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# ***Aviator Airport Partner ApS***

Vestvej 4, DK-2770 Kastrup

## **Annual Report for 1 January - 31 December 2020**

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CVR No 38 98 80 50

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
12/7 2021

Jo Alex Tanem  
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 Airport Partner 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 give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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, 12 July 2021

## Executive Board

Jens Bo Hansen  
Managing Director

## Board of Directors

Jo Alex Tanem  
Chairman

Per Göran Wassberg

Jens Bo Hansen

# Independent Auditor's Report

To the Shareholder of Aviator Airport Partner ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Aviator Airport Partner 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 ("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.

## Material Uncertainty Related to Going Concern

It should be noted that material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. We refer to note 1 to the Financial Statements, which shows that the Company's parent company has obtained new financing to cover the Group's total cash needs for at least the year ahead. However, no formal agreement has been entered to ensure that Aviator Airport Partner ApS receives the required cash resources, and moreover, the cash needs of Aviator Airport Partner ApS and the rest of the Group are materially affected by the development in COVID-19. It is Management's expectation and assessment that the parent company will provide the required cash resources as the need arises; therefore, the Financial Statements have been prepared on the assumption of going concern. Our opinion has not been modified in respect of this matter.

## Uncertainty Relating to Measurement of goodwill

We refer to note 2 to the Financial Statements, where Management states that uncertainty relates to valuation of goodwill of DKK 21,900k as the value hereof is dependent on improvements in future earnings. The uncertainty relates to the impact of COVID-19 as described in note 1 to the Financial Statements.

## 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.

# Independent Auditor's Report

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 misstatement, 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 ef-

# Independent Auditor's Report

fectiveness 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 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, 12 July 2021

**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 Airport Partner ApS  
Vestvej 4  
DK-2770 Kastrup

CVR No: 38 98 80 50  
Financial period: 1 January - 31 December  
Municipality of reg. office: Tårnby

### **Board of Directors**

Jo Alex Tanem , Chairman  
Per Göran Wassberg  
Jens Bo Hansen

### **Executive Board**

Jens Bo Hansen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's Review

## Key activities

The company's purpose is to operate and participate in ground handling and lounge business at airports, and other business related to aviation in accordance with the Board's specification.

## Development in the year

The income statement of the Company for 2020 shows a loss of DKK 8,137,599, and at 31 December 2020 the balance sheet of the Company shows negative equity of DKK 23,419,020.

The activities in 2020 was heavily negatively impacted by COVID-19. During March the lounges were closed-down due to restrictions related to COVID-19. The company utilized several of the government support schemes, including salary compensation and fixed cost compensation. The close-down lasted until August, where the number of passengers in Copenhagen Airport began to rise. At the same time the company left the salary compensation scheme and the number of employees were reduced by 6. During September the second COVID-19 wave hit Europe leading to significant decreasing guests in the lounges. In November it was decided to close-down the lounges once again due to low guest numbers.

The close-downs and lack of guests combined with insufficient support-schemes lead to a significant loss of DKK 8,137,599, which is unacceptable.

## The past year and follow-up on development expectations from last year

The pandemic continued longer and with more strength than expected a year ago. The second COVID-19 wave were not foreseen and had severe negative impact on the financial result compared to the expectations a year ago.

## Capital resources

The activities in 2021 are still heavily impacted by the effects of COVID-19, but the management expects the Company to generate sufficient liquidity to cover the cash-needs the coming year. In addition, AAP is a part of the cash-pool in the Aviator Group. Company management estimates that cash from the cash-pool is needed in order to continue operations for the next year. Aviator Group is aware of the cash needed for continued operation and the parent company obtained internal bank financing at USD 6,1 million, which is sufficient to cover the total cash needs of the Group, and is anticipated to provide the subsidiaries with the cash needed. Management in AAP expects that cash will be supplied if no major setbacks related to the Pandemic or alike are seen during next year. No formal binding agreement regarding cash contribution from the parent company has been issued and therefore funding for operating during next year cannot be guaranteed.

The negative equity is expected reestablished by improved financial results in the years ahead.



# Management's Review

## Strategy and objectives

The company aims to regain the position as a strong player in the lounge market in Copenhagen again – delivering quality lounge services that exceeds customer expectations.

## Targets and expectations for the year ahead

The pandemic is expected to continue into 2021 and expected to have significant negative impact on the financial result for 2021. If restrictions are lifted throughout Europe during the second part of 2021 the expectations for the year is a slightly lower loss compared to the loss in 2020.

## External environment

The company works to reduce negative effects on both environment and working environment under the conditions that the company operate. Copenhagen Airport has set out a strategy to reduce negative environmental impact. The Company goes along that strategy and will during the coming years seek to reduce negative environmental impact.

## Uncertainty relating to recognition and measurement

Impairment tests of fixed assets have been made – and no need for write-downs are identified by Management.

The Company has included a deferred tax asset of thousand DKK 3,253 due to expectations of positive taxable income over the coming 4 years. In this is included the use of tax loss carried forward and positive taxable income in Danish sister companies that are part of the joint taxation.

The deferred tax asset is subject to significant uncertainties, but as valuation is based on Management's best evaluation of future taxable income in Aviator and their Danish sister companies.

## Unusual events

The financial position at 31 December 2020 of the Company and the results of the activities of the Company for the financial year for 2020 have been heavily affected by COVID-19.

## Subsequent events

After the balance date the Company has acquired the ground handling activities from Aviator Airport Services Denmark A/S in bankruptcy. As part of the acquisition Aviator Airport Partner ApS has taken over 149 employees together with equipment, existing contracts etc.

## Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
<b>Gross profit/loss</b>	4	<b>1,183,749</b>	<b>7,081,075</b>
Staff expenses	3	-4,425,570	-6,600,889
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-5,415,345	-11,854,984
<b>Profit/loss before financial income and expenses</b>		<b>-8,657,166</b>	<b>-11,374,798</b>
Financial income		1,193	929
Financial expenses	5	-234,939	-1,112,264
<b>Profit/loss before tax</b>		<b>-8,890,912</b>	<b>-12,486,133</b>
Tax on profit/loss for the year	6	753,313	2,604,226
<b>Net profit/loss for the year</b>		<b>-8,137,599</b>	<b>-9,881,907</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-8,137,599	-9,881,907
		<b>-8,137,599</b>	<b>-9,881,907</b>

# Balance Sheet 31 December

## Assets

	Note	2020 DKK	2019 DKK
Goodwill		21,899,757	26,510,232
<b>Intangible assets</b>	7	<b>21,899,757</b>	<b>26,510,232</b>
Other fixtures and fittings, tools and equipment		74,409	85,729
Leasehold improvements		1,732,413	2,525,963
<b>Property, plant and equipment</b>	8	<b>1,806,822</b>	<b>2,611,692</b>
Deposits		11,435	11,435
<b>Fixed asset investments</b>		<b>11,435</b>	<b>11,435</b>
<b>Fixed assets</b>		<b>23,718,014</b>	<b>29,133,359</b>
Trade receivables		153,946	4,730,354
Receivables from group enterprises		0	2,700
Other receivables		2,866,943	11,858
Deferred tax asset		3,253,313	2,500,000
Prepayments		104,700	1,779,894
<b>Receivables</b>		<b>6,378,902</b>	<b>9,024,806</b>
<b>Cash at bank and in hand</b>		<b>198,884</b>	<b>130,968</b>
<b>Currents assets</b>		<b>6,577,786</b>	<b>9,155,774</b>
<b>Assets</b>		<b>30,295,800</b>	<b>38,289,133</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		50,000	50,000
Retained earnings		-23,469,020	-15,331,421
<b>Equity</b>		<b>-23,419,020</b>	<b>-15,281,421</b>
Provisions for restructuring	9	550,000	2,802,000
<b>Provisions</b>		<b>550,000</b>	<b>2,802,000</b>
Other payables		461,345	180,839
<b>Long-term debt</b>	10	<b>461,345</b>	<b>180,839</b>
Credit institutions		0	365,291
Prepayments received from customers		57,226	34,407
Trade payables		729,349	2,872,698
Payables to group enterprises		49,363,792	44,922,264
Other payables	10	2,553,108	2,393,055
<b>Short-term debt</b>		<b>52,703,475</b>	<b>50,587,715</b>
<b>Debt</b>		<b>53,164,820</b>	<b>50,768,554</b>
<b>Liabilities and equity</b>		<b>30,295,800</b>	<b>38,289,133</b>
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 1 January	50,000	-15,331,421	-15,281,421
Net profit/loss for the year	0	-8,137,599	-8,137,599
<b>Equity at 31 December</b>	<b>50,000</b>	<b>-23,469,020</b>	<b>-23,419,020</b>

# Notes to the Financial Statements

## 1 Capital resources and going concern

The Company is significantly affected by COVID-19 and the resulting decline in air traffic. Management expects increased activity during the summer of 2021 and beyond. Thus, an activity level of about 50% of the level prior to COVID-19 is expected by the end of 2021 and 80% in the summer of 2022.

Based on the above, the Company needs continuous injections of capital for at least half a year, but expects to generate sufficient liquidity to cover the cash needs in Q1 2022. In 2021, the Company's Swedish parent company obtained group internal financing totaling USD 6.1 million, which – based on the expected consolidated cash needs of the entire Aviator Group – is sufficient to cover the Group's total cash needs. The new loan have been obtained to cover the Group's total cash needs, and the parent company is anticipated to provide the subsidiaries with the cash needed. However, no formal agreement has been entered which guarantees Aviator Airport Partner ApS the cash it needs, but Management expects the required cash resources to be made available as the need arises.

If the activity level does not develop as expected, it could significantly affect the overall cash needs of the Group and, thus, the adequacy of the loan finance raised.

As the outlook for the coming year is still significantly impacted by the development in COVID-19, the activity level of the airlines as well as the absence of a formal binding agreement regarding cash contribution from the parent company, it is Management's assessment that the Company's ability to continue as a going concern is subject to material uncertainty. Management assesses the expected development to be realistic and realizable if COVID-19 does not develop negatively. On this basis, Management expects the parent company to provide the cash resources needed and therefore, the Financial Statements are prepared on the assumption of going concern.

## 2 Uncertainty relating to recognition and measurement

A part of the recognised compensation for fixed costs in connection with COVID-19, have not yet been reviewed by Erhvervsstyrelsen which is why there is some uncertainty relation to recognition and measurement of compensation in relation to COVID-19.

The impairment test made of the Company's Fixed Assets including Goodwill is based on expected future net cash flows. The recoverable amount exceeds the carrying amount at 31 December 2020. 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.

Management has recognised a deferred tax asset of DKK 3,253 TDKK based on Management's expectations for future positive taxable incomes and the jointly taxed companies' expected utilisation of joint taxation losses. Management's expectations for future positive taxable incomes are based on budgets and forecasts for the coming years.

## Notes to the Financial Statements

### 2 Uncertainty relating to recognition and measurement (continued)

The recognition of the deferred tax asset of DKK 3,253 TDKK is subject to uncertainty as the recognition is based on Management's best estimate of budgeted taxable incomes and the jointly taxed companies' expected utilisation of joint taxation losses.

	<u>2020</u> DKK	<u>2019</u> DKK
<b>3 Staff expenses</b>		
Wages and salaries	4,018,407	5,854,949
Pensions	245,481	540,178
Other social security expenses	158,464	135,869
Other staff expenses	<u>3,218</u>	<u>69,893</u>
	<b><u>4,425,570</u></b>	<b><u>6,600,889</u></b>
<b>Average number of employees</b>	<b><u>11</u></b>	<b><u>16</u></b>
<b>4 Gross profit/loss</b>		
In the Gross profit/loss the following is included:		
Compensation fixed cost	2,623,898	0
Wage compensation	<u>1,018,469</u>	<u>0</u>
	<b><u>3,642,367</u></b>	<b><u>0</u></b>
<b>5 Financial expenses</b>		
Interest paid to group enterprises	109,474	991,127
Other financial expenses	115,186	111,484
Exchange loss	<u>10,279</u>	<u>9,653</u>
	<b><u>234,939</u></b>	<b><u>1,112,264</u></b>

## Notes to the Financial Statements

	<u>2020</u> DKK	<u>2019</u> DKK
<b>6 Tax on profit/loss for the year</b>		
Current tax for the year	0	0
Deferred tax for the year	<u>-753,313</u>	<u>-2,604,226</u>
	<b><u>-753,313</u></b>	<b><u>-2,604,226</u></b>
 <b>7 Intangible assets</b>		
		<u>Goodwill</u> DKK
Cost at 1 January		<u>32,273,326</u>
Cost at 31 December		<u>32,273,326</u>
Impairment losses and amortisation at 1 January		5,763,094
Amortisation for the year		<u>4,610,475</u>
Impairment losses and amortisation at 31 December		<u>10,373,569</u>
<b>Carrying amount at 31 December</b>		<b><u>21,899,757</u></b>

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



## Notes to the Financial Statements

### 8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment <u>DKK</u>	Leasehold improvements <u>DKK</u>	Total <u>DKK</u>
Cost at 1 January	2,081,753	9,854,830	11,936,583
Disposals for the year	<u>-1,947,975</u>	<u>-1,968,991</u>	<u>-3,916,966</u>
Cost at 31 December	<u>133,778</u>	<u>7,885,839</u>	<u>8,019,617</u>
Impairment losses and depreciation at 1 January	1,996,024	7,328,867	9,324,891
Depreciation for the year	11,320	793,550	804,870
Reversal of impairment and depreciation of sold assets	<u>-1,947,975</u>	<u>-1,968,991</u>	<u>-3,916,966</u>
Impairment losses and depreciation at 31 December	<u>59,369</u>	<u>6,153,426</u>	<u>6,212,795</u>
<b>Carrying amount at 31 December</b>	<b><u>74,409</u></b>	<b><u>1,732,413</u></b>	<b><u>1,806,822</u></b>

### 9 Provisions for restructuring

	<u>2020</u> DKK	<u>2019</u> DKK
Provisions for restoration obligations in connection with property leases.		
Provisions for restructuring	<u>550,000</u>	<u>2,802,000</u>
	<b><u>550,000</u></b>	<b><u>2,802,000</u></b>

# Notes to the Financial Statements

## 10 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:

	<u>2020</u> DKK	<u>2019</u> DKK
<b>Other payables</b>		
Between 1 and 5 years	<u>461,345</u>	<u>180,839</u>
Long-term part	461,345	180,839
Other short-term payables	<u>2,553,108</u>	<u>2,393,055</u>
	<b><u>3,014,453</u></b>	<b><u>2,573,894</u></b>

## 11 Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	202,665	202,665
Between 1 and 5 years	354,663	557,327
After 5 years	<u>0</u>	<u>0</u>
	<b><u>557,328</u></b>	<b><u>759,992</u></b>

Rental premises lease obligations, period of non-terminability 24 months  
(2019: 6 months).

<u>7,419,869</u>	<u>2,115,842</u>
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# Notes to the Financial Statements

## 11 Contingent assets, liabilities and other financial obligations (continued)

### Other contingent liabilities

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.

## 12 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>
Avia Solutions Group PLC, ultimate parent	28 Oktovriou, ENGOMI BUSINESS CENTER BLC E, Flat/Office 111, Egkomi, 2414, Nicosia, Cyprus
Aviator Airport Alliance AB, direct parent	Stockholm-Arlanda, Sweden

The Company's direct parent does not prepare consolidated financial statements. The Company's ultimateparent, which prepares consolidated financial statements into which the Company is incorporated as a subsidiary, is Avia Solutions Group PLC.

The Group Annual Report of Avia Solutions Group PLC, ultimate parent may be obtained at the followingaddress:

28 Oktovriou, ENGOMI BUSINESS CENTER BLC E, Flat/Office 111, Egkomi, 2414, Nicosia, Cyprus

# Notes to the Financial Statements

## 13 Accounting Policies

The Annual Report of Aviator Airport Partner ApS for 2020 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.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 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

## 13 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, other operating income, 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.

### Other operating income and expenses

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

# Notes to the Financial Statements

## 13 Accounting Policies (continued)

### 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 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.

### 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.

# Notes to the Financial Statements

## 13 Accounting Policies (continued)

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

### Fixed asset investments

Fixed asset investments consist of deposits.

### 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.

### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### 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

## 13 Accounting Policies (continued)

### Financial debts

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