

MISL Denmark Limited ApS

**Sundkrogsgade 21, c/o Harbour House, DK-
2100 Copenhagen**

CVR no 29 60 66 84

Annual report for 2016

Adopted at the annual general meeting
on 4 May 2017

Anders Albæk Solem
Chairman

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Statement by Management on the annual report

The Executive Board has today discussed and approved the annual report of MISL Denmark Limited ApS for the financial year 1 January - 31 December 2016.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 28 April 2017

Executive Board

Peter Drachmann
manager

Niels Christian Wedell-
Wedellsborg
manager

Independent auditor's report

To the shareholder of MISL Denmark Limited ApS

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of MISL Denmark Limited ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the financial Statements

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent auditor's report

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

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

Copenhagen, 28 April 2017

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR-nr. 32 89 54 68

Flemming Bernth
State Authorised Public Accountant

Company details

The Company

MISL Denmark Limited ApS
Sundkrogsgade 21
c/o Harbour House
DK-2100 Copenhagen

CVR no.: 29 60 66 84
Reporting period: 1 January - 31 December
Domicile: Copenhagen

Executive Board

Peter Drachmann, manager
Niels Christian Wedell-Wedellsborg, manager

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab
Knud Højgaards Vej 9
DK-2860 Copenhagen

Management's review

Business activities

The object of the company is to rent and lease aircrafts and, directly or indirectly, to carry on any activities which, in the opinion of the board of management, are related thereto. The company has decided to book the income from each lease agreement in the income statement only as this in the opinion of the company gives a better view of the activities.

Recognition and measurement uncertainties

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Unusual matters

The Management has noted the shareholders' resolution to wind up and liquidate the Company in the following financial year. The Company's financial position at 31 December 2016, and the results of its operations for the financial year ended 31 December 2016, are not affected by the resolution.

Business review

The Company's income statement for the year ended 31 December shows a profit of USD 6.831 and the balance sheet at 31 December 2016 shows equity of USD 353.570

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2016</u> USD	<u>2015</u> USD
Gross profit		10.550	9.831
Financial income		1.202	775
Financial costs		<u>-3.007</u>	<u>-3.116</u>
Profit/loss before tax		8.745	7.490
Tax on profit/loss for the year	2	<u>-1.914</u>	<u>-5.182</u>
Net profit/loss for the year		<u>6.831</u>	<u>2.308</u>
 Distribution of profit			
Retained earnings		<u>6.831</u>	<u>2.308</u>
		<u>6.831</u>	<u>2.308</u>

Balance sheet 31 December

	<u>Note</u>	<u>2016</u> USD	<u>2015</u> USD
Assets			
Other receivables		2.847	0
Prepayments		11.068	0
Receivables		<u>13.915</u>	<u>0</u>
Cash at bank and in hand		<u>392.756</u>	<u>365.768</u>
Current assets total		<u>406.671</u>	<u>365.768</u>
Assets total		<u><u>406.671</u></u>	<u><u>365.768</u></u>

Balance sheet 31 December

	Note	2016 USD	2015 USD
Liabilities and equity			
Share capital		22.264	22.264
Retained earnings		331.306	324.475
Equity	3	353.570	346.739
Prepayments received from customers		33.443	6.450
Trade payables		18.351	9.000
Corporation tax		1.307	3.579
Short-term debt		53.101	19.029
Debt total		53.101	19.029
Liabilities and equity total		406.671	365.768
Contingent assets, liabilities and other financial obligations	4		

Notes

	<u>2016</u>	<u>2015</u>
	USD	USD
1 Staff costs		
	<u>0</u>	<u>0</u>
Average number of employees	<u>0</u>	<u>0</u>
2 Tax on profit/loss for the year		
Current tax for the year	<u>1.914</u>	<u>5.182</u>
	<u>1.914</u>	<u>5.182</u>

Notes

3 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	22.264	324.475	346.739
Net profit/loss for the year	<u>0</u>	<u>6.831</u>	<u>6.831</u>
Equity at 31 December 2016	<u>22.264</u>	<u>331.306</u>	<u>353.570</u>

The share capital consists of 16.765 shares of a nominal value of EUR 1 each.

The shares have been pledged pursuant to a Share Pledge Agreement dated 19 October 2006.

4 Contingent assets, liabilities and other financial obligations

The Company has entered into lease agreements regarding aircraft and the residual value as per end 2016 amounted to USD 60.434.823

Accounting policies

The annual report of MISL Denmark Limited ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2016 is presented in USD

Currency exchange rate (USD/DKK)

31/12/2015:683,00

31/12/2016:705,28

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company's and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realised and unrealised exchange rate adjustments are included in the income statement as financial income/expenses.

Income statement

Income

Income from leasing is recognised as revenue reference to the state of completion.

With reference to section 32 of the Danish Financial Statements Act, the items from "revenue" to and including "Other external expenses" are consolidated into one item stated as Gross profit /Gross loss.

Direct expenses

Direct expenses includes rent of aircraft.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Accounting policies

Cash and cash equivalents

Cash consist of bank deposits and cash at bank and in hand.

Income tax and deffered tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Liabilities, which include trade liabilities, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.