Nordic Aviation Financing ApS

Stratusvej 12
7190 Billund
Denmark

CVR no. 21 16 74 01

Annual report for the period 1 July 2019 – 30 June 2020

The annual report was presented and approved at the Company's annual general meeting on

30 September 2020

chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Nordic Aviation Financing ApS for the financial year 1 July 2019 – 30 June 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 – 30 June 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Billund, 30 September 2020
Executive Board:

Morten Kjærholm Mikkelsen
Chief Executive Officer

Board of Directors:

Morten Kjærholm Mikkelsen Chairman	Frank Nissen Pedersen	Jette Mariann Hulgaard

Independent auditor's report

To the shareholders of Nordic Aviation Financing ApS

Opinion

We have audited the financial statements of Nordic Aviation Financing ApS for the financial year 1 July 2019 – 30 June 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 – 30 June 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules 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 financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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

Kolding, 30 September 2020
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
mne33220

Management's review

Company details

Nordic Aviation Financing ApS
Stratusvej 12
7190 Billund
Denmark

CVR no.:	21 16 74 01
Established:	1 July 1998
Financial year:	1 July – 30 June

Board of Directors

Morten Kjærholm Mikkelsen, Chairman
Frank Nissen Pedersen
Jette Mariann Hulgaard

Executive Board

Morten Kjærholm Mikkelsen, Chief Executive Officer

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Jupitervej 4
6000 Kolding
Denmark

Management's review

Operating review

Principal activities

The Company's activities are to purchase properties and to rent these within the group.

In consideration of the volume of transactions with other Group members the management review includes Group considerations. Thus, the sections below include Company information as well as comments from the Group annual report for the financial year 2019/20 ('Group annual report').

The Company's activities are predominantly denominated in US Dollars ("$") and this is the functional currency of the Company. The financial statements are presented in $.

Development in activities and financial position

"Company development in activities and financial position"

The Company's activities are to hire out its properties to the company's only costumer is its parent company Nordic Aviation Capital A/S who rents its properties. This activity continued for the financial year ending 30 June 2020.

As of 30 June 2020, the Company had receivables from Group members in a total amount of $ 217 thousand ($ 0 thousand at 30 June 2019).

Company total assets was $8.573 thousand ($8.515 thousand in 2018/2019) and equity was $5.590 thousand ($5.239 thousand as of 30 June 2019).

The Company delivered revenue of $1.278 thousand for the year ($1.275 thousand in 2018/19). The Company's income statement for the year shows profit s of $351 thousand ($325 thousand in 2018/19).

"Group development in activities and financial position"

2019/20 was off to an excellent start for the Group. It posted its strongest first-half financial performance to date and was on track to deliver its 24th consecutive year of increased profitability. In early 2020, however, COVID-19 began to surface, and what unfolded was the gravest crisis the aviation industry has ever known. The pandemic grounded up to 90% of the global airline fleet and severely disrupted airline operations worldwide.

On the back of the consequent unprecedented depression of demand for air travel, the Group, in common with its peers, encountered a large number of lessees requesting a deferral of their lease payments. The vast majority of lessees asked for a deferral. The Group proactively undertook several processes to counterbalance this fall in revenue. Firstly, the Group's orderbook was reprofiled and cost were reduced. Additionally, the Group's supportive shareholders collectively injected $60 million of new equity into the business on 22 July 2020. The Group also engaged in constructive discussions with its lenders to standstill on and defer its debt obligations to ensure stability as the aviation market gradually recovers. This required the Group to apply to the High Court in Dublin to launch a Scheme of Arrangement, and on 22 July 2020 it was officially approved by the Court.

In light of these unprecedented challenges the Group delivered a net loss of $639.1 million for the year (PY a net profit of $143.2 million).

On the face of the Group statements of financial position, most debt is recorded as current as of 30 June 2020 since the Group and the Company were not in compliance with certain financial covenants under their financing arrangements. As part of the Scheme of Arrangement this was waived ensuring no default was continuing as of 30 June 2020.

Management's review

Operating review

Both the Company and the Group's financial performances are significantly impacted by the COVID-19 pandemic. The virus continues to spread around the globe. Consequently, authorities maintain widespread travel restrictions. The pandemic is expected to have a material impact on the aviation industry, and by extension the aircraft leasing sector. The Company and Group continue to monitor the impact of COVID-19 on the activities of the Company and Group as the situation develops and facts become clearer, noting that risk at group level has the potential to impact any of the Group subsidiaries.

Going concern/Outlook

"Company"

As previously mentioned, the Company is primarily servicing other Group members and consequently in assessing the going concern of the Company, it is important to consider the going concern assessment of the Group. Further details of the Nordic Aviation Capital DAC going concern assessment is outlined in the Group annual report, which is available on the Group corporate webpage.

"Group"

The Group's business activities, together with factors likely to affect its future development, performance, and position, are set out above along with the financial position. In addition, Note 20 of the Group annual report includes the objectives, policies and processes for managing financial risk; details of financial instruments and hedging activities; and the exposure to credit risk and liquidity risk, to the extent these were in place at 30 June 2020.

The Group has in its going concern assessment considered the impact of COVID-19 on the aviation industry and the Group. COVID-19 has had a significant impact on airlines and aircraft lessors. This impact has been felt through an unprecedented reduction in the use of aircraft and a significant increase in the level of deferral requests and airlines unable to make scheduled rent payments. As of yet there is no cure to COVID-19 and therefore making an assessment of future cashflows is an extremely subjective and judgmental area.

In making this assessment, the Group formulated a number of scenarios which are based on three key elements in relation to the future cashflows of the Group, namely the debt and interest repayments, the commitments to purchase new aircraft and the collection of rental and other contractual cashflows.

In assessing the debt and interest repayments of the Group, the Group has entered into a Scheme of Arrangement on 22 July 2020 pursuant to which no payment of interest is to be made until 31 December 2020, all principal amortization payments (except the final maturity payments) are deferred for 9 months from the date on which they were previously scheduled to fall due, and final maturity payments are deferred for 12 months from the date on which they were previously scheduled to fall due. Further details of this Scheme are outlined in Note 16 of the Group annual report. This has the effect of ensuring that cashflows are conserved for use within the business and no defaults on loans or covenants will apply in this period where it is expected that the worst effect of COVID-19 would be felt. In addition, the Group has received an equity injection of $60 million from its shareholders on 22 July 2020.

The Group engaged with aircraft manufacturers to secure flexibility and reprofiling of the timing of aircraft purchase commitments. While subject to final documentation, the Group is satisfied to include the deferred schedules of payments within the going concern period as it best reflects its understanding of the current negotiations, which may be subject to change. This assumption has meant that as of 30 June 2020 the Group had capital commitments of $245 million for the next 12 months in relation to acquisition of aircraft.

Management's review

Operating review

Assessing the level of cashflow collections is the most subjective and judgmental area of the cashflow forecast. The Group's assessment of the level of cashflow collections reflects the unprecedented nature of the situation as it is unclear when a cure for COVID-19 will be available and when air travel will recover. In assessing future cashflow collections the Group have looked at recent trends in collections, the financial strength of our lessees to make payments, including any government and shareholder support that may have been committed to or received by lessees, and also reviewed market data around expected recovery profiles for air travel. As outlined above, whilst the Group has used its best estimate of cashflow collections based on information available to it, the impact that COVID-19 will have on air travel and the duration of this impact remains uncertain.

In light of the above assessment and key areas of uncertainty, the Group having considered the adequacy of the its funding, borrowing facilities and operating cash flows, for at least the next 12 months is satisfied that its financial statements for the financial year 2019/20 were prepared on a going concern basis based on the future plans that the Group has for its business.

The estimated cashflows involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from forecasted cashflows.

"Conclusion"

In light of the going concern assessment made by Nordic Aviation Capital DAC, and after having considered the adequacy of the Company's operating cash flows and borrowing facilities, for at least the next twelve months, the Directors of the Company are satisfied that the financial statements are prepared on a going concern basis based on the future plans that the Directors have for the business.

Events after the balance sheet date

"Company events after the balance sheet date"

The Company's activities are to purchase properties and to rent these within the group. There has been no change in this activity post balance sheet date.

"Group events after the balance sheet date"

As referenced above, the High Court in Dublin officially approved the Scheme of Arrangement under the Irish Companies Act on 22 July 2020. The Scheme of Arrangement deferred loan obligations and waived certain loan covenants ensuring no default was continuing at 30 June 2020. The event has not resulted in any adjustments to the audited statement of financial position. However, the Scheme of Arrangement provided the Group with a waiver of certain covenants and therefore an unaudited adjusted pro forma consolidated statement of financial position and adjusted relevant notes reflecting the Scheme of Arrangement have been disclosed in the Group annual report under Supplemental unaudited information.

The Group's shareholders demonstrated their continued support and injected additional equity of $60 million on 22 July 2020.

Besides the above no events have occurred after the balance sheet date to this date that would influence the assessment of the annual report in any substantial way.

Financial statements 1 July – 30 June

Income statement

USD	Note	2019/20	2018/19
Revenue		1,278,413	1,274,535
Production costs		-780,632	-768,270
Gross profit		497,781	506,265
Administrative expenses		-6,863	-3,960
Operating profit		490,918	502,305
Financial income		45,297	37,292
Financial expenses	2	-86,103	-123,086
Profit before tax		450,112	416,511
Tax on profit for the year	3	-99,025	-91,633
Profit for the year		351,087	324,878

Proposed profit appropriation

Retained earnings	351,087	324,878

Financial statements 1 July – 30 June

Balance sheet

USD	Note	30/6 2020	30/6 2019
ASSETS			
Fixed assets			
Property, plant and equipment	4		
Land and buildings		8,259,086	8,470,463
Total fixed assets		8,259,086	8,470,463
Current assets			
Receivables			
Receivables from group entities		217,159	0
Other receivables		8,994	0
Deferred tax asset		87,874	43,318
		314,027	43,318
Cash at bank and in hand		93	1,259
Total current assets		314,120	44,577
TOTAL ASSETS		8,573,206	8,515,040

Financial statements 1 July – 30 June

Balance sheet

USD	Note	30/6 2020	30/6 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		200,977	200,977
Revaluation reserve		95,593	262,618
Retained earnings		5,293,386	4,775,274
Total equity		5,589,956	5,238,869
Liabilities			
Non-current liabilities	5		
Mortgage loans		1,876,184	2,157,765
Lease obligations		536,120	0
		2,412,304	2,157,765
Current liabilities			
Current portion of non-current liabilities	5	251,897	234,536
Trade payables		12,090	862
Payables to group entities		0	664,063
Corporation tax		143,517	134,961
Other payables		163,442	83,984
		570,946	1,118,406
Total liabilities		2,983,250	3,276,171
TOTAL EQUITY AND LIABILITIES		8,573,206	8,515,040

Financial statements 1 July – 30 June

Statement of changes in equity

USD	Contributed capital	Revaluation reserve	Retained earnings	Total
Equity at 1 July 2019	200,977	262,618	4,775,274	5,238,869
Transfers, reserves	0	-167,025	167,025	0
Transferred over the profit appropriation	0	0	351,087	351,087
Equity at 30 June 2020	200,977	95,593	5,293,386	5,589,956

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of Nordic Aviation Financing ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Change in accounting policies

With effect from 1 July 2019, the Company has chosen to use IFRS 16 Leases as the basis of interpretation for recognising and measurement of leases to which the Company is the lessee.

Consequently, with effect from 1 July 2019, the Company recognises all finance and operating leases in the balance sheet as a right-of-use asset and a lease liability except from:

Short-term leases with a maximum lease term of 12 months

Leases for low-value assets.

For such leases, lease payments are recognised on a straight-line basis in the income statement over the lease term

When changing its basis of interpretation, the Company has used the lessee accounting model under IFRS 16 from 1 July 2019 without restatement of comparative figures. The effect of the change as of 1 July 2019 has been recognised directly in equity. The Company has applied the following practical expedients for right-of-use assets and lease liabilities previously accounted for as operating leases:

- Applied a single discount rate to a portfolio of leased assets with reasonably similar characteristics.
- Not recognised leases for which the lease term ends within 12 months from the date of transition.
- Excluded initial direct costs from the measurement of the right-use-assets at 1 July 2019.
- At 1 July 2019, the right-of-use asset is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.
- Not applied the new lease definition to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.
- On 1 July 2019, not separated non-lease components from lease components, but considered them a single lease component.

Profit/loss for the year remains substantially unchanged. This is due to the depreciation of the right-of-use assets and interest expenses from the lease liabilities being almost equal to the operating lease expense.

Reporting currency

The financial statements are presented in USD as the Company's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6.66. For the year 2018/19, the DKK/USD exchange rate at the balance sheet date was 6.56.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue consists of rental income.

Production costs

Production costs, which among other things comprise depreciation and maintenance, include costs incurred in generating revenue of the year. This include direct and indirect costs of the properties.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for the management and administration of the Group.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on account tax scheme, etc.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

Nordic Aviation Financing ApS is taxed jointly with the Parent Company, Nordic Aviation Capital A/S. The current Danish corporation tax is allocated by the settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits. The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life.

The estimated useful lives are as follows:

Buildings	20 years

The useful life and residual value are reassessed annually. Changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Depreciation is recognised in the income statement as production costs and administrative expenses, respectively.

Leases

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When an assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

Lease liabilities recognised as "Credit institutions and interest-bearing liabilities" are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

- The value of the index or rate on which the lease payments are based is changed,
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised in order to extend or terminate the lease.
- Estimated residual value guarantee is changed.
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset, If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of receivables.

Cash at bank and in hand

Cash comprises bank deposits.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Income taxes

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Financial statements 1 July – 30 June

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1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Liabilities

Financial liabilities and loan from group entities are recognised on the date of borrowing as net proceeds received less transaction costs incurred. In subsequent periods, the loans are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other financial liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

USD	2019/20	2018/19
2 Financial expenses		
Interest expenses to group entities	13,502	56,916
Other financial costs	72,601	66,170
	86,103	123,086
3 Tax on profit for the year		
Joint taxation contribution	143,517	134,961
Deferred tax for the year	-44,492	-43,328
	99,025	91,633

Financial statements 1 July – 30 June

Notes

4 Property, plant and equipment

USD	Land and buildings
Cost at 1 July 2019	14,770,024
Net effect of change in accounting policy	569,255
Cost at 30 June 2020	15,339,279
Revaluations at 1 July 2019	350,157
Transfer	-210,094
Reversed revaluations	-17,508
Revaluations at 30 June 2020	122,555
Depreciation and impairment losses at 1 July 2019	-6,649,718
Depreciation for the year	-763,124
Transfer	210,094
Depreciation and impairment losses at 30 June 2020	-7,202,748
Carrying amount at 30 June 2020	8,259,086
Assets held under finance leases	544,209

5 Non-current liabilities

USD	Total debt at 30/6 2020	Outstanding debt after five years
Mortgage debt	2,115,022	946,110
Lease obligation	549,179	475,656
	2,664,201	1,421,766

6 Contractual obligations, contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its Parent Company, Nordic Aviation Capital A/S, which serves as management company, and together with other jointly taxed group entities, the Company has joint and several liability for the payment of income taxes as well as withholding taxes on interest, royalties and dividends.

7 Mortgages and collateral

The buildings at Stratusvej 2 and 12, title no. 2CQ Billund, at leased land with a carrying amount of USD 7,715 thousand has been provided as collateral for the Company's mortgage debt of USD 2,115 thousand.

Financial statements 1 July – 30 June

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8 Related party disclosures

Nordic Aviation Financing ApS' related parties comprise the following:

Control

Nordic Aviation Capital A/S, Stratusvej 12, 7190 Billund, Denmark.

Nordic Aviation Capital A/S, Stratusvej 12, 7190 Billund, Denmark, holds the majority of the contributed capital in the Company

Nordic Aviation Financing ApS is part of the consolidated financial statements of Nordic Aviation Capital Designated Activity Company, Ireland, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Nordic Aviation Capital Designated Activity Company can be obtained by contacting the companies at the addresses above.