

GAP Cargo Manager Copenhagen APS

c/o Dowo Management ApS, Kystvejen 28
2770 Kastrup

CVR no. 26 89 91 92

Annual report 2016

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

on _____ 20 ____

chairman of the annual general meeting

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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 GAP Cargo Manager Copenhagen APS for the financial year 1 January – 31 December 2016.

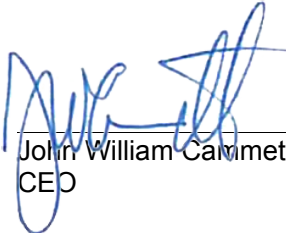
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

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.

Annapolis, 7 July 2017
Executive Board:



John William Cammett
CEO

Mitchell Ross Gordon

Kenneth Stuart Code



Independent auditor's report

To the shareholders of GAP Cargo Manager Copenhagen APS

Opinion

We have audited the financial statements of GAP Cargo Manager Copenhagen APS for the financial year 1 January – 31 December 2016, comprising income statement, balance sheet 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 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 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.

Emphasis on matter regarding matters in the financial statements

Without qualifying our opinion, we highlight the uncertainties related to preparing the financial statements as going concern. We refer to note 2, in which the limited partners describe the uncertainties related to going concern and the assumptions for preparing the financial statements as going concern. Based on the assumption applied the limited partners have prepared the financial statements assuming going concern.

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



Independent auditor's report

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 financial statement 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

- 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



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.

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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 7 July 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

A handwritten signature in black ink, appearing to read 'Niels Vendelbo', written over a light blue horizontal line.

Niels Vendelbo
State Authorised
Public Accountant

Management's review

Operating review

Principal activities

The Company's main activity is to participate as a general partner in GAP Cargo partners Copenhagen K/S.

Events after the balance sheet date

No significant events have occurred after the balance sheet date that materially affect the financial statements for 2016.

Going concern

The financial statements are prepared as going concern, which is based on the investment in GAP Cargo Partners Copenhagen K/S and the expectations for entering into new rental agreements, refinance the loans and/or sale of the property. The Company is subject to the capital loss provisions of the Danish Companies Act on account of it losing more than 50 % of its share capital. The share capital will be restored through the investment in or as a capital increase. In addition all of the liabilities of the Company are payable to GAP Cargo Partners Copenhagen K/S and Management has confirmed this debt will be forgiven in the event that inadequate resources are available to meet these obligations.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2016	2015
Other external costs		<u>-21,250</u>	<u>-7,774</u>
Gross profit/loss		<u>-21,250</u>	<u>-7,774</u>
Profit/loss for the year		<u><u>-21,250</u></u>	<u><u>-7,774</u></u>
Proposed distribution of loss			
Retained earnings		<u>-21,250</u>	<u>-7,774</u>
		<u><u>-21,250</u></u>	<u><u>-7,774</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2016	2015
ASSETS			
TOTAL ASSETS		<u>0</u>	<u>0</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital		127,000	127,000
Retained earnings		-272,796	-251,546
Total equity		-145,796	-124,546
Current liabilities other than provisions			
Trade payables		21,250	17,400
Payables to subsidiaries		124,546	107,146
		145,796	124,546
Total liabilities other than provisions		145,796	124,546
TOTAL EQUITY AND LIABILITIES		0	0

Note 2 Going concern

Note 3 Staff Costs

Note 4 Contractual obligations, contingencies, etc

Note 5 Related Parties

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Balance at 1 January 2016	127,000	-251,546	-124,546
Transferred over the distribution of loss		-21,250	-21,250
Balance at 31 December 2016	127,000	-272,796	-145,796

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of GAP Cargo Manager Copenhagen APS for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Income statement

Other external costs

Other external costs include the year's expenses relating to the entity's core activities.

Balance sheet

Liabilities other than provisions

Trade payables and amounts owed to group enterprises are recognised at cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Going concern

The financial statements are prepared as going concern, which is based on the investment in GAP Cargo Partners Copenhagen K/S and the expectations for entering into new rental agreements, refinance the loans and/or sale of the property. The Company is subject to the capital loss provisions of the Danish Companies Act on account of it losing more than 50 % of its share capital. The share capital will be restored through the investment in or as a capital increase. In addition all of the liabilities of the Company are payable to GAP Cargo Partners Copenhagen K/S and Management has confirmed this debt will be forgiven in the event that inadequate resources are available to meet these obligations.

3 Staff costs

The company has no employees or staff costs.

4 Contractual obligations, contingencies, etc.

Contingent liabilities

The company is fully liable for the debt of GAP Cargo Partners Copenhagen K/S, which total DKK 218,774,930.

5 Related Parties

The ultimate parent entity is AeroTerm III LLC which is located at the following address:

201 West Street

Annapolis, MD 21401

United States of America

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.