
SAS Ground Handling Denmark A/S

Kystvejen 2
2770 Kastrup

Annual Report for 2024/25

CVR No 32 33 90 26

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/4 - 2026

Uffe Krempel
Chairman

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report on the Financial Statements	3
Management's Review	
Company Information	6
Financial Highlights	7
Management's Review	8
Financial Statements	
Income Statement 1 November - 31 October	10
Balance Sheet 31 October	11
Statement of Changes in Equity	13
Notes to the Financial Statements	14
Accounting Policies	18

Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of SAS Ground Handling Denmark A/S for the financial year 1 November 2024 – 31 October 2025 (2024/25).

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 as of 31 October 2025 of the Company and of the results of the Company operations for 2024/25.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

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

With reference to the auditor's report, it is the opinion of the Management that there is no violation of the Danish Company Act. The Board has had sufficient opportunity to perform its duties. Reporting has been provided to the Board on an ongoing basis throughout the financial year, and the Board has repeatedly been offered walkthroughs of relevant figures, as well as opportunities to raise questions and discuss any matters.

Kastrup, 30 April 2026

Executive Board

Hans Henrik Spangenberg
CEO

Board of Directors

Jason Mahoney
Chairman

Jonathan Mark Wallden

Hans Henrik Spangenberg

*Henrik Meiner
Staff Representative

*Ian Nachiket Møhring Madsen
Staff Representative

*The two employee-elected Board members have declined to sign the management statement and have requested that a separate endorsement be included on the following page.

Statement regarding the Annual Financial Statements

As employee-elected members of the Board of Directors of SAS Ground Handling Danmark A/S, CVR no. 32339026, we hereby state that no meetings of the Board of Directors were held during the financial year.

We have on several occasions requested that meetings of the Board of Directors be convened during the financial year, without such meetings being held.

Accordingly, no minutes of Board meetings or other documentation exist evidencing the Board of Directors' consideration of matters of financial and managerial significance to the Company during the financial year.

As a result, we have not had the opportunity to participate in the Board of Directors' consideration of matters relating to the Company's operations, financial position, and annual financial statements.

In our assessment, the material made available to us has not constituted a sufficient basis for fulfilling the duties of a member of the Board of Directors in accordance with the requirements of the Danish Companies Act.

On this basis, we have not had a sufficient foundation to approve the annual financial statements.

Our signatures on the annual financial statements are therefore provided solely for formal reasons and subject to the above reservations.

Kastrup, 30 April 2026

Yours sincerely,

Henrik Meiner
Staff Representative

Ian Nachiket Møhring Madsen
Staff Representative

Independent auditor's report

To the shareholder of SAS Ground Handling Denmark A/S

Opinion

We have audited the financial statements of SAS Ground Handling Denmark A/S for the financial year 1 November 2024 - 31 October 2025 comprising income statement, balance sheet, statement of changes in equity, and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 October 2025 and of the results of the Company's operations for the financial year 1 November 2024 - 31 October 2025 in accordance with the Danish Financial Statements Act.

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.

Management's responsibility 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, that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Violation of the Company Act

The company's chairman of the board has not, at the request of other members of the board, called a board meeting, which is in violation of Section 123 of the Company Act. Members of the company's Board of Director's may be held liable for this.

Copenhagen, 30 April 2026
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorised
Public Accountant
mne32271

Company Information

The Company

SAS Ground Handling Denmark A/S
Kystvejen 2
2770 Kastrup

CVR No: 32 33 90 26

Financial period: 1 November - 31 October

Incorporated: 27 June 2013

Financial year: 12th financial year

Municipality of reg. office: Tårnby

The Company is ISO 14001 Certified

Supervisory Board

Jason Mahoney, Chairman
Jonathan Mark Wallden
Hans Henrik Spangenberg
Henrik Meiner
Ian Nachiket Møhring Madsen

Executive Board

Hans Henrik Spangenberg

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Financial Highlights

The development of the Company is described by the following financial highlights:

	<u>2024/25</u> <u>(12 mths)</u> TDKK	<u>2023/24</u> <u>(12 mths)</u> TDKK	<u>2022/23</u> <u>(12 mths)</u> TDKK	<u>2021/22</u> <u>(12 mths)</u> TDKK	<u>2020/21</u> <u>(12 mths)</u> TDKK
<u>Key figures</u>					
<u>Profit/loss</u>					
Revenue	981.721	981.499	945.918	827.861	437.665
Gross profit	778.944	748.106	725.064	605.772	303.494
Profit/loss before financial income and expenses	52.831	43.902	75.208	48.982	-61.308
Net financials	5.605	7.458	3.765	-48	651
Net profit/loss for the year	60.349	52.781	80.655	48.934	-60.657
<u>Balance sheet</u>					
Balance sheet total	449.663	401.610	371.000	248.212	184.057
Equity	333.494	273.145	220.364	139.709	90.775
Investment in property, plant and equipment	38.222	1.275	8.880	1.604	967
<u>Ratios</u>					
Profit margin	5,4%	4,5%	8,0%	5,9%	Neg.
Gross margin	79,3%	76,2%	76,7%	73,2%	69,3%
Return on assets	12,4%	11,4%	24,2%	22,7%	Neg.
Solvency ratio	74,2%	68,0%	59,4%	56,3%	49,3%
Return on equity	18,1%	19,3%	36,6%	35,0%	Neg.
Number of employees average	1.189	1.185	1.115	957	639

For calculation of ratios, see under accounting policies.

Management's Review

Main activity

The main activities of the company are ground handling (passenger and baggage) and air freight cargo handling in Denmark.

Development in the year

The financial result after tax for the 2024/25 financial year amounted to MDKK 60.3, compared with MDKK 52.8 in 2023/24. Revenue remained broadly unchanged from the previous year, increasing only marginally by MDKK 0.3. Overall, the result is considered satisfactory and above expectations, supported by stable activity levels despite the termination of third-party handling. This was partially offset by increased SAS production in Copenhagen, which contributed positively to the overall outcome.

Compared with the previous financial year, the result improved primarily due to a reduction in external costs related to subsidies granted in the aftermath of the COVID-19 pandemic. Although revenue from external customers declined, production volumes developed in line with SAS's overall strategy of strengthening Copenhagen as its main hub in Scandinavia. This strategic alignment maintained the company's resilience and supported a stronger financial performance than initially anticipated.

Uncertainty regarding recognition and measurement

The company has a tax asset of DKK 9,6 million as of 31 October 2025 which has not been recognized as utilization is considered uncertain within a maximum of 5 years.

Risks

When we are handling aircrafts there is a risk of incurring damage to the aircraft. Likewise, we handle airfreight and risks damaging or losing goods. The company is insured against such risks. One customer constitutes a significant part of the total revenue.

Corporate social responsibility

As part of the SAS Group, please refer to the SAS Group's Sustainability Report for 2024/25, which can be found on the following link:

<https://www.sasgroup.net/about-sas/annual-report-fy2025/>

Data ethics

SAS Ground Handling Denmark A/S has not implemented an actual policy for data ethics. This is based on a concrete assessment of SAS Ground Handling Denmark A/S currently data collection, data exchange and use of data in combination with the company's business activities and markets.

Data ethics covers the use of all types of data, not just personal data. SAS Ground Handling Denmark most important data exchange is with the companies-

- Employees
- Customers
- Suppliers

The company handles data storage and data exchange with the above in a responsible manner and within applicable legislation, including GDPR and other data protection regulations. The data collection is limited to business-critical data deemed necessary for the implementation of the company's activities. It is continuously assessed whether there is a need to adopt an actual policy for data ethics. We have assessed that our GDPR-policies are sufficient to mitigate any risks involved with our collection and processing of data.

External environment

The Company is not to any significant degree influenced by any external environmental factors. We continuously strive to ensure that our environmental footprint is improved by implementing green solutions where possible, i. e. increasing our use of electrical equipment where possible and selecting suppliers with a green profile.

Expectations for the year ahead

Expectations for next year include increased production and revenue, driven by SAS's increased focus on Copenhagen as its primary hub. Nevertheless, the result is expected to be approximately 50% lower than last year. This is primarily attributable to positive one-off items included in last year's result, as well as higher indexation of variable costs relative to revenues.

The outlook is highly contingent on the realization of the projected SAS AB traffic program and volume assumptions. In addition, significant uncertainty persists due to geopolitical developments, the risk of an economic recession, and rising interest rate levels.

Subsequent events

In December 2025, SAS Ground Handling Denmark A/S entered into a sale and leaseback agreement with TCR concerning ground service equipment with a total transaction value of MDKK 28,3. The agreement became effective on 9 January 2026.

SAS is aware of recent legal developments relating to the interpretation of existing regulations governing the remuneration of certain employee groups. There remains significant uncertainty as to whether these developments may result in additional liabilities for the Company as at 31 October 2025, and it is possible that further legal or regulatory developments may occur in this area.

A detailed assessment of historical data, assumptions and applicability is required in order to determine whether and to what extent any financial impact may arise; however, such an assessment will take time to complete. Our preliminary assessment, is that the matter is not expected to be material.

Income Statement 1 November – 31 October

	<u>Note</u>	<u>1/11 2024 - 31/10 2025</u> TDKK	<u>1/11 2023 - 31/10 2024</u> TDKK
Revenue		981.721	981.499
Other operating expenses		0	0
Other external expenses		<u>-202.777</u>	<u>-233.393</u>
Gross profit		778.944	748.106
Staff expenses	1	-720.352	-700.133
Depreciation and impairment of property, plant and equipment		<u>-5.761</u>	<u>-4.071</u>
Profit before financial income and expenses		52.831	43.902
Financial income	2	5.817	8.201
Financial expenses	3	<u>-212</u>	<u>-743</u>
Profit before tax		58.436	51.360
Tax on profit for the year	4	<u>1.913</u>	<u>1.421</u>
Net profit for the year		<u>60.349</u>	<u>52.781</u>

Distribution of profit

Proposed distribution of profit

Retained earnings	<u>60.349</u>	<u>52.781</u>
	<u>60.349</u>	<u>52.781</u>

Balance Sheet 31 October

Assets

	<u>Note</u>	<u>31/10 2025</u> TDKK	<u>31/10 2024</u> TDKK
Plant and machinery		1.013	1.772
Other fixtures and fittings, tools and equipment		42.348	8.762
Leasehold improvements		<u>418</u>	<u>783</u>
Property, plant and equipment	5	<u>43.779</u>	<u>11.317</u>
Non-current assets		<u>43.779</u>	<u>11.317</u>
Trade receivables		11.823	24.154
Receivables from group enterprises		378.999	356.275
Other receivables		8.203	5.118
Deferred tax asset	6	5.539	3.626
Prepayments		<u>265</u>	<u>626</u>
Receivables		<u>404.829</u>	<u>389.798</u>
Cash at bank and in hand		<u>1.055</u>	<u>495</u>
Current assets		<u>405.884</u>	<u>390.293</u>
Total assets		<u>449.663</u>	<u>401.610</u>

Balance Sheet 31 October

Liabilities and equity

	<u>Note</u>	<u>31/10 2025</u> TDKK	<u>31/10 2024</u> TDKK
Share capital		500	500
Retained earnings		<u>332.994</u>	<u>272.645</u>
Equity		<u>333.494</u>	<u>273.145</u>
Pension obligations	7	92	46
Other provision		<u>1.939</u>	<u>0</u>
Provisions		<u>2.031</u>	<u>46</u>
Prepayments received from customers		68	79
Trade payables		9.553	18.052
Payables to group enterprises		13.627	12.296
Other payables		90.890	97.992
Short-term debt		<u>114.138</u>	<u>128.419</u>
Debt		<u>114.138</u>	<u>128.419</u>
Total liabilities and equity		<u>449.663</u>	<u>401.610</u>
Contingent assets, liabilities and other financial obligations	8		
Related parties and Group information	9		
Subsequent events	10		
Accounting policy	11		

Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity as of 1 November 2024	500	272.645	273.145
Net profit for the year	<u>0</u>	<u>60.349</u>	<u>60.349</u>
Equity as of 31 October 2025	<u>500</u>	<u>332.994</u>	<u>333.494</u>

Notes to the Financial Statements

	<u>1/11 2024 - 31/10 2025</u> TDKK	<u>1/11 2023 - 31/10 2024</u> TDKK
1 Staff expenses		
Wages and salaries	631.641	616.944
Pensions	65.559	59.660
Other social security expenses	<u>23.152</u>	<u>23.529</u>
	<u>720.352</u>	<u>700.133</u>
Average number of employees	<u>1 189</u>	<u>1 185</u>
<p>Remuneration to the executive management, together with an estimated allocated share (as members of the Board receives no separate remuneration) of the board of directors' ordinary remuneration, is disclosed in aggregate pursuant to "Årsregnskabsloven §98B, 3. no. 1", and amounts to TDKK 2,190 (2023/24: TDKK 2,100).</p>		
	<u>1/11 2024 - 31/10 2025</u> TDKK	<u>1/11 2023 - 31/10 2024</u> TDKK
2 Financial income		
Exchange rate	108	0
Interest income external	0	5
Interest income internal	<u>5.709</u>	<u>8.196</u>
	<u>5.817</u>	<u>8.201</u>
3 Financial expenses		
Bank charges	32	55
Interest expenses external	8	6
Interest expenses internal	172	499
Exchange rate	<u>0</u>	<u>183</u>
	<u>212</u>	<u>743</u>
4 Tax on profit for the year		
Deferred tax for the year	<u>1.913</u>	<u>1.421</u>
	<u>1.913</u>	<u>1.421</u>

Notes to the Financial Statements

5 Property, plant and equipment

	<u>Plant and machinery</u> TDKK	<u>Other fixtures and fittings, tools and equipment</u> TDKK	<u>Leasehold improvements</u> TDKK
Cost as of 1 November	18.120	19.964	6.106
Additions for the year	0	38.222	0
Disposals for the year	<u>0</u>	<u>0</u>	<u>0</u>
Cost as of 31 October	<u>18.120</u>	<u>58.186</u>	<u>6.106</u>
Impairment losses and depreciation as of 1 November	16.348	11.202	5.323
Depreciation for the year	759	4.636	365
Reversal of impairment and depreciation of sold assets	<u>0</u>	<u>0</u>	<u>0</u>
Impairment losses and depreciation as of 31 October	<u>17.107</u>	<u>15.838</u>	<u>5.688</u>
Carrying amount as of 31 October 2025	<u>1.013</u>	<u>42.348</u>	<u>418</u>

6 Deferred tax assets

	<u>31/10 2025</u> TDKK	<u>31/10 2024</u> TDKK
Pension Obligations	92	46
Tangible fixed assets	5.447	3.580
Net operating loss carryovers	9.595	22.940
Not recognized	<u>-9.595</u>	<u>-22.940</u>
	<u>5.539</u>	<u>3.626</u>
Deferred tax asset 1 November	3.626	2.205
Regulation this year	<u>1.913</u>	<u>1.421</u>
Deferred tax asset as of 31 October 2025	<u>5.539</u>	<u>3.626</u>

The company has a tax asset of DKK 9,6 million as of 31 October 2025 which has not been recognized as utilization is considered uncertain within a maximum of 5 years.

Notes to the Financial Statements

7 Pension obligations	<u>31/10 2025</u> TDKK	<u>31/10 2024</u> TDKK
Pension obligation primo	46	189
Disposal for the year	<u>46</u>	<u>-143</u>
Total	<u>92</u>	<u>46</u>
8 Contingent assets, liabilities and other financial obligations		
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	14.181	12.328
Between 1 and 5 years	<u>30.396</u>	<u>16.290</u>
	<u>44.577</u>	<u>28.618</u>

Contingent liabilities

The Company is jointly taxed with all controlled Danish companies within the SAS Group. The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income.

The Company has entered into a defined contribution pension plans with the employees. In connection with termination of employment, certain employee groups are entitled to severance payment calculated as the capitalized value of the remaining contributions in the period to originally agreed retirement date. In the event of the Company no longer being part of SAS Group, payment is due for these employees. The maximum obligation of the Company is approximately MDKK 0,9 of which MDKK 0,1 is provided in the balance sheet.

The Company has a contingent liability regarding remuneration of certain employee groups. Reference is made to note 10 for further information.

9 Related parties and Group information

Controlling interest

Related parties with controlling interest comprises SAS AB, Frösundaviks Allé 1, 195 87 Stockholm, Sweden.

Transactions

Transactions with related parties are done at market conditions.

Consolidated Financial Statements

SAS Ground Handling Denmark A/S is included in the consolidated Financial Statements of SAS AB, Stockholm. The consolidated accounts are available at:

[About SAS - SAS](#)

Notes to the Financial Statements

10 Subsequent events

In December 2025, SAS Ground Handling Denmark A/S entered into a sale and leaseback agreement with TCR concerning ground service equipment with a total transaction value of MDKK 28,3. The agreement became effective on 9 January 2026.

SAS is aware of recent legal developments relating to the interpretation of existing regulations governing the remuneration of certain employee groups. There remains significant uncertainty as to whether these developments may result in additional liabilities for the Company as at 31 October 2025, and it is possible that further legal or regulatory developments may occur in this area. A detailed assessment of historical data, assumptions and applicability is required in order to determine whether and to what extent any financial impact may arise; however, such an assessment will take time to complete. Our preliminary assessment, is that the matter is not expected to be material.

11 Accounting Policies

Basis of Preparation

Financial Statements of SAS Ground Handling Denmark A/S for 2024/25 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year. Financial Statements are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of SAS AB, the Company has not prepared a cash flow statement.

Fee to the auditor elected by the general Assembly

The fee to the auditor is not disclosed in accordance with the Danish Financial Statement Act section 96(3).

Recognition and measurement

Revenue is recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost as recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement.

Assets are recognized 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 recognized 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.

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

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

Accounting Policies

Leases (continued)

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment information

Segment information is presented in respect of revenue distributed on business segment based on the Company's risks and returns and its internal financial reporting system. The Company has only one business segment; ground handling and only one geographical market as the Company only operates in Denmark

Income statement

Revenue

Revenue consists of ground handling and cargo revenue, which is core business of SAS Ground Handling Denmark A/S as well as other revenue, which consist of peripheral sources of income.

Revenue from sale of goods and services is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue 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.

Accounting Policies

Staff expenses

Staff expenses comprise wages and salaries, pension and social security costs.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale 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 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 all controlled Danish companies within the SAS Group. The actual Danish taxation is allocated between the jointly taxed companies in accordance with to their taxable income (full allocation with reimbursement concerning taxable loss).

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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Accounting Policies

Property, Plant and equipment (continued)

Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-40 years

The residual value and the useful life of an asset is reviewed at the end of each reporting period.

Impairment of fixed assets

The carrying amounts of 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.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions, equipment and interest.

Pensions

The Company has entered into a defined contribution pension plans with employees. In connection with termination of employment, certain employee groups are entitled to severance payment calculated as the capitalized value of the remaining contributions in the period to originally agreed retirement date. In the event of the Company no longer being part of SAS Group, payment is due for these employees.

Other provisions

Provisions comprise anticipated costs of restructuring expenses. Provisions are recognized when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

Accounting Policies

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

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.

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 recognized in the income statement.

Prepayments received from customers

Prepayments received from customers comprises payments received in respect of income in subsequent years.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognized 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 recognized as an interest expense in the income statement over the loan period.

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

Accounting Policies

Financial Highlights

Explanation of financial ratios

Profit margin

$$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$$

Gross margin

$$\frac{\text{Gross profit before interest} \times 100}{\text{Revenue}}$$

Return of assets

$$\frac{\text{Profit before interest} \times 100}{\text{Average total assets}}$$

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$