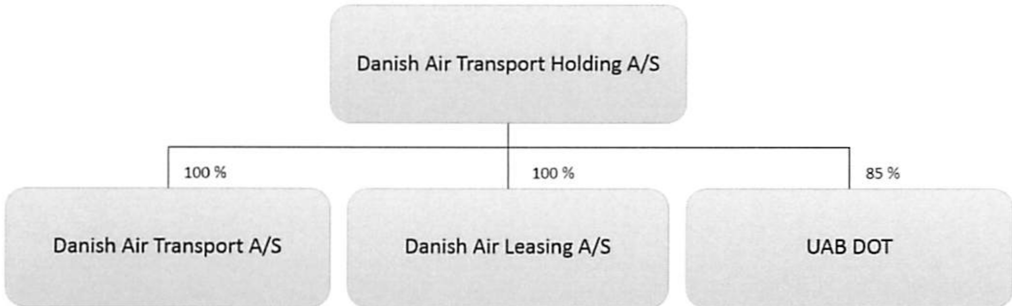
Management's review

Company details

Name	Danish Air Transport Holding A/S
Address, Postal code, City	Lufthavnsvej 4, DK-6580 Vamdrup
CVR no.	27 49 35 72
Established	18 December 2003
Registered office	Kolding
Financial year	1 January - 31 December
Telephone	+45 75 58 37 77
Board of Directors	Finn Boel Pedersen, Chairman Kirsten Rungholm Cornelis Anthonie Kuypers Jørgen Flodgaard Olesen
Executive Board	Jesper Rungholm
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2017	2016	2015	2014	2013
Key figures					
Revenue	890,933	792,890	644,125	503,209	500,046
Gross margin	324,059	309,440	253,843	226,222	214,695
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	117,431	115,387	83,142	77,421	73,200
Operating profit	28,276	50,273	43,741	41,981	27,729
Net financials	19,128	-26,632	-32,235	-27,815	-3,216
Profit before tax	47,404	23,641	11,506	14,166	24,513
Profit for the year	**37,025**	**17,620**	**8,862**	**10,918**	**22,330**
Total assets	631,877	654,152	667,429	509,337	469,252
Equity	**150,678**	**113,653**	**90,303**	**96,395**	**95,460**
Cash flows from operating activities	78,131	90,799	84,080	40,420	51,796
Net cash flows from investing activities	-29,634	-23,537	-180,516	-78,439	-112,414
Investment in property, plant and equipment	-69,696	-76,340	-187,633	-177,956	-145,927
Cash flows from financing activities	-49,474	-47,133	85,291	9,282	67,767
Total cash flows	**-977**	**20,129**	**-11,145**	**-28,737**	**7,149**
Parent company's share of consolidated profit	36,575	18,384	9,181	10,977	22,650
Total equity and subordinated loan capital	196,097	160,146	136,303	132,395	122,460
Financial ratios					
Return on equity	27.7%	18.0%	9.8%	11.4%	25.4%
Average number of employees	**438**	**416**	**393**	**321**	**303**

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.

Management's review

Business review

The Group's activities consist of flight with fixed wing aircraft and related activities using both own and leased aircraft as well as trading in aircraft and parts.

The Company's activities comprise holding shares in subsidiaries.

Financial review

In 2017, the group's revenue amounted to DKK 890,933 thousand against DKK 792,890 thousand last year. The income statement for 2017 shows a profit of DKK 37,025 thousand against a profit of DKK 17,620 thousand last year, and the group's balance sheet at 31 December 2017 shows equity of DKK 150,678 thousand.

The result is to some extend satisfactory and better than expectations. The Group has undergone a major change in organization and increased cooperation through project "One Airline" and the positive result of this can be seen. The result includes a positive impact due to an unrealized USD - DKK exchange rate adjustment of DKK 29.2 million and a negative impact of DKK 27.6 million due to extra impairment write-downs to still reflect the same conservative book value of the aircraft.

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased from approximately DKK 115 million in 2016 to approx. DKK 117 million in 2017.

Total aircraft depreciation, including impairment write-downs, amounted to DKK 87.7 million against DKK 63.8 million in 2016. Total depreciation expensed in 2017 thereby totaled approximately 16.9 % of the carrying amount of aircraft at the beginning of the year (11.6 % excluding impairment write-downs) against approximately 11.9 % in 2016 (11.1 % excluding impairment write-downs), which is considered to be conservative in relation to the technical financial value of the aircraft.

During the year the Group generated negative free cash flows of DKK 977 thousand versus free cash flows of DKK 20,129 million in 2016. Total cash reserves thus amounted to DKK 24,821 million on 31 December 2017.

Equity and subordinate loan capital totaled DKK 196 million at 31 December 2017 and the solvency ratio represented 31.0 % as against equity and subordinate loan capital of DKK 160.1 million and a solvency ratio of 24.5 % in 2016.

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. It is Company policy not to enter into speculative currency positions.

Valuation of aircraft

As stated in the accounting policies, aircraft are written down to the recoverable amount if this is lower than the carrying amount. Impairment tests are made on an annual basis for each aircraft.

The valuation of aircraft is therefore sensitive towards market trends and exchange rate fluctuations, as aircraft are normally traded in USD.

Management's review

The DAT Group's primary environmental influence is through CO2-emissions from the Group's aircrafts. DAT Group seeks to reduce fuel consumption and CO2-emission as much as possible. Among other things this is done by continuously training pilots, adjusting aircraft sizes to the number of passengers, optimizing flight height and investing in more fuel efficient aircrafts which have lower CO2-emissions. All pilots have been trained in fuel-efficient flight as an integrated part of their training in the Group's aircraft fleet. DAT Group bought five new aircrafts in 2014 and three new aircraft in 2015. The aircrafts were purchased in order to achieve the optimum utilization based on the group's activities, including the optimal utilization related to fuel consumption.

Statutory CSR report

The Company strives at demonstrating ethical and moral behaviour in every respect in order to assume a high degree of social corporate responsibility. The DAT Group has not implemented specific policies for corporate social responsibility, hereunder policies for climate, environment and human rights, as a part of the Group's strategy and activities, and there-fore no separate report is made on corporate social responsibility.

The DAT Group entirely aim at employing staff on identical terms of employment / agreement for the single personnel groups. In some special operative conditions it can however be necessary to attach personnel at short-time individual contracts.

Account of the gender composition of Management

The DAT Group has an overall strategy on diversity in the Company, including a strategy for gradually increasing the proportion of women in management. It is the opinion of the Group that all employees must be treated equally, regardless of gender, race and religion, so that everyone is guaranteed equal opportunities for employment, education and promotion. We will promote the careers of wom-en and men equally. In connection with hiring of employees with management responsibility the Group strives to have at least one of each gender among the final three candidates. The share of women in positions with management responsibilities is at the same level as last year (37.3 % in 2017 as opposed to 38.2% in 2016).

The DAT Group's objective is that women represent at least 40% of the Group's Board of Directors by the end of 2018. At present 25% is women and 75% is men.

Outlook

We expect a positive and improved result in 2018.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK'000	2017	2016	2017	2016
2	**Revenue**	890,933	792,890	0	0
	Production costs	-508,719	-432,569	0	0
3	Other operating income	2,658	12,090	0	0
	Other external expenses	-60,813	-62,971	-87	-77
	Gross margin	324,059	309,440	-87	-77
4	Staff costs	-206,628	-194,053	0	0
5	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-89,155	-65,114	0	0
	Profit/loss before net financials	28,276	50,273	-87	-77
	Income from investments in group enterprises	0	0	36,019	18,444
6	Financial income	33,652	229	1,350	1,383
7	Other financial expenses	-14,524	-26,861	-1,350	-1,383
	Profit before tax	47,404	23,641	35,932	18,367
8	Tax for the year	-10,217	-5,838	19	17
	Other taxes	-162	-183	0	0
	Profit for the year	37,025	17,620	35,951	18,384
	Specification of the Group's results of operations:				
	Shareholders in Danish Air Transport Holding A/S	36,575	18,384		
	Non-controlling interests	450	-764		
		37,025	17,620		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2017	2016	2017	2016
	ASSETS				
	Fixed assets				
9	**Property, plant and equipment**				
	Land and buildings	3,811	3,939	0	0
	Aircraft	458,635	516,791	0	0
	Fixtures and fittings, other plant and equipment	7,020	5,612	0	0
		469,466	526,342	0	0
10	**Investments**				
	Investments in group enterprises	0	0	165,757	125,470
	Receivables from group enterprises	0	0	46,000	46,000
	Other receivables	2,941	3,414	0	0
		2,941	3,414	211,757	171,470
	Total fixed assets	472,407	529,756	211,757	171,470
	Non-fixed assets				
	Inventories				
	Spareparts	55,725	54,239	0	0
		55,725	54,239	0	0
	Receivables				
	Trade receivables	30,685	20,161	0	0
	Receivables from group enterprises	281	261	5,002	5,261
14	Deferred tax assets	1,663	2,050	94	76
	Corporation tax receivable	224	422	0	0
	Other receivables	27,640	13,131	0	98
11	Prepayments	8,784	2,319	0	0
		69,277	38,344	5,096	5,435
	Securities and investments	16	15	0	0
	Cash	34,452	31,798	0	0
	Total non-fixed assets	159,470	124,396	5,096	5,435
	TOTAL ASSETS	631,877	654,152	216,853	176,905

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	11,111	11,111	11,111	11,111
	Net revaluation reserve according to the equity method	0	0	131,805	95,786
	Other reserves	86	86	86	86
	Retained earnings	138,900	102,949	7,095	7,163
	Shareholder in Danish Air Transport Holding A/S' share of equity	150,097	114,146	150,097	114,146
	Non-controlling interests	581	-493	0	0
	Total equity	150,678	113,653	150,097	114,146
	Provisions				
14	Deferred tax	51,635	47,227	0	0
	Total provisions	51,635	47,227	0	0
	Liabilities other than provisions				
13	**Non-current liabilities other than provisions**				
	Mortgage debt	813	852	0	0
	Bank loans	158,831	226,430	0	0
	Lease liabilities	719	0	0	0
	Other longterm liabilities to credit institutions	27,066	34,056	0	0
15	Subordinate loan capital	46,000	46,000	46,000	46,000
	Payables to shareholders and Management	7,000	7,000	0	0
		240,429	314,338	46,000	46,000
	Current liabilities other than provisions				
13	Short-term part of long-term liabilities other than provisions	33,028	37,751	0	0
	Bank debt	9,631	10,384	0	0
	Prepayments received from customers	49,646	44,268	0	0
	Trade payables	43,925	43,475	0	0
	Payables to group enterprises	6,088	5,000	20,705	16,708
	Corporation tax payable	0	1	0	0
	Joint taxation contribution payable	5,504	0	0	0
	Other payables	41,313	37,664	51	51
16	Deferred income	0	391	0	0
		189,135	178,934	20,756	16,759
	Total liabilities other than provisions	429,564	493,272	66,756	62,759
	TOTAL EQUITY AND LIABILITIES	631,877	654,152	216,853	176,905

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

		Group					
Note	DKK'000	Share capital	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2016	11,111	86	79,106	90,303	271	90,574
	Transfer through appropriation of profit	0	0	18,384	18,384	-764	17,620
	Adjustment of investments through forreign exchange adjustments	0	0	-5	-5	0	-5
	Other value adjustments of equity	0	0	7,005	7,005	0	7,005
	Tax on items recognised directly in equity	0	0	-1,541	-1,541	0	-1,541
	Equity at 1 January 2017	11,111	86	102,949	114,146	-493	113,653
	Additions on merger/corporate acquisition	0	0	-624	-624	624	0
	Transfer through appropriation of profit	0	0	36,575	36,575	450	37,025
	Equity at 31 December 2017	11,111	86	138,900	150,097	581	150,678

During 2017 the remaining share of the subsidiary UAB DAT Lite was aquired (15%) and the subsidiary was subsequently liquidated during 2017. The aquisition of the remaining share had a negative impact of DKK 624 thousand on the controlled equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity (continued)

		Parent company				
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Other reserves	Retained earnings	Total
	Equity at 1 January 2016	11,111	77,347	86	1,759	90,303
21	Transfer, see "Appropriation of profit"	0	18,444	0	-60	18,384
	Adjustment of investments through forreign exchange adjustments	0	-5	0	0	-5
	Other value adjustments of equity	0	0	0	7,005	7,005
	Tax on items recognised directly in equity	0	0	0	-1,541	-1,541
	Equity at 1 January 2017	11,111	95,786	86	7,163	114,146
21	Transfer, see "Appropriation of profit"	0	36,019	0	-68	35,951
	Equity at 31 December 2017	11,111	131,805	86	7,095	150,097

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2017	Group 2016
	Profit for the year	37,025	17,620
22	Adjustments	77,749	85,677
	Cash generated from operations (operating activities)	114,774	103,297
23	Changes in working capital	-22,076	3,938
	Cash generated from operations (operating activities)	92,698	107,235
	Interest received, etc.	30	6
	Interest paid, etc.	-14,435	-16,448
	Income taxes paid	-162	6
	Cash flows from operating activities	78,131	90,799
	Additions of property, plant and equipment	-69,696	-76,340
	Disposals of property, plant and equipment	40,062	52,803
	Cash flows to investing activities	-29,634	-23,537
	Proceeds of long-term liabilities	5,716	10,579
	Proceeds of debt, finance leases	1,261	0
	Repayments, long-term liabilities	-56,090	-57,712
	Repayments, finance leases	-361	0
	Cash flows from financing activities	-49,474	-47,133
	Net cash flow	-977	20,129
	Cash and cash equivalents at 1 January	21,414	3,201
	Foreign exchange adjustments	4,384	-1,916
24	**Cash and cash equivalents at 31 December**	24,821	21,414

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

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

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

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.

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

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 cumulative 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 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).

Consolidated financial statements

Control

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

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

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

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

Significant influence

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Preparation of consolidated financial statements

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

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

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

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

In the former scenario, goodwill relating to the non-controlling interests' share of the acquiree is thus recognised, whereas, in the latter scenario, goodwill relating to the non-controlling interests' share is not recognised. The measurement scenario is decided transaction by transaction.

External business combinations

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

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

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

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

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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

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

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

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

Foreign currency translation

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

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

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Derivative financial instruments

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

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

Leases

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

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

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

Income statement

Revenue

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

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

Other operating income

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

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

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

Depreciation and impairment

The item comprises depreciation and impairment 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.

Income from investments in subsidiaries

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

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

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Aircraft, fixtures, fittings etc. 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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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

Aircraft	10-20 years
Buildings on owned land	30 years
Buildings on leased land	10 years
Fixtures and fittings, tools and equipment	5 years

The portion of the aircraft cost which is subject to periodical inspections and/or replacements is depreciated from production intensity.

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 as-sets, respectively.

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

Investments in subsidiaries

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

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

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

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.

Impairment of fixed assets

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

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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

Inventories

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

Receivables

Receivables are measured at amortised cost.

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

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

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

Prepayments

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

Securities and investments

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

Cash

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

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

Proposed dividends

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

Income taxes

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

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

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

Liabilities

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

Other liabilities are measured at net realisable value.

Lease liabilities

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Deferred income

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

Cash flow statement

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

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

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

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

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

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

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

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

Return on equity $\dfrac{\text{Profit/loss for the year excl. non-controlling interests x 100}}{\text{Average equity excl. non-controlling interests}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016

2 **Segment information**

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

DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
3 Other operating income				
Gain on the sale of property	0	1,207	0	0
Gain on the sale of aircraft	2,658	10,883	0	0
	2,658	12,090	0	0
4 Staff costs				
Wages/salaries	187,879	176,404	0	0
Pensions	16,704	15,660	0	0
Other social security costs	2,045	1,989	0	0
	206,628	194,053	0	0

Included in wages/saleries is fee to subcontractors of DKK 11,401 thousand (2016: DKK 11,356 thousand).

	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Average number of full-time employees	438	416	0	0

Group

Total remuneration to group Management : DKK 3.169 thousand (2016: DKK 1.221 thousand)

Parent company

The parent company did not pay any remuneration to Management during the financial year.

The parent company has no employees.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	DKK'000	2017	2016	2017	2016
5	**Depreciation and impairment of property, plant and equipment**				
	Depreciation of property, plant and equipment	61,605	60,914	0	0
	Impairment of property, plant and equipment	27,550	4,200	0	0
		89,155	65,114	0	0
6	**Financial income**				
	Interest receivable, group entities	0	0	1,350	1,383
	Exchange rate adjustments	33,622	223	0	0
	Other financial income	30	6	0	0
		33,652	229	1,350	1,383
7	**Other financial expenses**				
	Interest expenses, group entities	1,350	1,383	1,350	1,383
	Exchange rate adjustments	89	10,413	0	0
	Credit institutions	12,316	15,016	0	0
	Other financial expenses	769	49	0	0
		14,524	26,861	1,350	1,383
8	**Tax for the year**				
	Estimated tax charge for the year	5,701	-156	0	0
	Deferred tax adjustments in the year	4,832	5,810	-17	-17
	Tax adjustments, prior years	-35	184	0	0
	Refund in joint taxation	-281	0	-2	0
		10,217	5,838	-19	-17

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment

	Group			
DKK'000	Land and buildings	Aircraft	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2017	11,557	919,460	18,715	949,732
Foreign exchange adjustments	1	13	3	17
Additions	429	65,746	3,521	69,696
Disposals	0	-52,589	-1,055	-53,644
Cost at 31 December 2017	11,987	932,630	21,184	965,801
Impairment losses and depreciation at 1 January 2017	7,618	402,669	13,103	423,390
Foreign exchange adjustments	0	5	0	5
Impairment losses	0	27,550	0	27,550
Depreciation	558	59,082	1,965	61,605
Reversal of accumulated depreciation and impairment of assets disposed	0	-15,311	-904	-16,215
Impairment losses and depreciation at 31 December 2017	8,176	473,995	14,164	496,335
Carrying amount at 31 December 2017	3,811	458,635	7,020	469,466
Property, plant and equipment include finance leases with a carrying amount totalling	0	0	1,094	1,094

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Investments

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

	Parent company		
DKK'000	Investments in group enterprises	Receivables from group enterprises	Total
Cost at 1 January 2017	29,680	46,000	75,680
Additions	98	0	98
Disposals	-833	0	-833
Cost at 31 December 2017	28,945	46,000	74,945
Value adjustments at 1 January 2017	95,790	0	95,790
Profit/loss for the year	36,019	0	36,019
Reversal of impairment losses on assets disposed	5,003	0	5,003
Value adjustments at 31 December 2017	136,812	0	136,812
Carrying amount at 31 December 2017	165,757	46,000	211,757

Investments in group enterprises

During 2017 the remaining share of the subsidiary UAB DAT Lite was aquired (15%) and the subsidiary was subsequently liquidated during 2017.

Receivables from group enterprises

The subordinate loans were provided to the subsidiary, Danish Air Transport A/S. It has been agreed that Danish Air Transport A/S is not to pay regular instalments on the loans. The loans fall due for repayment on 30 June 2020 and are irredeemable on the part of the creditor during the intervening period.

Parent company

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					
Danish Air Transport A/S	A/S	Kolding	100.00%	24,479	2,488
Danish Air Transport Leasing A/S	A/S	Kolding	100.00%	137,985	31,715
UAB DOT	DOT	Lithuania	85.00%	4,070	3,194

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 **Prepayments**

Group

Prepayments include accrual of expenses relating to subsequent financial years.

DKK'000	Parent company 2017	Parent company 2016
12 Share capital		
Analysis of the share capital:		
11,111 A shares of DKK 1,000.00 nominal value each	11,111	11,111
	11,111	11,111

The share capital comprises shares at DKK 1 or multiple hereof.

There are no separate share classes.

The parent's share capital has remained DKK 11,111 thousand over the past 5 years.

13 **Non-current liabilities other than provisions**

DKK'000	Group			
	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	851	38	813	660
Bank loans	186,802	27,971	158,831	48,873
Lease liabilities	896	177	719	0
Other longterm liabilities to credit institutions	31,908	4,842	27,066	7,709
Subordinate loan capital	46,000	0	46,000	0
Payables to shareholders and Management	7,000	0	7,000	0
	273,457	33,028	240,429	57,242

DKK'000	Parent company			
	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Subordinate loan capital	46,000	0	46,000	0
	46,000	0	46,000	0

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Notes to the financial statements

DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
14 Deferred tax				
Deferred tax at 1 January	45,177	36,920	-76	-60
Exchange rate adjustment	-3	4	0	0
Adjustments for the year	4,834	5,810	-17	-17
Deferred tax adjustment regarding hedging adjustments recognized directly in equity	0	1,541	0	0
Adjustment concerning utilisation of loss in joint taxation concerning previous years	-35	902	-1	1
Other deferred tax	-1	0	0	0
Deferred tax at 31 December	49,972	45,177	-94	-76
Analysis of the deferred tax				
Deferred tax assets	-1,663	-2,050	-94	-76
Deferred tax liabililties	51,635	47,227	0	0
	49,972	45,177	-94	-76

15 Subordinate loan capital

DKK'000	Group Maturity	Group Amount outstanding
Subordinate loan capital	30/6 2020	46,000
		46,000

The subordinate loan was provided by the parent company, Runway Holding A/S. It has been agreed that Danish Air Transport Holding A/S is not to pay regular instalments on the loans. The loans fall due for repayment on 30 June 2020 and are irredeemable on the part of the creditor during the intervening period.

DKK'000	Parent company Maturity	Parent company Amount outstanding
Subordinate loan capital	30/6 2020	46,000
		46,000

The subordinate loan was provided by the parent company, Runway Holding A/S. It has been agreed that Danish Air Transport Holding A/S is not to pay regular instalments on the loans. The loans fall due for repayment on 30 June 2020 and are irredeemable on the part of the creditor during the intervening period.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

16 Deferred income

Deferred income consists of payments received from customers that may not be recognised until the subsequent financial year.

17 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

The Group has entered into agreements regarding aircraft leases. The total lease obligation amounts to DKK 145,785 thousand of which DKK 89,279 concerns 2018. The lease agreements run for the period up to 31 December 2020.

Other financial obligations

Parent company

The Company is jointly taxed with its parent, Runway Holding ApS, which acts as management company, and other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes income years 2013-2017 and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

18 Collateral

Group

The Group has provided the following security regarding the Group's aircraft loans and other loans and overdrafts amounting to DKK 219,003 thousand at 31 December 2017:

- Owner's mortgage and letters of indemnity of DKK 542,583 thousand secured upon aircraft at a carrying amount of DKK 433,467 thousand.
- Owner's mortgages of DKK 1,100 thousand secured upon buildings at a carrying amount of DKK 1,318 thousand.

Parent company

The parent company has not placed any assets or other as security for loans at 31 December 2017.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

19 **Related parties**

Group

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

Parties exercising control

Related party	Domicile	Basis for control
Runway Holding ApS	Kolding	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Runway Holding ApS	Kolding	The consolidated financial statements of Runway Holding ApS can be requisitioned on www.cvr.dk

Related party transactions

DKK'000	2017	2016
Group		
Interest expenses to parent company	1,350	1,383
Receivables from parent company	281	261
Payables to parent company	52,088	51,000
Parent Company		
Interest expenses to parent company	1,350	1,383
Interest income from subsidiaries	1,350	1,383
Receivables from parent company	2	261
Payables to parent company	52,088	51,000
Receivables from subsidiaries	51,000	51,000
Payables to subsidiaries	14,617	11,708

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

Parent company

Parties exercising control

Related party	Domicile	Basis for control
Runway Holding ApS	Kolding	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Runway Holding ApS	Kolding	www.cvr.dk

Information about remuneration to Management

Information about remuneration to Management appears from note 4, "Staff costs".

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
Runway Holding ApS	Kolding

		Group	
	DKK'000	2017	2016
20	**Fee to the auditors appointed by the Company in general meeting**		
	Total fees to EY	584	495
	Statutory audit	332	250
	Assurance engagements	7	7
	Tax assistance	2	2
	Other assistance	243	236
		584	495

		Parent company	
	DKK'000	2017	2016
21	**Appropriation of profit**		
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	36,019	18,444
	Retained earnings/accumulated loss	-68	-60
		35,951	18,384

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2017	Group 2016
22	**Adjustments**		
	Amortisation/depreciation and impairment losses	89,155	65,114
	Gain/loss on the sale of non-current assets	-2,658	-12,090
	Financial income	-33,652	-229
	Financial expenses	14,524	26,861
	Tax for the year	10,379	6,021
	Other adjustments	1	0
		77,749	85,677
23	**Changes in working capital**		
	Change in inventories	-1,486	-9,503
	Change in receivables	-30,764	9,606
	Change in trade and other payables	3,708	-13,487
	Other changes in working capital	6,466	17,322
		-22,076	3,938
24	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	34,452	31,798
	Short-term debt to banks	-9,631	-10,384
		24,821	21,414