

North Air Logistics A/S

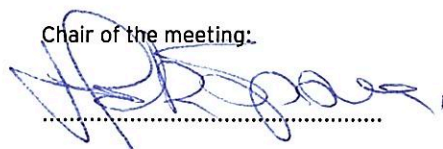
Amager Strandvej 418, 2., 2770 Kastrup

CVR no. 28 98 42 51

Annual report 2020

Approved at the Company's annual general meeting on 14 May 2021

Chair of the meeting:



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of North Air Logistics A/S for the financial year 1 January - 31 December 2020.

The annual report is 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 of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 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.

Copenhagen, 14 May 2021
Executive Board:



Henrik Spove
CEO

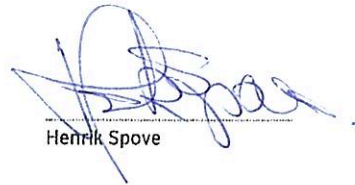
Board of Directors:



Vikram Singh
Chair



Helmut Mair



Henrik Spove

Independent auditor's report

To the shareholders of North Air Logistics A/S

Opinion

We have audited the financial statements of North Air Logistics A/S for the financial year 1 January - 31 December 2020, which comprise 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 financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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 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 the 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.

Independent auditor's report

- ▶ 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 note 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.

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, 14 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lissen Fagerlin Hammer
State Authorised Public Accountant
mne27747

Management's review

Company details

Name	North Air Logistics A/S
Address, Postal code, City	Amager Strandvej 418, 2., 2770 Kastrup
CVR no.	28 98 42 51
Established	31 August 2005
Registered office	Tårnby
Financial year	1 January - 31 December
Website	www.northairlogistics.com
Telephone	+45 32 52 73 00
Telefax	+45 32 52 74 00
Board of Directors	Vikram Singh, Chair Helmut Mair Henrik Spove
Executive Board	Henrik Spove, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The Company's main activity is provision of air freight.

Financial review

The income statement for 2020 shows a profit of DKK 8,786,065 against a profit of DKK 5,708,578 last year, and the balance sheet at 31 December 2020 shows equity of DKK 11,698,652.

Events after the balance sheet date

Due to covid-19 the market is expected to remain turbulent during 2021, although not quite to the same extent as 2020. The outlook for 2021 therefore remains very positive.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Revenue	21,435,218	13,577,247
	Other external expenses	-3,452,752	-3,510,597
	Gross profit	17,982,466	10,066,650
2	Staff costs	-6,649,252	-5,604,124
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-10,447	-3,409
	Profit before net financials	11,322,767	4,459,117
	Income from investments in group entities	0	2,288,851
3	Financial income	17,077	34,565
	Financial expenses	-71,845	-81,202
	Profit before tax	11,267,999	6,701,331
4	Tax for the year	-2,481,934	-992,753
	Profit for the year	8,786,065	5,708,578
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	10,000,000	4,500,000
	Retained earnings/accumulated loss	-1,213,935	1,208,578
		8,786,065	5,708,578

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Acquired intangible assets	0	0
		0	0
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	33,467	43,914
		33,467	43,914
7	Investments		
	Investments in group entities	205,231	205,231
	Other receivables	270,914	270,914
		476,145	476,145
	Total fixed assets	509,612	520,059
	Non-fixed assets		
	Receivables		
	Trade receivables	6,681,040	5,262,762
	Receivables from group entities	16,248,413	8,361,827
	Deferred tax assets	2,376	4,992
	Joint taxation contribution receivable	0	30,053
	Other receivables	55,321	43,463
	Prepayments	67,895	71,492
		23,055,045	13,774,589
	Cash	4,143,371	2,015,314
	Total non-fixed assets	27,198,416	15,789,903
	TOTAL ASSETS	27,708,028	16,309,962

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2020</u>	<u>2019</u>
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	500,000	500,000
	Retained earnings	1,198,652	2,412,587
	Dividend proposed for the year	10,000,000	4,500,000
	Total equity	<u>11,698,652</u>	<u>7,412,587</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	455,307	212,826
		<u>455,307</u>	<u>212,826</u>
	Current liabilities other than provisions		
	Trade payables	5,152,653	3,038,079
	Payables to group entities	6,059,796	4,590,213
	Income taxes payable	2,479,604	20,516
	Other payables	1,862,016	1,035,741
		<u>15,554,069</u>	<u>8,684,549</u>
		<u>16,009,376</u>	<u>8,897,375</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>27,708,028</u></u>	<u><u>16,309,962</u></u>

- 1 Accounting policies
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral
- 11 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed for the year</u>	<u>Total</u>
Equity at 1 January 2020	500,000	2,412,587	4,500,000	7,412,587
Transfer through appropriation of profit	0	-1,213,935	10,000,000	8,786,065
Dividend distributed	0	0	-4,500,000	-4,500,000
Equity at 31 December 2020	<u>500,000</u>	<u>1,198,652</u>	<u>10,000,000</u>	<u>11,698,652</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of North Air Logistics A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Pursuant to section 110 of the Danish Financial Statements Act, consolidated financial statements are not prepared.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services includes primarily commission earned at the date of acquiring the right.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect tax charged on behalf of third parties.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	5 years
Other fixtures and fittings, tools and equipment	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit from investments in subsidiaries

The item includes dividends received from subsidiaries in so far as the dividends do not exceed the accumulated earnings in the subsidiary in the period of ownership.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Dividends received which exceed the accumulated earnings in the subsidiary in the period of ownership are accounted for as a cost reduction.

Impairment of fixed assets

Every year, intangible assets are reviewed for impairment. Where there are indications of impairment, an impairment test is performed for each individual cash flow generating asset or cash flow generating group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount). Where an impairment loss is recognised on a group of assets, a loss will be allocated to the assets on a pro rata basis.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired, in which case the carrying amount is reduced to the net realisable value.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash balances and bank balances.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Other liabilities are measured at net realisable value.

DKK	2020	2019
2 Staff costs		
Wages/salaries	6,032,773	4,888,246
Pensions	353,747	476,403
Other social security costs	96,812	93,550
Other staff costs	165,920	145,925
	6,649,252	5,604,124
 Average number of full-time employees	11	10
 3 Financial income		
Interest receivable, group entities	16,765	28,606
Other financial income	312	5,959
	17,077	34,565
 4 Tax for the year		
Estimated tax charge for the year	2,479,604	991,161
Deferred tax adjustments in the year	2,330	1,592
	2,481,934	992,753
 5 Intangible assets		
DKK		<u>Acquired intangible assets</u>
Cost at 1 January 2020		557,836
Disposals in the year		-557,836
Cost at 31 December 2020		0
Impairment losses and amortisation at 1 January 2020		557,836
Amortisation/depreciation and impairment of disposals in the year		-557,836
Impairment losses and amortisation at 31 December 2020		0
Carrying amount at 31 December 2020		0

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2020	109,869
Cost at 31 December 2020	<u>109,869</u>
Impairment losses and depreciation at 1 January 2020	65,955
Amortisation/depreciation in the year	<u>10,447</u>
Impairment losses and depreciation at 31 December 2020	<u>76,402</u>
Carrying amount at 31 December 2020	<u><u>33,467</u></u>

7 Investments

<u>Name</u>	<u>Domicile</u>	<u>Interest</u>
Subsidiaries		
North Air Logistics AB	Sweden	100.00%
North Air Logistics OY	Finland	100.00%
DKK	<u>2020</u>	<u>2019</u>

8 Share capital

Analysis of the share capital:		
500 shares of DKK 1,000.00 nominal value each	<u>500,000</u>	<u>500,000</u>
	<u><u>500,000</u></u>	<u><u>500,000</u></u>

The Company's share capital has remained DKK 500,000 over the past 5 years.

9 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with other Danish group entities and is jointly and severally liable, together with the other jointly taxed group entities, for payment of income taxes as from the income year 2013 and withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

Other financial obligations

Rent and lease liabilities include a rent obligation and other leases totalling DKK 163 thousand (2019: DKK 162 thousand), equalling 1-2 years' rent.

Financial statements 1 January - 31 December

Notes to the financial statements

10 Collateral

As part of a financing agreement on group level, the shares in the subsidiary, North Air Logistics AB, have been pledged to Deutsche Bank AG.

The Company has not provided any other security or other collateral in assets at 31 December 2020.

11 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
World Freight Company International SAS	France	Zone de Fret 4 Roissytech, 3 Rue du Cercle, 95723 Roissy CDG, France

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
World Freight Company SAS	Zone de Fret 4 Roissytech, 3 Rue du Cercle, 95723 Roissy CDG, France