

# Annual Report 2023

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Annual Report 2023 |  
- published in April 2024

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Naviair’s core activities



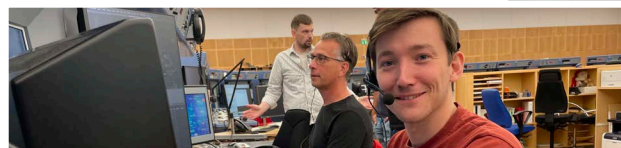
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# Company information



## Naviair

Naviair Allé 1  
DK 2770 Kastrup  
CVR no: 26059763  
Domicile: Kastrup  
Financial year: 01.01.2023-31.12.2023

Naviair is a state-owned infrastructure company with status as a company owned by the Danish state represented by the Ministry of Transport.

Naviair has been designated by the Danish Civil Aviation and Railway Authority to provide air navigation services.

## Board of Directors

Flemming Jensen, Chair  
Per Møller Jensen, Deputy Chair  
Anne Charlotte Mark \*  
Pernille Dahlgard \*\*  
Jørgen Martin Meyer  
Ellen Trane Nørby  
Flemming Kim Hansen \*\*\*  
Esben Jean-Pierre Blum \*  
Casper Kamp Ransborg \*\*\*

*\*) Chair of the Board of Directors' Audit Committee*  
*\*\*) Member of the Board of Directors' Audit Committee*  
*\*\*\*) Board member elected by the employees*

## Management

Anders Rex, CEO  
Mads Kvist Eriksen, CFO

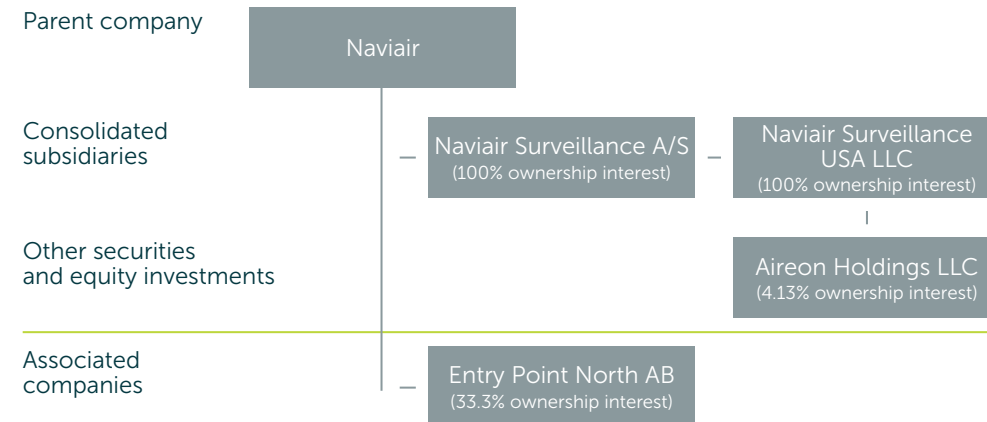
## Auditors

Deloitte  
Weidekampsgade 6  
DK 2300 Copenhagen S

National Audit Office  
Landgreven 4  
DK 1301 Copenhagen

## Group structure

at 31 December 2023



## Naviair's mission

We will facilitate availability and mobility in airspace to support growth and safety in Denmark.

## Naviair's vision

### We will challenge

one another to strike the right balance between capacity, service and costs to improve accessibility in Denmark.

### We will develop

the infrastructure so that aviation can widen its reach and thus contribute to increased mobility in Denmark.



### Naviar's core activities



#### Air Traffic Management (ATM) in Danish airspace

From the ATCC in Copenhagen, we provide area air traffic control services (En route) and approach air traffic control services to Copenhagen Airport.

From the tower in Copenhagen, we provide air traffic control services.

From the towers in Roskilde, Billund, Aarhus, Aalborg and on Bornholm, we provide local tower and approach air traffic control services.

#### Flight Information Services (FIS) in Denmark and the North Atlantic area

From the ATCC in Copenhagen, we provide Flight Information Services and briefing services.

From the ATCC in Nuuk, we provide Flight Information Services and briefing services.

From the tower on Vágar in the Faroe Islands, we provide Aerodrome Flight Information Services.



#### AIS (Aeronautical Information Service)

We provide Aeronautical Information Publications (AIPs) in Denmark, Greenland and the Faroe Islands.

#### Technical support and maintenance

Naviar is responsible for technical support and maintenance of our own navigation systems, communications systems, surveillance systems and other ATM equipment in Denmark, Greenland and the Faroe Islands. We sell technical support and maintenance to aviation customers from Naviar's technical bases in Copenhagen, Billund and Aalborg.

## Management's review

2023 was an atypical year in which Naviair did not provide its customary delay-free traffic in Danish airspace. Spring and the first part of the summer saw delays at Copenhagen Airport with considerable inconvenience to passengers and companies in the sector, mainly due to a shortage of air traffic controllers at the tower and approach air traffic control in Copenhagen. Naviair and the air traffic controllers' union, DATCA, reached an agreement in June that stabilised operations.

Naviair drafted an accelerated plan in autumn 2023 to increase resilience in the operational, technical and administrative areas. The plan has ensured stable operations going forward. Through recruitment and increasing the intake of air traffic controller trainees, Naviair is expected to achieve better resilience in 2025. Temporary measures will still be needed in 2024, including internal rotations and senior retention. Planning for extra shifts will also be needed.

Traffic throughout the year was higher than in 2022, as the number of controlled operations in Danish airspace increased in 2023 to 83.5 per cent of the 2019 level. Higher numbers of leisure travellers and fewer business passengers resulted in a traffic pattern with peaks on weekends and holiday periods and lower traffic on weekdays.

Due to Naviair's operational problems at Copenhagen Airport in the spring, Naviair did not meet its capacity target for 2023, which sets the average number of minutes an aircraft may be delayed in Danish airspace. Naviair also failed to meet the EU's environmental

target for 2023 for flight efficiency, although, out of EUROCONTROL's 41 member states, Naviair is among the top 3 for ensuring aircraft in Danish airspace fly the most direct route.

The result for the year was a profit of DKK 20.6 million after tax.

In the interim report for the first half of 2023, the result for the year was expected to be a loss in the range of DKK 20-30 million, due mainly to the agreement with the air traffic controllers' union, DATCA, which led to increased staff costs of approximately DKK 60 million in 2023.

Profit for the year of DKK 20.6 million after tax is mainly due to the fact that, following the political agreement on green aviation in December 2023, Naviair's costs for handling internal flights in Greenland and tax-exempt flights in Danish airspace are being covered. These two areas have been underfunded in recent years.

The political agreement means that funds are allocated to cover Naviair's accumulated deficit and increase financing for fulfilling its responsibilities until 2030.

The Danish Ministry of Transport asked Naviair in 2022 to investigate the possibility and consequences of Denmark taking control of the upper airspace in Greenland in 2031. Since then, Naviair has established a project management office, staffed by a number of specialists in areas such as legislation, finance, and operational and technical services to determine how it can meet its responsibility.



## Highlights in 2023 (January - July)

### January 2023

Naviair established a project management office to investigate the possibility and consequences of taking over control of the upper airspace in Greenland from 2031.

### April 2023

As part of Naviair's efforts to reduce CO2 emissions, the company stopped purchasing hybrid cars and fossil fuel vehicles. Hybrid cars were replaced by three electric cars.

Operational problems arose in April, mainly due to a shortage of air traffic controllers in the tower and approach air traffic control at Copenhagen Airport, causing delays through to mid-summer and considerable inconvenience to passengers and companies in the sector.

### June 2023

At an extraordinary meeting held on 2 June, Anne Birgitte Lundholt, Birthe Høegh Rask and Christina Rasmussen resigned from the Board of Directors.

The Minister for Transport elected to appoint Flemming Jensen as the new Chair of Naviair's Board of Directors. The Minister for Transport also nominated and selected Anne Charlotte Mark, Pernille Dahlgaard and Ellen Trane Nørby as new members of the Board of Directors.

Naviair entered into a number of local agreements with the air traffic controllers' union, DATCA, aimed at normalising operations at Copenhagen Airport.

### March 2023

Election of employee representatives to Naviair's Board of Directors took place with 11 employees deciding to run. With a turnout of 81.6 per cent, the following three employees were elected for a four-year term: Esben Blum, Casper Kamp Ransborg and Flemming Kim Hansen.

Claus Baunkjær stepped down as CEO of Naviair on 31 March and Mads Kvist Eriksen was appointed CEO.

### May 2023

Anne Birgitte Lundholt announced she would be stepping down as Chair of Naviair's Board of Directors after 12 years in the post.

### July 2023

Training air traffic controllers is ranked at the same level as bachelor and diploma programmes and is approved by the Danish Accreditation Institution as merit-bearing higher and advanced education.

## Highlights in 2023 (August - December)

### August 2023

Naviair's technical department in Aalborg completed a long-term project for Aalborg Airport, including a change of glidepath. As a result, larger aircraft (including the Boeing 777) can now land at Aalborg Airport.

### October 2023

Anders Rex took over as new CEO of Naviair.

Naviair's Board of Directors unanimously approved a plan to create a better balance between responsibilities and resources in the operational, technical and administrative areas.

160 people applied or admission to the APRON air traffic controller training programme.

Naviair was nominated for "Apprenticeship of the Year" by one of our electronics trainees.

### December 2023

A new political agreement on green aviation means that Naviair's costs for handling internal flights in Greenland and tax-free flights in Danish airspace will be covered. The agreement also allocated funds for the drone area.

### September 2023

Naviair experienced record interest in the air traffic controller training programme, with 770 applicants.

The "Girls In Aviation" event was held for the first time on Danish soil at Billund Airport. Naviair attended with three female employees - two technicians and an air traffic controller, to talk about their jobs at Naviair.

### November 2023

The COOPANS alliance partners, including Naviair, entered into an agreement with the European Commission on the EXODUS project, aimed at furthering knowledge of virtualisation and cybersecurity for the next generation of ATM systems from 2024-2026. The project has EUR 34.3 million in funding from the EU. Naviair was also assigned the role of PMO of the EXODUS project by COOPANS.



## Key figures and financial ratios

Naviar's financial performance since 1 January 2019 can be related using the key figures and financial ratios below:

(M DKK)	GROUP					PARENT COMPANY					
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019	
<b>Profit/loss</b>											
Net turnover	1,036.7	960.5	884.3	957.2	937.2	1,036.7	960.6	884.3	957.2	937.3	
Operating profit (loss)	35.1	53.4	5.4	-12.0	39.6	35.2	53.7	5.5	-11.9	39.9	
Profit/loss on financial items	-10.5	-10.6	-8.7	-41.0	1.5	-9.9	-11.0	-4.1	-63.1	-3.2	
<b>Profit/loss for the year</b>	<b>20.6</b>	<b>34.5</b>	<b>-2.2</b>	<b>-47.0</b>	<b>37.4</b>	<b>19.6</b>	<b>32.8</b>	<b>1.1</b>	<b>-70.5</b>	<b>31.5</b>	
<b>Balance sheet</b>											
Fixed assets	1,275.4	1,285.3	1,298.3	1,329.3	1,399.1	1,112.2	1,124.5	1,142.5	1,174.8	1,271.5	
Current assets	1,216.0	1,140.4	1,018.2	584.4	480.6	1,366.7	1,283.8	1,154.4	713.8	603.1	
Balance sheet total	2,491.4	2,425.7	2,316.5	1,913.6	1,879.7	2,478.9	2,408.2	2,296.9	1,888.7	1,874.6	
Interest-bearing debt	953.7	940.0	829.7	431.1	200.0	953.7	940.0	829.7	431.1	200.0	
- of which subordinated loan capital	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	
Equity	1,131.1	1,114.9	1,082.8	1,085.5	1,134.6	1,112.7	1,093.0	1,060.3	1,059.1	1,129.6	
<b>Cash flows</b>											
Cash flows from:											
- operating activities	82.9	4.6	-286.9	-301.0	140.5	82.9	4.9	-286.8	-297.0	147.3	
- investment activities	-108.5	-100.7	-82.4	76.5	-162.3	-108.5	-100.7	-82.4	76.5	-162.3	
- financing activities	25.1	75.1	398.8	175.0	-	25.1	75.1	398.8	175.0	-	
The year's investments in property, plant & equipment	91.0	-81.4	-60.1	-47.6	-73.5	91.0	-81.4	-60.1	-47.6	-73.5	
Net increase (decrease) in cash & cash equivalents	-	-21.0	29.4	-49.4	-21.9	-0.4	-20.7	29.5	-45.4	-15.0	
Cash and cash equivalents at year-end	18.4	18.8	39.8	10.4	59.8	18.3	18.7	39.4	9.9	55.3	
<b>Average number of employees</b>	<b>620</b>	<b>603</b>	<b>613</b>	<b>627</b>	<b>630</b>	<b>620</b>	<b>603</b>	<b>613</b>	<b>627</b>	<b>630</b>	
<b>Financial ratios in %</b>											
Operating margin	3.4	5.6	0.6	-1.3	4.2	3.4	5.6	0.6	-1.2	4.3	
Return on capital employed	1.4	2.2	0.2	-0.6	2.1	1.4	2.2	0.2	-0.6	2.1	
Solvency ratio excl. subordinated loan capital	45.4	46.0	46.7	56.7	60.4	44.9	45.4	46.2	56.1	60.3	
Solvency ratio incl. subordinated loan capital	53.4	54.2	55.4	67.2	71.0	53.0	53.7	54.9	66.7	70.9	
Return on equity	1.8	3.1	-0.2	-4.2	3.3	1.8	3.0	0.1	-6.4	2.8	
<b>Other financial figures</b>											
Gearing	5.1	4.4	5.2	2.3	-0.4	5.1	4.4	5.2	2.3	-0.4	
Interest coverage ratio	6.1	8.4	10.3	5.4	8.5	6.4	8.7	10.9	5.8	8.9	

Key figures and financial ratios are defined and calculated in accordance with the guidelines of CFA Society Denmark.

**Operating margin:**

$$\frac{\text{Operating profit} \times 100}{\text{Net turnover}}$$

**Return on capital employed:**

$$\frac{\text{Operating profit} \times 100}{\text{Total assets}}$$

**Solvency ratio:**

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

**Return on equity:**

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

**Gearing:**

$$\frac{\text{Net interest-bearing debt (excl. subordinated loan capital)}}{\text{EBITDA (Operating profit + Depreciation, amortisation and impairment charges)}}$$

**Interest coverage ratio:**

$$\frac{\text{EBITDA} + \text{Interest income}}{\text{Interest expenses}}$$

## Operating and financial review

Naviair presents an annual report for the group and the parent company. As a general rule, we only comment on the group's accounting figures in the annual report. The main difference between the group and the parent company is that investments in associates are recognised at cost in the parent company and using the equity method in the group.

### Profit/loss for the year

The result for the year was a profit of DKK 20.6 million after tax, compared to a profit of DKK 34.5 million in 2022.

In the interim report for the first half of 2023, the result for the year was expected to be a loss in the range of DKK 20-30 million in 2023. The expected loss was mainly due to the agreement with the air traffic controllers' union, DATCA. The agreement resulted in higher staff costs in 2023 of approximately DKK 60 million, used to reward extra effort, such as paying for extra shifts, retention bonuses and performance pay, which in the long term increases productivity.

Profit for the year of DKK 20.6 million after tax is mainly due to the fact that, following the political agreement on green aviation in December 2023, Naviair's costs for handling internal flights in Greenland and tax-exempt flights in Danish airspace are being covered. These two areas have been underfunded in recent years. Furthermore, operating costs have been lower than expected due to cost-cutting.

The political agreement means that funds are allocated to cover Naviair's accumulated deficit to the underfunded areas and increase financing for fulfilling its responsibility until 2030. The political agreement has an accounting effect of DKK 38.4 million before tax for 2023.

The revenue level has been positively affected by a higher level of traffic than in 2022 and an increase in funding in the state-financed areas. The result and income for the year benefited from the adjustment of over/(under) absorption of taxes of DKK 65.7 million.

The result is deemed to be satisfactory.

### Regulatory over/(under) absorption

The framework for Naviair's finances is set at EU level as part of a performance scheme.

The performance scheme contains provisions for the later adjustment of Naviair's revenue in the rates for future years. Revenue is adjusted in cases where the revenue from the rates collected differs from what was assumed at the time the rates were set, for example in terms of traffic, inflation, imbalances from previous years etc. The adjustment can result in Naviair having to repay overcharged rates to customers by reducing rates in future, for example if traffic was higher than assumed. Alternatively, it could result in Naviair having a receivable from customers, which will be collected in the future via the rates if traffic was lower than expected.

Naviair currently has a large receivable from customers due to low traffic during the COVID-19 crisis and inflation in recent years.

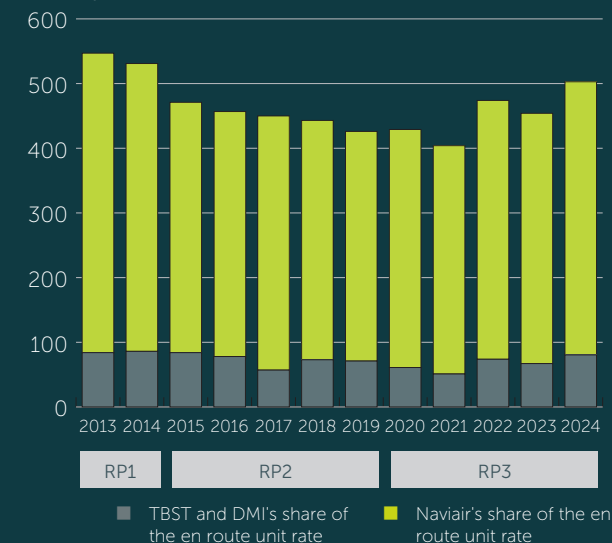
### Unit rates

Naviair's primary revenue is collected from airlines as a rate per service unit (unit rates). Unit rates are set for en route, departure and arrival charges at Copenhagen Airport and Billund Airport respectively. The rates are set based on Naviair's costs for the individual services. The number of service units that each airline must pay for is calculated based on the weight and distance flown by the aircraft flying in Danish airspace.

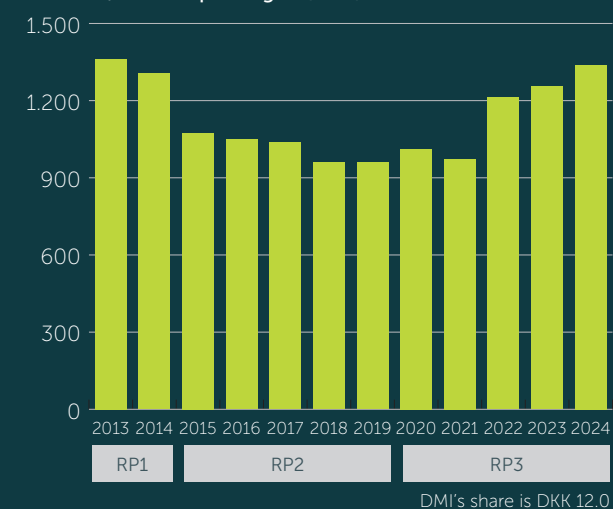
The en route unit rate for Danish airspace was DKK 454.03 per service unit in 2023. Naviair's share of the unit rate was DKK 386.94 per service unit.

The unit rate for departure and arrival charges at Copenhagen Airport was DKK 1,254.88 per service unit. Naviair's share of the unit rate was DKK 1,245.83 per service unit.

Unit rate, En route (DKK)



Unit rate, TNC Copenhagen (DKK)





**Traffic**

The number of controlled operations in Danish airspace increased by 10.8 per cent to 559,079 in 2023 compared to 504,639 in 2022, or equivalent to 83.5 per cent of 2019 (669,375). Expressed in service units, there was an increase of 13.7 per cent in 2023 compared to 2022.

The number of take offs and landings at Copenhagen Airport was 227,333 in 2023 compared to 202,210 in 2022, or equivalent to 86.3 per cent of 2019 (263,434).

The number of service units in TNC Copenhagen increased by 13.8 per cent in 2023 compared to 2022.

The number of take offs and landings at Billund Airport in 2023 increased by 2.6 per cent to 40,480 operations compared to 39,439 in 2022, or equivalent to 87.8 per cent compared to 2019 (46,120).

Domestic air travel expressed in terms of number of operations was still below the 2019 level, decreasing 4.6 per cent from 2022 to 2023, or equivalent to 83.9 per cent of 2019.

The average en route delay in Danish airspace, for which Naviair is responsible, was 0.10 minutes per operation, equivalent to 56,061 minutes' delay. The maximum accepted average delay is 0.06 minutes per operation, equivalent to 34,200 minutes.

The level of delays at Copenhagen Airport was extraordinarily high due to a shortage of air traffic controllers - especially in the spring and first part of summer 2023, with considerable inconvenience to passengers and companies in the sector. The average delay in 2023 was

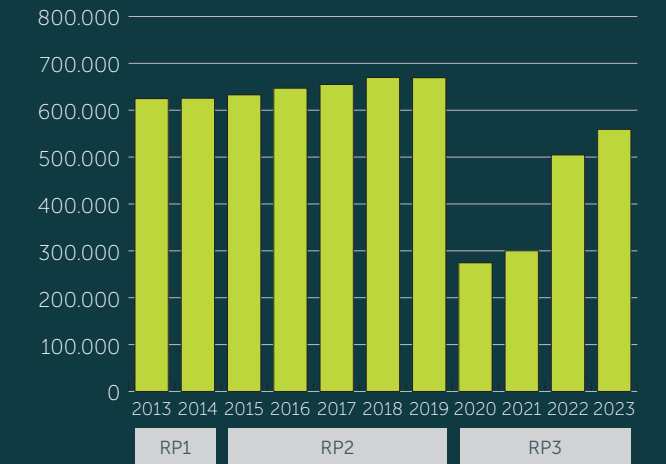
3.09 minutes per arrival, equivalent to 351,022 minutes. The maximum accepted average delay is 0.10 minutes per arrival, equivalent to 11,371 minutes. Naviair and the air traffic controllers' union, DATCA, reached an agreement in June that stabilised operations.

The performance scheme includes a provision for fines for failing to meet capacity targets. Failing to meet the capacity target for Copenhagen Airport results in a fine of approximately DKK 0.9 million, which must be refunded to users. Failing to meet the target for a route is below the threshold for triggering a fine, so no fine was imposed.

Naviair is measured on how far out of its way an aircraft flies in relation to the direct route. The target is for 98.86 per cent of all flights to fly the most direct route without detours. As Free Route Airspace was implemented in Danish airspace back in 2011, Naviair manages air traffic so that 98.56 per cent of all flights take the most direct route with no detours. The target of 98.86 per cent of all flights flying the most direct route with no detours has not been met, although Naviair is in the top 3, together with Norway (98.71) and Ireland (98.56), of EUROCONTROL's 41 member states. Failing to meet a target should be seen in the context of the operational challenges Naviair faced at Copenhagen Airport in the spring and summer of 2023, when traffic was managed using such measures as holding, when aircraft already in the air are kept there. This resulted in extra distance for the aircraft, leading to them spending more time in a holding pattern around Copenhagen Airport.

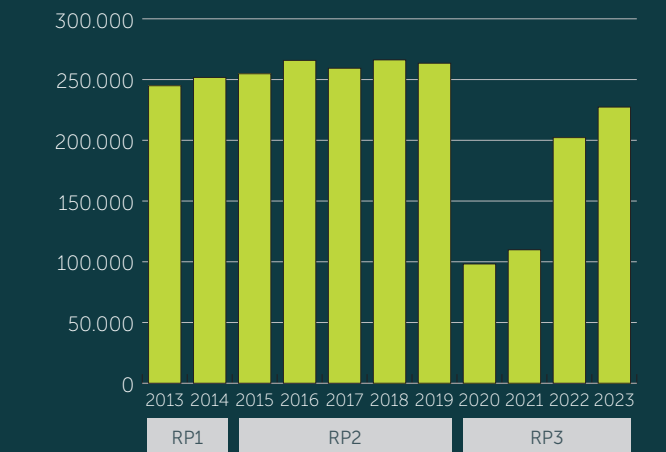
**Operations, En route**

En route operations, Danish airspace



**Operations, TNC Copenhagen**

Take offs and landings, Copenhagen Airport

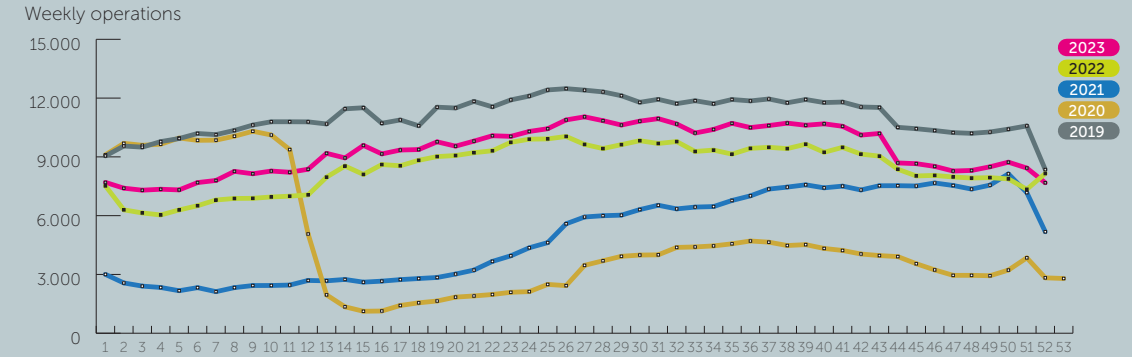




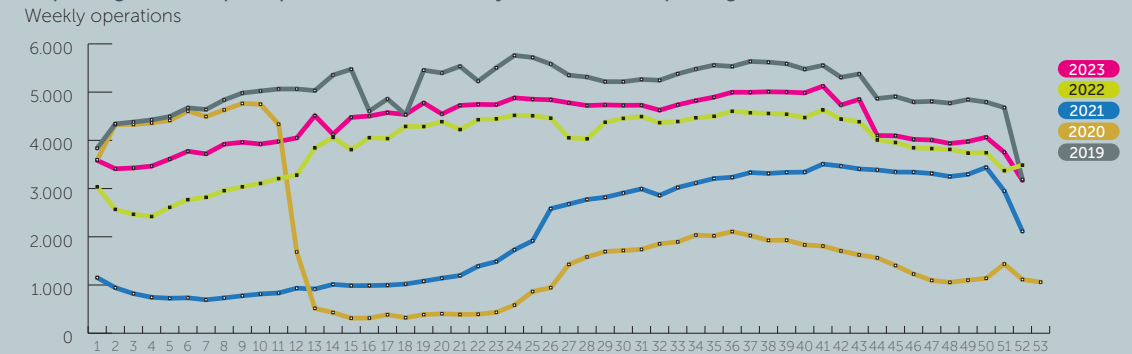
**575 tonnes**

The heaviest aircraft in Danish airspace in 2023 was an Airbus A-388 with a MTOW of 575 tonnes

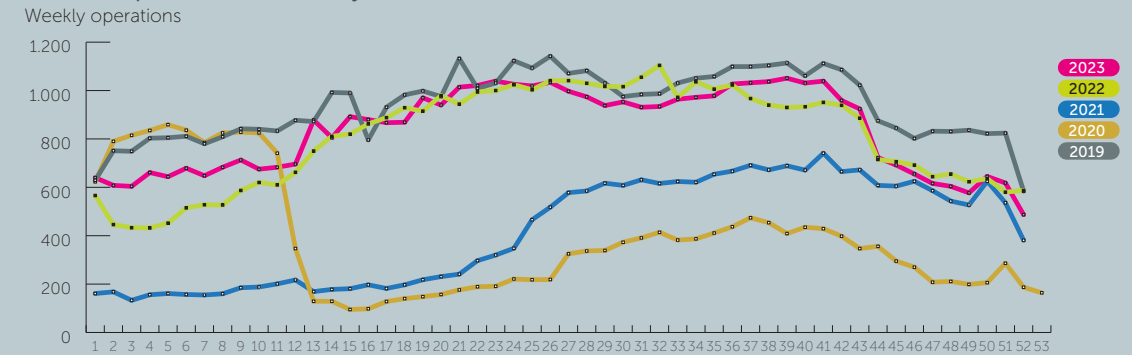
En route (ACC) – Operations controlled by ATCC



Copenhagen, Kastrup – Operations controlled by the tower in Copenhagen



Billund – Operations controlled by the tower in Billund



### Operating income from ordinary activities

Net turnover consisting of income from Naviair's areas of activity, was DKK 1,036.7 million in 2023 compared to DKK 960.5 million in 2022.

As the rules stand, the deficit was recognised as income in 2023, even though Naviair can only begin collecting some of the DKK 65.7 million from the airlines from 2024 and seven years ahead in the form of higher unit rates.

### Other external expenses

Other external expenses amounted to DKK 232.7 million in 2023 compared to DKK 216.2 million in 2022.

### Staff costs

Staff costs were DKK 681.6 million in 2023 compared to DKK 606.4 million in 2022. Total staff costs thus increased by DKK 75.2 million. The increase is mainly due to expenses for the agreement that Naviair and the air traffic controllers' union, DATCA, entered into in the summer of 2023.

The number of employees averaged 620 in 2023, compared to 603 in 2022. At the end of 2023, Naviair had 625 full-time employees.

### Depreciation, amortisation and impairment charges

Depreciation, amortisation and impairment charges were DKK 110.2 million in 2023 compared to DKK 109.4 million in 2022. Investments in intangible assets and property, plant and equipment were DKK 108.5 million in 2023, DKK 7.7 million more than in 2022.

### Balance sheet

Naviair's balance sheet total stood at DKK 2,491.4 million at 31 December 2023 compared to DKK 2,425.7 million at 31 December 2022. The increase mainly reflected an increase in the deficit of DKK 65.7 million in total.

The continued low level of air traffic in 2023 resulted in correspondingly low realised revenue. According to the Exceptional Measures agreement adopted by the Appeal Committee, Naviair will be reimbursed for the actual costs under certain conditions. Consequently, Naviair will charge airlines part of the actual costs in 2023 through higher unit rates over a seven-year period starting in 2024. Naviair's over/(under) absorption is adjusted annually.

Naviair's equity at 31 December 2023 stood at DKK 1,131.1 million, made up of contributed capital of DKK 600 million, retained earnings of DKK 496 million and a reserve for net revaluation according to the equity method of DKK 35.1 million.

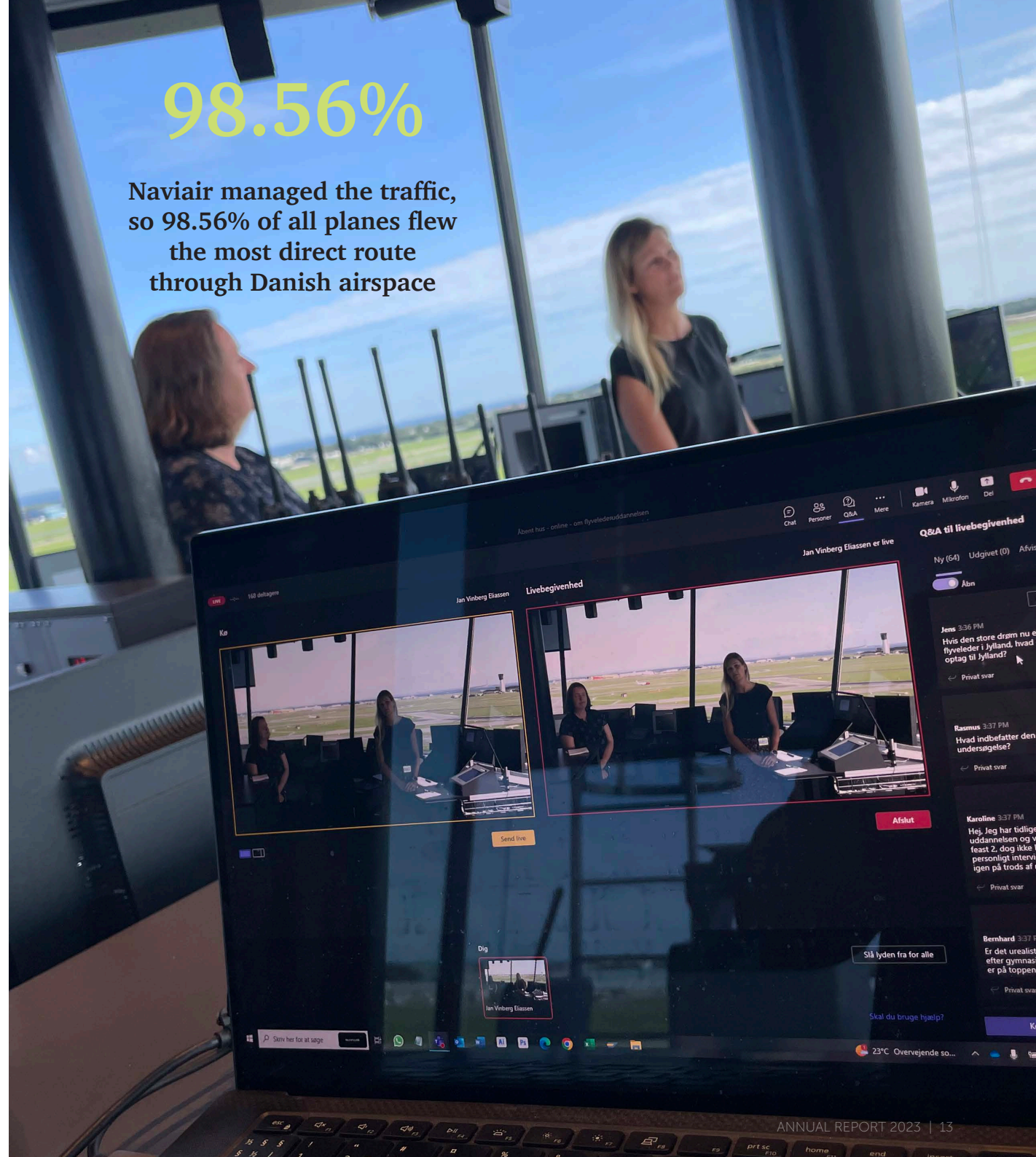
At 31 December 2023, there was an outstanding debt of DKK 200 million on the subordinated loan that Naviair was granted at the time of its establishment as a company owned by the Danish state in 2010. The subordinated loan was provided on terms that mean that the loan can be accounted for as equity or capital ranking as equity at any time.

Cash flows from operations for the year were an inflow of DKK 82.9 million. There was a DKK 0.4 million decrease in cash. The loan facility of DKK 1.4 billion in total will ensure sufficient liquidity to maintain operations in 2024.

The solvency ratio including subordinated loan capital was 53.4 per cent.

98.56%

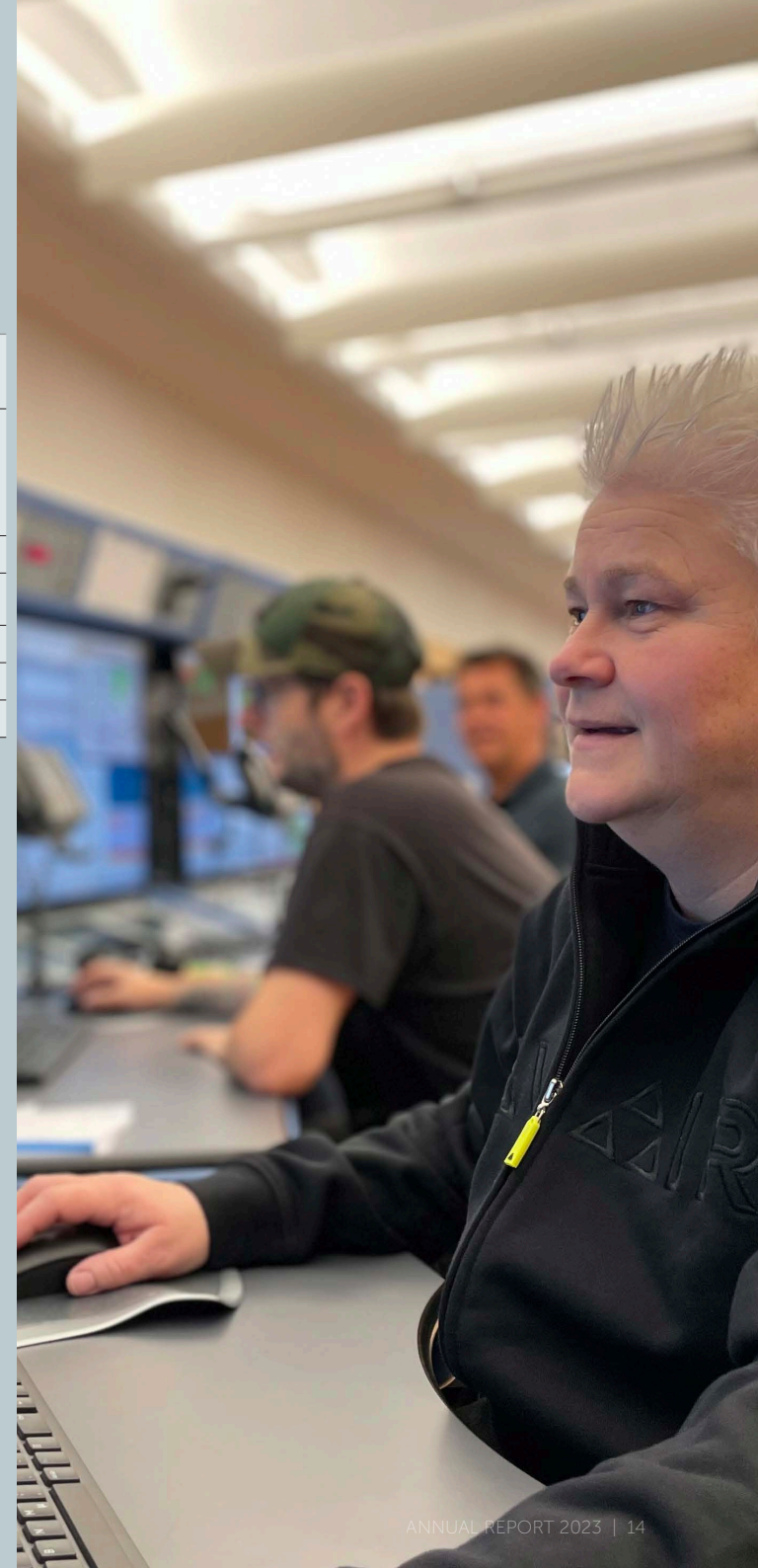
Naviair managed the traffic, so 98.56% of all planes flew the most direct route through Danish airspace



**The parent company's profit by cost base**

The two largest cost bases, "en route – Denmark" and "TNC Copenhagen", are regulated by the European Commission's Implementing Regulation No 2019/317 of 11 February 2019 on the establishment of a performance and charging scheme for the joint European air space. Under this regulation, Naviair is under obligation to break down its income and costs by cost base. Costs are broken down by direct allocation to cost bases, partly through time recording on tasks or using sharing keys.

COST BASE ACCOUNTING 2023 (DKK 1,000)	En route Denmark	En route Domestic Greenland	En route North Atlantic	TNC Copenhagen	Other	Total
<b>Net sales incl. adjustment of over-/under-recovery</b>	<b>673,118</b>	<b>52,520</b>	<b>30,699</b>	<b>190,983</b>	<b>89,421</b>	<b>1,036,741</b>
Other external expenses	-138,570	-19,999	-19,274	-33,976	-20,847	-232,666
Staff costs less work performed for own account and capitalised	-440,273	-8,590	-8,324	-127,998	-73,466	-658,651
<b>EBITDA</b>	<b>94,275</b>	<b>23,931</b>	<b>3,101</b>	<b>29,009</b>	<b>-4,892</b>	<b>145,424</b>
Depreciation, amortisation and impairment charges	-86,551	-2,482	-5,219	-14,476	-1,521	-110,249
<b>EBIT</b>	<b>7,724</b>	<b>21,449</b>	<b>-2,118</b>	<b>14,533</b>	<b>-6,413</b>	<b>35,175</b>
Financial items	-11,423	-246	-385	-1,755	3,862	-9,947
<b>Profit (loss) before tax</b>	<b>-3,699</b>	<b>21,203</b>	<b>-2,503</b>	<b>12,778</b>	<b>-2,551</b>	<b>25,228</b>



### The performance scheme

Naviair has been subject to the European performance scheme since 2012. The performance scheme is the result of the Single European Sky legislation through which the EU aims to ensure both more efficient utilisation of European airspace and sufficient airspace capacity to accommodate the growing level of air traffic. Another objective is to cut CO<sup>2</sup> emissions and the costs of air navigation services.

The performance scheme is legally binding on EU Member States. Denmark – and thus Naviair – is measured on its performance.

### Customers

Naviair maintains an ongoing dialogue with customers about their needs and expectations so that it can offer the best possible service. We hold customer meetings with airports, airlines and the Danish Defence, partly in order to ensure satisfaction with the operational cooperation and our service.

In 2023, Naviair's largest five en route customers were:

- SAS
- Norwegian
- Ryanair
- KLM
- Lufthansa

In 2023, Naviair's five largest tower air traffic control service customers at Copenhagen Airport were:

- SAS
- Norwegian
- Ryanair
- Lufthansa
- EasyJet

Aeronautical Information Service (AIS) comprising Aeronautical Information Publications (AIPs) for Denmark,

Greenland and the Faroe Islands are provided from Copenhagen. Naviair publishes AIPs for all three areas as well as a Visual Flight Guide (VFG) for Denmark.

Naviair also publishes Aeronautical Information Circulars (AICs), Supplements and Notices To Airmen (NOTAMs). Approximately 1,400 customers subscribed to newsletters about Naviair publications in 2021.

### Enterprises in which Naviair is a co-owner

Naviair is part of the ownership group of the enterprises Aireon and Entry Point North.

#### Aireon

Aireon is a US LLC. Its business strategy is based on the sale of satellite-based air traffic surveillance data, mainly to ANSPs but also to others, including airlines and flight handling companies.

Naviair is one of the partners in Aireon with a 4.13 per cent ownership interest. The other owners are the American telecommunications company Iridium Satellite LLC (39.51 per cent) and the ANSPs NAV Canada (35.01 per cent), Italian ENAV (8.61 per cent), AirNav Ireland (4.13 per cent) and UK NATS (8.61 per cent).

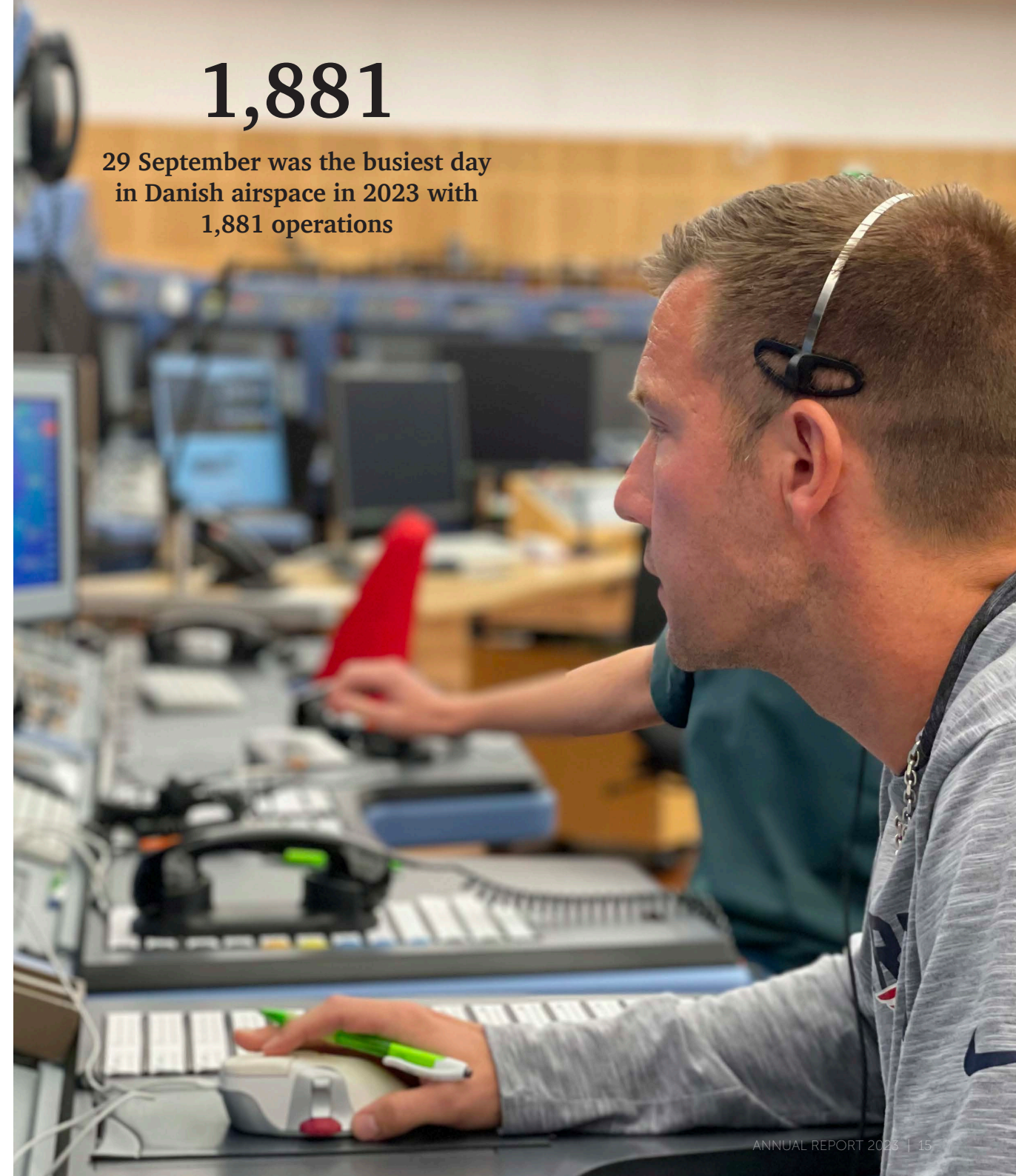
#### Entry Point North

The Air Traffic Service academy, Entry Point North, was established in 2006, offering ATM training and courses, including the training of air traffic controllers.

Entry Point North is jointly owned by Naviair, AirNav Ireland and Swedish LfV. Since its establishment, the Academy has provided services to various customers in more than 50 countries.

# 1,881

29 September was the busiest day  
in Danish airspace in 2023 with  
1,881 operations



## Large projects

### Silaannarput (Greenland project)

Naviair has been asked by the Danish Ministry of Transport to investigate the options and consequences of Denmark taking control of the upper airspace in Greenland in 2031. Control of the upper airspace in Greenland is currently managed by Iceland and Canada. As part of this process, Naviair has initiated a preliminary project to determine the options and consequences of taking over control of the upper Greenlandic airspace and how it can take on the task. Consequently, a number of key parameters have been clarified, including possible schedule, finances, organisation and risks.

### Upgraded Air Traffic Management system (ATM system)

The ATM system is a key tool for air traffic management, displaying information such as aircraft position and speed. Denmark collaborates with five other countries on the current ATM system (COOPANS-ATM) in the COOPANS collaboration for which the Thales is the supplier. The status of the current system is that it is expected to reach end-of-life in 2030 and, following an assessment by an external consultancy, making the system updates required under EU law in the late 2020s would be risky. Investment is therefore required in an upgraded ATM system. Naviair analysed a number of possible ways forward in 2023.

### RP4

Naviair is subject to the EU performance scheme for air traffic services. Through the performance scheme, targets are set for Naviair in the areas of safety, environment, capacity and cost efficiency. The charging basis for Naviair is also determined for five-year periods, known as Reference Periods. Preparations are currently underway for the fourth Reference Period, RP4, which covers 2025-2029. Targets and charging criteria for RP4 are set by the European Commission in dialogue with the Member States and users, based on the reported expected cost levels from the ANSPs.

As part of the RP4 process, all countries were required to submit preliminary cost estimates for 2025-2029 to the European Commission. Naviair submitted a preliminary expected cost level for 2025-2029 to the Danish Civil Aviation and Railway Authority in June 2023, for onward submission to the European Commission, which provides for a more robust organisation.





**International partnerships**

In the nature of things, aviation and ATM require good collaboration across national borders. Good international cooperation is a prerequisite for being able to find the best solutions and fulfilling Naviair's responsibility to ensure optimum mobility in and access to Danish airspace. Naviair therefore gives high priority to international relationships and participates in a number of international alliances.

These international alliances enable Naviair to influence international development in the aviation industry and help to promote efficiency, harmonisation and development in all areas of ATM. Together with a number of partners, Naviair leads European efforts to ensure international progress in the operational, technical and training areas. These efforts underpin the goal of always being among the best-performing ANSPs and meeting the requirements of the EU's Single European Sky programme.

**COOPANS  
(Cooperation of air navigation service providers)**

COOPANS is an international collaboration between Naviair, AirNav Ireland, LfV, Austro Control, Croatia Control and NAV Portugal. The COOPANS partners are the first to work jointly on standardising and harmonising the technical equipment used for ATM, and ATM systems in their control centres have been fully harmonised since 2015.

It is estimated that system development costs are significantly lower compared to the costs each partner would incur by developing the technology separately. Savings in operating costs have also been achieved through common working concepts and exchanging experience.

The COOPANS cooperation includes a common approach to and participation in the Single European Sky ATM Research programme (SESAR). Its objective is to

modernise European ATM. This means that SESAR is the technological approach to testing and finding solutions that can achieve the Single European Sky (SES) targets. The programme is managed by SESAR Joint Undertaking and has been running since the approval of the first version of the European ATM Master Plan in 2009.

The COOPANS collaboration has the size and resources to be able to establish a common approach and help each other stay up to date on the latest requirements and emerging issues - and influence the COOPANS collaboration's European environment.

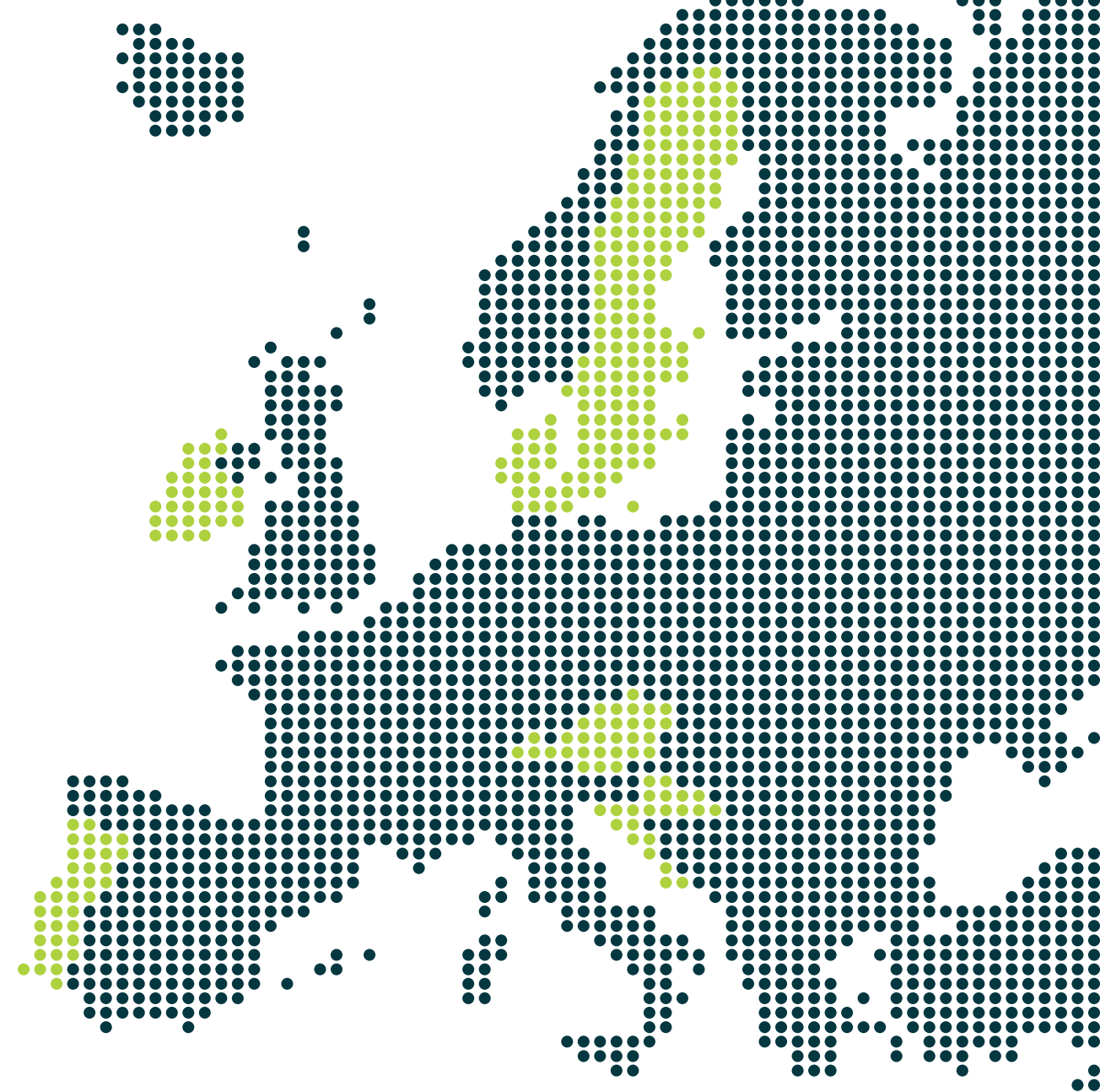
**Cooperation on joint Danish-Swedish airspace**

Naviair has been working with the Swedish LfV on en route traffic in the joint Danish-Swedish airspace since 2009. The benefits of this cooperation include considerable savings resulting from taking out joint insurance.

**Borealis**

Together with LfV, Naviair introduced Free Route Airspace (FRA) in 2011, enabling airlines to freely plan their flights through the Danish-Swedish airspace. Through its membership in Borealis, Naviair works together with eight ANSPs in Northern Europe to extend FRA across Northern Europe. FRA makes it easier for airlines to optimise their flight paths by planning the shortest, most fuel-efficient flight times.

As well as FRA, Borealis focuses on other environmental measures that will benefit aviation and society as a whole. In addition to operationally focused projects, Borealis can also start up smaller projects of interest to two or more parties and these are currently centred on the implementation of the new joint European rules for cybersecurity and the use of drones in the airspace.



*The six partners in the COOPANS collaboration are Naviair (Denmark), AirNav Ireland (Ireland), LfV (Sweden), Austro Control (Austria), Croatia Control (Croatia) and NAV Portugal (Portugal).*

### Corporate social responsibility report

In accordance with section 99 b of the Danish Financial Statements Act (ÅRL), this report provides an account of the company's policy for increasing the proportion of the underrepresented gender among management, including target figures for this.

Naviair's sustainability report for 2023 includes a report on corporate social responsibility, cf. section 99a of the Danish Financial Statements Act, and a report on diversity policy, cf. section 107d of the same act. The sustainability report describes how Naviair has worked with its non-financial business goals in 2023 and the results achieved during the year. For an in-depth, quantified description of results in 2023, reference is made to the sustainability report. Learn more at [www.naviair.dk/ar](http://www.naviair.dk/ar).

### Targets and policies for gender composition of the management

Naviair is obliged to set out the company's policy for increasing the proportion of the underrepresented gender in management, set targets and report the most important measures the company has taken during the financial year to achieve the target and translate its policy into action.

Naviair's supreme governing body (the Board of Directors) is composed of an equal gender distribution in terms of members appointed by Naviair's owner, the Danish Ministry of Transport. This means that there are 50 per cent women and 50 per cent men.

Regarding the gender composition of management, Naviair is pursuing a policy to increase the proportion of the underrepresented gender among the company's management group through its corporate social responsibility policy. Going forward, Naviair intends to have an autonomous policy for gender and diversity. The policy is expected to be approved in 2024.

Naviair has adopted targets for the proportion of the underrepresented gender among other management levels (management levels 1 and 2). The target is for Naviair to have at least 40 per cent of the underrepresented gender in management at management levels 1 and 2 by 2030. The interim target is for Naviair to ensure at least 30 per cent of the underrepresented gender at management levels 1 and 2 by 2026.

Women were the underrepresented gender at Naviair's management levels 1 and 2 in 2023. Management comprises 13 people, three of whom are women, meaning there are approximately 23 per cent women in management at levels 1 and 2.

In terms of Naviair's overall management, 14 out of 57 managers are women, equivalent to 25 per cent. Naviair's ambition to increase the proportion of women in management also applies to overall management.

	2023
<b>Senior management (Board of Directors)</b>	
Total number of members (excluding employee representatives)	6
Underrepresented gender (women) in %	50
Target in %	40
Year target to be achieved	-
	2023
<b>Other management levels</b>	
<ul style="list-style-type: none"> <li>• Management level 1 (Executive Board)</li> <li>• Management level 2 (managers reporting to the Executive Board)</li> </ul>	
Total number of members	13
Underrepresented gender (women) in %	23
Target in %	40
Year target to be achieved	2030

Naviair took the following initiatives to promote gender equality in 2023:

- Analysis of use of language/images in job advertisements to reduce unconscious gender bias.
- Dialogue with managers who select candidates for interviews to raise awareness of bias against female applicants.
- Use of recruitment agencies working according to a diversity code where at least 33% of the potential candidates presented are women.
- Increased awareness of Naviair among women by attending "Girls in Aviation Day", which was held on 23 September 2023 at Billund Airport.

Naviair will focus on gender equality in 2024 by continuing with the above initiatives while working with diversity and gender equality as well as inclusion in development and promotion opportunities within Naviair.

Naviair will work to specifically offer education and training for managers and employees to prevent bias from being a factor in the development and promotion opportunities of female employees.

### Data ethics policy

The majority of the data Naviair uses is operational and subject to detailed EU requirements that already help to ensure ethically correct data processing. Other data, including personal data primarily relating to internal employees, is already processed in accordance with the data protection rules and implemented by internal guidelines. Naviair continued to work on ethically correct data processing in 2023 while developing a policy that reflects this processing, which is predominantly governed by EU regulations. The policy is expected to come into effect in the new year.



### Corporate governance

The framework for Naviair's activities is set out in the Danish Act on Naviair. Given its status as a state-owned company, Naviair is ultimately subject to the authority of the Danish state represented by the Danish Ministry of Transport, within the framework established by law.

Naviair plans its corporate governance to align with legislation and the nature of our company. Naviair is subject to the Danish Companies Act, the Financial Statements Act and other legislation with the relevant adaptations applicable to Naviair. Naviair is also governed by the Danish Access to Public Administrative Documents Act and the Public Administration Act.

Naviair complies with the Danish state's recommendations on corporate governance, where relevant for the company. The recommendations comprise guidelines on the management of state-owned enterprises, including requirements, expectations and recommendations on corporate governance. A compilation of the recommendations can be found on the website of the Danish Ministry of Finance, [www.fm.dk](http://www.fm.dk).

Furthermore, the company follows the recommendations of the Committee on Corporate Governance relevant to Naviair in light of its special corporate form, as described at [www.corporategovernance.dk](http://www.corporategovernance.dk).

Naviair established a whistleblowing scheme in 2020. It was undertaken following a government decision and prepared in collaboration with an external law firm, who today screen all concerns reported in the system. Naviair's whistleblowing scheme enables all employees, suppliers and customers to report breaches or suspected breaches of legislation or Naviair's internal regulations. Information about the number of reports is published on Naviair's website: [www.naviair.dk](http://www.naviair.dk).

The Board of Directors takes care of Naviair's overall and strategic management and supervises the Executive Board.

The general duties and responsibilities of the Board of Directors are set out in rules of procedure for the Board of Directors.

The Executive Board is responsible for the day-to-day management of Naviair and must therefore comply with the guidelines and instructions provided by the Board of Directors.

The Board of Directors has nine members, six of whom were appointed by the Danish Minister for Transport – of which there are three women and three men. The other three members – three men – were elected by the employees. The members of the Board of Directors collectively possess general business and leadership skills as well as insight into aviation and society in general. An annual self-assessment procedure has been established for the Board of Directors. The last self-assessment was conducted from late 2023 to early 2024.

The Board of Directors meets at least once a quarter in accordance with Naviair's Articles of Association. The Board held nine meetings last year.

The Chair of the Board of Directors meets with the Danish Minister of Transport typically every quarter to give an extensive, detailed report on the company's strategic situation, follow-up on the company's operating results, etc.

Accounting and control systems are designed to ensure that internal and external financial reporting give a true and fair view without material misstatement and that appropriate accounting policies are defined and applied accounting practice.

The Board of Directors and the Executive Board regularly review material risks and internal controls related to Naviair's activities and their potential impact on the financial reporting process.

The responsibility for maintaining adequate and effective internal controls and risk management in connection with the financial reporting lies with the Executive Board. The Executive Board monitors the financial position, partly via monthly reporting. Furthermore, the Executive Board reports on the company's financial position to the Board of Directors ahead of each board meeting. Procedures, accounting instructions etc. are described in Naviair's Financial Reporting Manual.

The Board of Directors monitors the financial reporting process, including that applicable laws are being complied with and that the accounting policies are relevant. The Board has an Internal Audit Committee with two members.

### Naviair's knowledge resources

Naviair has a large number of specialised employees, especially in the operational and technical areas. Those employees are crucial to the company's revenue basis, as ensuring there are a sufficient number of operational air traffic controllers and employees who can maintain the advanced technical equipment used for air traffic control is essential for stable operations at Naviair. There is therefore strong focus on training and retaining employees.



**Special risks**

Naviair regularly assesses the risks to which the company may be exposed. In order for a risk to be classified as high, it must be probable that the area will be impacted and the risk must have serious consequences if it materialises. ESG risks are addressed separately in the sustainability report.

**Air traffic**

A fall in traffic represents a high financial risk for Navi-air, as main earnings are directly related to the amount of en route traffic in Danish airspace and traffic to and from the airports served by the company. A lower level of traffic in 2024 than predicted in EUROCONTROL's forecast may cause Naviair to suffer a financial loss of up to around DKK 35 million in 2024. A sharp fall in traffic could also adversely impact liquidity. In addition, a negative trend might entail the risk of a reduction in the sector's ability to pay.

**Operational**

Operations are expected to run satisfactorily in 2024, although there is a risk of minor traffic delays on individual days, especially around weekends, public and summer holidays at Copenhagen and Roskilde airports.

**Finance 2025-2029**

Naviair's charging basis for 2025-2029 is determined within the framework of the performance scheme, expected in early 2025. There is therefore some uncertainty concerning Naviair's finances for 2025-2029 until the basis for charging is determined.

**Cyber security**

Naviair is subject to the circular on critical infrastructure, and works systematically to reduce and minimise the risk of cyber attacks.

Naviair's assessment of the current threat scenario from cyber attacks is that there is a persistent risk of attacks on administrative and operational networks. However, the risk of a damaging impact is assessed as low. Naviair pays particular attention to cyber security and continuously monitors the threat situation through Naviair's Cyber and Information Security Committee.

Naviair became ISO 27001-certified to handle cyber and information security in 2020. At the last recertification in 2023, compliance was reconfirmed and the certification renewed.

Naviair has initiated a project to implement the EU's NIS-2 Directive (Network and Information Security, version 2), which is the EU's regulatory framework for cyber security.

The Directive will be implemented in 2024.

**Technical systems**

Naviair provides ATM using technical systems. Naviair has protected itself as far as possible against the risk of technical failures by establishing sound back-up systems in all areas. A high retirement rate is expected in the technical field over the next few years. Management is therefore focusing intently on ensuring knowledge transfer and recruiting skilled workers, students and apprentices for the technical field.

**Insurance**

Naviair has an insurance programme under which insurable risks are insured so that any claims and actions giving rise to liability will not constitute a financial risk to the company. Besides statutory insurance, we have taken out insurance against consequential loss, product liability and special aviation liability.

**Outlook for 2024**

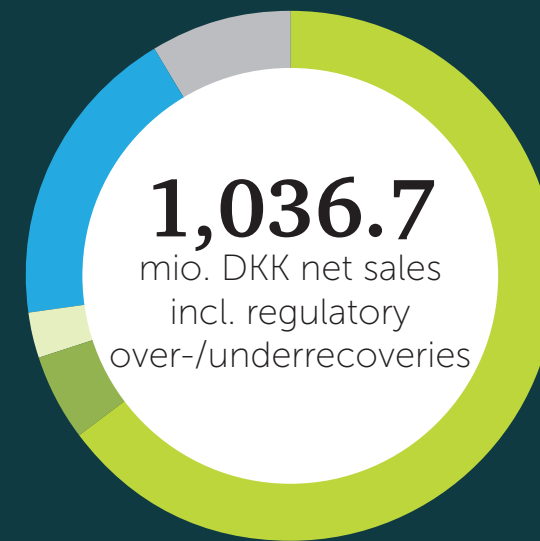
Naviair expects a financial loss of approximately DKK 50 million after tax in 2024. The loss is mainly due to our plan to ensure greater resilience, resulting in increased costs for training and recruiting more air traffic controllers.

Increased costs for training and recruiting more air traffic controllers are planned in order for Naviair to meet its responsibilities from 2025. This increase is based on the expected costs for 2025-2029 reported by Naviair to the European Commission as part of the setting of Navi-air's charging basis for 2025-2029. The intention is to finance the increase in costs for training and recruitment through an increase in the charging basis.

Naviair's debt, which arose as a result of COVID-19, is expected to increase by approximately DKK 80 million in 2024 compared to 2023. Naviair's debt reduction depends on what the European Commission's sets in terms of the permitted charging basis for 2025-2029 (the RP4 period). If the expected cost level submitted by Naviair is approved, the debt is expected to be fully redeemed by 2028.

Air traffic is expected to continue to increase to 91-95 per cent of 2019 levels in 2024 according to EUROCONTROL's latest STATFOR forecast from October 2023. The traffic pattern in 2023 with a higher proportion of traffic during holiday periods and a lower proportion on weekdays is expected to continue.

Based on the company's plan for achieving increased resilience, it is expected that better resilience will be achieved by 2025. Shortages will be covered by temporary measures, including internal rotations and senior retention in 2024. In addition, planning for extra shifts will be needed.



**Net turnover 2023**

- En route – Denmark
- En route – Domestic Greenland
- En route – North Atlantic
- TNC Copenhagen
- Other

## Naviair management - Board of Directors



**Flemming Jensen** (Chair)  
CEO, DSB

Chair of the Board of Directors of:

- TP Aerospace

Member of the Board of Directors of:

- IAD - Employers in Denmark
- Executive Committee and Board of Directors of the Confederation of Danish Industry



**Per Møller Jensen** (Deputy Chair)  
CEO of Stjernegaard Rejser A/S

CEO, Kulturrejser A/S



**Anne Charlotte Mark** (Chair of the Board of Directors' Audit Committee)  
Deputy Chair of the Board of Directors of:

- J-F. Lemvig Müller Holding
- Sparinvest investment association

Member of the Board of Directors of:

- Investment association Nykredit Invest
- Investment association Nykredit Invest Engros
- Placing association Nykredit Invest Balance
- Capital association Nykredit Invest Engros
- Investment association Nykredit Invest Balance
- Jera Capital
- Lemvig-Müller Foundation
- Lærernes Pension
- Sygehusgrunden Komplementar ApS
- Sygehusgrunden P/S



**Pernille Dahlgard** (Member of the Board of Directors' Audit Committee)  
Chief Officer Government, Business & Analytics in Maersk Mc-Kinney Møller Center for Zero Carbon Shipping



**Jørgen Martin Meyer**  
Legal consultant at Kirk Larsen & Ascanius law firm

Former Commissioner of South Jutland Police

Member of the Board of Directors of:

- Dronning Louises Stiftelse
- Samrådets Boligselskab



**Ellen Trane Nørby**  
2nd Deputy Mayor, Sønderborg Municipality

Chair of the Board of Directors of:

- Genau & More A/S
- SONFOR Holding A/S
- SONFOR Deponi A/S
- SONFOR Genbrug & Affald A/S
- SONFOR Resort Varme A/S
- SONFOR Service A/S
- SONFOR Spildevand A/S
- SONFOR Vand A/S
- SONFOR Varme A/S
- SONFOR Vedvarende Energi A/S

Member of the Board of Directors of:

- Sydbank A/S
- Project Zero-Fonden
- Brancheforeningen Cirkulær
- DANVA - Danish Water and Wastewater Association
- Sønderborg Airport



**Flemming Kim Hansen**  
Senior Engineer, ATM Support Systems

Board member elected by the employees

Chair of Teleklubben (District 6)

Member of the Board of Directors of:

- TRF (Trafikforbundet)



**Esben Jean-Pierre Blum**  
Air traffic controller

Board member elected by the employees

Co-owner and CEO of 2B Consulting

Chair of DATCA (Danish air traffic controllers' union)



**Casper Kamp Ransborg**  
Air traffic controller

Board member elected by the employees

## Naviair management - Executive Board



**Anders Rex**  
CEO



**Mads Kvist Eriksen**  
CFO

## Naviair's management - Other senior executives



**Jimmi Hartvig**  
CTO



**Pernille Juel Sefort**  
CHRO



**Thorsten Elkjær**  
COO



## Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the annual report of Naviair for 2023.

The annual report is presented in accordance with the Danish Financial Statements Act (reporting class D) and the Danish Act on Naviair.

We consider the accounting policies applied to be appropriate and, in our opinion, the annual accounts give a true and fair view of the company's financial position and of the results of the company's operations and cash flows.

The company has established guidelines and procedures to ensure that the transactions comprised by the Annual Report comply with appropriations granted, legislation and other regulations. Furthermore, guidelines and

procedures have been established to ensure that due financial consideration is taken in the management of the company.

In our opinion, the Management's review gives a fair review of the development in the company's and the group's operations and financial matters, the results for the year, the company's financial position, the financial position as a whole of the entities included in the consolidated annual reports as well as a description of the significant risks and uncertainty factors pertaining to the company and the group.

We recommend that the Annual Report be approved.

Copenhagen, 7 March 2024

### On the Executive Board

Anders Rex, CEO

Mads Kvist Eriksen, CFO

### On the Board of Directors

Flemming Jensen, Chair

Per Møller Jensen, Deputy Chair

Anne Charlotte Mark \*

Pernille Dahlggaard \*\*

Jørgen Martin Meyer

Ellen Trane Nørby

Flemming Kim Hansen \*\*\*

Esben Jean-Pierre Blum \*

Casper Kamp Ransborg \*\*\*

\*) Chair of the Board of Directors' Audit Committee

\*\*) Member of the Board of Directors' Audit Committee

\*\*\*) Board member elected by the employees



# Independent auditors' report

To the Danish Minister of Transport and the Board of Directors of Naviair

## Auditor's report on the consolidated financial statements and annual financial statements

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Naviair for the financial year 1 January - 31 December 2023, comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies for both the group and the company (the "financial statements").

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group's assets, liabilities and financial position at 31 December 2023 and of the results of the group's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act and the Danish Act on Naviair.

### Basis of opinion

We have conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark as well as good public auditing practice as the audit is performed on the basis of the provisions of the Danish Act on Naviair. Our responsibilities under these standards and requirements are described in detail in the "Auditor's responsibility for the audit of the consolidated financial statements and parent company financial statements" section of the auditors' report. The Auditor General is independent of Naviair pursuant to Section 1(6) of the Danish Auditor General Act and the approved auditor is independent of Naviair pursuant to international ethics standards for accountants (IESBA code of ethics) and the additional requirements applicable in Denmark. We have fulfilled our other ethical responsibilities in accordance with these provisions and requirements.

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 consolidated financial statements and the parent company financial statements

Management is responsible for the preparation and fair presentation of consolidated financial statements and parent company financial statements in accordance with the Danish Financial Statements Act and the Danish Act on Naviair. Management is also responsible for the internal control that management deems necessary for the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual reports and the parent company annual reports, Management is responsible for assessing the group's and the company's ability to continue as a going concern; for disclosing, as applicable, matters related to going concern; and for preparing consolidated annual reports and parent company annual reports on a going concern basis, unless Management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.



**Auditor's responsibility for the audit of the consolidated financial statements and the parent company financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 international standards on auditing and the additional requirements applicable in Denmark and the standards on good public auditing practice 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 consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark as well as good public auditing practice, as the audit is based on the provisions of the Danish Act on Naviair, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Naviair'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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent company financial statements, including the note disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Management's review**

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 provisions of the Danish Financial Statements Act.

Based on the work performed, it is our opinion that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act.

We did not identify any material misstatements in the Management's review.





## Report on other legal and regulatory requirements

### Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions comprised by the financial reporting comply with appropriations granted, legislation and other regulations as well as agreements concluded and normal practice; and that sound financial considerations have been applied in the management of the funds and the operation of the enterprises comprised by the consolidated financial statements and the annual financial statements. In that connection, Management is responsible for establishing systems and processes that support cost-effectiveness, productivity and efficiency.

In connection with our audit of the financial statements, it is our responsibility, in accordance with good public auditing practice, to select relevant subject matter for the compliance audit and the performance audit. In our compliance audit, we test the selected subject matter to obtain reasonable assurance as to whether the transactions comprised by the financial reporting comply with appropriations granted, legislation and other regulations as well as agreements concluded and normal practice. In our performance audit, we make an assessment to

obtain reasonable assurance as to whether the systems, processes or transactions examined support sound financial considerations in the management of the funds and the operation of the enterprises comprised by the consolidated financial statements and the parent company financial statements.

If, based on the work performed, we conclude that material critical comments should be made, we are required to report this.

We have no material critical comments to report in this regard.

Copenhagen, 7 March 2024

### Deloitte State Authorised Accountancy Firm

CVR number 33963556

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## Accounting policies

The 2023 annual report of Naviair, a company owned by the Danish state, is presented in accordance with the provisions of the Danish Financial Statements Act for reporting class D and the Danish Act on Naviair.

The accounting policies are unchanged from those used in the previous financial year.

Unless otherwise stated below, the accounting policies for the parent company and the group are identical.

### Recognition and measurement in general

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

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event, the settlement of which is expected to result in an outflow from the company of resources embodying future economic benefits and the liability has a value that can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequent to initial measurement, assets and liabilities are recognised as described for each item below.

On recognition and measurement, account is taken of foreseeable risks and losses arising before the time at which the annual report is presented that confirm or disprove circumstances existing at the balance sheet date.

Income is recognised in the income statement as earned, and expenses are recognised at the amounts that relate to the financial year.

### Foreign currency translation

The measurement currency used is Danish kroner (DKK). All other currencies are accounted for as foreign currencies.

On initial recognition, transactions in foreign currencies are translated at the exchange rate at the transaction date. Receivables, liabilities and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rate at the balance sheet date. Any differences arising between the exchange rate at the transaction date and the exchange rate at the payment and balance sheet dates respectively are recognised in the income statement as net financials. Tangible and intangible assets, inventories and other non-monetary assets purchased in foreign currencies are translated using historical rates.

### Consolidated annual reports

The consolidated annual reports comprise the parent company and the subsidiary (Naviair Surveillance A/S), which is controlled by the parent company. The parent company is considered to control an enterprise when it holds, directly or indirectly, more than 50 per cent of the voting rights or is able to control or actually controls the enterprise in some other way. Enterprises in which the group holds, directly or indirectly, between 20 and 50 per cent of the voting rights and over which it has significant influence, but not control, are accounted for as associates, including Entry Point North AB.

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and its subsidiaries. On preparation of the consolidated financial statements, identical items are aggregated, and intragroup income and expenses, balances

and dividends are eliminated. Gains and losses arising from transactions between the consolidated enterprises are also eliminated. The financial statements used in the preparation of the consolidated financial statements are prepared in accordance with the group's accounting policies.

Subsidiaries' items are fully consolidated in the consolidated annual reports.

### Income statement

#### Net turnover

Revenue related to air traffic control is recognised in the income statement in the period in which the flights have taken place. Other income is recognised when delivery to the buyer has been made. Income related to the award of government grants for operating projects is recognised in the income statement as the associated costs are recognised.

The adjustment for the year of over/(under) absorption from en route and terminal activities is recognised as revenue.

Regulatory over/(under) absorptions are recognised in the balance sheet as provisions or receivables, respectively.

Revenue is recognised net of VAT, duties and trade discounts and is measured at the fair value of the agreed consideration.

### Work performed for own account and capitalised

Work performed for own account and capitalised comprises staff costs and other internal expenses incurred during the financial year and recognised in the cost of self-constructed intangible assets and property, plant and equipment.

# 12.4%

The number of take offs and landings at Copenhagen Airport increased from 202,210 in 2022 to 227,333 in 2023, corresponding to an increase of 12.4%



## TOP-3 ROUTES

The 3 busiest domestic or international routes in 2023:

12,368 flights Oslo - Copenhagen \*

10,616 flights Stockholm - Copenhagen \*

9,900 flights Aalborg - Copenhagen \*

\* the figure includes flights in both directions

### Other operating income

Other operating income comprises income of a secondary nature in relation to Navair's core activity.

### Other external expenses

Other external expenses comprise expenses related to the company's core activities, including expenses for operation of operational systems and equipment, training and education, administration, premises, bad debts etc. Expenses related to projects that do not meet the criteria for recognition in the balance sheet are also recognised as other external expenses.

### Staff costs

Staff costs comprise wages and salaries, pensions and other social security costs etc. for the company's employees.

### Depreciation, amortisation and impairment charges

Depreciation, amortisation and impairment charges on property, plant and equipment and intangible assets consist of depreciation, amortisation and impairment charges for the year determined on the basis of the set residual values and useful lives of the individual assets and impairment tests carried out, respectively. Government grants for depreciable capital expenditure projects are recognised as the relevant assets are depreciated.

### Other operating expenses

Other operating expenses comprise expenses of a secondary nature in relation to Navair's core activity.

### Income from investments in associates

*Parent company*

Income from investments in associates comprises dividends and similar received from the individual associates during the financial year.

*Group*

Income from investments in associates comprises the proportionate share of the individual associates' profits/losses after elimination of intragroup profits and losses.

### Other financial income

Financial income comprises interest income; realised and unrealised foreign exchange gains on securities, liabilities other than provisions and transactions denominated in foreign currencies etc. as well as repayments under the Danish on-account tax scheme.

### Other financial expenses

Financial items comprise interest expenses, realised and unrealised capital losses on securities, liabilities and transactions denominated in foreign currencies, amortisation additions and deductions on mortgage loans, etc. and surcharges under the Danish on-account tax scheme.

### Tax

Income tax expense, consisting of current tax for the year and changes in deferred tax, is recognised in the income statement with the portion attributable to profit for the year, and directly in equity with the portion attributable to entries directly to equity.

The company is taxed jointly with its Danish subsidiary. Current Danish income tax is allocated among the jointly taxed enterprises in proportion to their taxable income (full allocation with reimbursement in respect of tax losses).

### Balance sheet

#### Intangible assets

Intangible assets comprise IT projects in progress and completed IT projects as well as other intellectual property rights acquired.

The cost of intangible assets comprises expenses, including salaries and amortisation, that are directly or indirectly attributable to those assets.

Indirect production costs in the form of indirectly attributable staff costs and amortisation and depreciation on intangible assets and property, plant and equipment used in the process, are recognised in cost on the basis of man-hour consumption on each project. Interest expense on loans to finance the construction of intangible assets is recognised in cost if it relates to the construction period.

Intangible assets are measured at cost less accumulated depreciation. Amortisation is charged on a straight-line basis over the estimated useful lives of the assets, which are 3-20 years.

Intangible assets are written down to the recoverable amount if this is lower than the carrying amount.

### Property, plant and equipment

Land and buildings, plant and equipment, transport equipment, fixtures and fittings and IT equipment are measured at cost less accumulated depreciation and impairment charges. Land is not depreciated.

Cost includes purchase price, expenses directly attributable to the acquisition and expenses attributable to bringing the asset to a working condition until the date on which the asset is ready for use. The cost of self-constructed assets includes the direct and indirect cost of materials, components, subcontractors and wages and salaries.

Indirect production costs in the form of indirectly attributable staff costs and amortisation and depreciation on intangible assets and property, plant and equipment used in the construction process, are recognised in cost on the basis of man-hour consumption on each asset. Interest expense on loans to finance the construction of items of property, plant and equipment is recognised in cost if it relates to the construction period.

The basis of depreciation is the cost less the estimated residual value at the end of the asset's useful life. The residual value of these fixed assets has been estimated at DKK 0, as they are user-specific to such an extent that it is expected that they will not have any saleable value at the end of their useful lives.

Depreciation is charged on a straight-line basis over the estimated useful lives, assessed as follows:

- Buildings and installations: 10-50 years
- Plant and machinery: 6-20 years
- Other fixtures and fittings, tools and equipment: 3-8 years

The estimated useful lives of items of property, plant and equipment are broken down into significant components.

Items of property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

#### Investments in group enterprises

##### *Parent company*

Investments in group enterprises are measured at cost. Such investments are written down to the recoverable amount if this is lower than the carrying amount.

#### Investments in associates

##### *Parent company*

Investments in associates are measured at cost. Such investments are written down to the recoverable amount if this is lower than the carrying amount.

##### *Group*

Investments in associates are recognised and measured using the equity method. Accordingly, the investments are measured at the proportionate share of the companies' net asset values after addition or deduction of unamortised positive or negative goodwill, respectively, and after deduction or addition of unrealised, proportionate intragroup gains and losses.

In connection with the distribution of profit for the year, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method within equity.

#### Other securities and equity investments

Other equity investments comprising unlisted shares without controlling influence are measured at cost.

#### Regulatory over/(under) absorption

For en route activities in Denmark and TNC Copenhagen, Naviair is entitled to carry forward over/(under) absorption in accordance with the provisions under the EU regulation on performance schemes for ANSPs, including the provisions on risk-sharing relating to the development in traffic.

Regulatory over/(under) absorption is recognised as provisions or receivables, respectively, with set-off in the income statement under revenue. The balance is the amount which the company expects to reimburse or charge through the coming years' rates for business areas subject to regulatory price adjustments.

Over-/under-recoveries are measured at amortised cost, which normally corresponds to the nominal value. If we believe that it is improbable that the full receivable will be recovered from users, the receivable is written down to its lower estimated value (the recoverable amount).

#### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less provisions for bad and doubtful debts.

#### Prepayments

Prepayments recognised under assets comprise expenses incurred that are attributable to subsequent financial years. Prepayments are measured at cost.

#### Securities

Securities comprise the holding of government and/or mortgage bonds, which is measured at fair value.

#### Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and in hand.

#### Deferred tax

Deferred tax is recognised in respect of all temporary differences between the carrying amounts and the tax base of assets and liabilities. The tax base of the assets is determined on the basis of the intended use of the individual asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at the value at which the asset is expected to be realised, either by set-off against deferred tax liabilities or as net tax assets.



## TOP-3 ROUTES

The 3 busiest domestic routes in 2023:

9,900 flights Aalborg - Copenhagen \*

4,593 flights Rønne - Copenhagen \*

2,707 flights Aarhus - Copenhagen \*

\* the figure includes flights in both directions



#### Other financial liabilities

Other financial liabilities are measured at amortised cost, which normally corresponds to the nominal value. Long-term liabilities other than provisions are measured at cost on inception of the loan, equivalent to the proceeds received net of transaction costs.

Mortgage loans are subsequently measured at amortised cost.

#### Pensions and availability pay

Naviair pays pension contributions to the Danish state in respect of civil servants and employees employed under collective agreement on special terms (former civil servants), and the Danish state has therefore taken over the pension obligations in respect of these employees. The pension obligations in respect of other employees are covered under defined contribution pension plans. Naviair is responsible for obligations pursuant to the Danish Civil Servants Act's section 32 on availability pay. These obligations are disclosed as contingent liabilities.

#### Corporation tax receivable and payable

Current tax payable or receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for taxes paid on account.

#### Prepayments

Prepayments comprise invoiced income to be recognised in the income statement in subsequent financial years. Prepayments are measured at cost.

#### Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the company's cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are determined as operating profit adjusted for non-cash operating items, working capital movements and income tax paid. Cash flows from investing activities comprise payments in connection with acquisition and disposal of companies, activities and 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 company's capital and associated costs as well as inception of loans, conclusion of finance leases, repayments on interest-bearing debt and payment of dividends.

Cash and cash equivalents comprise cash and short-term securities that are subject to an insignificant risk of changes in value and are readily convertible to cash.

The cash flow statement cannot be derived from the published accounting records alone.

# 2.6%

The number of take offs and landings at Billund Airport increased from 39,439 in 2022 to 40,480 in 2023, corresponding to an increase of 2.6%

## Income statement

INCOME STATEMENT 1 JANUARY - 31 DECEMBER (DKK 1,000)	Note	Group		Parent company	
		2023	2022	2023	2022
Net turnover	1	1,036,729	960,540	1,036,741	960,552
Work performed for own account and capitalised	2	22,966	24,918	22,966	24,918
Other external expenses	3	-232,706	-216,206	-232,666	-215,949
Staff costs	4	-681,617	-606,437	-681,617	-606,437
Depreciation, amortisation and impairment charges	5	-110,249	-109,417	-110,249	-109,417
<b>Operating profit (loss)</b>		<b>35,123</b>	<b>53,398</b>	<b>35,175</b>	<b>53,667</b>
Income from investments in associates		11,343	7,350	4,654	0
Financial income	6	2,318	1,680	9,591	8,599
Financial expenses	7	-24,194	-19,643	-24,192	-19,641
<b>Profit (loss) on ordinary activities before tax</b>		<b>24,590</b>	<b>42,785</b>	<b>25,228</b>	<b>42,625</b>
Tax on profit for the year	8	-4,010	-8,335	-5,598	-9,859
<b>Profit (loss) for the year</b>	9	<b>20,580</b>	<b>34,450</b>	<b>19,630</b>	<b>32,766</b>

# Balance sheet

ASSETS (DKK 1,000)	Note	Group		Parent company		LIABILITIES (DKK 1,000)	Note	Group		Parent company	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022			31.12.2023	31.12.2022	31.12.2023	31.12.2022
Intellectual rights acquired		1,996	2,576	1,996	2,576	Contributed capital		600,000	600,000	600,000	600,000
ATM system		443,351	479,874	443,351	479,874	Reserve for net revaluation according to the equity method		35,134	32,832	0	0
Intangible assets under construction		22,097	17,489	22,097	17,489	Retained earnings		495,982	482,091	512,658	493,028
<b>Intangible assets</b>	10	<b>467,444</b>	<b>499,939</b>	<b>467,444</b>	<b>499,939</b>	<b>Equity</b>		<b>1,131,116</b>	<b>1,114,923</b>	<b>1,112,658</b>	<b>1,093,028</b>
Land and buildings		233,941	246,808	233,941	246,808	Deferred tax	17	79,082	75,085	85,120	79,522
Plant and machinery		180,281	210,879	180,281	210,879	<b>Provisions for liabilities</b>		<b>79,082</b>	<b>75,085</b>	<b>85,120</b>	<b>79,522</b>
Other fixtures and fittings, tools and equipment		11,893	10,561	11,893	10,561	Subordinated loan capital		200,000	200,000	200,000	200,000
Property, plant and equipment under construction		195,461	133,093	195,461	133,093	Credit institutions		674,000	648,875	674,000	648,875
<b>Property, plant and equipment</b>	11	<b>621,576</b>	<b>601,341</b>	<b>621,576</b>	<b>601,341</b>	Frozen holiday pay		57,686	57,043	57,686	57,043
Investments in group enterprises		0	0	18,345	18,345	<b>Non-current liabilities</b>	18	<b>931,686</b>	<b>905,918</b>	<b>931,686</b>	<b>905,918</b>
Investments in associates		39,967	37,665	4,833	4,833	Credit institutions		21,995	34,056	21,995	34,056
Other securities and equity investments		146,377	146,377	0	0	Trade payables		64,798	54,383	64,773	54,359
<b>Financial fixed assets</b>	12	<b>186,344</b>	<b>184,042</b>	<b>23,178</b>	<b>23,178</b>	Payables to associates		2,254	2,447	2,254	2,447
<b>Fixed assets</b>		<b>1,275,364</b>	<b>1,285,322</b>	<b>1,112,198</b>	<b>1,124,458</b>	Other payables	19	146,649	102,153	146,649	102,153
Trade receivables	13	167,646	169,344	167,646	169,344	Prepayments	20	113,805	136,746	113,805	136,746
Receivables from group enterprises		0	0	150,805	143,515	<b>Short-term liabilities other than provisions</b>		<b>349,501</b>	<b>329,785</b>	<b>349,476</b>	<b>329,761</b>
Other receivables	14	114,520	100,564	114,517	100,561	<b>Liabilities other than provisions</b>		<b>1,281,187</b>	<b>1,235,703</b>	<b>1,281,162</b>	<b>1,235,679</b>
Regulatory under absorption	15	879,667	813,974	879,667	813,974	<b>Equity and liabilities</b>		<b>2,491,385</b>	<b>2,425,711</b>	<b>2,478,940</b>	<b>2,408,229</b>
Prepayments	16	35,800	37,674	35,800	37,674	Contingent liabilities	21				
<b>Receivables</b>		<b>1,197,633</b>	<b>1,121,556</b>	<b>1,348,435</b>	<b>1,265,068</b>	Related parties and ownership	22				
Cash and cash equivalents		18,388	18,833	18,307	18,703	Events after the reporting period	23				
<b>Current assets</b>		<b>1,216,021</b>	<b>1,140,389</b>	<b>1,366,742</b>	<b>1,283,771</b>						
<b>Assets</b>		<b>2,491,385</b>	<b>2,425,711</b>	<b>2,478,940</b>	<b>2,408,229</b>						

## Statement of changes in equity & Cash flow statement

STATEMENT OF CHANGES IN EQUITY (DKK 1,000)	Group				Parent company		
	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total	Contributed capital	Retained earnings	Total
Equity 1 January 2023	600,000	32,832	482,091	1,114,923	600,000	493,028	1,093,028
Dividends paid out from associates	0	-4,654	0	-4,654	0	0	0
Foreign exchange adjustments	0	267	0	267	0	0	0
Profit/loss for the year	0	6,689	13,891	20,580	0	19,630	19,630
<b>Equity 31 December 2023</b>	<b>600,000</b>	<b>35,134</b>	<b>495,982</b>	<b>1,131,116</b>	<b>600,000</b>	<b>512,658</b>	<b>1,112,658</b>

*There have been no changes to contributed capital in the past five years.*

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER (DKK 1,000)	Note	Group		Parent company	
		2023	2022	2023	2022
Operating profit (loss)		35,123	53,398	35,175	53,667
Depreciation, amortisation and impairment charges		120,730	118,743	120,730	118,743
Working capital movements	24	-55,718	-149,541	-63,009	-156,454
<b>Cash flow from operations</b>		<b>100,135</b>	<b>22,600</b>	<b>92,896</b>	<b>15,956</b>
Financial income received		6,972	1,680	14,245	8,599
Financial expenses paid		24,194	-19,643	-24,192	-19,641
Corporation tax paid		-13	0	0	0
<b>Cash flow from operating activities</b>		<b>82,900</b>	<b>4,637</b>	<b>82,949</b>	<b>4,914</b>
Purchase of intangible assets		-17,457	-19,321	-17,457	-19,321
Purchase of property, plant and equipment		-91,013	-81,421	-91,013	-81,421
<b>Cash flow from investing activities</b>		<b>-108,470</b>	<b>-100,742</b>	<b>-108,470</b>	<b>-100,742</b>
Repayment of debt to credit institutions		25,125	75,125	25,125	75,125
<b>Cash flow from financing activities</b>		<b>25,125</b>	<b>75,125</b>	<b>25,125</b>	<b>75,125</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>445</b>	<b>-20,980</b>	<b>-396</b>	<b>-20,703</b>
Cash and cash equivalents at 1 January		18,833	39,813	18,703	39,406
<b>Cash and cash equivalents at 31 December</b>		<b>18,388</b>	<b>18,833</b>	<b>18,307</b>	<b>18,703</b>



# Notes

## 1 Net turnover

(DKK 1,000)	Group		Parent company	
	2023	2022	2023	2022
En route – Danmark, charges	558,683	506,665	558,683	506,665
TNC Copenhagen, charges	184,860	156,787	184,860	156,787
Local airports	64,527	60,758	64,527	60,758
North Atlantic	30,679	27,695	30,679	27,695
Areas covered by the Danish Appropriations Act	90,609	41,491	90,609	41,491
Other trade receivables	41,678	39,727	41,690	39,739
Adjustment of over/(under) absorption charges	65,693	127,417	65,693	127,417
	<b>1,036,729</b>	<b>960,540</b>	<b>1,036,741</b>	<b>960,552</b>

## 2 Work performed for own account and capitalised

(DKK 1,000)	Group		Parent company	
	2023	2022	2023	2022
Capitalised direct payroll	21,136	22,980	21,136	22,980
Capitalised indirect production costs	1,830	1,938	1,830	1,938
	<b>22,966</b>	<b>24,918</b>	<b>22,966</b>	<b>24,918</b>

## 3 Other external expenses

(DKK 1,000)	Group		Parent company	
	2023	2022	2023	2022
Fees for auditors elected at the company meeting:				
Fees for statutory audit of the annual reports	450	420	425	395
Fees for other assurance engagements	0	52	0	52
Fees for tax advice	25	25	25	25
Fees for other services	376	619	376	619
	<b>851</b>	<b>1,116</b>	<b>826</b>	<b>1,091</b>

## 4 Staff costs

	Group		Parent company	
	2023	2022	2023	2022
(DKK 1,000)				
Wages and salaries	585,538	512,971	585,538	512,971
Pensions	93,610	90,824	93,610	90,824
Other social security costs	2,469	2,642	2,469	2,642
	<b>681,617</b>	<b>606,437</b>	<b>681,617</b>	<b>606,437</b>
Of which remuneration to the Executive Board and Board of Directors:				
Salaries for the Executive Board	5,208	4,060	5,208	4,060
Pensions for the Executive Board	904	654	904	654
Remuneration for the Board of Directors	1,847	1,733	1,847	1,733
	<b>7,959</b>	<b>6,447</b>	<b>7,959</b>	<b>6,447</b>

The annual salary and pension for the CEO totalled TDKK 2,930.

The annual salary and pension for the CFO totalled TDKK 2,201.

Remuneration for the Chair of the Board of Directors was TDKK 459, for the Deputy Chair TDKK 317 and the remuneration for other members was TDKK 147. In addition, remuneration for members of the Audit Committee totalled TDKK 133.

## Average number of employees

	<b>620</b>	<b>603</b>	<b>620</b>	<b>603</b>
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## 5 Depreciation, amortisation and impairment charges

	Group		Parent company	
	2023	2022	2023	2022
(DKK 1,000)				
Acquired intangible assets	1,126	1,523	1,126	1,523
ATM system	48,826	48,074	48,826	48,074
Land and buildings	21,027	22,606	21,027	22,606
Plant and machinery	45,253	43,488	45,253	43,488
Other fixtures and fittings, tools and equipment	4,498	3,052	4,498	3,052
Government grants for capital expenditure projects	-10,481	-9,326	-10,481	-9,326
	<b>110,249</b>	<b>109,417</b>	<b>110,249</b>	<b>109,417</b>

## 6 Financial income

	Group		Parent company	
	2023	2022	2023	2022
(DKK 1,000)				
Foreign exchange gains	1,323	1,476	1,323	1,472
Interest income group enterprises	0	0	7,275	6,924
Other interest income	985	191	983	190
Non-taxable interest and percentage supplement	10	13	10	13
	<b>2,318</b>	<b>1,680</b>	<b>9,591</b>	<b>8,599</b>

## 7 Financial expenses

	Group		Parent company	
	2023	2022	2023	2022
(DKK 1,000)				
Foreign exchange losses	2,072	1,798	2,070	1,798
Other interest expenses	24,247	17,418	24,247	17,416
Non-deductible interest and percentage supplement	0	2,000	0	2,000
Capitalisation of interim interest	-2,125	-1,573	-2,125	-1,573
	<b>24,194</b>	<b>19,643</b>	<b>24,192</b>	<b>19,641</b>

## 8 Tax on profit for the year

	Group		Parent company	
	2023	2022	2023	2022
(DKK 1,000)				
Tax paid in the USA	13	0	0	0
Change in deferred tax	3,997	8,335	5,598	9,859
	<b>4,010</b>	<b>8,335</b>	<b>5,598</b>	<b>9,859</b>

## 9 Proposed distribution of profit

	Group		Parent company	
	2023	2022	2023	2022
(DKK 1,000)				
Reserve for net revaluation according to the equity method	6,689	7,350	0	0
Retained earnings	13,891	27,100	19,630	32,766
	<b>20,580</b>	<b>34,450</b>	<b>19,630</b>	<b>32,766</b>

10 Intangible assets (DKK 1,000)	Intellectual rights acquired	AT M system	Intangible assets under construction	Total
Cost at 1 January 2023	30,974	1,026,005	17,489	1,074,468
Additions during the year	19	3,156	14,282	17,457
Disposals during the year	-401	0	0	-401
Transfers	527	9,147	-9,674	0
<b>Cost at 31 December 2023</b>	<b>31,119</b>	<b>1,038,308</b>	<b>22,097</b>	<b>1,091,524</b>
Depreciation, amortisation and impairment charges at 1 January 2023	28,398	546,131	0	574,529
Depreciation for the year	812	48,826	0	49,638
Write-downs on scrapped assets for the year	314	0	0	314
Disposals during the year	-401	0	0	-401
<b>Depreciation, amortisation and impairment charges at 31 December 2023</b>	<b>29,123</b>	<b>594,957</b>	<b>0</b>	<b>624,080</b>
<b>Carrying amount at 31 December 2023</b>	<b>1,996</b>	<b>443,351</b>	<b>22,097</b>	<b>467,444</b>
Capitalised finance costs for the year	0	129	197	326

11 Property, plant and equipment (DKK 1,000)	Land and build- ings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equip- ment under construction	Total
Cost at 1 January 2023	689,317	719,579	33,609	133,093	1,575,598
Additions during the year	2,093	1,896	3,539	83,485	91,013
Disposals during the year	-3,341	-51,690	-1,519	0	-56,550
Transfers	6,067	12,759	2,291	-21,117	0
<b>Cost at 31 December 2023</b>	<b>694,136</b>	<b>682,544</b>	<b>37,920</b>	<b>195,461</b>	<b>1,610,061</b>
Depreciation, amortisation and impairment charges at 1 January 2023	442,509	508,700	23,048	0	974,257
Depreciation for the year	20,822	41,659	4,021	0	66,502
Write-downs on scrapped assets for the year	205	3,594	477	0	4,276
Disposals during the year	-3,341	-51,690	-1,519	0	-56,550
<b>Depreciation, amortisation and impairment charges at 31 December 2023</b>	<b>460,195</b>	<b>502,263</b>	<b>26,027</b>	<b>0</b>	<b>988,485</b>
<b>Carrying amount at 31 December 2023</b>	<b>233,941</b>	<b>180,281</b>	<b>11,893</b>	<b>195,461</b>	<b>621,576</b>
Capitalised finance costs for the year	0	0	0	1,799	1,799

Except for a few buildings with a total carrying amount of DKK 32.4 million at the end of 2023, primarily constructed for navigation equipment at various locations across Denmark and in Greenland, Naviair's total building stock with a total carrying amount of DKK 141 million at the end of 2023 consisted of buildings on leased land. These included the entire Naviair headquarters with ATCC, simulator buildings and offices situated in Maglebylille, and the Tower at Copenhagen Airport, Kastrup. These buildings all stand on land owned by Copenhagen Airports A/S.

## 12 Financial fixed assets

	Group			Parent company		
	Investments in associates	Other securities and equity investments	Total	Investments in group enterprises	Investments in associates	Total
(DKK 1,000)						
Cost at 1 January 2023	4,833	180,177	185,010	75,500	4,833	80,333
<b>Cost at 31 December 2023</b>	<b>4,833</b>	<b>180,177</b>	<b>185,010</b>	<b>75,500</b>	<b>4,833</b>	<b>80,333</b>
Value adjustments at 1 January 2023	32,832	-33,800	-968	-57,155	0	-57,155
Dividends paid out	-4,654	0	-4,654	0	0	0
Foreign exchange adjustments	267	0	267	0	0	0
Share of profit for the year	6,689	0	6,689	0	0	0
<b>Value adjustments at 31 December 2023</b>	<b>35,134</b>	<b>-33,800</b>	<b>1,334</b>	<b>-57,155</b>	<b>0</b>	<b>-57,155</b>
<b>Carrying amount at 31 December 2023</b>	<b>39,967</b>	<b>146,377</b>	<b>186,344</b>	<b>18,345</b>	<b>4,833</b>	<b>23,178</b>

(DKK 1,000)	Domicile	Legal form	Ownership interest	Equity 31 December 2023	Profit/loss 2023
<i>Equity investments in group companies include:</i>					
Naviair Surveillance A/S	Copenhagen	A/S	100.0	1,657	-5,739
Naviair Surveillance USA LLC	Delaware, USA	LLC	100.0	146,448	0
<i>Investments in group companies include:</i>					
Entry Point North AB	Malmø-Sturup	AB	33.3	119,898	20,066
<i>Other securities and equity investments comprise:</i>					
Aireon Holdings LLC	Delaware, USA	LLC	4.13		

Other securities and equity investments consist of a 4.13% ownership share in Aireon Holdings LLC ("Aireon"), which was acquired in multiple tranches between 2014-2017. Aireon develops and implements space-based global air traffic surveillance systems for commercial airlines and ANSPs.

Equity investments are recognised in financial fixed assets as an unlisted non-controlling interest and measured at fair value. To assess whether there are any indications of impairment, a return-based cash flow model is used based on expected net cash flows in the form of expected dividends from Aireon for a period up to 2034, and a terminal value consisting of the value of general and ordinary dividends going forward.

We have carried out a valuation and calculated the value based on the latest budgeted results of Aireon's operations. The budget is subject to uncertainty partly related to the future, including the outlook for aviation in general given COVID-19, and partly related to the company's growth strategy. This growth assumes that new countries will sign up to the system and that air traffic will increase.

The value has been determined using the following parameters:

- A return-based cash flow model has been used based on expected net cash flows in the form of expected dividends from Aireon for a period up to 2034.
- Long-term growth of 2% has been included. This is considered a reasonable growth rate in the long term, corresponding to general inflation and market growth. According to US CPI (US consumer price index), inflation has historically been 2-3%.
- The investment discount rate has been set by reference to a required return (WACC) of 15%. This is based on the required interest rate for comparable investments.

Based on the above calculation, it is our opinion that there are no indications of further impairment for the unlisted equity investment in Aireon and that the value should be carried at an unchanged value of DKK 146.4 million at 31 December 2023.

## 13 Trade receivables

	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
(DKK 1,000)				
Trade receivables, gross	184,880	185,737	184,880	185,737
Provision for bad and doubtful debts	-17,234	-16,393	-17,234	-16,393
	<b>167,646</b>	<b>169,344</b>	<b>167,646</b>	<b>169,344</b>

## 14 Other receivables

	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
(DKK 1,000)				
VAT and duties	5,592	5,362	5,589	5,359
Other receivables	108,928	95,202	108,928	95,202
	<b>114,520</b>	<b>100,564</b>	<b>114,517</b>	<b>100,561</b>

## 15 Regulatory under absorption

(DKK 1,000)	En route	TNC	Billund	Total
	Denmark	Copenhagen		
Regulatory under absorption at 1 January 2023	584,304	208,596	21,074	813,974
Recognised in instalments for the year	-27,039	-15,996	-331	-43,366
New under absorption arising during the year	88,806	20,253	0	109,059
<b>Regulatory under absorption at 31 December 2023</b>	<b>646,071</b>	<b>212,853</b>	<b>20,743</b>	<b>879,667</b>

Including under absorption from before 2023 expected to be reversed within 1 year	129,738	40,649	3,460	173,847
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## 16 Prepayments

	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
(DKK 1,000)				
Prepaid payroll	24,800	27,093	24,800	27,093
Other prepayments	11,000	10,581	11,000	10,581
	<b>35,800</b>	<b>37,674</b>	<b>35,800</b>	<b>37,674</b>

**17 Deferred tax**

(DKK 1,000)	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Deferred tax relates to the following items:				
Property, plant and equipment	71,781	82,644	71,781	82,644
Under absorption charges	193,527	179,074	193,527	179,074
Tax loss carryforward	-186,226	-186,633	-180,188	-182,196
	<b>79,082</b>	<b>75,085</b>	<b>85,120</b>	<b>79,522</b>

Provision for deferred tax at 31 December 2023 has been made at 22%, corresponding to the current tax rate. Naviair expects to generate positive taxable income within the coming years and thus the tax loss carried forward is expected to be usable in parallel with the regulatory under absorption being charged until 2029.

**18 Non-current liabilities**

(DKK 1,000)	Below 5 years	After 5 years	Total non-current liabilities
Subordinated loan capital *	-	200,000	200,000
Credit institutions	-	674,000	674,000
Frozen holiday pay	6,095	51,591	57,686
	<b>6,095</b>	<b>925,591</b>	<b>931,686</b>

Subordinated loan capital covers a bullet loan with the Danish state represented by the Ministry of Transport. Each year, Naviair's Board of Directors must decide the extent to which it deems further repayment of the loan prudent based on an overall assessment of Naviair's financial position, liquidity and the extent of non-subordinated debt. No repayments were made on the loan in 2023. Interest is fixed at 4% p.a., and the loan ranks after Naviair's other interest-bearing debt. According to the loan agreement, the loan thus meets the conditions for being considered as equity or equivalent capital.

**19 Other payables**

(DKK 1,000)	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Holiday pay liability	40,133	38,392	40,133	38,392
Payroll, A-tax, social security contributions etc. payable	66,341	43,793	66,341	43,793
Other payables	40,175	19,968	40,175	19,968
	<b>146,649</b>	<b>102,153</b>	<b>146,649</b>	<b>102,153</b>

**20 Prepayments**

(DKK 1,000)	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Receipts relating to revenue in future periods	25,279	37,738	25,279	37,738
Grants for capital expenditure projects	88,526	99,008	88,526	99,008
	<b>113,805</b>	<b>136,746</b>	<b>113,805</b>	<b>136,746</b>

## 21 Contingent liabilities

Naviair has a liability of up to DKK 900 million under the Danish Act on Civil Servant Pension's Section 32 on availability pay for civil servants and employees employed under collective agreement on special terms. The obligation in respect of availability pay consists of three years' salary, including pension.

### Contractual obligations

Naviair is a party to a number of contracts under which it is under obligation to render a contractual performance.

Naviair is under obligation to provide ANS under the Danish Civil Aviation and Railway Authority's designation of Naviair and under agreements with Danish airports. Furthermore, Naviair has entered into contracts on support and maintenance of aviation-related systems and equipment with Danish airports and other Danish ANSPs.

Within the area of property, plant and equipment under construction, Naviair has entered into contracts on upgrading of Naviair's ATM system and acquisition of aviation-related equipment and systems to a value of DKK 152 million. The remaining payment obligation under these contracts is approx. DKK 63 million.

## 22 Related parties and ownership

### Basis

#### Control

Danish Ministry of Transport, DK-1220 Copenhagen K

Owner, 100%

#### Other related parties

Danish Civil Aviation and Railway Authority, DK-1577 Copenhagen V

Supervisory authority

Entry Point North AB

Associate

Naviair Surveillance A/S

Group enterprise

Naviair Surveillance USA LLC

Group enterprise

Danish Defence

Contract for aerodrome and approach control services at Aalborg Airport

Cooperation agreement on joint ANS and ATM provision

Board of Directors and Executive Board

Managerial control

For information on Naviair's transactions with the Board of Directors and the Executive Board, reference is made to the note on staff costs.

Naviair has raised a subordinated loan with the Danish Ministry of Transport as described in the note on subordinated loan capital.

All transactions with related parties are conducted on an arm's length basis.

## 23 Events after the reporting period

There have been no events after the reporting period that affect the fair presentation of profit for the year or the balance sheet at 31 December 2023.

## 24 Cash flow statement – working capital movements

(DKK 1,000)	Group		Parent company	
	2023	2022	2023	2022
Changes in receivables etc.	-76,077	-143,127	-83,367	-150,043
Change in liabilities other than provisions etc.	20,359	-6,414	20,358	-6,411
	<b>-55,718</b>	<b>-149,541</b>	<b>-63,009</b>	<b>-156,454</b>



# Sustainability Report 2023

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The report can be found at [www.naviair.dk/ar](http://www.naviair.dk/ar)

# NAVIAIR

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Front page: Air traffic controllers in the control tower at Rønne Airport, photographed during Folkemødet 2023.

Photo: Kasper Meldgaard, Helle Kogsbøll and Jan Eliassen (all from Naviair)

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