Runway Holding ApS

Lufthavnsvej 7A, DK-6580 Vamdrup

Annual Report for 1 January - 31 December 2020

CVR No 31 59 32 47

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 21/4 2021

Halldor Sigurdarson
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Runway Holding ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

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

Vamdrup, 16 April 2021

Executive Board

Jesper Rungholm

Kirsten Rungholm

Independent Auditor's Report

To the Shareholders of Runway Holding ApS

Opinion

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 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Runway Holding ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 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 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 Consolidated Financial Statements and the Parent Company 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 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 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 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 and the Group'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 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 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.

- 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.

Trekantområdet, 16 April 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen	Lasse Berg
statsautoriseret revisor	statsautoriseret revisor
mne30224	mne35811

Company Information

The Company	Runway Holding ApS Lufthavnsvej 7A DK-6580 Vamdrup CVR No: 31 59 32 47 Financial period: 1 January - 31 December Municipality of reg. office: Vamdrup
Executive Board	Jesper Rungholm Kirsten Rungholm
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	428.307	1.007.650	1.071.422	890.933	792.890
Gross profit/loss	256.514	329.181	333.913	324.034	309.406
Profit/loss before financial income and expenses	19.480	54.255	40.125	24.885	49.248
Net financials	-17.075	-37.198	-34.385	20.418	-25.324
Net profit/loss for the year	3.921	15.303	1.161	35.054	22.800
Balance sheet					
Balance sheet total	900.162	871.888	952.420	639.615	665.128
Equity	226.222	222.507	207.204	206.284	171.501
Cash flows					
Cash flows from:					
- operating activities	121.370	-4.099	62.544	78.140	99.898
- investing activities	-17.750	40.630	-50.320	-33.693	-18.405
including investment in property, plant and equipment	-45.992	-57.705	-175.139	-69.696	-76.340
- financing activities	6.513	-38.535	-32.907	-49.474	-49.636
Change in cash and cash equivalents for the year	110.133	-2.004	-20.683	-5.027	31.857
Number of employees	342	562	454	438	416
Ratios					
Gross margin	59,9%	32,7%	31,2%	36,4%	39,0%
Profit margin	4,5%	5,4%	3,7%	2,8%	6,2%
Return on assets	2,2%	6,2%	4,2%	3,9%	7,4%
Solvency ratio	25,1%	25,5%	21,8%	32,3%	25,8%
Return on equity	1,7%	7,1%	0,6%	18,6%	14,5%

See the description under accounting policies.

Management's Review

Key activities

The Group's activities consist of two airlines 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.

Development in the year

The income statement of the Group for 2020 shows a profit of TDKK 3,921, and at 31 December 2020 the balance sheet of the Group shows equity of TDKK 226,222.

Despite COVID-19 related setbacks and challenges, the Group was able to post positive result and, considering, a reasonably healthy liquidity position at the end of the year. Whilst State compensation support schemes contributed largely to this then two other factors had key impact. One was the significant support received from the Group's primary banking partner to provide new credit facilities. The other was to successfully negotiate contract termination settlements. It is also important to mention the many financial stakeholders/suppliers that did contribute handsomely by offering and/or accepting to support the Group.

Immediately following the COVID-19 outbreak in Europe around middle of March, the Group's flight activities dropped 86% from expectations and by end of the year were about 51% below expectations. This year's revenue was 58% down from last year (TDKK -579 mill). Tremendous effort was placed to save cost which also contributed handsomely toward the lost revenue. Given these unprecedented times and the challenges presented, Management is pleased with the financial results.

Foreign exchange risks

A large portion of the Group'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 Group policy not to part-take in speculative currency positions.

Foreign branches

- DAT A/S, Italy, VAT no. IT10399580967.
- UAB DAT LT, Italy, VAT no IT10448800960.

Targets and expectations for the year ahead

Given the current challenging times, it is difficult to predict what to expect for the year ahead. General approach is to be cautious when it comes to expectations whilst building an element of optimism. Management's estimate is to expect to incur a loss of about TDKK 46 mill in 2021 before tax. Continued immediate and medium-term impact of Covid-19 remains challenging to comprehend.

Management's Review

Capital resources

The Company's financial performance for 2020 shows a profit before tax of DKK 2.4 mill and the equity is as of 31 December 2020 positive with DKK 226.2 mill.

Next to equity the Company's operations is financed through external credit lines provided by the Company's bank. The credit lines are granted at Group level and hence the assessment of adequate liquidity reserves for the coming year has been made at this level.

The Group has total debt towards Sydbank amounting to DKK 205 mill as of year-end 2020. The Group entered an additional DKK 40 mill. debt agreement with Sydbank in March 2020. The additional debt was secured to protect the Group's short-term liquidity position in the immediate aftermath caused by the Covid-19 pandemic. DKK 18 mill. facility was extended by one year in May 2020 and DKK 27.3 mill facility was renewed in September for a period of one year.

The current credit facilities are assessed to provide sufficient liquidity to secure the Groups operations in the years to come.

For 2021 the Groups budget is based on an increase in revenues of around 55% compared to 2020. Compared to prior Covid-19 (2019) a decrease of around 50% is budgeted still tacking the medium-term effects of the pandemic into account in the budget.

The Group has in the last months of 2020 seen a monthly increase in production compared to what was seen during the first Covid-19 lock-down and reached around 40% of its comparable second half 2019 production in the last six months of 2020. The budget for 2021 is based on these assumptions seeing a further improvement in the coming months.

As of 31 March 2021, the liquidity is adequate with a short-term headroom totaling around DKK 101 mill. Being cautiously optimistic, the long-term liquidity forecast (12 months) shows a headroom of DKK 7 mill. under the budgeted scenario. Whilst it is very difficult to make predictions during these unsettling times, management is of the view its budgeted scenario is reasonable. This includes scheduled instalments on loans of around DKK 50 mill during 2021.

Based on this, it is the management's assessment that the Company has the necessary capital and liquidity resources to carry through the plans for the financial year 2021. The Annual Report is therefore presented on the assumption of continued operations.

Management's Review

Impact on the external environment

The DAT Group's primary environmental influence is through CO_2-emissions from the aircraft. DAT Group seeks to reduce fuel consumption and CO_2-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 aircraft which have lower CO_2-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 continues to invest in new aircraft to achieve the optimum utilization based on the group's activities, including the optimal utilization related to fuel consumption.

Statutory statement on CSR in accordance with section 99A of the Danish Financial Statements Act

The firm's corporate social responsibility (CSR) is necessary to lead a sustainable business, and the firm strives in all its activities to operate socially responsible, not only within flight operations but also in relation to general management and broader activities related to flight operations. Throughout the years the firm has continuously worked on establishing a range of policies and guidance material related to its CSR, especially within environmental and climate-related aspects, as well as overall safety in all areas.

The firm's business model focuses on three areas: scheduled flights, charter flights, and flights for other airlines (ACMI). The firm operates primarily in the European market with a focus on the Nordic region. Operations do take place outside of this area in a limited capacity. The firm sells tickets under its own brand and in the business-to-business markets. The firm does not have exposure to markets or customers that infringe upon human rights. There are no signs that suppliers do not adhere to human rights. Environmental and climate aspects have been incorporated into the firm through operational procedures and strategic focus on addressing CO_2 emissions. Social and employment conditions in the firm have defined policies to ensure a productive and safe environment. The current business environment is not conducive to corruptions risks and therefore no anti-corruption policy has been put in place.

Our cooperation is built upon trust and respect. We treat all – customers, suppliers, and colleagues – as we ourselves wish to be treated. Such behavior requires that we regard all humans as equal with a right to equal treatment and respect regardless of race, color, gender, age, nationality, religion, or political or sexual orientation. We respect international law regarding human rights and will react to violations of these laws.

We continuously have activities to promote the physical and psychological environments as well as colleagues' welfare.

The firm does not have a formal policy concerning human rights. This policy does not exist because the firm is not directly exposed to severe human rights' issues, neither directly nor through suppliers, as far as the firm is aware. The firm respects international law regarding human rights' issues and will react accordingly should the firm be made aware of any breach, either directly or through suppliers.

Management's Review

DAT A/S and UAB DAT LT are in the aviation industry which impacts the climate with CO_2 emissions. It is estimated that the aviation industry (pre-COVID-19) is responsible for up to 3% of the EU's annual CO_2 emissions, and as a responsible airline DAT A/S is invested in reducing its climate impact. This is achieved by utilizing aircraft relevant to the passenger load, continuous education of pilots, and investments in new aircraft and engines that have lower emissions overall.

In 2020 the airline announced its intention to join the Air Transport Climate Fund (i.e. Luftfartens Klimafond), whose intentions are to facilitate the industry's green transition and contribute to Denmark's climate goals.

Due to the significant reduction in operations post COVID-19 the environmental and climate impact was reduced. The emissions on Danish domestic operations were offset according to the current initiative. At the same time, no noise violations were reported.

One stated goal of the firm is a high level of health and safety regarding the physical and psychological working environments. This is seen through the firm's focus on sickness levels, alcohol and smoking policies, safety and security policies, and the requirements regarding continuous health checks for its flight crew.

There are evaluations of the firm's alcohol and smoking policies and the firm's working environment. There is a Safety Management System to ensure the security and safety of the airline which follows a bottom-up approach that builds on reports from colleagues to the safety system.

The DAT Employee Handbook ensures that new colleagues can quickly find information regarding the firm's policies and other relevant information.

The working environment is evaluated through several initiatives. A formal Working Environment Committee solicits input from personnel and addresses specific issues. A triannual risk assessment is completed surveying the work environment and health and safety. The most recent risk assessment was completed in Q1 of 2021. In addition, the operational environment is regularly evaluated through Safety Action Groups (e.g. Fatigue). In 2020 the working environment revealed no significant areas of concern. The focus on cost control means that only urgent areas will be addressed going forward. The significant reduction in work and various initiatives implemented to reduce costs throughout the year may impact evaluations in the future, but at the same time, may be an opportunity to improve efficiency (e.g. long flying days but not impacting fatigue due to reduced working days).

The firm does not have a formal policy concerning anticorruption. This policy does not exist because the firm is not directly exposed to corruption issues in its transactions, neither directly nor through suppliers. The firm does declare in its purchase conditions that it will not pay any rebate, commission, salary or any remuneration or reward, indirectly or in any form whatsoever to any officer, employee, agent, or representative employed by or on behalf of the firm.

Management’s Review

Report on the gender representation in management, as required in section 99B of the Danish Financial Statements Act

DAT Holding A/S, DAT Leasing A/S, and DAT A/S have the same board of directors. In 2020, the board of directors was below targeted goal of 40% female. One female board member left the board in late 2020 and as of writing the current ratio is 0% female. It should be noted that qualifications are always prioritized above gender. It is the firm’s intention to re-equialise its male-to-female representation at its board of directors.

The broader management team currently consists of 100% men and 0% women. Should one take a wider perspective and consider flight crew composition the Group has gender ratios of varying degrees. The Group acknowledges diversity as a source of competitive advantages and, therefore, wants to secure an equal gender distribution at the broader management team or flight crew level. As stated previously, qualifications are prioritized compared to other factors and the Group does not discriminate during its hiring or promotion of colleagues.

Qualifications are prioritized when hiring, however ensuring a wide-ranging applicant pool is important to DAT. The policy for gender equalisation is a two-pronged approach. Internal candidates of all genders are encouraged to apply for management positions. External job postings are placed in industry-specific outlets, in addition to, female-focused outlets if available and relevant to the management position at hand.

Uncertainty relating to recognition and measurement

The assessments of indications of impairment per 31 December 2019 is based on the future cash flows expected by management per 31 December 2019, which due to Covid-19 differ from the expectations for future cash flows that management has at the time of approval of the Annual Report. Hence subsequent to the balance sheet date there is significant uncertainty in recognizing and measuring the company's investments in airplanes and associated spareparts.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group 2020 TDKK	Group 2019 TDKK	Parent 2020 TDKK	Parent 2019 TDKK
Revenue	4	**428.307**	**1.007.650**	**887**	**0**
Other operating income		181.307	25.209	0	0
Expenses for raw materials and consumables		-305.665	-618.231	0	0
Other external expenses		-47.435	-85.447	-182	-61
Gross profit/loss		**256.514**	**329.181**	**705**	**-61**
Staff expenses	5	-112.131	-217.982	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	6	-124.903	-56.944	0	0
Profit/loss before financial income and expenses		**19.480**	**54.255**	**705**	**-61**
Income from investments in subsidiaries		0	0	4.419	14.172
Income from investments in associates		-219	-1.528	0	-39
Financial income	7	18.854	138	729	0
Financial expenses	8	-35.710	-35.808	-350	-4
Profit/loss before tax		**2.405**	**17.057**	**5.503**	**14.068**
Tax on profit/loss for the year	9	1.516	-1.754	-1.611	480
Net profit/loss for the year		**3.921**	**15.303**	**3.892**	**14.548**

Balance Sheet 31 December

Assets

	Note	Group 2020	Group 2019	Parent 2020	Parent 2019
		TDKK	TDKK	TDKK	TDKK
Land and buildings		3.403	6.274	0	0
Other fixtures and fittings, tools and equipment		4.734	8.791	0	0
Airplanes		574.762	676.153	0	0
Property, plant and equipment	10	**582.899**	**691.218**	**0**	**0**
Investments in subsidiaries	11	0	0	172.513	168.107
Investments in associates	12	0	219	0	0
Receivables from group enterprises	13	0	0	51.000	51.000
Deposits	13	13.469	15.647	0	0
Fixed asset investments		**13.469**	**15.866**	**223.513**	**219.107**
Fixed assets		**596.368**	**707.084**	**223.513**	**219.107**
Inventories	14	**56.179**	**68.750**	**0**	**0**
Trade receivables		40.291	46.045	0	0
Receivables from group enterprises		0	0	27.870	12.388
Receivables from associates		0	24	0	0
Other receivables		60.828	20.400	0	0
Deferred tax asset	18	19.824	1.466	0	0
Corporation tax		0	1.367	0	1.367
Prepayments	15	3.719	13.932	73	0
Receivables		**124.662**	**83.234**	**27.943**	**13.755**
Shares	16	**741**	**11**	**731**	**0**
Cash at bank and in hand		**122.212**	**12.809**	**8.656**	**656**
Currents assets		**303.794**	**164.804**	**37.330**	**14.411**
Assets		**900.162**	**871.888**	**260.843**	**233.518**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2020	Group 2019	Parent 2020	Parent 2019
		TDKK	TDKK	TDKK	TDKK
Share capital		127	127	127	127
Reserve for net revaluation under the equity method		0	0	119.476	112.479
Other statutory reserves		-14	0	-14	0
Retained earnings		225.502	221.610	106.026	109.131
Equity attributable to shareholders of the Parent Company		**225.615**	**221.737**	**225.615**	**221.737**
Minority interests		607	770	0	0
Equity		**226.222**	**222.507**	**225.615**	**221.737**
Provision for deferred tax	18	64.739	58.083	0	0
Other provisions		15.859	0	0	0
Provisions		**80.598**	**58.083**	**0**	**0**
Mortgage loans		0	735	0	0
Credit institutions		151.187	112.761	0	0
Lease obligations		201.438	207.845	0	0
Payables to owners and Management		7.000	7.000	0	0
Other payables		9.393	4.330	0	0
Long-term debt	19	**369.018**	**332.671**	**0**	**0**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Mortgage loans	19	0	38	0	0
Credit institutions	19	48.507	70.350	0	0
Lease obligations	19	12.687	20.664	0	0
Prepayments received from customers		13.638	19.292	0	0
Trade payables		60.079	79.208	0	0
Payables to group enterprises		0	0	22.584	4.098
Payables to owners and Management	19	3.983	3.983	3.983	3.983
Corporation tax		8.620	1.123	8.620	3.663
Deposits		2.285	0	0	0
Other payables	19	74.525	63.969	41	37
Short-term debt		**224.324**	**258.627**	**35.228**	**11.781**
Debt		**593.342**	**591.298**	**35.228**	**11.781**
Liabilities and equity		**900.162**	**871.888**	**260.843**	**233.518**

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Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Other statutory reserves	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	127	0	0	221.610	221.737	770	222.507
Exchange adjustments	0	0	-14	0	-14	-2	-16
Other equity movements	0	0	0	0	0	-190	-190
Net profit/loss for the year	0	0	0	3.892	3.892	29	3.921
Equity at 31 December	**127**	**0**	**-14**	**225.502**	**225.615**	**607**	**226.222**

Parent

	Share capital	Reserve for net revaluation under the equity method	Other statutory reserves	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	127	112.479	0	109.131	221.737	0	221.737
Exchange adjustments	0	0	-14	0	-14	0	-14
Net profit/loss for the year	0	6.997	0	-3.105	3.892	0	3.892
Equity at 31 December	**127**	**119.476**	**-14**	**106.026**	**225.615**	**0**	**225.615**

Cash Flow Statement 1 January - 31 December

	Note	Group 2020	Group 2019
		TDKK	TDKK
Net profit/loss for the year		3.921	15.303
Adjustments	20	143.646	73.188
Change in working capital	21	-7.974	-56.914
Cash flows from operating activities before financial income and expenses		**139.593**	**31.577**
Financial income		18.854	138
Financial expenses		-35.710	-35.814
Cash flows from ordinary activities		**122.737**	**-4.099**
Corporation tax paid		-1.367	0
Cash flows from operating activities		**121.370**	**-4.099**
Purchase of property, plant and equipment		-45.992	-57.705
Fixed asset investments made etc		2.178	0
Sale of property, plant and equipment		26.064	98.335
Cash flows from investing activities		**-17.750**	**40.630**
Repayment of mortgage loans		-773	-739
Repayment of loans from credit institutions		0	-23.511
Reduction of lease obligations		-14.384	-14.285
Raising of loans from credit institutions		16.583	0
Raising of loans from group enterprises		24	0
Raising of other long-term debt		5.063	0
Cash flows from financing activities		**6.513**	**-38.535**
Change in cash and cash equivalents		**110.133**	**-2.004**
Cash and cash equivalents at 1 January		12.820	14.824
Cash and cash equivalents at 31 December		**122.953**	**12.820**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		122.212	12.809
Current asset investments		741	11
Cash and cash equivalents at 31 December		**122.953**	**12.820**

Notes to the Financial Statements

1 Going concern

The Company's financial performance for 2020 shows a profit before tax of DKK 2.4 mill and the equity is as of 31 December 2020 positive with DKK 226.2 mill.

Next to equity the Company's operations is financed through external credit lines provided by the Company's bank. The credit lines are granted at Group level and hence the assessment of adequate liquidity reserves for the coming year has been made at this level.

The Group has total debt towards Sydbank amounting to DKK 205 mill as of year-end 2020. The Group entered an additional DKK 40 mill. debt agreement with Sydbank in March 2020. The additional debt was secured to protect the Group's short-term liquidity position in the immediate aftermath caused by the Covid-19 pandemic. DKK 18 mill. facility was extended by one year in May 2020 and DKK 27.3 mill facility was renewed in September for a period of one year.

The current credit facilities are assessed to provide sufficient liquidity to secure the Groups operations in the years to come.

For 2021 the Groups budget is based on an increase in revenues of around 55% compared to 2020. Compared to prior Covid-19 (2019) a decrease of around 50% is budgeted still tacking the medium-term effects of the pandemic into account in the budget.

The Group has in the last months of 2020 seen a monthly increase in production compared to what was seen during the first Covid-19 lock-down and reached around 40% of its comparable second half 2019 production in the last six months of 2020. The budget for 2021 is based on these assumptions seeing a further improvement in the coming months.

As of 31 March 2021, the liquidity is adequate with a short-term headroom totaling around DKK 101 mill. Being cautiously optimistic, the long-term liquidity forecast (12 months) shows a headroom of DKK 7 mill. under the budgeted scenario. Whilst it is very difficult to make predictions during these unsettling times, management is of the view its budgeted scenario is reasonable. This includes scheduled instalments on loans of around DKK 50 mill during 2021.

Based on this, it is the management's assessment that the Company has the necessary capital and liquidity resources to carry through the plans for the financial year 2021. The Annual Report is therefore presented on the assumption of continued operations.

2 Uncertainty relating to recognition and measurement

The assessments of indications of impairment per 31 December 2020 is based on the long-term future cash flows expected by management per 31 December 2020, which due to Covid-19 differ from the expectations for future short-term cash flows. Hence if to be realized and not continued in operation there is significant uncertainty in recognizing and measuring the company's investments in airplanes and associated spareparts.

Notes to the Financial Statements

3 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
4 Revenue				
Geographical segments				
Revenue, Europe	428.307	1.007.650	887	0
	428.307	**1.007.650**	**887**	**0**
Business segments				
Scheduled Services	317.474	464.564	0	0
Charter services	72.891	362.433	0	0
ACMI Services	37.942	180.653	0	0
Other income	0	0	887	0
	428.307	**1.007.650**	**887**	**0**

5 Staff expenses

	Group 2020 TDKK	Group 2019 TDKK	Parent 2020 TDKK	Parent 2019 TDKK
Wages and salaries	102.845	202.152	0	0
Pensions	5.512	9.933	0	0
Other social security expenses	854	2.261	0	0
Other staff expenses	2.920	3.636	0	0
	112.131	**217.982**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors	**1.460**	**1.394**	**0**	**0**
Average number of employees	**342**	**562**	**0**	**0**

Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
6 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Depreciation of property, plant and equipment	50.590	56.901	0	0
Impairment of property, plant and equipment	74.313	43	0	0
	124.903	**56.944**	**0**	**0**
7 Financial income				
Other financial income	729	30	729	0
Exchange adjustments	17.727	0	0	0
Exchange gains	398	108	0	0
	18.854	**138**	**729**	**0**
8 Financial expenses				
Other financial expenses	34.828	28.324	31	4
Exchange adjustments, expenses	563	4.962	0	0
Exchange loss	319	2.522	319	0
	35.710	**35.808**	**350**	**4**
9 Tax on profit/loss for the year				
Current tax for the year	17.474	-480	227	-480
Deferred tax for the year	-11.710	2.353	0	0
Adjustment of tax concerning previous years	-7.280	-203	1.384	0
Adjustment of deferred tax concerning previous years	0	84	0	0
	-1.516	**1.754**	**1.611**	**-480**

Notes to the Financial Statements

10 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Airplanes
	TDKK	TDKK	TDKK
Cost at 1 January	16.082	26.335	1.084.494
Exchange adjustment	-11	-40	-54
Additions for the year	0	1.174	45.720
Disposals for the year	-1.757	-3.793	-28.232
Transfers for the year	0	1.300	-1.300
Cost at 31 December	14.314	24.976	1.100.628
Impairment losses and depreciation at 1 January	9.808	17.540	408.341
Exchange adjustment	-6	-21	-39
Impairment losses for the year	0	1.735	72.578
Depreciation for the year	1.700	2.190	46.703
Reversal of impairment and depreciation of sold assets	-591	-2.089	-830
Transfers for the year	0	887	-887
Impairment losses and depreciation at 31 December	10.911	20.242	525.866
Carrying amount at 31 December	**3.403**	**4.734**	**574.762**
Including assets under finance leases amounting to	0	264	194.402

Notes to the Financial Statements

	Parent	
	2020	2019
	TDKK	TDKK
11 Investments in subsidiaries		
Cost at 1 January	53.051	53.051
Cost at 31 December	53.051	53.051
Value adjustments at 1 January	115.056	100.884
Exchange adjustment	-13	29
Net profit/loss for the year	4.419	14.143
Value adjustments at 31 December	119.462	115.056
Carrying amount at 31 December	**172.513**	**168.107**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
DAT Holding A/S	Vamdrup, Denmark	100%
DAT A/S	Vamdrup, Denmark	100%
DAT Leasing A/S	Vamdrup, Denmark	100%
UAB DAT LT	Kaunas, Lithuania	85%

Notes to the Financial Statements

12 Investments in associates

	Group 2020	Group 2019	Parent 2020	Parent 2019
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	2.796	2.843	0	47
Disposals for the year	0	-47	0	-47
Cost at 31 December	2.796	2.796	0	0
Value adjustments at 1 January	-2.577	649	0	1.738
Disposals for the year	0	0	0	-1.738
Net profit/loss for the year	-219	-1.488	0	0
Revaluations for the year, net	0	-1.738	0	0
Value adjustments at 31 December	-2.796	-2.577	0	0
Carrying amount at 31 December	**0**	**219**	**0**	**0**

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership
Nordic Regional Airlines AB	Stockholm, Sweden	60%

13 Other fixed asset investments

	Group	Parent
	Deposits	Receivables from group enterprises
	TDKK	TDKK
Cost at 1 January	15.647	51.000
Disposals for the year	-2.178	0
Cost at 31 December	13.469	51.000
Impairment losses at 31 December	0	0
Carrying amount at 31 December	**13.469**	**51.000**

Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK

14 Inventories

Raw materials and consumables	56.179	68.750	0	0
	56.179	**68.750**	**0**	**0**

15 Prepayments

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

16 Current asset investments

Shares	741	11	731	0
	741	**11**	**731**	**0**

17 Distribution of profit

Reserve for net revaluation under the equity method	0	-1.892	6.997	9.701
Minority interests' share of net profit/loss of subsidiaries	29	755	0	0
Retained earnings	3.892	16.440	-3.105	4.847
	3.921	**15.303**	**3.892**	**14.548**

18 Provision for deferred tax

Provision for deferred tax at 1 January	56.617	54.430	0	0
Amounts recognised in the income statement for the year	-11.702	2.353	0	0
Amounts recognised in equity for the year	0	-166	0	0
Provision for deferred tax at 31 December	**44.915**	**56.617**	**0**	**0**

Notes to the Financial Statements

19 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:

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	0	583	0	0
Between 1 and 5 years	0	152	0	0
Long-term part	0	735	0	0
Within 1 year	0	38	0	0
	0	**773**	**0**	**0**
Credit institutions				
After 5 years	0	4.506	0	0
Between 1 and 5 years	151.187	108.255	0	0
Long-term part	151.187	112.761	0	0
Within 1 year	18.000	37.784	0	0
Other short-term debt to credit institutions	30.507	32.566	0	0
Short-term part	48.507	70.350	0	0
	199.694	**183.111**	**0**	**0**
Lease obligations				
Between 1 and 5 years	201.438	207.845	0	0
Long-term part	201.438	207.845	0	0
Within 1 year	12.687	20.664	0	0
	214.125	**228.509**	**0**	**0**
Payables to owners and Management				
Between 1 and 5 years	7.000	7.000	0	0
Long-term part	7.000	7.000	0	0
Other short-term debt to owners and Management	3.983	3.983	3.983	3.983
	10.983	**10.983**	**3.983**	**3.983**

Notes to the Financial Statements

19 Long-term debt (continued)

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Other payables				
Between 1 and 5 years	9.393	4.330	0	0
Long-term part	9.393	4.330	0	0
Other short-term payables	74.527	63.974	41	37
	83.920	**68.304**	**41**	**37**

20 Cash flow statement - adjustments

	Group	
	2020	2019
	TDKK	TDKK
Financial income	-18.854	-138
Financial expenses	35.710	35.808
Depreciation, amortisation and impairment losses, including losses and gains on sales	128.213	35.764
Tax on profit/loss for the year	-1.516	1.754
Other adjustments	93	0
	143.646	**73.188**

21 Cash flow statement - change in working capital

Change in inventories	12.571	-9.806
Change in receivables	-24.461	11.708
Change in other provisions	15.860	0
Change in trade payables, etc	-11.944	-58.816
	-7.974	**-56.914**

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK

22 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security for lease obligations:

The company has provided Sydbank with a floating charge providing Sydbank with collateral in the company´s receivables. The floating charge amounts to TDKK	30.000	30.000	0	0

The following assets have been placed as security with bankers:

Company charge of nominally TDKK 186.149 provide security in airplanes with a booked value of	369.164	424.709	0	0

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	663	5.998	0	0
Between 1 and 5 years	1.601	2.256	0	0
	2.264	**8.254**	**0**	**0**

Other contingent liabilities

DAT A/S has provided DAT Leasing A/S and UAB DAT LT with a full surety in relation to Sydbank.

DAT Leasing A/S has provided DAT A/S and UAB DAT LT with a full surety in relation to Sydbank.

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 TDKK 8.620. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Financial Statements

23 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.

24 Fee to auditors appointed at the general meeting

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	286	280	10	10
Tax advisory services	56	55	10	10
Other services	87	85	10	10
	429	**420**	**30**	**30**

Notes to the Financial Statements

25 Accounting Policies

The Annual Report of Runway Holding ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Runway Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

25 Accounting Policies (continued)

Business combinations

Uniting of interests

Intragroup business combinations are accounted for under the uniting-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The uniting-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the share-holders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group 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 Group.

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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

Segment information on revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sales and sale of goods is recognised when the risks and rewards relating to the goods sold 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 Group.

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 indirect production costs and 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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

25 Accounting Policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of property, plant and equipment.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

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 Danish group companies. 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 when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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 buildings	10 - 30 years
Plant and machinery	10 - 20 years
Other fixtures and fittings, tools and equipment	5 years

Notes to the Financial Statements

25 Accounting Policies (continued)

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items"Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other 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.

Notes to the Financial Statements

25 Accounting Policies (continued)

The cost of raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

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

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

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.

Notes to the Financial Statements

25 Accounting Policies (continued)

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and ”Current asset investments”. ”Current asset investments” consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

Notes to the Financial Statements

25 Accounting Policies (continued)

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$