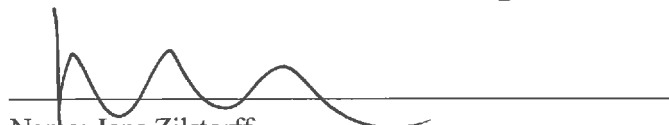


**TP Aerospace Leasing ApS**  
**Central Business Registration No**  
**32362249**  
**Stamholmen 165 R**  
**2650 Hvidovre**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 24.02.2016

**Chairman of the General Meeting**



Name: Jens Zilstorff

## Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015	10
Balance sheet at 31.12.2015	11
Statement of changes in equity for 2015	13
Notes	14

## **Entity details**

### **Entity**

TP Aerospace Leasing ApS  
Stamholmen 165 R  
2650 Hvidovre

Central Business Registration No: 32362249

Registered in: Hvidovre

Financial year: 01.01.2015 - 31.12.2015

### **Executive Board**

Thomas Daniel Ibsø  
Peter Jørgen Lyager

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 Copenhagen

## Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of TP Aerospace Leasing ApS for the financial year 01.01.2015 - 31.12.2015.

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

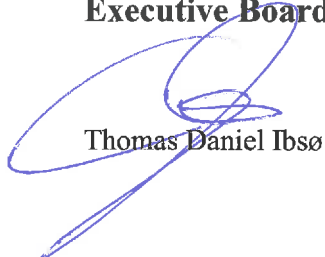
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 24.02.2016

**Executive Board**



Thomas Daniel Ibsø



Peter Jørgen Lyager

## **Independent auditor's reports**

### **To the owners of TP Aerospace Leasing ApS**

#### **Report on the financial statements**

We have audited the financial statements of TP Aerospace Leasing ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility 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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

## Independent auditor's reports

### Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 24.02.2016

**Deloitte**

Statsautoriseret Revisionspartnerselskab

Jesper Blom

State Authorised Public Accountant

CVR-nr. 33963556

Ferass Hamade

State Authorised Public Accountant

## **Management commentary**

### **Primary activities**

The Company's main activity consists of sale and lease out of aircraft parts.

### **Development in activities and finances**

2015 has seen a 27% growth in aircrafts under contract, thus revenue has increased with 1,564 USD'000 from 7,341 USD'000 in 2014 to 8,905 USD'000 in 2015, operating profit have increased from 462 USD'000 to 1,2768 USD'000.

The result for the year is considered satisfactory.

### **Outlook**

The management expects a 48% increase in revenue and earnings in 2015, due to a continued growth in our customer portfolio.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B.

The accounting policies applied for these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

Revenue is recognized exclusive of VAT and less sales discounts.

Income related to sale and lease out of aircraft parts is recognized in revenue when delivery is made and risk has passed to the buyer.



## Accounting policies

### Cost of sales

#### Other external expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

#### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

#### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with TP Aerospace Solutions ApS and the parent TP Aerospace Holding ApS. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Accounting policies

### Balance sheet

#### Property, plant and equipment

Fixed assets held for lease are measured at cost less accumulated depreciation.

Basis for depreciation consist of cost reduced with expected value at the time of end of use.

Cost comprises acquisition price and costs directly related to the acquisition until such time as the assets are ready for use.

Property, plant and equipment are depreciated in accordance with the straight-line method on the basis of the following assesments of the expected useful lives of the assets.

Brakes, wheels etc. 20 years

Profit or loss from disposal of property, plant and equipment are stated as the difference between the selling price less than selling costs and the carrying amount at the date of sale. Profits and losses are recognised in the income statement under other operating income expenses.

#### Inventories

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

Cost consists of purchase price plus delivery costs.

By purchasing a larger quantity of goods at a total price and where steady gross margin ratio is expected, cost is fixed as the expected selling price deducted from expected gross margin ratio.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

#### Cash

Cash comprises cash in hand and bank deposits.

## Accounting policies

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Other financial liabilities

Financial liabilities are recognized by raise of loans for the received proceeds after deduction of paid transaction costs. In subsequent periods after the financial liabilities are measured at amortised costs, corresponding to the capitalized value by using the effective interest whereas the difference between the proceeds and the nominal value is recognized in the income statement over the loan period.

Mortgage debt is thus measured at amortised cost which as to cash loan, correspond to the remaining debt of the loan.

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

### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

## Income statement for 2015

	<u>Notes</u>	<u>2015 USD'000</u>	<u>2014 USD'000</u>
Revenue		8.905	7.341
Cost of sales		(6.857)	(5.599)
Other external expenses		<u>(270)</u>	<u>(693)</u>
<b>Gross profit/loss</b>		<b>1.778</b>	<b>1.049</b>
Staff costs	1	(365)	(487)
Depreciation, amortisation and impairment losses		<u>(4)</u>	<u>(15)</u>
<b>Operating profit/loss</b>		<b>1.409</b>	<b>547</b>
Other financial income		135	106
Other financial expenses	2	<u>(268)</u>	<u>(191)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>1.276</b>	<b>462</b>
Tax on profit/loss from ordinary activities	3	<u>(310)</u>	<u>(109)</u>
<b>Profit/loss for the year</b>		<b><u>966</u></b>	<b><u>353</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>966</u>	<u>353</u>
		<b><u>966</u></b>	<b><u>353</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 USD'000</u>	<u>2014 USD'000</u>
Other fixtures and fittings, tools and equipment		193	267
<b>Property, plant and equipment</b>	4	<u>193</u>	<u>267</u>
<b>Fixed assets</b>		<u>193</u>	<u>267</u>
Raw materials and consumables		6.669	4.269
<b>Inventories</b>		<u>6.669</u>	<u>4.269</u>
Trade receivables		2.287	524
Receivables from group enterprises		168	0
Other short-term receivables		19	14
<b>Receivables</b>		<u>2.474</u>	<u>538</u>
<b>Cash</b>		<u>23</u>	<u>26</u>
<b>Current assets</b>		<u>9.166</u>	<u>4.833</u>
<b>Assets</b>		<u><u>9.359</u></u>	<u><u>5.100</u></u>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 USD'000</u>	<u>2014 USD'000</u>
Contributed capital	5	25	25
Retained earnings		2.167	1.201
<b>Equity</b>		<u>2.192</u>	<u>1.226</u>
Provisions for deferred tax		27	17
<b>Provisions</b>		<u>27</u>	<u>17</u>
Current portion of long-term liabilities other than provisions		0	69
Bank loans		232	0
Prepayments received from customers		917	424
Trade payables		277	189
Debt to group enterprises		5.348	2.988
Income tax payable		311	114
Other payables		55	73
<b>Current liabilities other than provisions</b>		<u>7.140</u>	<u>3.857</u>
<b>Liabilities other than provisions</b>		<u>7.140</u>	<u>3.857</u>
<b>Equity and liabilities</b>		<u>9.359</u>	<u>5.100</u>
Contingent liabilities	6		
Assets charged and collateral	7		
Ownership	8		
Consolidation	9		

**Statement of changes in equity for 2015**

	<b>Contributed capital USD'000</b>	<b>Retained earnings USD'000</b>	<b>Total USD'000</b>
Equity beginning of year	25	1.201	1.226
Profit/loss for the year	0	966	966
<b>Equity end of year</b>	<b>25</b>	<b>2.167</b>	<b>2.192</b>

## Notes

	<b>2015</b>	<b>2014</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>1. Staff costs</b>		
Wages and salaries	367	463
Pension costs	18	22
Other social security costs	(20)	2
	<u>365</u>	<u>487</u>
	<b>2015</b>	<b>2014</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>2. Other financial expenses</b>		
Financial expenses from group enterprises	151	120
Interest expenses	17	12
Exchange rate adjustments	100	59
	<u>268</u>	<u>191</u>
	<b>2015</b>	<b>2014</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>3. Tax on ordinary profit/loss for the year</b>		
Current tax	300	109
Change in deferred tax for the year	12	0
Effect of changed tax rates	(2)	0
	<u>310</u>	<u>109</u>



## Notes

	<b>Other fixtures and fittings, tools and equipment USD'000</b>
<b>4. Property, plant and equipment</b>	
Cost beginning of year	303
Additions	65
Disposals	(134)
<b>Cost end of year</b>	<b>234</b>
Depreciation and impairment losses beginning of the year	(36)
Depreciation for the year	(13)
Reversal regarding disposals	8
<b>Depreciation and impairment losses end of the year</b>	<b>(41)</b>
<b>Carrying amount end of year</b>	<b>193</b>

	<b>2015 USD'000</b>	<b>2014 USD'000</b>	<b>2013 USD'000</b>	<b>2012 USD'000</b>	<b>2011 USD'000</b>
<b>5. Contributed capital</b>					
<b>Changes in contributed capital</b>					
Contributed capital beginning of year	25	25	24	24	24
Increase of capital	0	0	1	0	0
<b>Contributed capital end of year</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>24</b>	<b>24</b>

## 6. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which TP Aerospace Holding ApS (registration no. 31 60 34 20) serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

## 7. Assets charged and collateral

As security for bank loans, 232 USD'000, as well as group companies bank commitments, mortgage on the stock including fixed assets held for lease and unsecured claims is effective, whose carrying amount at 31 December 2015 amounts to 9,141 USD'000. Furthermore the Company acts as guarantor for bank commitments held by group companies (TP Aerospace Holding Group).

## Notes

### 8. Ownership

The Company is 95.01 % owned by TP Aerospace Holding ApS and is therefore included in the Consolidated Annual Report of the parent company. The Consolidated Annual Report is available at the Company's address: Stamholmen 165 R, Hvidovre.

### 9. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

TPA Holding ApS, Hvidovre, Denmark