
Copenhagen Flight Services ApS

Krohaven 4, DK-4736 Karrebæksminde

Annual Report for 1 January - 31 December 2017

CVR No 30 90 27 26

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
9 /5 2018

Tomas Hedström
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Copenhagen Flight Services ApS 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 Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kastrup, 9 May 2018

Executive Board

Torben Andersen
Managing Director

Board of Directors

Tomas Hedström
Chairman

Jan Olof Brunstedt

Jo Alex Tanem

Independent Auditor's Report

To the Shareholder of Copenhagen Flight Services ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Copenhagen Flight Services ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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.

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, in our view, 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 in Management's Review.

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 misstate-

Independent Auditor's Report

ment, 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.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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

Independent Auditor's Report

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.

Hellerup, 9 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

René Otto Poulsen

State Authorised Public Accountant

mne26718

Anders Røjleskov

State Authorised Public Accountant

mne28699

Company Information

The Company

Copenhagen Flight Services ApS
Krohaven 4
DK-4736 Karrebæksminde
E-mail: torben.andersen@cphfs.eu

CVR No: 30 90 27 26
Financial period: 1 January - 31 December
Municipality of reg. office: Næstved

Board of Directors

Tomas Hedström , Chairman
Jan Olof Brunstedt
Jo Alex Tanem

Executive Board

Torben Andersen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

Copenhagen Flight Services ApS (CFS) provides airport-related services for airlines and other actors at Copenhagen Airport. CFS' overall aim is to provide customers with high, stable quality of delivery, with the help of knowledgeable and motivated employees, thereby creating the preconditions for good profitability and added value for its owners.

Development in the year

The income statement of CFS for 2017 shows a profit of DKK thousand 2,422 and at 31 December 2017 the balance sheet of CFS shows equity of DKK thousand 56,709.

Unusual events

The financial position at 31 December 2017 of CFS and the results of the activities of CFS for the financial year for 2017 have not been affected by any unusual events.

Subsequent events

Events after 31 December 2017 have not occurred, which, in the opinion of the management, have a significant impact on the assessment of the 2017 Annual Report.

Income Statement 1 January - 31 December

	Note	2017 DKK	2016 DKK
Gross profit/loss		66,599,325	81,103,106
Staff expenses	1	-60,331,588	-63,188,172
Depreciation and impairment of property, plant and equipment		-2,808,485	-3,246,731
Profit/loss before financial income and expenses		3,459,252	14,668,203
Financial income	2	158,974	2,524
Financial expenses		-508,044	-517,270
Profit/loss before tax		3,110,182	14,153,457
Tax on profit/loss for the year	3	-688,271	-3,042,936
Net profit/loss for the year		2,421,911	11,110,521

Distribution of profit

Proposed distribution of profit

Retained earnings	2,421,911	11,110,521
	2,421,911	11,110,521

Balance Sheet 31 December

Assets

	Note	2017 DKK	2016 DKK
Other fixtures and fittings, tools and equipment		578,017	3,386,502
Property, plant and equipment	4	578,017	3,386,502
Deposits		471,135	459,515
Fixed asset investments		471,135	459,515
Fixed assets		1,049,152	3,846,017
Inventories		0	40,000
Trade receivables		9,573,255	11,542,932
Receivables from group enterprises		63,788,894	56,093,286
Other receivables		941,607	2,287,235
Deferred tax asset		478,483	250,058
Prepayments		634,984	408,206
Receivables		75,417,223	70,581,717
Cash at bank and in hand		146,060	44,521
Currents assets		75,563,283	70,666,238
Assets		76,612,435	74,512,255

Balance Sheet 31 December

Liabilities and equity

	Note	2017 DKK	2016 DKK
Share capital		125,000	125,000
Retained earnings		56,583,771	54,161,860
Equity		56,708,771	54,286,860
Credit institutions		1,326,290	2,009,506
Lease obligations		0	2,030,191
Trade payables		920,587	945,379
Payables to group enterprises		6,695,647	2,250,709
Corporation tax		916,696	4,543,982
Other payables		10,044,444	8,445,628
Short-term debt		19,903,664	20,225,395
Debt		19,903,664	20,225,395
Liabilities and equity		76,612,435	74,512,255
Contingent assets, liabilities and other financial obligations	5		
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Statement of Changes in Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January	125,000	54,161,860	54,286,860
Net profit/loss for the year	0	2,421,911	2,421,911
Equity at 31 December	125,000	56,583,771	56,708,771

Notes to the Financial Statements

	2017 DKK	2016 DKK
1 Staff expenses		
Wages and salaries	54,416,529	56,765,891
Pensions	4,360,229	4,579,826
Other social security expenses	1,483,459	1,745,315
Other staff expenses	71,371	97,140
	60,331,588	63,188,172
 Average number of employees	 127	 134
 2 Financial income		
Interest received from group enterprises	483	0
Other financial income	158,491	2,524
	158,974	2,524
 3 Tax on profit/loss for the year		
Current tax for the year	916,696	3,331,154
Deferred tax for the year	-228,425	-182,087
Adjustment of deferred tax concerning previous years	0	-106,131
	688,271	3,042,936

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	20,225,986
Cost at 31 December	20,225,986
Impairment losses and depreciation at 1 January	16,839,484
Depreciation for the year	2,808,485
Impairment losses and depreciation at 31 December	19,647,969
Carrying amount at 31 December	578,017

	2017 DKK	2016 DKK
5 Contingent assets, liabilities and other financial obligations		

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	428,566	428,566
Between 1 and 5 years	1,357,127	1,678,551
	1,785,693	2,107,117
Lease obligations, period of non-terminability 6 months.	524,711	512,819

Other contingent liabilities

Trade receivables recognised with DKK 9.565k are part of a group factoring agreement and is pledged for debt according to the group agreement to credit institutions. According to the factoring agreement the Company has issued a guarantee to jointly and severally to indemnify credit institutions any loss suffered.

The Company is jointly taxed with other Danish Companies of the Aviator Group. The group Companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 0.

The Company is jointly taxed with other Danish Companies of the Aviator group. The Company and the other Companies subject to joint taxation have unlimited joint and several liability for Danish corporation taxes.

Notes to the Financial Statements

6 Related parties and group relation

Transactions

The Company's intercompany transactions and normal management remunerations has during the year been entered into at arm's length.

Consolidated Financial Statements

The Company is included in the group annual report of:

<u>Name</u>	<u>Place of registered office</u>
Aviator Airport Alliance Europe AB.	Arlandastad, Sweden

The group annual report may be obtained at this following address: Generatorgatan 11, 195 60 Arlandastad, Sweden

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Copenhagen Flight Services ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

7 Accounting Policies (continued)

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from rendering of services is recognised when the risks and rewards relating to the services have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Notes to the Financial Statements

7 Accounting Policies (continued)

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than wages.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish Aviator Group entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time

Notes to the Financial Statements

7 Accounting Policies (continued)

when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10	years
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Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,200 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

7 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.