
A/S Maersk Aviation Holding

Lyngby Hovedgade 85

DK-2800 Kongens Lyngby

Annual Report 2022

CVR No. 22 76 53 10

The Annual Report was presented and adopted at
the Annual General Meeting of the Company on
12 May 2023

DocuSigned by:



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 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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, 12 May 2023

Executive Board

DocuSigned by:

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Peter Corfitsen
CEO

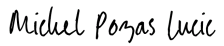
Board of Directors

DocuSigned by:

1C4C844C5ECD4EB
Casper Munch
Chair

DocuSigned by:

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Jacob Ramsgaard Nielsen

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Michel Pozas Lucic

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 2022, 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.

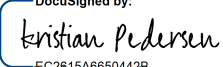
As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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.

Independent Auditor's Report

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, 12 May 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

DocuSigned by:

Kristian Pedersen
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State Authorised Public Accountant
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Philip Olsen
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State Authorised Public Accountant
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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-Taarbæk

Board of Directors

Casper Munch, Chair
Jacob Ramsgaard Nielsen
Michel Pozas Lucic

Executive Board

Peter Corfitsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

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

(USD '000)

Key Figures

	2022*	2021*	2020*
Profit / Loss			
Revenue	4,086	2,505	2,456
Profit before financial items	675	539	633
Profit from financial items	7,348	26,572	25,206
Profit for the year	9,499	26,172	25,387

Balance Sheet

Total assets	810,784	468,932	184,020
Equity	515,799	183,338	182,166
Investments in property, plant and equipment	340,147	282,661	-

Ratios

Return on invested capital	0%	0%	0%
Return on equity	6%	14%	14%
Solvency ratio	64%	39%	99%

Average number of full-time employees	2	-	-
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*Financial highlights contain only three 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	$\frac{\text{Profit before financials} \times 100}{\text{Operational assets at year-end}}$
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

Principal 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. Moller-Maersk Group and 100% ownership of Star Air A/S and Maersk Air Crew and Training A/S.

During the year Maersk Aviation Holding has acquired 3 Boeing 767-300F newbuild from Boeing, which will be dry-leased to AmeriJet in USA in 2023.

Development in the year

Maersk Aviation Group showed a profit for the year of USD 9.5 million, compared to a profit in 2021 of USD 26.2 million, the result is lower than expected due to preparations for increased activities in the subsidiaries.

Maersk Air Cargo A/S (formerly Star Air A/S), continued the operation of cargo aircraft on behalf of United Parcel Services (UPS) and DHL in Europe with satisfactory results.

Outlook

Management expects the activities in 2023 to be higher than 2022, mainly due to expected increase in number of airplanes and flight hours. The expectations for the financial year 2023 is a net profit USD 25 – 30 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, Maersk Aviation Holding has no activity impacting the environment. Maersk Aviation Holding has no activities impacting the environment.

Subsequent events

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	2022	2021
Revenue		4,086	2,505
Other external expenses		-322	-146
Staff expenses		-429	-
Gross profit		3,335	2,359
Depreciation and impairment losses		-2,660	-1,820
Operating profit		675	539
Income from investments in subsidiaries	2	15,293	26,910
Financial income	3	3	-
Financial expenses	4	-7,948	-338
Profit before tax		8,023	27,111
Tax on profit/loss for the year	5	1,476	-939
Profit for the year	6	9,499	26,172

Balance Sheet at 31 December

Assets

(USD '000)

	Note	2022	2021
Aircraft and components		313,846	21,270
Assets under construction		327,572	282,661
Property, plant and equipment	7	641,418	303,931
Investments in subsidiaries	2	151,108	162,755
Financial assets		151,108	162,755
Fixed assets		792,526	466,686
Trade receivables		382	-
Receivables from group entities		14,272	2,246
Company tax, group entities		3,604	-
Receivables		18,258	2,246
Current assets		18,258	2,246
Assets		810,784	468,932

Balance Sheet at 31 December

Liabilities and Equity

<i>(USD '000)</i>	Note	2022	2021
Share capital		7,175	7,625
Reserve for net revaluation under the equity method		149,515	134,222
Proposed dividend for the year		-	-
Retained earnings		359,109	41,491
Equity	8	515,799	183,338
Deferred tax	9	4,713	2,311
Provisions		4,713	2,311
Payables to group companies	10	224,000	253,000
Long-term debt		224,000	253,000
Payables to Group – short term part of long-term debt	10	56,000	27,000
Payables to Group entities	10	10,241	2,800
Company tax, group entities		-	478
Other payables		31	5
Short-term debt		66,272	30,283
Debt		290,272	283,283
Liabilities and equity		810,784	468,932
Accounting policies	1		
Contingent assets, liabilities and other financial obligations	11		
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Statement of Changes in Equity

<i>(USD '000)</i>	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2022	7,625	134,222	41,491	183,338
Exchange rate adjustment	-450	-	450	-
Tax-free contribution	-	-	322,962	322,962
Transferred over the profit appropriation	-	15,293	-5,794	9,499
Equity at 31 December 2022	7,175	149,515	359,109	515,799

Notes to the Financial Statements

1. Accounting Policies

The Annual Report of A/S Maersk Aviation Holding for 2022 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 2022 are presented in USD. The exchange rate applied at 31 December 2022 is 6.9686 (2021: 6.5574).

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 from investments in subsidiaries

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

Financial income and expenses

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

Tax on profit/loss for the year

Tax on profit 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 in the 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 less 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. Investments in subsidiaries

<i>(USD '000)</i>	2022	2021
Costs at 1 January	1,533	1,533
Addition in the year	60	-
Costs at 31 December	1,593	1,533
Value adjustment 1 January	161,222	159,312
Dividend paid	-27,000	-25,000
Profit for the year	15,293	26,910
Value adjustment 31 December	149,515	161,222
Carrying amount at 31 December	151,108	162,755

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%

3. Financial income

Exchange rates	3	-
	3	-

4. Financial expenses

Interest expenses to group entities	7,947	338
Exchange rates	1	-
	7,948	338

Notes to the Financial Statements

5. Tax on profit/loss for the year

<i>(USD '000)</i>	2022	2021
Current tax for the year	-3,604	44
Adjustment payable tax prior years	-274	429
Deferred tax for the year	2,162	466
Adjustment deferred tax prior years	240	-
	-1,476	939

6. Proposed profit appropriation

Proposed dividend for the year	-	-
Reserve for net revaluation under the equity method	15,293	29
Retained earnings	-5,794	26,143
	9,499	26,172

7. Property, plant and equipment

<i>(USD'000)</i>	Buildings on leasehold land	Assets under construction	Aircraft and components	Total
Cost at 1 January 2022	1,874	282,661	35,234	319,769
Additions for the year	-	44,911	295,236	340,147
Disposals for the year	-	-	-	-
Cost at 31 December 2022	1,874	327,572	330,470	659,916
Depreciation and impairment losses at 1 January 2022	-1,874	-	-13,964	-15,838
Depreciation for the year	-	-	-2,660	-2,660
Depreciation and impairment losses at 31 December 2022	-1,874	-	-16,624	-18,498
Carrying amount at 31 December 2022	-	327,572	313,846	641,418

8. Equity

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.

Notes to the Financial Statements

9. Deferred tax

<i>(USD '000)</i>	2022	2021
Deferred tax 1 January	2,311	1,845
Adjustment to deferred tax for previous years	240	-
Change in deferred tax for the year	2,162	466
	4,713	2,311

10. 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	113,000
More than 5 years	112,000	140,000
Long-term part	224,000	253,000

Payables to group entities

Long term debt – less than 1 year	56,000	27,000
Other short-term trade payables	10,241	2,800
Short-term part	66,241	29,800

11. Contingent assets, liabilities and other financial obligations

Remaining instalments on purchased aircrafts	115,189	88,289
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The Company is jointly taxed with all other Danish companies in the A.P. Møller – Holding Group. 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.

12. Related party disclosures

Consolidated financial statements

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

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