

APG Scandinavia and Baltic ApS

Vester Farimagsgade 3, 1606 København V.

Annual report for
the period
7 January to 31 December 2016
(1st Financial year)

Adopted at the annual general meeting on
1 May 2017

Kees-Jan van der Velden

CVR no. 37 35 34 85

Contents

	<u>Page</u>
Statements	
Statement by management on the annual report	1
Auditor's report on compilation of financial statements	2
Management's review	
Company details	3
Management's review	4
Financial statements	
Income statement 7 January 2016 - 31 December 2016	5
Balance sheet at 31 December 2016	6
Notes to the annual report	8
Accounting policies	11

Statement by management on the annual report

The executive board has today discussed and approved the annual report of APG Scandinavia and Baltic ApS for the financial year 7 January - 31 December 2016.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2016 and of the results of the company's operations for the financial year 7 January - 31 December 2016.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends to the company in general meeting that the financial statements for 2017 should not be audited. Management considers the criteria for omission of audit to be met.

The financial statements have not been audited. Management declares that the criteria for omission of audit are met.

Management recommends that the annual report should be approved at the annual general meeting.

Copenhagen, 1 May 2017

Executive board

Kees-Jan van der Velden

direktør

The general meeting of shareholders have resolved that the financial statements for the coming financial year are not to be audited.

Auditor's report on compilation of financial statements

To the shareholder of APG Scandinavia and Baltic ApS

We have compiled the financial statements for the financial year 7 January - 31 December 2016 of APG Scandinavia and Baltic ApS based on the company's bookkeeping and other information the enterprise have provided.

The financial statements comprises income statement, balance sheet, notes and summary of significant accounting policies

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditor Regulation and FSR – Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are the enterprise's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information enterprise provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Frederiksberg, 1 May 2017
Revisionsfirmaet Morten Schneider
Statsautoriseret revisionsvirksomhed
CVR no. 33 17 69 96

Morten Schneider
statsautoriseret revisor

Company details

The company

APG Scandinavia and Baltic ApS
Vester Farimagsgade 3
1606 København V.

Telephone: 33330344

CVR no.: 37 35 34 85

Reporting period: 7 January - 31 December

Domicile: København

Executive board

Kees-Jan van der Velden, direktør

Auditors

Revisionsfirmaet Morten Schneider
Statsautoriseret revisionsvirksomhed
Dalgas Boulevard 168
2000 Frederiksberg

Management's review

Business activities

The company's objects are to convey sale and act as general sales agent representing Airlines and all activities deemed to be related thereto by the executive board.

Business review

The Company's income statement for the year ended 31 December shows a profit of DKK 261.973, and the balance sheet at 31 December 2016 shows equity of DKK 311.973.

Income statement 7 January 2016 - 31 December 2016

	Note	2016 DKK
Gross profit		1.361.096
Staff costs	1	-961.108
Earnings Before Interest Taxes Depreciation and Amortization		399.988
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-42.019
Profit/loss from ordinary operating activities before gains/losses from fair value adjustments		357.969
Profit/loss before financial income and expenses		357.969
Financial costs	3	-20.745
Profit/loss before tax		337.224
Tax on profit/loss for the year	4	-75.251
Net profit/loss for the year		261.973
Retained earnings		261.973
		261.973

Balance sheet at 31 December 2016

	<u>Note</u>	<u>2016</u> DKK
Assets		
Goodwill		380.036
Intangible assets	5	<u>380.036</u>
Other fixtures and fittings, tools and equipment		63.495
Tangible assets	6	<u>63.495</u>
Deposits		81.814
Fixed asset investments		<u>81.814</u>
Fixed assets total		<u>525.345</u>
Trade receivables		32.171
Other receivables		469.802
Receivables		<u>501.973</u>
Cash at bank and in hand		<u>321.299</u>
Current assets total		<u>823.272</u>
Assets total		<u><u>1.348.617</u></u>

Balance sheet at 31 December 2016

	Note	2016
		DKK
Liabilities and equity		
Share capital		50.000
Retained earnings		261.973
Equity	7	311.973
Provision for deferred tax		7.777
Provisions total		7.777
Payables to subsidiaries		803.095
Long-term debt	8	803.095
Corporation tax		72.279
Other payables		153.493
Short-term debt		225.772
Debt total		1.028.867
Liabilities and equity total		1.348.617
Contingent assets, liabilities and other financial obligations	9	
Charges and securities	10	

Notes

	2016
	DKK
1 Staff costs	
Wages and salaries	914.713
Pensions	35.329
Other social security costs	4.923
Other staff costs	6.143
	961.108
	<hr/> <hr/>
Average number of employees	<hr/> 3
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	
Depreciation intangible assets	30.814
Depreciation tangible assets	11.205
	42.019
	<hr/> <hr/>
	2016
	DKK
3 Financial costs	
Other financial costs	4.871
Exchange loss	15.874
	20.745
	<hr/> <hr/>
4 Tax on profit/loss for the year	
Current tax for the year	67.474
Deferred tax for the year	7.777
	75.251
	<hr/> <hr/>

Notes

5 Intangible assets

	<u>Goodwill</u>
Cost at 7 January 2016	0
Additions for the year	<u>410.850</u>
Cost at 31 December 2016	<u>410.850</u>
Revaluations at 31 December 2016	<u>0</u>
Impairment losses and amortisation at 7 January 2016	0
Amortisation for the year	<u>30.814</u>
Impairment losses and amortisation at 31 December 2016	<u>30.814</u>
Carrying amount at 31 December 2016	<u><u>380.036</u></u>

6 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 7 January 2016	0
Additions for the year	<u>74.700</u>
Cost at 31 December 2016	<u>74.700</u>
Revaluations at 7 January 2016	<u>0</u>
Revaluations at 31 December 2016	<u>0</u>
Impairment losses and depreciation at 7 January 2016	0
Depreciation for the year	<u>11.205</u>
Impairment losses and depreciation at 31 December 2016	<u>11.205</u>
Carrying amount at 31 December 2016	<u><u>63.495</u></u>

Notes

7 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 7 January 2016	50.000	0	50.000
Net profit/loss for the year	0	261.973	261.973
Equity at 31 December 2016	<u>50.000</u>	<u>261.973</u>	<u>311.973</u>

The share capital consists of 50.000 shares of a nominal value of DKK 1. No shares carry any special rights.

8 Long term debt

	<u>2016</u>
	DKK
Payables to subsidiaries	
Between 1 and 5 years	<u>803.095</u>
Non-current portion	803.095
Within 1 year	<u>0</u>
Other short-term debt to credit institutions	<u>0</u>
	<u>803.095</u>

9 Contingent assets, liabilities and other financial obligations

None

10 Charges and securities

None

Accounting policies

The annual report of APG Scandinavia and Baltic ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2016 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's 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 from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Accounting policies

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market positions and a long-term earnings profile.

Tangible assets

Items of Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Andre anlæg, driftsmateriel og inventar	5	years
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Assets costing less than DKK 12.900 are expensed in the year of acquisition.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Accounting policies

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, reconstructions, etc. Provisions are recognised when as a result of a past event the company's has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deffered tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income comprises payments received concerning income in subsequent reporting years.