

**TP Aerospace Holding ApS  
Central Business Registration No  
31603420**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 21.04.2016

**Chairman of the General Meeting**

---

Name: Jens Harpøth Zilstorff

## **Contents**

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	8
Consolidated income statement for 2015	16
Consolidated balance sheet at 31.12.2015	17
Consolidated statement of changes in equity for 2015	19
Consolidated cash flow statement for 2015	20
Notes to consolidated financial statements	21
Parent income statement for 2015	26
Parent balance sheet at 31.12.2015	27
Parent statement of changes in equity for 2015	29
Notes to parent financial statements	30

## **Entity details**

### **Entity**

TP Aerospace Holding ApS  
Stamholmen 165 R  
2650 Hvidovre

Central Business Registration No: 31603420

Registered in: Hvidovre

Financial year: 01.01.2015 - 31.12.2015

### **Board of Directors**

Jens Harpøth Zilstorff, Chairman

Carl Fredrik Siwmark

Kim Skovgaard Rasmussen

Peter Jørgen Lyager

Thomas Daniel Ibsø

### **Executive Board**

Peter Jørgen Lyager

Thomas Daniel Ibsø

### **Entity auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 Copenhagen

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of TP Aerospace Holding ApS for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 24.02.2016

### Executive Board

Peter Jørgen Lyager

Thomas Daniel Ibsø

### Board of Directors

Jens Harpøth Zilstorff  
Chairman

Carl Fredrik Siwmark

Kim Skovgaard Rasmussen

Peter Jørgen Lyager

Thomas Daniel Ibsø

## **Independent auditor's reports**

### **To the owners of TP Aerospace Holding ApS Report on the financial statements**

We have audited the consolidated financial statements and parent financial statements of TP Aerospace Holding ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility for the consolidated financial statements and parent financial statements**

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

## **Independent auditor's reports**

### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Copenhagen, 24.02.2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Jesper Blom

State Authorised Public Accountant

Ferass Hamade

State Authorised Public Accountant

## Management commentary

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
<b>Financial high-lights</b>					
<b>Key figures</b>					
Revenue	45.155	33.532	35.870	19.155	17.080
Gross profit/loss	13.368	9.030	11.230	5.077	4.557
Operating profit/loss	6.486	2.773	6.758	2.345	2.094
Net financials	(379)	(457)	(329)	(211)	51
Profit/loss for the year	4.601	1.575	4.419	1.486	1.454
Total assets	36.934	21.615	21.108	11.612	8.196
Investments in property, plant and equipment	630	1.061	895	418	415
Equity	14.766	10.200	8.662	4.278	2.780
<b>Ratios</b>					
Gross margin (%)	29,6	26,9	31,3	26,5	26,7
Net margin (%)	10,2	4,7	12,3	7,8	8,5
Return on equity (%)	36,9	16,7	68,3	42,1	52,3
Equity ratio (%)	40,0	47,2	41,0	36,8	33,9

## **Management commentary**

### **Primary activities**

The Groups's main activities are repair, trading and wholesale of aircraft spare parts. The main activity of the Parent is to own shares in subsidiaries.

### **Development in activities and finances**

Revenue has increased with 11,623 USD'000 from 33,532 USD'000 in 2014 to 45,155 USD'000 in 2015. The increase is primarily a result of higher activity in the middle east and growth in the contracts and programs division.

The result after tax for 2015 of 4,601 USD'000 is an increase of 3,026 USD'000 compared to 2014 and is the result of the increased activity.

The Management considers the result satisfactory.

### **Uncertainty relating to recognition and measurement**

There are no uncertainties on recognition and measurement in the Financial Statements and the Consolidated Financial Statements.

### **Unusual circumstances affecting recognition and measurement**

No unusual matters have affected the Financial Statement for 2015.

### **Outlook**

During the end of 2015, and in the first month of 2016 the group have closed numerous new contracts, and expect to support more than 250 aircrafts under various programs by the end of 2016.

This combined with a global airline passenger market that are predicted to remains strong in 2016, leads to an expected increase in the groups revenues and earnings of 20%

### **Particular risks**

#### ***Business risks***

TP Aerospace is Part 145, ISO9001 and AS9120 approved. To retain this certification level there is continuing focus on quality and risk management.

#### ***Financial exposure***

The management does not consider that TP Aerospace has any financial exposure of significance.

## Management commentary

### Intellectual capital resources

As a consequence of the continuing growth the Company has increased the number of employees. This growth is expected to continue in 2016.

All employees in TP Aerospace go through continuous training and evaluation to increase the Company’s knowledge level.

### Environmental performance

TP Aerospace acknowledges its community responsibility and acts on FNs Global Compact. Operating in the aftermarket, re-use of parts is an integrated parts of the strategy.

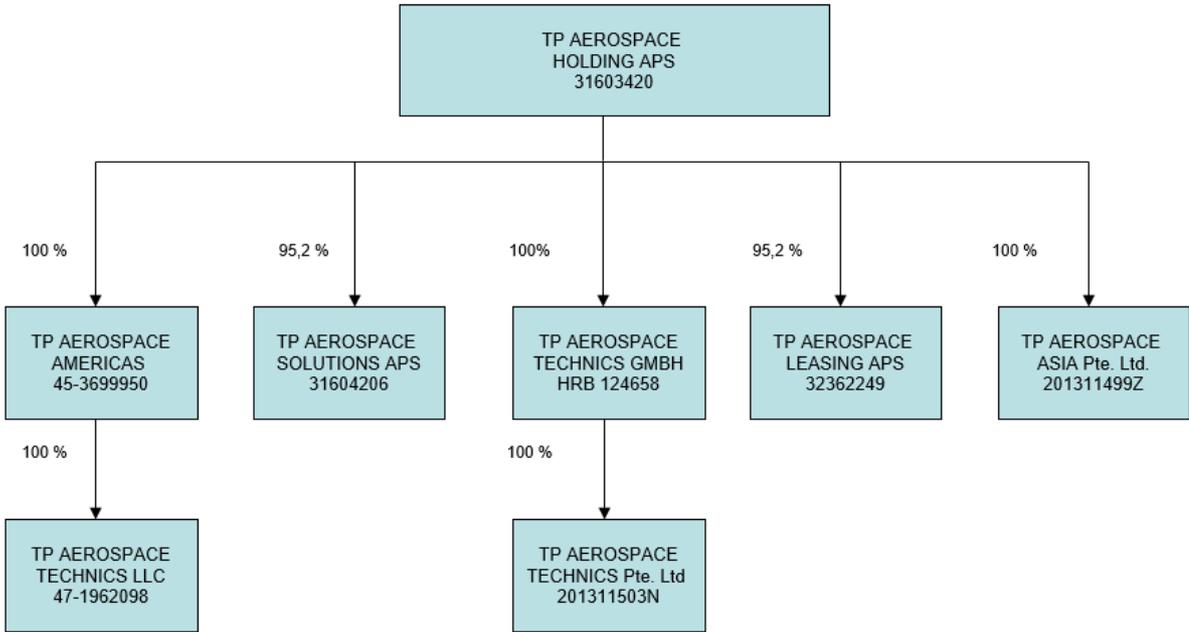
### Research and development activities

To support the growth strategy, TP Aerospace Group continues to develop its product platform, capacity and not least capability. In 2015 the group have acquired a repair facility in Florida, US.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

## TP AEROSPACE COMPANY STRUCTURE



## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (mid-size).

The accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

The cash flow statement for the Parent Company is included in the cash flow statement for the Group.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on

## Accounting policies

transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

### Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

### Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

## Accounting policies

### Income statement

#### Revenue

Revenue from the sale of merchandise and finished goods is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, losses on receivables, lease payments under operating leases, etc. This item also includes write-downs of receivables recognised in current assets.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

TP Aerospace Holding ApS is jointly taxed with the subsidiaries TP Aerospace Solutions ApS and TP Aerospace Leasing ApS. The Danish income tax is allocated between the jointly taxed Danish companies in proportion their taxable income. The jointly taxed companies are taxed under the advance payment tax scheme.

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

#### Property, plant and equipment

Leasehold improvements, assets held for lease and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Depreciation that is calculated on the basis of cost less expected residual value at the end of the useful life. Cost comprises acquisition price and costs directly related to the acquisition until such time as the assets are ready for use.

Property, plant and equipment are depreciated in accordance with the straight-line method on the basis of the following estimated useful lives of the assets:

Buildings	20 years
Leasehold improvements	3-5 years
Assets held for lease-out	20 years
Other fixtures and fittings, tools and equipment	3-8 years

Profits or losses from disposal of property, plant and equipment are stated as the difference between the selling price less than selling costs and the carrying amount at the date of sale. Profits or losses are recognized in the income statement under other operating income/expenses.

#### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

## Accounting policies

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

### Inventories

Inventories are measured at the cost on the basis of weighted average prices. Where cost exceeds the net realisable value, inventories are written down to the lower of these two values.

Cost for merchandise and raw materials and consumables used extends cost with addition of delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, direct labour and direct production costs.

By purchasing a larger quantity of goods at a total price and where steady gross margin ratio is expected, cost is fixed as the expected selling price deducted from expected gross margin ratio.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale and is determined according to the convertible unit, obsolescence and development in expected sales.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

## Accounting policies

### Minority interests

Minority interests consist of non-controlling interests share of equity in subsidiaries not 100% owned by the parent company.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary.

Total payable company tax for the group is showed in the parent company.

Deferred tax is only accrued when the deferred tax is incumbent on the jointly taxed companies.

### Other financial liabilities

Financial liabilities are recognised by raise of loans for the received proceeds after deduction of paid transaction costs. In subsequent periods the financial liabilities are measured at amortised costs corresponding to the capitalized value by using the effective interest whereas the difference between the proceeds and the nominal value is recognized in the income statement over the loan period.

Mortgage debt is thus measured at amortised cost which as to cash loan, correspond to the remaining debt of the loan.

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

## Accounting policies

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

### Financial highlights

*Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.*

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Soliditetsgrad (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

## Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Revenue	1	45.154.828	33.531.913
Cost of sales		(28.011.826)	(20.561.975)
Other external expenses		<u>(3.774.819)</u>	<u>(3.940.167)</u>
<b>Gross profit/loss</b>		<b>13.368.183</b>	<b>9.029.771</b>
Staff costs	2	(6.480.784)	(5.913.172)
Depreciation, amortisation and impairment losses	3	<u>(401.785)</u>	<u>(343.390)</u>
<b>Operating profit/loss</b>		<b>6.485.614</b>	<b>2.773.209</b>
Other financial income	4	430.682	291.597
Other financial expenses	5	<u>(809.894)</u>	<u>(748.800)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>6.106.402</b>	<b>2.316.006</b>
Tax on profit/loss from ordinary activities	6	<u>(1.321.055)</u>	<u>(643.836)</u>
<b>Consolidated profit/loss</b>		<b>4.785.347</b>	<b>1.672.170</b>
Minority interests' share of profit/loss		<u>(184.078)</u>	<u>(97.388)</u>
<b>Profit/loss for the year</b>		<b><u>4.601.269</u></b>	<b><u>1.574.782</u></b>
<b>Proposed distribution of profit/loss</b>			
Dividend for the financial year		35.000	35.000
Retained earnings		<u>4.566.269</u>	<u>1.539.782</u>
		<b>4.601.269</b>	<b>1.574.782</b>

## Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Acquired intangible assets		196.191	16.610
<b>Intangible assets</b>	7	<b><u>196.191</u></b>	<b><u>16.610</u></b>
Land and buildings		154.547	158.583
Other investment assets		193.524	266.997
Other fixtures and fittings, tools and equipment		985.787	940.859
Leasehold improvements		285.959	339.741
<b>Property, plant and equipment</b>	8	<b><u>1.619.817</u></b>	<b><u>1.706.180</u></b>
<b>Fixed assets</b>		<b><u>1.816.008</u></b>	<b><u>1.722.790</u></b>
Manufactured goods and goods for resale		27.233.653	14.681.186
<b>Inventories</b>		<b><u>27.233.653</u></b>	<b><u>14.681.186</u></b>
Trade receivables		6.990.378	4.497.939
Other short-term receivables		280.847	314.201
Prepayments		359.070	284.592
<b>Receivables</b>		<b><u>7.630.295</u></b>	<b><u>5.096.732</u></b>
<b>Cash</b>		<b><u>254.383</u></b>	<b><u>113.836</u></b>
<b>Current assets</b>		<b><u>35.118.331</u></b>	<b><u>19.891.754</u></b>
<b>Assets</b>		<b><u><u>36.934.339</u></u></b>	<b><u><u>21.614.544</u></u></b>

**Consolidated balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Contributed capital		26.333	26.333
Retained earnings		14.704.958	10.138.689
Proposed dividend		35.000	35.000
<b>Equity</b>		<b><u>14.766.291</u></b>	<b><u>10.200.022</u></b>
<b>Minority interests</b>	10	<b><u>700.854</u></b>	<b><u>516.776</u></b>
Provisions for deferred tax		11.931	17.925
<b>Provisions</b>		<b><u>11.931</u></b>	<b><u>17.925</u></b>
Bank loans		0	1.521.008
<b>Non-current liabilities other than provisions</b>		<b><u>0</u></b>	<b><u>1.521.008</u></b>
Current portion of long-term liabilities other than provisions		0	1.001.495
Bank loans		14.542.802	4.468.700
Prepayments received from customers		948.693	449.552
Trade payables		4.797.416	2.620.915
Income tax payable		858.532	330.485
Other payables		307.820	487.666
<b>Current liabilities other than provisions</b>		<b><u>21.455.263</u></b>	<b><u>9.358.813</u></b>
<b>Liabilities other than provisions</b>		<b><u>21.455.263</u></b>	<b><u>10.879.821</u></b>
<b>Equity and liabilities</b>		<b><u><u>36.934.339</u></u></b>	<b><u><u>21.614.544</u></u></b>
Subsidiaries	9		
Unrecognised rental and lease commitments	12		

**Consolidated statement of changes in equity for 2015**

	<b>Contributed capital USD</b>	<b>Retained ear- nings USD</b>	<b>Proposed di- vidend USD</b>	<b>Total USD</b>
Equity beginning of year	26.333	10.138.689	35.000	10.200.022
Ordinary dividend paid	0	0	(35.000)	(35.000)
Profit/loss for the year	0	4.566.269	35.000	4.601.269
<b>Equity end of year</b>	<b>26.333</b>	<b>14.704.958</b>	<b>35.000</b>	<b>14.766.291</b>

## Consolidated cash flow statement for 2015

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Operating profit/loss		6.485.614	2.773.209
Amortisation, depreciation and impairment losses		401.785	343.364
Working capital changes	11	(12.590.296)	(2.515.991)
Other adjustments		119	85.936
<b>Cash flow from ordinary operating activities</b>		<b>(5.702.778)</b>	<b>686.518</b>
Financial income received		430.682	291.597
Financial income paid		(809.894)	(835.798)
Income taxes refunded/(paid)		(799.003)	(1.916.236)
<b>Cash flows from operating activities</b>		<b>(6.880.993)</b>	<b>(1.773.919)</b>
Acquisition etc of property, plant and equipment		(629.855)	(1.061.291)
Sale of property, plant and equipment		134.796	175.104
<b>Cash flows from investing activities</b>		<b>(495.059)</b>	<b>(886.187)</b>
Loans raised		14.542.802	3.571.894
Instalments on loans etc		(6.991.203)	(962.717)
Dividend paid		(35.000)	(36.950)
<b>Cash flows from financing activities</b>		<b>7.516.599</b>	<b>2.572.227</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>140.547</b>	<b>(87.879)</b>
Cash and cash equivalents beginning of year		113.836	201.715
<b>Cash and cash equivalents end of year</b>		<b>254.383</b>	<b>113.836</b>

## Notes to consolidated financial statements

	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>
<b>1. Revenue</b>		
Merchandise and finished goods	37.414.744	28.392.206
Lease out of aircraft parts	7.606.329	4.864.360
Miscellaneous	133.755	275.347
	<b>45.154.828</b>	<b>33.531.913</b>
	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>
<b>2. Staff costs</b>		
Wages and salaries	5.765.697	5.282.902
Pension costs	181.321	154.579
Other social security costs	567.214	511.934
Other staff costs	(33.448)	(36.243)
	<b>6.480.784</b>	<b>5.913.172</b>
Average number of employees	<b>100</b>	<b>82</b>
	<b>Remunera- tion of ma- nagement 2015 USD</b>	<b>Remunera- tion of ma- nagement 2014 USD</b>
Executive Board	455.426	468.209
	<b>455.426</b>	<b>468.209</b>
	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	20.419	8.480
Depreciation of property, plant and equipment	389.986	334.910
Profit/loss from sale of intangible assets and property, plant and equipment	(8.620)	0
	<b>401.785</b>	<b>343.390</b>

## Notes to consolidated financial statements

	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>
<b>4. Other financial income</b>		
Interest income	2	13
Exchange rate adjustments	430.680	291.584
	<b>430.682</b>	<b>291.597</b>
<b>5. Other financial expenses</b>		
Interest expenses	344.947	341.200
Exchange rate adjustments	443.908	386.639
Interest regarding tax paid on account	21.039	20.961
	<b>809.894</b>	<b>748.800</b>
<b>6. Tax on profit/loss from ordinary activities</b>		
Tax on current year taxable income	1.327.049	654.811
Change in deferred tax for the year	(5.994)	(2.579)
Adjustment concerning previous years	0	(8.396)
	<b>1.321.055</b>	<b>643.836</b>
<b>7. Intangible assets</b>		<b>Acquired intangible assets USD</b>
Cost beginning of year		56.740
Additions		200.000
<b>Cost end of year</b>		<b>256.740</b>
Amortisation and impairment losses beginning of year		(40.130)
Amortisation for the year		(20.419)
<b>Amortisation and impairment losses end of year</b>		<b>(60.549)</b>
<b>Carrying amount end of year</b>		<b>196.191</b>

## Notes to consolidated financial statements

	<b>Land and buildings USD</b>	<b>Other in- vestment assets USD</b>	<b>Other fix- tures and fittings, tools and equipment USD</b>	<b>Leasehold improve- ments USD</b>
<b>8. Property, plant and equipment</b>				
Cost beginning of year	161.128	303.023	1.513.155	439.541
Additions	0	65.000	346.475	18.380
Disposals	0	(134.213)	(583)	0
<b>Cost end of year</b>	<b>161.128</b>	<b>233.810</b>	<b>1.859.047</b>	<b>457.921</b>
Depreciation and impairment losses beginning of the year	(2.545)	(36.026)	(572.296)	(99.800)
Depreciation for the year	(4.036)	(12.613)	(301.175)	(72.162)
Reversal regarding disposals	0	8.353	211	0
<b>Depreciation and impairment losses end of the year</b>	<b>(6.581)</b>	<b>(40.286)</b>	<b>(873.260)</b>	<b>(171.962)</b>
<b>Carrying amount end of year</b>	<b>154.547</b>	<b>193.524</b>	<b>985.787</b>	<b>285.959</b>

	<b>Registered in</b>	<b>Equi- ty inte- rest %</b>
<b>9. Subsidiaries</b>		
TP Aerospace Solutions ApS	Hvidovre, Denmark	95,1
TP Aerospace Leasing ApS	Hvidovre, Denmark	95,0
TP Aerospace Techics	Quickborn, Germa- ny	100,0
TP Aerospace Americas	Las Vegas, USA	100,0
TP Aerospace Asia Pte. Ltd.	Singapore	100,0

## Notes to consolidated financial statements

### 10. Minority interests

	<b>2015</b>
	<b>USD</b>
Balance at 1 January	516,776
Share of profit for the year	184,078
<b>Carrying amount at 31 December</b>	<b>700,854</b>

	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>
<b>11. Change in working capital</b>		
Increase/decrease in inventories	(12.552.467)	620.705
Increase/decrease in receivables	(2.729.290)	(655.916)
Increase/decrease in trade payables etc	2.691.461	(2.480.780)
	<b>(12.590.296)</b>	<b>(2.515.991)</b>

	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>
<b>12. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<b>1.346.706</b>	<b>1.842.200</b>

TP Aerospace Solutions ApS has contracted to rent the premises. The annual rent for the premises amounts to 247 USD'000. The lease is irrevocable until June 30 2019 and thereafter redeemable with six months' notice.

TP Aerospace Solutions ApS has signed leases with the residual maturity of 43 and 57 months. The remaining obligation represents 34 USD'000.

The foreign subsidiaries of the Group has also contracted to rent premises. The annual rent for the premises amounts to approximately 352 USD'000. The lease is irrevocable until September 2017 (TP Aerospace Technics GmbH), December 2017 (TP Aerospace Technics LLC) and January 2018 (TP Aerospace Americas Inc.) respectively.

## Parent income statement for 2015

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Other external expenses		(8.136)	(43.368)
<b>Operating profit/loss</b>		<b>(8.136)</b>	<b>(43.368)</b>
Income from investments in group enterprises		4.691.156	1.623.515
Other financial income	1	38.605	9.433
Other financial expenses	2	(126.014)	(31.153)
<b>Profit/loss from ordinary activities before tax</b>		<b>4.595.611</b>	<b>1.558.427</b>
Tax on profit/loss from ordinary activities	3	5.654	16.355
<b>Profit/loss for the year</b>		<b><u>4.601.265</u></b>	<b><u>1.574.782</u></b>
<b>Proposed distribution of profit/loss</b>			
Dividend for the financial year		35.000	35.000
Reserve for net revaluation according to the equity method		4.691.159	1.623.515
Retained earnings		(124.894)	(83.733)
		<b><u>4.601.265</u></b>	<b><u>1.574.782</u></b>

**Parent balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Investments in group enterprises		15.192.012	10.828.302
Receivables from group enterprises		11.323	978.101
<b>Fixed asset investments</b>	4	<u><b>15.203.335</b></u>	<u><b>11.806.403</b></u>
<b>Fixed assets</b>		<u><b>15.203.335</b></u>	<u><b>11.806.403</b></u>
Deferred tax assets		5.295	0
Other short-term receivables		0	2.244
Income tax receivable		1.189.637	17.107
<b>Receivables</b>		<u><b>1.194.932</b></u>	<u><b>19.351</b></u>
<b>Cash</b>		<u><b>0</b></u>	<u><b>2.791</b></u>
<b>Current assets</b>		<u><b>1.194.932</b></u>	<u><b>22.142</b></u>
<b>Assets</b>		<u><u><b>16.398.267</b></u></u>	<u><u><b>11.828.545</b></u></u>

## Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Contributed capital	5	26.333	26.333
Reserve for net revaluation according to the equity method		14.722.444	10.126.345
Retained earnings		(17.489)	12.345
Proposed dividend		35.000	35.000
<b>Equity</b>		<b><u>14.766.288</u></b>	<b><u>10.200.023</u></b>
Provisions for investments in group enterprises	6	102.796	330.241
<b>Provisions</b>		<b><u>102.796</u></b>	<b><u>330.241</u></b>
Bank loans		0	1.253.536
<b>Non-current liabilities other than provisions</b>		<b><u>0</u></b>	<b><u>1.253.536</u></b>
Bank loans		93.649	0
Trade payables		0	11.955
Payables to group enterprises		563.559	0
Income tax payable		845.859	0
Other payables		26.116	32.790
<b>Current liabilities other than provisions</b>		<b><u>1.529.183</u></b>	<b><u>44.745</u></b>
<b>Liabilities other than provisions</b>		<b><u>1.529.183</u></b>	<b><u>1.298.281</u></b>
<b>Equity and liabilities</b>		<b><u>16.398.267</u></b>	<b><u>11.828.545</u></b>
Contingent liabilities	7		
Mortgages and securities	8		
Related parties with controlling interest	9		
Ownership	10		

## Parent statement of changes in equity for 2015

	<b>Contributed capital USD</b>	<b>Reserve for net revalua- tion accord- ing to the equity meth- od USD</b>	<b>Retained earnings USD</b>	<b>Proposed dividend USD</b>
Equity beginning of year	26.333	10.126.345	12.345	35.000
Ordinary dividend paid	0	0	0	(35.000)
Distributed dividends from group enterprises	0	(95.060)	95.060	0
Profit/loss for the year	0	4.691.159	(124.894)	35.000
<b>Equity end of year</b>	<b><u>26.333</u></b>	<b><u>14.722.444</u></b>	<b><u>(17.489)</u></b>	<b><u>35.000</u></b>
				<b><u>Total USD</u></b>
Equity beginning of year				10.200.023
Ordinary dividend paid				(35.000)
Distributed dividends from group enterprises				0
Profit/loss for the year				4.601.265
<b>Equity end of year</b>				<b><u>14.766.288</u></b>

## Notes to parent financial statements

	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>
<b>1. Other financial income</b>		
Financial income arising from group enterprises	14.454	0
Exchange rate adjustments	24.151	9.433
	<b>38.605</b>	<b>9.433</b>
	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>
<b>2. Other financial expenses</b>		
Interest expenses	27.563	31.153
Exchange rate adjustments	6.361	0
Other financial expenses	92.090	0
	<b>126.014</b>	<b>31.153</b>
	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>
<b>3. Tax on profit/loss from ordinary activities</b>		
Tax on current year taxable income	(359)	(16.355)
Change in deferred tax for the year	(5.295)	0
	<b>(5.654)</b>	<b>(16.355)</b>
		<b>Investments in</b>
		<b>group enter-</b>
		<b>prises</b>
		<b>USD</b>
<b>4. Fixed asset investments</b>		
Cost beginning of year		270.638
<b>Cost end of year</b>		<b>270.638</b>
Revaluations beginning of year		10.557.664
Share of profit/loss for the year		4.691.156
Dividend		(95.060)
Investments with negative equity transferred to provisions		(227.445)
Other adjustments		(4.941)
<b>Revaluations end of year</b>		<b>14.921.374</b>
<b>Carrying amount end of year</b>		<b>15.192.012</b>

## Notes to parent financial statements

	<u>Number</u>	<u>Par value USD</u>	<u>Nominal value USD</u>
<b>5. Contributed capital</b>			
Shares	125	211	26.333
	<b>125</b>		<b>26.333</b>

Registered share capital amounts to 125 DKK'000 and there has been no movements in share capital since the establishment of the Company. As of July 9, 2008 the share capital of 125 DKK'000 has been converted to USD using an exchange rate of 4.7469.

### 6. Provisions for investments in group enterprises

Provision in regard of deficiency in subsidiaries transferred related to TP Aerospace Technics GmbH of 103 USD'000.

### 7. Contingent liabilities

The Company is jointly taxed with all other Danish companies in the TP Aerospace Group. The Danish companies of the Group are jointly and severally liable to tax of the Group's jointly taxed income etc. The total payable corporate tax is shown in TP Aerospace Holding ApS' annual report, who is managing company in relation to the joint taxation. Furthermore, the Danish companies of the Group are jointly and severally liable to the Danish withholding taxes in form of dividend tax, royalty tax and interest tax. Any further corrections to corporate taxes and withholding taxes can result in a larger amount of the Company's liability.

### 8. Mortgages and securities

#### Collateral securities provided for subsidiaries and group enterprises

The Company has provided an absolute guarantee all of the subsidiaries' involvement with their bank. The Company has made investments in TP Aerospace Solutions ApS and TP Aerospace Leasing ApS as security for engagement with the bank.

The parent Company, TP Aerospace Holding ApS, has issued a letter of support in favor of subsidiaries towards the Group receivables as a result of the Group trading and loans and guarantee to cover potential losses, which Group Enterprises may realize due to the Group Enterprises inability to repay debt.

Furthermore, the parent Company, TP Aerospace Holding ApS, has issued a letter of support towards TP Aerospace Asia Pte. Ltd. and TP Aerospace Asia Technics Pte. Ltd. and will provide the necessary financing and funds for the companies, in order to support the continuous operations as a Going Concern.

## Notes to parent financial statements

### 9. Related parties with controlling interest

#### Controlling influence:

#### Basis:

#### Other related parties:

Peter Jørgen Lyager

Member of the board of executives

Thomas Daniel Ibsø

Member of the board of executives

### 10. Ownership

These shareholders are listed in the Register of Shareholders as holding at least 5% of the votes or at least 5% of share capital:

Peter Lyager Holding ApS, Enghave Passage 2, 5. sal, 1739 Copenhagen

Ibsø Holding ApS, Gåsebakken 3, 8410 Rønne