
A/S Maersk Aviation Holding

Lyngby Hovedgade 85

DK-2800 Kongens Lyngby

Annual Report 2023

CVR No. 22 76 53 10

The Annual Report was presented and adopted
at the Annual General Meeting of the Company
on 2 July 2024

Jacob Ramsgaard Nielsen
Chair of the General Meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of A/S Maersk Aviation Holding for the financial year 1 January – 31 December 2023.

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

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

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

Kongens Lyngby, 2 July 2024

Executive Board

Lars Jordahn
CEO

Board of Directors

Casper Munch
Chair

Jacob Ramsgaard Nielsen

Mette Christensen

Johan Martin Mortensen

Independent Auditor's Report

To the Shareholder of A/S Maersk Aviation Holding

Opinion

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

We have audited the Financial Statements of A/S Maersk Aviation Holding for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Independent Auditor's Report

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report

- 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.

Hellerup, 2 July 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kristian Pedersen
State Authorised Public Accountant
mne35412

Philip Olsen
State Authorised Public Accountant
mne49060

Company Information

The Company	A/S Maersk Aviation Holding Lyngby Hovedgade 85 DK-2800 Kongens Lyngby CVR No.: 22 76 53 10 Financial period: 1 January - 31 December Municipality of reg. office: Lyngby-Taarbaek
Board of Directors	Casper Munch, Chair Jacob Ramsgaard Nielsen Mette Christensen Johan Martin Mortensen
Executive Board	Lars Jordahn
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

The development of the Company seen over a four-year period:

(USD '000)

Key Figures*	2023	2022	2021	2020
Profit / Loss				
Revenue	36,815	4,086	2,505	2,456
Profit before financial items	15,203	675	539	633
Profit/loss from financial items	-37,302	7,348	26,572	25,206
Profit/loss for the year	-23,759	9,499	26,172	25,387
Balance Sheet				
Total assets	791,074	810,784	468,932	184,020
Equity	492,040	515,799	183,338	182,166
Investments in property, plant and equipment	46,635	340,147	282,661	-
Ratios				
Return on invested capital	-3%	0%	0%	0%
Return on equity	-5%	2%	14%	14%
Solvency ratio	62%	64%	39%	99%
Average number of full-time employees	2	2	-	-

*Financial highlights contain only four years in accordance with section 101(3) of the Danish Financial Statements Act.

The financial ratios are prepared in accordance with below definitions:

Return on invested capital	$\frac{\text{Profit before financials} \times 100}{\text{Average operational assets}}$ (Operational assets = Total assets minus receivables from Group entities and deferred tax assets)
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Equity at year-end}}$
Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$

Management's Review

Primary activity

A/S Maersk Aviation Holding is the Parent Company of the Maersk Aviation Group.

The main activity for the year was ownership and lease of the corporate jet to the A.P. Møller-Mærsk A/S and 100% ownership of Star Air A/S and Maersk Air Crew & Training Company A/S.

In 2022, A/S Maersk Aviation Holding acquired 3 Boeing 767-300F newbuild from Boeing, which has been dry-leased to AmeriJet in USA during 2023.

Capital resources

In connection with the Board of Directors and Management's assessment of the assumption of going concern which forms the basis of the preparation of the Annual Report of A/S Maersk Aviation Holding for 2023, the Maersk Group have confirmed that they will support A/S Maersk Aviation Holding to the extent necessary to finance the Company's operating activities and to settle its financial obligations as they fall due until the date of publishing of the Annual Report for 2024.

In addition, the Parent Company, A.P. Møller - Mærsk A/S, made a capital injection of USD 175 million in June 2024.

Based on this, the Annual Report of A/S Maersk Aviation Holding A/S is prepared on the assumption of going concern.

Development in the year

A/S Maersk Aviation Group showed a loss for the year of USD 23,759k, compared to a profit in 2022 of USD 9,499k. The result is unsatisfactory, and below the expectations as set out in the Annual Report 2022 of USD 25-30 million. The reason for the lower result are the result from Maersk Air Cargo A/S, where there have been major impact from lower freight rates, and initial investments in a new operation for the Maersk Group.

Maersk Air Cargo A/S, a subsidiary of Star Air A/S, continued the operation of cargo aircraft on behalf of United Parcel Services (UPS) and DHL in Europe and commenced operations on behalf of the Maersk Group. The result in Maersk Air Cargo A/S has been unsatisfactory. The 2 crewing companies, Maersk Air Crew & Training Company A/S and Star Air Crew & Training Company A/S, leasing out pilots have shown satisfactory results for 2023.

Outlook

Management expects the activities in 2024 to be higher than 2023, mainly due to expected increase in number of airplanes and flight hours. The expectation for the financial year 2024 is a net profit of USD 10-15 million.

Environmental responsibility

Different laws and regulations impose requirements for reduced climate and environmental impact, including through restrictions on noise levels and greenhouse gas emissions. All laws and regulations concerning the environment and the climate are adhered to by A/S Maersk Aviation Holding. A/S Maersk Aviation Holding has no activities impacting the environment.

Management's Review

Subsequent events

In June 2024, the Parent Company, A.P. Møller - Mærsk A/S, made a capital injection of USD 175 million.

Apart from this no significant events have occurred subsequently to the balance sheet date, which would have a material impact on the financial position of the Company.

Income Statement 1 January - 31 December

<i>(USD '000)</i>	Note	2023	2022
Revenue		36,815	4,086
Other external expenses		-172	-322
Gross profit		36,643	3,764
Staff expenses	3	-545	-429
Depreciation and impairment losses		-20,895	-2,660
Operating profit		15,203	675
Income/loss from investments in subsidiaries	4	-29,643	15,293
Financial income	5	-	3
Financial expenses	6	-7,659	-7,948
Profit before tax		-22,099	8,023
Tax on profit/loss for the year	7	-1,660	1,476
Profit/loss for the year	8	-23,759	9,499

Balance Sheet at 31 December

Assets

<i>(USD '000)</i>	Note	2023	2022
Aircraft and components		350,994	313,846
Assets under construction		315,958	327,572
Property, plant and equipment	9	666,952	641,418
Investments in subsidiaries	4	121,465	151,108
Financial assets		121,465	151,108
Fixed assets		788,417	792,526
Trade receivables		883	382
Receivables from group entities	11	1,269	14,272
Company tax, group entities		505	3,604
Receivables		2,657	18,258
Current assets		2,657	18,258
Assets		791,074	810,784

Balance Sheet at 31 December

Liabilities and Equity

<i>(USD '000)</i>	Note	2023	2022
Share capital	10	7,414	7,175
Reserve for net revaluation under the equity method		119,872	149,515
Retained earnings		364,754	359,109
Equity		492,040	515,799
Deferred tax	12	4,543	4,713
Provisions		4,543	4,713
Payables to group entities	13	196,000	224,000
Long-term debt		196,000	224,000
Payables to group entities, short-term part of long-term debt	13	57,000	56,000
Payables to group entities	13	41,441	10,241
Other payables		50	31
Short-term debt		98,491	66,272
Debt		294,491	290,272
Liabilities and equity		791,074	810,784
Accounting policies	1		
Going concern and capital resources	2		
Contingent assets, liabilities, and other financial obligations	14		
Related party transactions	15		

Statement of Changes in Equity

<i>(USD '000)</i>	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Total
Equity at 1. January 2023	7,175	149,515	359,109	515,799
Exchange rate effect	239	-	-239	-
Transferred over the profit appro- priation	-	-29,643	5,884	-23,759
Equity at 31. December 2023	7,414	119,872	364,754	492,040

Notes to the Financial Statements

1. Accounting Policies

The Annual Report of A/S Maersk Aviation Holding for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies used in the preparation of the Financial Statements are consistent with those of last year.

The Financial Statements for 2023 are presented in USD. The exchange rate applied at 31 December 2023 is 6.7438 (2022: 6.9686).

Omission of cash flow statement

Pursuant to Section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement of the Company is included in the Consolidated Financial Statements of A.P. Møller - Mærsk A/S.

Consolidated Financial Statements

Pursuant to Section 112(1) of the Danish Financial Statements Act, the Company has not prepared Consolidated Financial Statements, as the Company's Financial Statements are included in the Consolidated Financial Statements of A.P. Møller - Mærsk A/S.

Recognition and measurement

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the assets will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate at the dates of transaction. Exchange rate differences arising due to differences between the transaction dates rates and the rates at the dates of payment are recognised in the financial income and expenses in the income

Notes to the Financial Statements

1. Accounting Policies (cont'd)

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

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivables or the debt arose are recognised in the financial income and expenses in the income statement.

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

Income Statement

Revenue

Revenue from leasing of aircraft is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits related to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised excluding VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses related to administration, premises, bad debt losses, etc.

Staff expenses

Staff expenses comprise wages and salaries.

Depreciation and impairment losses

Depreciation and impairment losses comprise the year's depreciation and impairment of property, plant and equipment.

Income/loss from investments in subsidiaries

The item 'Income/loss from investments in subsidiaries' in the income statement includes the proportional share of the profit for the year.

Financial items

Financial items are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax on profit/loss for the year comprises the amount that is expected to be paid for the year together with deferred tax. The Company is jointly taxed with other Danish companies under A.P. Møller Holding A/S. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income (full absorption with refunds).

Notes to the Financial Statements

1. Accounting Policies (cont'd)

Balance Sheet

Property, plant and equipment

Buildings on leasehold land as well as aircraft and components are measured at cost, less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

The cost of components is divided into separate parts, which are depreciated separately if the useful life of the individual parts varies.

Depreciation is provided on a straight-line basis over the following expected useful lives of the assets:

Buildings on leasehold land	10 years
Aircraft and components	18 years

Write-downs apart from the above are made when considered necessary.

The useful lives and residual values are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price fewer selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item 'Investments in subsidiaries' in the balance sheet include the proportionate ownership share of the net asset value of the enterprise calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to 'reserve for net revaluation under the equity method' under Equity. The reserve is reduced by dividends distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at USD zero. Any legal or constructive obligations of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Notes to the Financial Statements

1. Accounting Policies (cont'd)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividends

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial liabilities

Financial liabilities are measured at amortised cost, substantially corresponding to nominal value.

2. Going concern and capital resources

In connection with the Board of Directors and Management's assessment of the assumption of going concern which forms the basis of the preparation of the Annual Report of A/S Maersk Aviation Holding for 2023, the Maersk Group have confirmed that they will support A/S Maersk Aviation Holding to the extent necessary to finance the Company's operating activities and to settle its financial obligations as they fall due until the date of publishing of the Annual Report for 2024.

Based on this, the Annual Report of A/S Maersk Aviation Holding is prepared on the assumption of going concern.

3. Staff expenses

(USD '000)

Wages and salaries

Pensions

Average number of employees

	2023	2022
	491	391
	54	38
	545	429
	2	2

Notes to the Financial Statements

4. Investments in subsidiaries

<i>(USD '000)</i>	2023	2022
Costs at 1. January	1,593	1,533
Addition during the year	-	60
Costs at 31. December	1,593	1,593
Value adjustment 1. January	149,515	161,222
Received dividend	-	-27,000
Profit/loss for the year	-29,643	15,293
Value adjustment at 31. December	119,872	149,515
Carrying amount at 31. December	121,465	151,108

Name / legal form	Registered office	Voting rights and ownership interest
Star Air A/S	Lyngby-Taarbaek	100%
Maersk Air Crew & Training Company A/S	Lyngby-Taarbaek	100%

5. Financial income

Exchange gains	-	3
	-	3

6. Financial expenses

Interest expenses to group entities	7,637	7,947
Exchange losses	22	1
	7,659	7,948

Notes to the Financial Statements

7. Tax on profit/loss for the year

<i>(USD '000)</i>	2023	2022
Current tax for the year	-505	-3,604
Deferred tax for the year	2,165	2,162
Adjustment of current tax concerning previous year	2,335	-274
Adjustment of deferred tax concerning previous year	-2,335	240
	1,660	-1,476

8. Proposed profit appropriation

Reserve for net revaluation under the equity method	-29,643	15,293
Retained earnings	5,884	-5,794
	-23,759	9,499

9. Property, plant and equipment

<i>(USD '000)</i>	Buildings on leasehold land	Assets under construction	Aircraft and components	Total
Cost on 1 January 2023	1,874	327,572	330,470	659,916
Additions for the year	-	-	46,635	46,635
Transfer	-	-11,614	11,614	-
Disposals for the year	-	-	-206	-206
Cost on 31 December 2023	1,874	315,958	388,513	706,345
Depreciation and impairment losses on 1 January 2023	-1,874	-	-16,624	-18,498
Depreciation for the year	-	-	-14,895	-14,895
Impairment for the year	-	-	-6,000	-6,000
Depreciation and impairment losses on 31 December 2023	-1,874	-	-37,519	-39,393
Carrying amount at 31 Decem- ber 2023	-	315,958	350,994	666,952

Notes to the Financial Statements

10. Share capital

The share capital consists of shares with a nominal value of DKK 10,000 each or multiples thereof. There have been no changes in the share capital during the last five years. The share capital is DKK 50,000,000.

11. Receivables from group entities

Receivables from group entities consists primarily of cash at bank in a cash pool arrangement with group entities.

12. Deferred tax

<i>(USD '000)</i>	2023	2022
Deferred tax at 1. January	4,713	2,311
Deferred tax adjustment for the year in the income statement	2,165	2,162
Adjustment of deferred tax concerning previous years	-2,335	240
	4,543	4,713

13. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. The debt falls due for payment as specified below:

Payables to group entities

Between 1 and 5 years	112,000	112,000
More than 5 years	84,000	112,000
Long-term part	196,000	224,000

Payables to group entities

Long term debt – less than 1 year	57,000	56,000
Short-term debt	41,441	10,241
Short-term part	98,441	66,241

14. Contingent assets, liabilities, and other financial obligations

Remaining instalments on purchased aircrafts	88,289	115,189
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Other contingent liabilities

The Company is jointly taxed with all other Danish companies in A.P. Møller Holding A/S. As a consolidated entity, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax and withholding tax on dividends, interest and royalties within the jointly taxed companies.

Notes to the Financial Statements

15. Related party transactions

A/S Maersk Aviation Holding related parties comprise the following:

Companies in A.P. Møller Holding A/S, Esplanaden 50, Copenhagen Denmark.

A.P. Møller - Mærsk A/S exercises direct control over the Company.

Related party transactions

(USD '000)

	2023	2022
Revenue from group entities	8,812	2,162
Receivables from group entities	1,774	17,876
Interest expense to group entities	27,899	20,035
Payables to group entities	294,441	290,241

Consolidated financial statements

The Company is included in the Consolidated Financial Statements of A.P. Møller – Mærsk A/S (immediate parent company presenting consolidated financial statements).

The Company is included in the Consolidated Financial Statements of A.P. Møller Holding A/S (ultimate controlling presenting consolidated financial statements).