

KN Helicopters A/S
John Tranums Vej 60
6705 Esbjerg Ø
Business Registration No
35205489

Annual report 2018

The Annual General Meeting adopted the annual report on 06.06.2019

Chairman of the General Meeting

Name: Niels Peter Kjeldahl

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Entity details

Entity

KN Helicopters A/S
John Tranums Vej 60
6705 Esbjerg Ø

Central Business Registration No (CVR): 35205489

Registered in: Esbjerg

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Karin Granhøj, chairwoman
Niels Peter Kjeldahl
Claus Søggaard-Christensen

Executive Board

Niels Peter Kjeldahl

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
Postbox 200
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of KN Helicopters A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Esbjerg, 23.05.2019

Executive Board

Niels Peter Kjeldahl

Board of Directors

Karin Granhøj
chairwoman

Niels Peter Kjeldahl

Claus Søgaard-Christensen

Independent auditor's report

To the shareholders of KN Helicopters A/S

Opinion

We have audited the financial statements of KN Helicopters A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Esbjerg, 23.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Lasse Lynggaard Wolff

State Authorised Public Accountant

Identification No (MNE) mne35802

Management commentary

Primary activities

The company's main activity is helicopterflight and thus naturally related business.

Development in activities and finances

Profit for the year 2018 amounts to DKK 8.398k (2017: DKK 479k). The profit for the year is considered to be satisfying.

For the financial year 2019 a profit like 2018 is expected.

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.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		21.335.344	5.492.161
Staff costs	2	(9.325.094)	(4.403.353)
Depreciation, amortisation and impairment losses	3	<u>(1.034.359)</u>	<u>(363.748)</u>
Operating profit/loss		10.975.891	725.060
Other financial income	4	20.115	533
Other financial expenses	5	<u>(216.284)</u>	<u>(104.640)</u>
Profit/loss before tax		10.779.722	620.953
Tax on profit/loss for the year	6	<u>(2.381.836)</u>	<u>(141.889)</u>
Profit/loss for the year		<u>8.397.886</u>	<u>479.064</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		1.000.000	0
Retained earnings		<u>7.397.886</u>	<u>479.064</u>
		<u>8.397.886</u>	<u>479.064</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Other fixtures and fittings, tools and equipment		6.121.728	2.915.774
Prepayments for property, plant and equipment		<u>0</u>	<u>1.191.133</u>
Property, plant and equipment	7	<u>6.121.728</u>	<u>4.106.907</u>
Deposits		<u>1.617.563</u>	<u>701.226</u>
Fixed asset investments		<u>1.617.563</u>	<u>701.226</u>
Fixed assets		<u>7.739.291</u>	<u>4.808.133</u>
Trade receivables		8.612.863	4.139.098
Receivables from group enterprises		1.520.648	12.705
Other receivables		382.597	372.207
Prepayments	8	<u>846.600</u>	<u>47.882</u>
Receivables		<u>11.362.708</u>	<u>4.571.892</u>
Cash		<u>5.993.669</u>	<u>7.976</u>
Current assets		<u>17.356.377</u>	<u>4.579.868</u>
Assets		<u>25.095.668</u>	<u>9.388.001</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		1.000.000	1.000.000
Retained earnings		8.583.327	1.185.441
Proposed dividend		<u>1.000.000</u>	<u>0</u>
Equity		<u>10.583.327</u>	<u>2.185.441</u>
Deferred tax		<u>276.000</u>	<u>146.000</u>
Provisions		<u>276.000</u>	<u>146.000</u>
Bank loans		<u>2.092.297</u>	<u>1.123.799</u>
Non-current liabilities other than provisions		<u>2.092.297</u>	<u>1.123.799</u>
Current portion of long-term liabilities other than provisions		1.014.087	293.148
Bank loans		0	489.656
Deposits		0	150.000
Trade payables		3.227.827	2.362.066
Payables to group enterprises		1.924.146	762.905
Payables to shareholders and management		2.405	30.241
Joint taxation contribution payable		2.251.836	56.889
Other payables	9	2.253.850	1.787.856
Deferred income		<u>1.469.893</u>	<u>0</u>
Current liabilities other than provisions		<u>12.144.044</u>	<u>5.932.761</u>
Liabilities other than provisions		<u>14.236.341</u>	<u>7.056.560</u>
Equity and liabilities		<u>25.095.668</u>	<u>9.388.001</u>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

Notes

	2018	2017
	DKK	DKK
2. Staff costs		
Wages and salaries	9.075.153	4.388.318
Pension costs	217.850	0
Other social security costs	32.091	15.035
	9.325.094	4.403.353
Average number of employees	9	4
	2018	2017
	DKK	DKK
3. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	1.035.359	453.489
Profit/loss from sale of intangible assets and property, plant and equipment	(1.000)	(89.741)
	1.034.359	363.748
	2018	2017
	DKK	DKK
4. Other financial income		
Financial income arising from group enterprises	20.115	533
	20.115	533
	2018	2017
	DKK	DKK
5. Other financial expenses		
Financial expenses from group enterprises	27.863	16.904
Other interest expenses	125.553	41.345
Exchange rate adjustments	62.868	46.391
	216.284	104.640
	2018	2017
	DKK	DKK
6. Tax on profit/loss for the year		
Current tax	2.251.836	56.889
Change in deferred tax	130.000	85.000
	2.381.836	141.889

Notes

	Other fixtures and fittings, tools and equipment DKK	Prepay- ments for property, plant and equipment DKK
7. Property, plant and equipment		
Cost beginning of year	3.454.390	1.191.133
Additions	5.351.986	0
Disposals	<u>(1.110.673)</u>	<u>(1.191.133)</u>
Cost end of year	<u>7.695.703</u>	<u>0</u>
Depreciation and impairment losses beginning of year	(538.616)	0
Depreciation for the year	<u>(1.035.359)</u>	<u>0</u>
Depreciation and impairment losses end of year	<u>(1.573.975)</u>	<u>0</u>
Carrying amount end of year	<u>6.121.728</u>	<u>0</u>

8. Prepayments

Of the total amount, DKK 261k is due to payment in 2020 and 2021.

	2018 DKK	2017 DKK
9. Other payables		
VAT and duties	0	96.639
Wages and salaries, personal income taxes, social security costs, etc payable	1.275.725	942.727
Holiday pay obligation	659.032	266.307
Other costs payable	<u>319.093</u>	<u>482.183</u>
	<u>2.253.850</u>	<u>1.787.856</u>
	2018 DKK	2017 DKK
10. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>12.225.390</u>	<u>9.699.422</u>

The company has entered into operating leases in the period 2019-2021.

Notes

11. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Kjeldahl Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable for income taxes etc for the jointly taxed entities, but only for the share by which the Entity is included in the Group. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

12. Assets charged and collateral

As collateral for bank loans and credit limits, the company has pledged other other fixtures and fittings at nominal value dkk 2,000k. The booked value of the assets on the 31st of december 2018 amounts to DKK 3,999k.

As collateral for bank loans and credit limits, the company has issued a floating company charge at nominal value DKK 2,500k including the following assets, which on the 31st of December 2018 amounts to (DKK k):

Intangible assets	0
Property, plant and equipment	6,122
Stock inventories	0
Trade receivables	8,613
Total	14,735

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 enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Staff costs

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

Depreciation, amortisation 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 dividends etc received on other investments, interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on transactions in foreign currencies.

Tax on profit/loss for the year

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 the parent company and all Danish subsidiaries of the parent company. 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).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-7 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.