
Copenhagen Flight Services ApS

Vestvej 4, DK-2770 Kastrup

Annual Report for 1 January - 31 December 2019

CVR No 30 90 27 26

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
11/9 2020

Jo Alex Tanem
Chairman of the General
Meeting



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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 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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, 11 September 2020

Executive Board

Jens Bo Hansen
Managing Director

Board of Directors

Jo Alex Tanem
Chairman

Per Göran Wassberg

Jens Bo Hansen

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, 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 Financials 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.

Independent Auditor's Report

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.

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.

Independent Auditor's Report

- 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.

Hellerup, 11 September 2020

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
Vestvej 4
DK-2770 Kastrup

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

Board of Directors

Jo Alex Tanem , Chairman
Per Göran Wassberg
Jens Bo Hansen

Executive Board

Jens Bo Hansen

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 the Company for 2019 shows a profit of DKK 6,903,183, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 72,377,671.

Unusual events

The financial position at 31 December 2019 of the Company and the results of the activities of the Company for the financial year for 2019 have not been affected by any unusual events.

Subsequent events

CFS' activities were significantly impacted by the spread of COVID-19 virus. Lockdowns are being enforced and prolonged across territories restricting daily operations. In April, May and June the traffic has decreased to nearly nothing. This has made it necessary to lay-off employees which lead to a reduction of 33 employees at the end of June 2020.

Even though CFS has sought for support packages provided by government 2020 will be a difficult year in a financial perspective. At the moment traffic prognoses for the rest of 2020 are very uncertain – and therefore it is not possible to give any indications on financial performance in 2020.

The spread of Covid-19 will impact the evaluations related to impairment tests, credit losses etc. The pandemic started in Denmark after year-end 2019 and is a new issue that will have consequences in a financial perspective over the coming years.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		83,387,000	76,299,533
Staff expenses	2	-73,595,970	-64,630,140
Depreciation and impairment of property, plant and equipment		-463,626	-550,659
Profit/loss before financial income and expenses		9,327,404	11,118,734
Financial income		4,274	7,001
Financial expenses		-351,948	-254,869
Profit/loss before tax		8,979,730	10,870,866
Tax on profit/loss for the year	3	-2,076,547	-2,105,150
Net profit/loss for the year		6,903,183	8,765,716

Distribution of profit

Proposed distribution of profit

Retained earnings	6,903,183	8,765,716
	6,903,183	8,765,716

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		2,500,180	1,780,203
Property, plant and equipment	4	2,500,180	1,780,203
Deposits		426,758	428,533
Fixed asset investments		426,758	428,533
Fixed assets		2,926,938	2,208,736
Trade receivables	6	10,621,385	11,227,172
Receivables from group enterprises		84,316,247	73,098,267
Other receivables		656,304	599,710
Deferred tax asset		382,844	337,041
Prepayments		625,657	562,629
Receivables		96,602,437	85,824,819
Cash at bank and in hand		26,413	331,863
Currents assets		96,628,850	86,156,682
Assets		99,555,788	88,365,418

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		125,000	125,000
Retained earnings		72,252,671	65,349,488
Equity		72,377,671	65,474,488
Lease obligations		1,917,731	1,040,988
Other payables		1,889,692	0
Long-term debt	5	3,807,423	1,040,988
Credit institutions		4,998,527	3,000,653
Lease obligations	5	274,125	235,000
Trade payables		1,150,137	1,217,563
Payables to group enterprises		1,427,909	2,314,498
Corporation tax		2,022,372	2,161,700
Other payables	5	13,497,624	12,920,528
Short-term debt		23,370,694	21,849,942
Debt		27,178,117	22,890,930
Liabilities and equity		99,555,788	88,365,418
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	125,000	65,349,488	65,474,488
Net profit/loss for the year	0	6,903,183	6,903,183
Equity at 31 December	125,000	72,252,671	72,377,671

Notes to the Financial Statements

1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to close down their countries will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

In consequence, the assessments of impairment indications and other estimates made by Management at 31 December 2019 are based on information available at year-end 2019, which may differ from the cash flows etc. expected by Management at the time of adoption of the Annual Report.

Management has not subsequently noted any material changes in the valuation of assets and liabilities.

The Company's business is significantly affected by the spread of the COVID-19 virus. The closure of Denmark has led to a decrease in the level of activity by more than 80% compared to the same period last year.

Management has prepared and implemented a comprehensive plan to minimize the effects of the crisis on the Company, among other things through participation in the government's support packages for wage compensation and compensation for fixed costs. The Company is in dialogue with customers and suppliers about changed prices etc.

In 2020, the Company has carried out a restructuring of its business to secure the business foundation for the future. The employee capacity has as part hereof been adjusted. Management assesses that, as a consequence of the implemented cost savings and the changed business foundation, the Company expects a positive operational result within the next following financial years. Management assesses that the capital resources of the Company are sufficient.

Despite the mentioned implications of COVID-19, Management still considers the cash resources reasonable.

2 Staff expenses

	2019 DKK	2018 DKK
Wages and salaries	66,160,328	57,968,466
Pensions	5,775,055	4,732,623
Other social security expenses	1,440,535	1,709,691
Other staff expenses	220,052	219,360
	73,595,970	64,630,140
Average number of employees	141	128

Notes to the Financial Statements

	2019 DKK	2018 DKK
3 Tax on profit/loss for the year		
Current tax for the year	2,022,372	2,161,700
Deferred tax for the year	-45,803	141,442
Adjustment of tax concerning previous years	99,978	-197,992
	2,076,547	2,105,150
4 Property, plant and equipment		
		Other fixtures and fittings, tools and equipment DKK
Cost at 1 January		21,978,831
Additions for the year		1,183,604
Cost at 31 December		23,162,435
Impairment losses and depreciation at 1 January		20,198,628
Depreciation for the year		463,627
Impairment losses and depreciation at 31 December		20,662,255
Carrying amount at 31 December		2,500,180
Including assets under finance leases amounting to		2,397,622

Notes to the Financial Statements

5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019 DKK	2018 DKK
Lease obligations		
After 5 years	304,801	313,000
Between 1 and 5 years	1,612,930	727,988
Long-term part	1,917,731	1,040,988
Within 1 year	274,125	235,000
	2,191,856	1,275,988
Other payables		
Between 1 and 5 years	1,889,692	0
Long-term part	1,889,692	0
Other short-term payables	13,497,624	12,920,528
	15,387,316	12,920,528

6 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	946,508	436,550
Between 1 and 5 years	2,536,058	937,475
After 5 years	507,434	0
	3,990,000	1,374,025
Rental premises lease obligations, period of non-terminability 6 months.	412,000	472,000

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

Trade receivables recognised with TDKK 10,621 (2018: TDKK 11,227) 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.

7 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

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:

Name	Place of registered office
Avia Solutions Group PLC, ultimate parent	28 Oktovriou, ENGOMI BUSINESS CENTER BLC E, Flat/Office 111, Egkomi, 2414, Nicosia, Cyprus
Aviator Airport Alliance AB, direct parent	Stockholm-Arlanda, Sweden

The Company's direct parent does not prepare consolidated financial statements. The Company's ultimate parent, which prepares consolidated financial statements into which the Company is incorporated as a subsidiary, is Avia Solutions Group PLC.

The Group Annual Report of Avia Solutions Group PLC, ultimate parent may be obtained at the following address:

28 Oktovriou, ENGOMI BUSINESS CENTER BLC E, Flat/Office 111, Egkomi, 2414, Nicosia, Cyprus

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Copenhagen Flight Services ApS for 2019 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 2019 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

8 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

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.

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

Notes to the Financial Statements

8 Accounting Policies (continued)

Expenses for consumables

Expenses for consumables comprise 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.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

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

8 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 13,800 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.

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.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.