
Aviator Relaxium ApS

Vestvej 4, DK-2770 Kastrup

Annual Report for 21 September 2017 - 31 December 2018

CVR No 38 98 80 50

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/5 2019

Tomas Hedström
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Aviator Relaxium ApS for the financial year 21 September 2017 - 31 December 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2017/18.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Kastrup, 28 May 2019

Executive Board

Lars Ove Wrist-Elkjær
Managing Director

Board of Directors

Jo Alex Tanem
Chairman

Andreas Vassilaros

Tomas Hedström

Independent Auditor's Report

To the Shareholder of Aviator Relaxium ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 21 September 2017 - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Aviator Relaxium ApS for the financial year 21 September 2017 - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 28 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

René Otto Poulsen
State Authorised Public Accountant
mne26718

Anders Røjleskov
State Authorised Public Accountant
mne28699

Company Information

The Company

Aviator Relaxium ApS
Vestvej 4
DK-2770 Kastrup

CVR No: 38 98 80 50
Financial period: 21 September - 31 December
Incorporated: 21 September 2017
Financial year: 1st financial year
Municipality of reg. office: Tårnby

Board of Directors

Jo Alex Tanem , Chairman
Andreas Vassilaros
Tomas Hedström

Executive Board

Lars Ove Wrist-Elkjær

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The object of the Company is the operation of airport lounges as well as related activities.

Development in the year

The income statement of the Company for 2017/18 shows a loss of DKK 5,449,514, and at 31 December 2018 the balance sheet of the Company shows negative equity of DKK 5,399,514.

Unusual events

The financial position at 31 December 2018 of Aviator Relaxium ApS and the results of the activities of Aviator Relaxium ApS for the financial year for 2017/18 have not been affected by any unusual events.

During 2018 the Company has bought Lounge-activities from the sister Company Aviator Airport Denmark A/S.

Income Statement 21 September - 31 December

	Note	2017/18 16 months DKK
Gross profit/loss		1,685,121
Staff expenses	3	-5,101,750
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3,233,001
Profit/loss before financial income and expenses		-6,649,630
Financial expenses	4	-328,258
Profit/loss before tax		-6,977,888
Tax on profit/loss for the year	5	1,528,374
Net profit/loss for the year		-5,449,514

Distribution of profit

Proposed distribution of profit

Retained earnings	-5,449,514
	-5,449,514

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2017/18</u> DKK
Goodwill		31,120,707
Intangible assets	6	<u>31,120,707</u>
Other fixtures and fittings, tools and equipment		1,584,503
Leasehold improvements		6,985,280
Property, plant and equipment	7	<u>8,569,783</u>
Fixed assets		<u>39,690,490</u>
Trade receivables	9	4,002,252
Receivables from group enterprises		8,483
Other receivables		3,591
Corporation tax		1,632,600
Prepayments		1,853,631
Receivables		<u>7,500,557</u>
Cash at bank and in hand		<u>700,166</u>
Currents assets		<u>8,200,723</u>
Assets		<u>47,891,213</u>

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2017/18</u> DKK
Share capital		50,000
Retained earnings		-5,449,514
Equity		-5,399,514
Provision for deferred tax		104,226
Provisions		104,226
Payables to group enterprises		34,496,634
Long-term debt	8	34,496,634
Trade payables		4,000,621
Payables to group enterprises	8	11,625,416
Other payables		2,363,830
Deferred income		700,000
Short-term debt		18,689,867
Debt		53,186,501
Liabilities and equity		47,891,213
Capital resources and going concern	1	
Uncertainty relating to recognition and measurement	2	
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 21 September	0	0	0
Cash payment concerning formation of entity	50,000	0	50,000
Net profit/loss for the year	0	-5,449,514	-5,449,514
Equity at 31 December	50,000	-5,449,514	-5,399,514

Notes to the Financial Statements

1 Capital resources and going concern

The Company has in its first financial 2017/18 realised a loss as a consequence of starting up costs. According to prepared budget for 2019 it is Management's expectation that the result for 2019 will be significantly improved and profitable. The cash-flow is expected to be positive for the whole 2019. The budget is subject to uncertainty taking into account Managements expectations to financial performance and future cash flows. To support the Company's capital resources, the Company has a credit facility with the group cash-pool.

On this basis Management has assessed that the Company has sufficient capital resources for the activities for the coming year and thus the Financial Statements are prepared on a going concern basis.

2 Uncertainty relating to recognition and measurement

The impairment test made of the Company's Fixed Assets is based on expected future net cash flows. The recoverable amount exceeds the carrying amount at 31 December 2018. The key assumptions are related to the expected ability of the Company to sustain and improve earnings as well as to achieve future growth. These assumptions are subject to uncertainty, and non-realisation may lead to future impairment.

	2017/18 16 months DKK
3 Staff expenses	
Wages and salaries	4,671,741
Pensions	329,337
Other social security expenses	92,016
Other staff expenses	8,656
	5,101,750
Average number of employees	12
4 Financial expenses	
Interest paid to group enterprises	301,585
Other financial expenses	23,114
Exchange loss	3,559
	328,258

Notes to the Financial Statements

	2017/18 16 months DKK
5 Tax on profit/loss for the year	
Current tax for the year	-1,632,600
Deferred tax for the year	104,226
	<u>-1,528,374</u>

6 Intangible assets

	Goodwill DKK
Cost at 21 September	0
Additions for the year	32,273,326
Cost at 31 December	<u>32,273,326</u>
Impairment losses and amortisation at 21 September	0
Amortisation for the year	1,152,619
Impairment losses and amortisation at 31 December	<u>1,152,619</u>
Carrying amount at 31 December	<u>31,120,707</u>

Valuation of Goodwill is subject to uncertainty, referring to comments in note 2.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 21 September	0	0
Additions for the year	2,025,153	8,625,011
Cost at 31 December	<u>2,025,153</u>	<u>8,625,011</u>

Notes to the Financial Statements

7 Property, plant and equipment (continued)

	Other fixtures and fittings, tools and equipment <u>DKK</u>	Leasehold improvements <u>DKK</u>
Impairment losses and depreciation at 21 September	0	0
Depreciation for the year	440,650	1,639,731
Impairment losses and depreciation at 31 December	<u>440,650</u>	<u>1,639,731</u>
Carrying amount at 31 December	<u>1,584,503</u>	<u>6,985,280</u>

Valuation of Property, plant and equipment is subject to uncertainty, referring to comments in note 2.

8 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:

Payables to group enterprises

Between 1 and 5 years	<u>34,496,634</u>
Long-term part	34,496,634
Other short-term debt to group enterprises	<u>11,625,416</u>
	<u>46,122,050</u>

Short-term payables to group enterprises are part of a group cash-pool arrangement which is ongoing with no fixed period of payment.

9 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	6,028,894
Between 1 and 5 years	2,142,932
After 5 years	<u>0</u>
	<u>8,171,826</u>

Notes to the Financial Statements

2017/18

DKK

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

Other contingent liabilities

Trade receivables recognised with DKK 4.702k are part of a group factoring agreement and is pledged for debt according to the group agreement to credit institutions. According to the factoring agreement the Company has issued a guarantee to jointly and severally to indemnify credit institutions any loss suffered.

The Company is jointly taxed with other Danish Companies of the Aviator Group. The group Companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group.

10 Related parties

Transactions

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

The Company's intercompany transactions and normal management remunerations has during the year been entered into at arm's length.

Consolidated Financial Statements

The Company is included in the group annual report of:

<u>Name</u>	<u>Place of registered office</u>
Aviator Airport Alliance Europe AB.	Arlandastad, Sweden

The group annual report may be obtained at this following address: Generatorgatan 11, 195 60 Arlandastad, Sweden

11 Subsequent events

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

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Aviator Relaxium ApS for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

There is no comparative information, since it is the company's first annual report.

The Financial Statements for 2017/18 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

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

12 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.

Income Statement

Revenue

Revenue from rendering of services is recognised when the risks and rewards relating to the services been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

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

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish Aviator Group entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

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.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-10 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

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.

Financial debts

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.