A/S Maersk Aviation Holding

Kompasrosevej 6, DK-2791 Dragør

Annual Report 2021

CVR No. 22 76 53 10

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29 April 2022

DocuSigned by:

Fine Musgaard
Fine Messgam 482...
Chairman 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 2021.

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 2021 of the Company and of the results of the Company operations for 2021

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

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

Dragør, 29 April 2022

Executive Board

Pocusigned by:

Peter Confitsen

Peter Confitser

CEO

Board of Directors

Casper Munch

Casper Munch Chairman -DocuSigned by:

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Scan Stanley Fitzgerald

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Torben Bengtsson

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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 judgment 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, 29 April 2022 **PricewaterhouseCoopers** Statsautoriseret Revisionspartnerselskab CVR No. 33 77 12 31

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Søren Øyan Jensen Søren Øffan 168 jan – Jensen

State Authorised Public Accountant mne33226

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Kristrali/Pedlersen

Kristian Pedersen

State Authorised Public Accountant mne35412

Financial Highlights

The Company A/S Maersk Aviation Holding

Kompasrosevej 6 DK-2791 Dragør

CVR No.: 22 76 53 10

Financial period: 1 January - 31 December

Municipality of reg. office: Dragør

Board of Directors Casper Munch, Chairman

Jakob Wegge-Larsen Sean Stanley Fitzgerald Torben Bengtsson

Executive Board Peter Corfitsen

Auditors PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a two-year period, the development of the Company is described by the following financial highlights:

(USD '000)

Key Figures	2021*	2020*
Profit / Loss		
Revenue	2,505	2,456
Profit before financial income and expenses	539	633
Profit/loss from financial income and expenses	26,572	25,206
Profit for the year	26,172	25,387
Balance Sheet		
Total assets	468,932	184,020
Equity	183,338	182,166
Investments in property, plant and equipment	282,661	0
Ratios		
Return on invested capital	0%	0%
Return on equity	14%	14%
Solvency ratio	39%	99%
Other Key Figures		
Average number of full-time employees	0	0

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

The financial ratios are prepared in accordance with below definitions.

Definitions of financial ratios

Return on invested capital

Profit before financials x 100 Average operational assets

(Operational assets = Total assets minus receivables from Group entities and deferred tax assets)

Return on equity Profit/loss for the year x 100 Average equity

Solvency ratio Equity at year-end x 100

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.

Development in the year

Maersk Aviation Group showed a profit for the year of USD 26,172k, compared to a profit in 2020 of USD 25,387k.

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

During the year, the Company prepaid for two aircrafts, which is recognised as 'Assets under construction'. These aircrafts are expected to be ready for use in 2024.

Outlook

Management expects the activities in 2022 to be higher than 2021, though a decrease in net profit of up to USD 5 million is expected compared to 2021, mainly due to expected increase in depreciations and increased leased. The expectations for the financial year 2022 is a net profit of USD 26-31 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.

Subsequent events

In April 2022 the company has entered into a purchase agreement on 3 Boeing 767-300F for delivery second and third quarter, expected to be dry leased to another operator.

The current situation between Russia and Ukraine is going to affect the world economy, and the related implications are expected to create instability and uncertainty on the global markets. At the time of completing this annual report, the impact and complete extent of the situation on the world's economy is undetermined, as the situation is still evolving. Management continuously monitors the situation and will implement the necessary steps to secure operations and expected financial performance for 2022. Management believes that the crises to some extent is going to have an adverse effect on the Company's revenue and results for 2022. Management considers the situation a subsequent event occurred after the balance sheet date, which is therefore a non-adjusting event to the Company.

Except for the above, no 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

(USD '000)	Note	2021	2020
Revenue		2,505	2,456
Other external expenses		-146	-8
Gross profit		2,359	2,448
Depreciation and impairment losses		-1,820	-1,815
Operating profit		539	633
Income from investments in subsidiaries	2	26,910	25,212
Financial income		0	32
Financial expenses	3	-338	-38
Profit before tax		27,111	25,839
Tax on profit/loss for the year	4	-939	-452
Profit for the year	5	26,172	25,387

Balance Sheet at 31 December

Assets

(USD '000)	Note	2021	2020
Buildings on leasehold land		0	0
Aircraft and components		21,270	23,090
Assets under construction		282,661	0
Property, plant and equipment	6	303,931	23,090
Investments in subsidiaries	2	162,755	160,845
Financial assets		162,755	160,845
Fixed assets		466,686	183,935
Receivables from group entities		2,246	85
Receivables		2,246	85
Current assets		2,246	85
Assets		468,932	184,020

Balance Sheet at 31 December

Liabilities and Equity

(USD '000)	Note	2021	2020
Share capital		7,625	8,261
Reserve for net revaluation under the equity method		134,222	134,193
Proposed dividend for the year		0	25,000
Retained earnings		41,491	14,712
Equity	7	183,338	182,166
Deferred tax	8	2,311	1,845
Provisions		2,311	1,845
		000.000	
Payables to Group entities	9	280,000	0
Long-term debt	_	280,000	0
Trade payables		5	5
Payables to Group entities	9	2,800	0
Payable company tax, group entities		478	4
Short-term debt		3,283	9
Debt	_	283,283	9
Liabilities and equity	_	468,932	184,020
Accounting policies	1		
Contingent liabilities	10		
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Statement of Changes in Equity

(USD '000)	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Proposed dividends for the year	Total
Equity at 1 January 2021	8,261	134,193	14,712	25,000	182,166
Dividend paid	0	0	0	-25,000	-25,000
Exchange rate adjustment	-636	0	636	0	0
Transferred over the profit appropriation	0	29	26,143	0	26,172
Equity at 31 December 2021	7,625	134,222	41,491	0	183,338

1. Accounting Policies

The Annual Report of A/S Maersk Aviation Holding for 2021 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 in respect of recognition and measurement. The change in reporting class has not affected the profit/loss for the year or the equity.

The Financial Statements for 2021 are presented in USD. The exchange rate applied at 31 December 2021 is 6.5574 (2020: 6.0524).

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

1. Accounting Policies (cont'd)

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 cabe 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.

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).

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 DKK o. Any legal or constructive obligations of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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 su	ıbsidiaries			
	(USD '000)			2021	2020
	Costs at 1 January			1,533	1,533
	Costs at 31 December	er		1,533	1,533
	Value adjustment 1 Ja	anuary		159,312	160,101
	Dividend paid			-25,000	-26,000
	Profit for the year			26,910	25,211
	Value adjustment 31	December		161,222	159,312
	Carrying amount at 3	31 December		162,755	160,845
	Name / legal form	Registered office	Voting rights and ownership interest		
	Star Air A/S	Dragør	100%		
3.	Financial expense Interest expenses to g			338 338	7
4.	Tax on profit/loss	s for the year			
	Current tax for the year	ar		44	-452
	Adjustment tax prior y			429	0
	Deferred tax for the ye	ear		466	904
				939	452
5.	Proposed profit a	appropriation			
•	Proposed dividend for			0	25,000
	· · · · · · · · · · · · · · · · · · ·	ine year lation under the equity	method	29	25,000
	Retained earnings	addition the equity	modiou	26,143	176
	2			26,172	25,387
					,

6. Property, plant and equipment

	Buildings			
	on lease-	Assets under	Aircraft and	
(USD '000)	hold land	construction	components	Total
Cost at 1 January 2021	1,874	0	35,234	37,108
Additions for the year	0	282,661	0	282,661
Disposals for the year	0	0	0	0
Transfer	0	0	0	0
Cost at 31 December 2021	1,874	282,661	35,234	319,769
Depreciation and impairment losses				
at 1 January 2021	-1,874	0	-12,144	-14,018
Depreciation for the year	0	0	-1,820	-1,820
Depreciation and impairment losses				
at 31 December 2021	-1,874	0	-13,964	-15,838
Carrying amount at 31 December 2021	0	282,661	21,270	303,931

7. 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.

8. Deferred tax

(USD '000)	2021	2020
Deferred tax 1 January	1,845	941
Adjustment to deferred tax for previous years	0	772
Change in deferred tax for the year	466	132
	2,311	1,845

9. 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:

(USD '000)	2021_	2020
Payables to group entities		
After 5 years	280,000	0
Long-term part	280,000	0
Other short-term trade payables	2,800	0
	282,800	0

10. Contingent liabilities

Guarantee for lease liabilities amounts to USD 125k (2020: USD 135k) thousand at 31 December 2021.

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.

11. Related party disclosures

Consolidated financial statements

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

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

12. Subsequent events

In April 2022 the company has entered into a purchase agreement on 3 Boeing 767-300F for delivery second and third quarter, expected to be dry leased to another operator.

The current situation between Russia and Ukraine is going to affect the world economy, and the related implications are expected to create instability and uncertainty on the global markets. At the time of completing this annual report, the impact and complete extent of the situation on the world's economy is undetermined, as the situation is still evolving. Management continuously monitors the situation and will implement the necessary steps to secure operations and expected financial performance for 2022. Management believes that the crises to some extent is going to have an adverse effect on the Company's revenue and results for 2022. Management considers the situation a subsequent event occurred after the balance sheet date, which is therefore a non-adjusting event to the Company.

Except for the above, no events have occurred subsequently to the balance sheet date, which would have a material impact on the financial position of the Company.