
Runway Leasing ApS

Lufthavnsvej 4, DK-6580 Vamdrup

Annual Report for 1 July 2022 - 31 December 2023

CVR No. 43 36 61 57

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 23/5 2024

Halldor Sigurdarson
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Management's Review	5
Financial Statements	
Income Statement 1 July - 31 December	6
Balance sheet 31 December	7
Statement of changes in equity	9
Notes to the Financial Statements	10

Management's statement

The Executive Board has today considered and adopted the Annual Report of Runway Leasing ApS for the financial year 1 July 2022 - 31 December 2023.

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 financial position at 31 December 2023 of the Company and of the results of the Company operations for 2022/23.

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

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

Vamdrup, 23 May 2024

Executive Board

Jesper Rungholm
CEO

Independent Auditor's report

To the shareholder of Runway Leasing ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Runway Leasing ApS for the financial year 1 July 2022 - 31 December 2023, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Financial 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.

Independent Auditor's report

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 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.

Trekantområdet, 23 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

State Authorised Public Accountant

mne30224

Company information

The Company

Runway Leasing ApS
Lufthavnsvej 4
DK-6580 Vamdrup

CVR No: 43 36 61 57

Financial period: 1 July 2022 - 31 December 2023

Incorporated: 1 July 2022

Financial year: 1st financial year

Municipality of reg. office: Vamdrup

Executive Board

Jesper Rungholm

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Management's review

Key activities

The Company's key activity consists in aircraft leasing.

Development in the year

The income statement of the Company for 2022/23 shows a loss of TDKK 8,829, and at 31 December 2023 the balance sheet of the Company shows a negative equity of TDKK 8,789.

Capital resources

Management is aware that the capital of Runway Leasing ApS has been lost, which is due to the fact that it is the first financial year of the company, and that the activity in the company started later than planned. Based on the activity at the end of 2023 and contracts for the future, it is assessed that there are good prospects for positive operations and increased activity where the capital can be reestablished.

As of May 2024 the company has received a larger insurance compensation, which creates a positive liquidity and the negative equity as of 31. December 2023 has been reestablished. Based on liquidity forecast moving forward, the liquidity shows a headroom under the budgeted scenario. Management view is that the budgeted scenario is reasonable.

Based on this, it is management's assessment that the Group has the required capital and liquidity resources to carry through the plans for the financial year 2024. The Annual Report is therefore presented on the assumption of continued operations.

Income statement 1 July 2022 - 31 December 2023

	Note	2022/23
		TDKK 18 months
Gross profit/loss		-3,340
Depreciation and impairment losses of property, plant and equipment		-6,208
Profit/loss before financial income and expenses		-9,548
Financial income		3,715
Financial expenses		-5,486
Profit/loss before tax		-11,319
Tax on profit/loss for the year	3	2,490
Net profit/loss for the year		-8,829
 Distribution of profit		
		2022/23
		TDKK
Proposed distribution of profit		
Retained earnings		-8,829
		-8,829

Balance sheet 31 December 2023

Assets

	Note	2022/23
		TDKK
Aircraft and related		116,052
Property, plant and equipment	4	<u>116,052</u>
Fixed assets		<u>116,052</u>
Trade receivables		3,638
Other receivables		22
Corporation tax receivable from group enterprises		5,159
Receivables		<u>8,819</u>
Cash at bank and in hand		<u>7,725</u>
Current assets		<u>16,544</u>
Assets		<u>132,596</u>

Balance sheet 31 December 2023

Liabilities and equity

	Note	2022/23 TDKK
Share capital		40
Retained earnings		-8,829
Equity		-8,789
Provision for deferred tax	5	2,669
Provisions		2,669
Deposits		6,205
Other payables		108,590
Long-term debt	6	114,795
Payables to group enterprises		18,557
Other payables	6	5,364
Short-term debt		23,921
Debt		138,716
Liabilities and equity		132,596
Going concern	1	
Subsequent events	2	
Contingent assets, liabilities and other financial obligations	7	
Related parties	8	
Accounting Policies	9	

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Cash payment concerning formation of entity	40	0	40
Net profit/loss for the year	0	-8,829	-8,829
Equity at 31 December	40	-8,829	-8,789

Notes to the Financial Statements

1. Going concern

The Company's financial performance for 2023 shows a loss before tax of TDKK -11.319 and the equity is as of 31 December 2023 negative of TDKK 8.789.

As of May 2024 the company has received a larger insurance compensation, which creates a positive liquidity and the negative equity as of 31. December 2023 has been reestablished. Based on liquidity forecast moving forward, the liquidity shows a headroom under the budgeted scenario. Management view is that the budgeted scenario is reasonable.

Based on this, it is management's assessment that the Group has the required capital and liquidity resources to carry through the plans for the financial year 2024. The Annual Report is therefore presented on the assumption of continued operations.

2. Subsequent events

An incident occurred on 18 February 2024 when one of the owned aircraft, under sub dry-lease to a third-party, was operating a scheduled flight. When taking off, the aircraft overshot the runway end and impacted with the runway lights. The aircraft completed the take-off and successfully returned to the airport. The incident caused the aircraft however to get so severely damaged that it was subsequently declared a Constructive Total Loss. The aircraft was insured by the lessee and no loss has incurred for Runway Leasing ApS.

3. Income tax expense

	2022/23 TDKK 18 months
Current tax for the year	-5,159
Deferred tax for the year	2,669
	<u>-2,490</u>

4. Property, plant and equipment

	Aircraft and related TDKK
Cost at 1 July	0
Additions for the year	122,260
Cost at 31 December	<u>122,260</u>
Impairment losses and depreciation at 1 July	0
Depreciation for the year	6,208
Impairment losses and depreciation at 31 December	<u>6,208</u>
Carrying amount at 31 December	<u>116,052</u>

Notes to the Financial Statements

	<u>2022/23</u> TDKK
5. Provision for deferred tax	
Amounts recognised in the income statement for the year	2,669
Deferred tax liabilities at 31 December	<u>2,669</u>
	<u>2022/23</u> TDKK
6. 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:	
Deposits	
After 5 years	0
Between 1 and 5 years	6,205
Long-term part	6,205
Within 1 year	0
	<u>6,205</u>
Other payables	
After 5 years	0
Between 1 and 5 years	108,590
Long-term part	108,590
Other short-term payables	5,364
	<u>113,954</u>
	<u>2022/23</u> TDKK
7. Contingent assets, liabilities and other financial obligations	
Charges and security	
The following assets have been placed as security with SEBC Aviation Leasing ApS	
Aircraft	116,052

Notes to the Financial Statements

2022/23

TDKK

7. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Runway Holding ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Runway Holding ApS	Lufthavnsvej 7A, 6580 Vamdrup

Notes to the Financial Statements

9. Accounting policies

The Annual Report of Runway Leasing ApS for 2022/23 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 Financial Statements for 2022/23 are presented in TDKK.

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.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 the sale of goods and services are recognised when the risks and rewards relating to the goods and services sold have 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 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 and other external expenses.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of 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.

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 Danish group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

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:

Aircraft	10-20 years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

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

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.

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, including the tax base of tax loss carry-forwards, 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.

Notes to the Financial Statements

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 liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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