TPAerospace

ANNUAL REPORT
2022

TPA Holding I A/S
Stamholmen 165R, DK-2650 Hvidovre
CVR No. 38 47 34 92
Date of the Annual General Meeting: 22nd of February 2023
Chairman of the Annual General Meeting: Tinneke Torpe

TP AEROSPACE IN BRIEF

Since its foundation in 2008, TP Aerospace has grown from a small start-up in Copenhagen, Denmark to the globally leading aftermarket supplier of aircraft wheels and brakes. The company was built with a vision to bring simplicity to a highly complex niche within the aviation industry, and this is still the case today.

We have evolved into being a one-stop-shop for aircraft wheels and brakes, where we support a recurring customer base of airlines, lessors, brokers, maintenance facilities and others.

At our 11 locations around the world, we employ more than 300 employees, most of which are employed within one of our repair facilities. In total, our repair facilities conduct repairs and overhauls on more than 35,000 wheels and brakes every year to support customers all over the world.

Present in **11** locations

15k m² warehouse

906 aircrafts on contract

8 repair facilities

+630,000

landings supported

Customers in more than **100** countries

14 years of operation

More than **300** employees

+685

unique customers

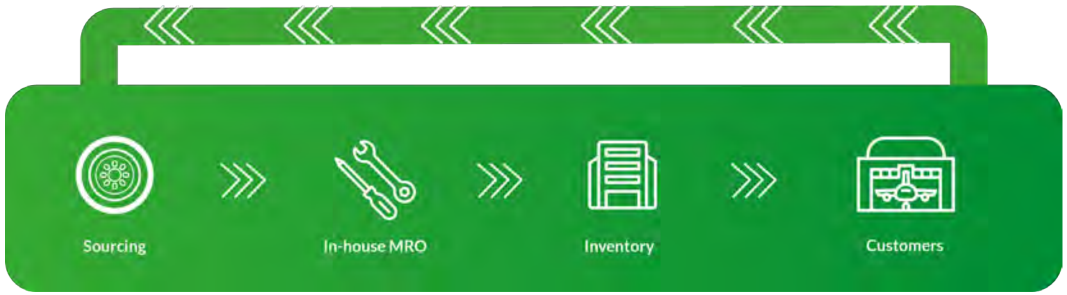
20,000 wheels and brakes in stock

BUSINESS MODEL

TP Aerospace operates three distinct business divisions, each of which are individually strong and deliver a particular service or product to the market. While having some inherent differences, the three divisions are highly related and synergistic, primarily because they share an extensive unmatched customer and logistics network leveraging customer access.

Programs

Provides aircraft operators worldwide with a simple alternative to component management. Through our integrated wheel and brake programs, we offer long-term and all-inclusive solutions designed to simplify wheel and brake maintenance and repair activities and accommodate our customers' short and long-term requirements.



Components

Provides operators, brokers, and lessors with unmatchable access to critical wheel and brake components. With the world's largest inventory of ready-to-go aircraft wheels and brakes in the aftermarket, we support a recurring customer base on an outright and ad-hoc exchange basis, catering to both routine and AOG deliveries worldwide. Components is also a critical strategic enabler and sourcing channel of used serviceable material (USM) for Programs.

Distribution

Provides airlines, repair facilities and brokers with easy access to new wheel and brake piece parts and assemblies across all major commercial platforms. Through close partnerships with the original equipment manufacturers (OEM), we ensure availability of most part numbers across platforms at a competitive price and with minimal lead time. Distribution is a key supplier to support our own maintenance operations.

OUR GLOBAL TEAM

CPH (HQ)
Copenhagen, DK
2008
60 employees (+14)*

EMA
East Midlands, UK
2018
18 employees (+11)*

HAM
Hamburg, DE
2010
103 employees (+35)*

BRQ
Brno, CZ
Opening mid 2023

MCO
Orlando, US
2015
57 employees (+12)*

** ( ) indicates change in employee count from 2021*

LAS
Las Vegas, US
2011
13 employees (+4)*

SIN
Singapore, SG
2013
41 employees (+12)*

BKK
Bangkok, TH
2019
6 employees (+0)*

KUL
Kuala Lumpur, MY
2020
7 employees (+0)*

SZX
Shenzhen, CN
2019
1 employee (+0)*

MEL
Melbourne, AU
2016
25 employees (+5)*

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IT'S THAT SIMPLE

1 OVERVIEW

CHAIRMAN'S INSIGHT

While 2022 ended as a year of solid financial performance, like the rest of the industry, we started the year faced with several risks and uncertainties. First were the continued disruptions caused by the COVID-19 pandemic, and later the macroeconomic and macropolitical uncertainties, including rising inflation levels and the war in Ukraine. During the year, we continued to support our customers through this volatility.

Following the strategic direction

With the growth rates in TP Aerospace before the pandemic, that we expect will continue over the coming years, our relentless focus remains on ensuring that growth happens sustainably in respect of our people, the environment, and our shareholders.

During 2022, TP Aerospace made good progress on our strategic growth ambitions. Within our Programs division, we added 196 new aircraft, of which 138 aircraft were added to already existing Programs. When our Programs customers grow their fleets on a program with TP Aerospace, we consider it to be a testament to our business model and our customers' confidence in our ability to support them long-term.

Historically, TP Aerospace's core market has focused on small and mid-sized customers with up to 30 aircraft. Over the past few years, and in 2022 in particular, we have, however, seen a growing exposure towards the larger segments, both with the signing of new programs with larger airlines as well as from growth within our existing portfolio. This is fully in line with our long-term strategic direction.

Components and Distribution also delivered on the strategic ambitions in 2022. It was especially a year where the Distribution division re-affirmed its potential in TP Aerospace and in the industry in general. During the year, we secured additional distribution agreements with OEMs such as Honeywell International, enabling TP Aerospace to provide even wider Distribution support to airlines, brokers and maintenance providers all over the world and position the business unit for further growth in years to come.

> "When our Programs customers grow their fleets on a program with TP Aerospace, we consider it to be a testament to our business model and our customers' confidence in our ability to support them long-term.

continued

CHAIRMAN'S INSIGHT

Despite two years of being drastically impacted by the market disruptions of COVID-19, we grew our Components business back to pre-pandemic levels. This return to normal was achieved sooner than the general components market, and our Components division is now in a strong position to capture further market share.

The Board of Directors are committed to supporting TP Aerospace the best way possible in delivering sustainable growth. This includes focusing on TP Aerospace consistently possessing the right competencies to support its growth. In 2022, we were thus especially pleased with the appointment of a new COO to join the Executive Management team in January 2023. The new COO, Felix Ammann, brings broad international experience into this role, and we are confident that he, together with the rest of the executive team, will help lead the company in the right direction.

Strong financial performance
Our 2022 financial performance was above expectations especially considering the global challenges that the beginning of 2022 was faced with.

Revenue amounted to USD 147.0m compared to USD 88.8m in 2021, resulting in a growth of 65.6%. This was driven by all three divisions, but in particular by the level of increasing activity among our European Program customers. Compared to 2019, before the pandemic hit aviation, 2022 ended 23.3% above on topline.

Earnings also grew significantly in 2022, amounting to an EBITDA before special items of USD 60.2m, which was USD 28.9m above the 2021 figures and 22.4m above 2019. EBITDA margin before special items increased by 5.7 percentage points to 40.9% compared to 35.2% in 2021. In 2022, we invested significantly aircraft components and expansion of production capacity to cater for the activity increase.

This impacted free cash flow, which ended at -9.6m compared to USD 8.4m in 2021. Though we ended at a negative cash flow, we maintained a robust liquidity position entering into 2023.

Progress on climate action
As we grow and reinforce a leading position in the industry, we are increasingly aware of the responsibility of TP Aerospace to support and be at the forefront of the green transition. The nature of our primary services continues to revolve around a circular flow of material and resource efficiency. In addition to that, TP Aerospace takes new steps every year to build the most efficient network of wheel and brake maintenance and repair facilities in the world.

In the Board of Directors, we are pleased with the progress being made at TP Aerospace to drive a more sustainable business model. In 2022, we took another big leap in that direction with the commitment to the Science Based Target initiative – or SBTi – which is the world's most recognized initiative for climate action. With this, our target to reduce our scope 1 and scope 2 emissions by 28% by 2030 was validated to be aligned with the Paris Agreement's ambition to limit global warming to well-below 2°C. Renewable energy will be key in reaching our climate target while also allowing significant room for growth. The transition towards renewable energy sources was kicked-off in 2022 with the installation of solar panels at the facility in Singapore.

TP Aerospace's dedication to science-based reduction targets was a natural extension of the company's 2017 commitment to the UN Global Compact. An initiative that specifies our wider commitment to responsible business conduct, covering the areas of environment and climate, along with other business critical topics such as labor, human rights and anti-corruption.

When TP Aerospace commits to internationally recognized initiatives such as SBTi and the UN Global Compact, it is because we believe that the right approach to a more sustainable world and business environment is through transparency, comparability, and consistency. This can best be achieved through global standards.

Flemming Jensen, Chairman

LETTER FROM EXECUTIVE MANAGEMENT

For TP Aerospace, 2022 was a turning point in the recovery from the pandemic. At the end of the year, we surpassed 2019 performance on both revenue and activity level. Looking back, 2022 was a year we will remember for the sharp growth in air traffic and commercial activity leading TP Aerospace to a pre-pandemic financial performance almost two years ahead of when the rest of the industry is predicted to have fully recovered.

The surge of air traffic

At TP Aerospace, we particularly experienced the level of activity rising amongst our European Programs customers in the early summer months. In 2022, we supported around 80% more landings compared to last year during the months from May to September.

In the Americas, we were less impacted during the pandemic because of the large share of freight customers in our portfolio. However, in 2022, our activity level was still up 8% from 2021 in number of landings supported. Asia Pacific remained most impacted by the pandemic through 2022 with continued travel restrictions across the region well into the year. Despite this, our activity grew 31% compared to last year. Across the world, this activity uptake led to a 34.4% revenue increase across our Programs division.

In the Components and Distribution divisions, we saw the same trends as within Programs. Components had a strong performance in all three regions, where Europe and Americas were leading with 102% and 194% revenue growth compared to 2021. While Europe was slightly below 2019 levels, Americas ended 2022 61% above on revenue.

In Distribution, we experienced the largest activity level in Americas covering 50% of the global Distribution revenue. This was driven by a number of larger recurring customers in the region.

While we welcomed the market return after the past two years of downturn, the rapid return of air traffic in Europe presented a significant challenge to our operations, primarily as the global supply chains and labor market did not follow the sudden demand uplift. Thanks to large flexibility amongst our workforce and strong management at the repair facilities, we managed the recovery.

continued

LETTER FROM EXECUTIVE MANAGEMENT

Our operational backbone
Throughout the past years, and while waiting for the industry to return to normal activity levels, we have focused our efforts and resources on making improvements to our operational backbone to ensure that we are ready to capture new business and accommodate the growth of our existing customers. These efforts continued into 2022, where we completed and initiated projects aiming at reducing our component turnaround time, increasing production capacity, and strengthening our collaboration with our customers. This remains a continuous focus area.

An example of this is that in 2022, we initiated the establishment of our 9th repair facility in Brno, Czech Republic. The new 10,000 sqm facility will play a central role for TP Aerospace and will increase our European repair capacity by approximately 85%. The site is expected to be operational in mid-2023 and has the potential to become the largest TP Aerospace repair facility with an annual capacity of 15,000 repairs and overhauls.

The Brno site will be key in supporting our customers in Europe complementing the existing Hamburg and East Midlands facilities, while ensuring that we have the capacity for continuous growth. We are also further strengthening our value proposition towards customers in Eastern Europe through closer proximity.

The war in Ukraine also had significant implications for aviation, and just prior to the invasion, we decided to close our facility in Moscow. This was done in the most responsible way possible in respect of our employees in the country. Where possible, we offered our employees employment at our facility in Hamburg. While the closure of the Moscow facility reduced our capacity in the region, the new facility in Brno will replace this.

Together with the various improvement projects and initiatives, the general uptick in activity led to growing pressure on our organization throughout the year. And while we succeeded in expanding our global team with a total of 86 new people in 2022, we credit our employees for their ability to adapt to changing circumstances; they always provide customers and colleagues with the needed support to drive the company forward and allow us to grow along with our customers.

Looking ahead
In the second half of 2022, we completed our strategy review, setting and confirming our strategic direction towards 2027. With extensive market research, it remained evident that our business model continues to have an increasing relevance in the market. In particular, post the pandemic, there is an increasing tendency amongst mid- and large-sized airlines in our core regions to outsource maintenance of wheels and brakes.

We are very confident that our existing end-to-end service offerings are strategically positioned to capture more market share in the future. It is particularly the strong synergies between our three business divisions that set our business model apart. For example, the three divisions share an extensive and unmatched customer and logistics network leveraging customer access. Also our extensive market insight and data relating to wheel and brake transactions, as well as our leading position in the market for used serviceable material, provide TP Aerospace with the unique intellectual property to deliver our business model.

Towards 2027, we are targeting a continued growth driven by the increase in the underlying traffic combined with an increase in the market for outsourcing of wheels and brakes. Our fundamental requirement for this growth is responsibility and sustainability relating to our organization, our financials, and the environmental and climate impacts of our organization. Each element is centrally integrated into our strategy, ensuring that these continuously become even further embedded into our daily operations and decisions.

In the short term, we look forward to 2023, where our focus continues to be optimizing our operational model, ensuring that both our existing and potential new customers are provided with the best possible solutions and services.

Happy reading.

Nikolaj Lei Jacobsen, CEO
Tinneke Torpe, CFO
Thomas Ibsø, President

KEY EVENTS

COMMITMENT TO SCIENCE BASED CLIMATE TARGETS

In 2022, we committed to a 28% reduction of our scope 1 and 2 greenhouse emissions by 2030: a target which was approved by the Science Based Target initiative (SBTi) and validated to be aligned with the Paris Agreement. This commitment was a natural step in our climate action efforts and in our continued support to our customers in decarbonizing their supply chains.

FIRST FACILITY TO BE FULLY SUPPORTED BY RENEWABLE ENERGY

Our Singapore organization started the installation of solar panels in the new facility. With this initiative, our Singapore site will become the first TP Aerospace repair facility fully supported by renewable energy. At year end, the establishment of the solar panels was well underway and expected to be operational during the first months of 2023.

ALL-TIME RECORD OF LANDINGS SUPPORTED

In August, we reached an all-time record, supporting more than 62,000 landings amongst PRO customers. This record not only indicated a significant upturn in general air traffic after two years of disruption, but also underlined significant growth of our Programs portfolio over the past years.

PROJECT GREEN LIGHT – AN EXTENSIVE TRANS-FORMATION PROJECT

Our team in Orlando completed an extensive transformation of the repair facility – project Green Light. The project was designed to upscale the Orlando facility for further growth through various initiatives to improve production flow and processes. With this project, the Orlando facility is ready to meet growing demand from our customers.

ESTABLISHMENT OF NEW SITE IN EASTERN EUROPE

We commenced the establishment of a new and fully equipped wheel and brake maintenance and warehouse facility in a 10,000 sqm building in Brno, Czech Republic. The new facility is the 9th repair facility in TP Aerospace's global network and is expected to be fully operational by mid-2023.

KEY EVENTS

2027 STRATEGY REVIEW

Towards the end of 2022, we completed an exhaustive strategy review with support from external industry and strategy experts. While the review on one hand confirmed the existing strategy, it also provided an extension to our strategic and a solid foundation for the direction towards 2027.

A NEW DIGITAL CUSTOMER PORTAL

This year, we launched our new online customer portal – PROControl – to pilot customers. PROControl is a customized tool for customers to manage and gain full transparency of their wheel and brake programs. Towards the end of 2022, we completed the first pilot run, and the platform is expected to be rolled out during the first half of 2023.

NEW CHIEF OPERATING OFFICER JOINS EXECUTIVE MANAGEMENT

At the end of 2022, we appointed Felix Ammann as the new Chief Operating Officer (COO) of TP Aerospace. Felix Ammann has more than 30 years of experience from the aviation industry, and thus brings the necessary skills to assume leadership of the daily operations in TP Aerospace.

DISTRIBUTOR OF HONEYWELL B767-300

We became distributor of Honeywell B767-300 platform. This was an extension of our collaboration with Honeywell International, adding an additional platform to our existing distribution agreements for B737NG and B737CL. This was an important addition to the expansion of TP Aerospace's Distribution division.

MOVING TO A NEW FACILITY IN SINGAPORE

After a decade in Singapore, we moved into a new facility. The new facility is in the same area of Singapore as previously, and thus we continue to be near the airport to ensure the best possible support for our growing customer base in Asia Pacific. The new facility brings great opportunities to further develop and streamline operations across warehouse and maintenance activities to ensure our customers an even better support.

FINANCIAL HIGHLIGHTS AND KEY FIGURES

Income statement (USDm)	2022	2021	2020	2019	2018
Revenue	147.0	88.8	67.7	119.3	110.7
Revenue growth (%)	65.5%	31.3%	-43.3%	7.7%	27.9%
Gross profit	85.1	53.1	40.4	65.0	66.2
Gross profit margin (%)	57.9%	59.8%	59.8%	54.5%	59.8%
EBITDA before special items	60.2	31.3	21.4	37.8	40.6
EBITDA margin before special items (%)	40.9%	35.2%	31.6%	31.7%	36.7%
EBITA before special items	22.8	7.7	1.2	12.7	19.0
EBITA margin before special items (%)	15.5%	8.7%	1.8%	10.6%	17.2%
EBIT before special items (Operating profit before special items)	21.5	6.5	0.4	12.1	18.7
EBIT margin before special items (%) (Operating profit before special items margin)	14.6%	7.4%	0.6%	10.1%	16.9%
Special items	2.1	2.0	6.8	5.1	3.2
EBIT after special items (Operating profit after special items)	19.4	4.5	-6.4	7.0	15.4
EBIT margin after special items (%) (Operating profit after special items margin)	13.2%	5.1%	-9.5%	5.8%	14.0%
Net financials	-5.1	-2.5	-7.5	-3.9	-3.1
Profit before tax	14.3	2.0	-13.9	3.0	12.4
Net profit for the period	11.7	1.5	-11.4	2.2	9.9
Net profit for the period (%)	8.0%	1.7%	-16.8%	1.8%	8.9%

Employees	2022	2021	2020	2019	2018
Number of employees (end of year)	331	245	228	284	269
Average number of employees	281	234	260	278	252

continued

FINANCIAL HIGHLIGHTS AND KEY FIGURES

Balance sheet (USDm)	2022	2021	2020	2019	2018
Non-current assets	117.3	107.2	116.0	108.7	92.3
Additions to tangible assets	51.3	27.4	30.2	48.5	40.7
Total assets	228.1	189.9	198.1	201.3	180.5
Equity	103.3	91.9	90.2	89.6	86.3
Net interest-bearing debt	79.7	69.3	76.7	73.6	61.9
Invested capital	138.9	116.1	122.1	119.0	103.8
Net working capital	80.4	64.8	62.1	67.9	69.6
Total aircraft components	124.0	103.4	112.2	111.5	93.5

Cash flow (USDm)	2022	2021	2020	2019	2018
Cash flow from operating activities	4.8	14.5	-2.7	5.3	-8.0
Cash flow from investing activities	-14.4	-6.2	-9.5	-19.3	-21.8
Cash flow from financing activities	10.6	-7.7	11.5	13.6	31.8
Net cash flow	1.0	0.7	-0.6	-0.5	2.0
Free cash flow	-9.6	8.4	-12.1	-14.0	-29.8
Free cash flow before interest paid	-3.5	12.3	-6.4	-9.8	-26.7

Financial Ratios	2022	2021	2020	2019	2018
Return on invested capital excluding goodwill (ROIC) (%)	47.2%	26.3%	17.7%	34.0%	46.2%
Net interest-bearing debt to EBITDA	1.3x	2.2x	3.6x	1.9x	1.5x
Equity ratio (%)	45.3%	48.4%	45.5%	44.5%	47.8%
Return on Equity (ROE) (%)	12.0%	1.7%	-12.6%	2.5%	13.0%

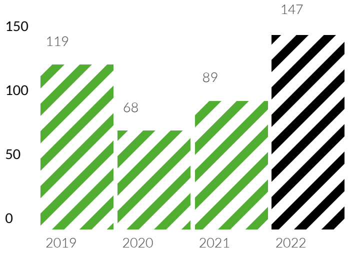
FINANCIAL REVIEW

TP Aerospace achieved a record-high top-line growth, gross profit, and EBITDA in 2022 driven by a strong and rapid recovery in flight activity during the year. This resulted in a significant increase in Components and Distribution sales, increased activity with TP Aerospace's existing Programs customers as well as signing of additional programs. The number of aircraft on contract ended at an all-time high of 906 aircraft by the end of 2022, driven by several larger signings during the year as well as existing customers expanding their fleet serviced by TP Aerospace. The growth in 2022 demanded significant investments, both in aircraft components and for expansion of production capacity.

Income statement

Overall, 2022 revenue of USD 147.0m increased by 65.6% compared to USD 88.8m in 2021 and was 27.7m (23.3%) higher than 2019 revenue of USD 119.3m. The revenue improvement from 2019 to 2022 was well above the overall development in the aviation industry where capacity (measured by size of commercial fleet) decreased by 7% from 2019 to 2022, thereby

Revenue (USDm)



showing a faster recovery for TP Aerospace in 2022 than in the aviation industry in general. Air traffic demand, aircraft utilization and fleet size have however picked up, and by the last quarter of 2022 these had almost recovered to their 2019 level.

The 2022 revenue of USD 72.9m in the Programs division increased by 34.4% from USD 54.3m in 2021, of which USD 33.1m was realized in the first half of the year and USD 39.8m in the second half of the year. Compared to revenue in 2019 of USD 59.3m, this was USD 13.6m higher, equal to an increase of 23.0%.

Besides the impact of higher air traffic demand in 2022, the main drivers behind the revenue improvement were the signing of several larger programs with new customers, new platforms and additional aircraft added by existing customers, and a diversified aircraft base and geographically diversified portfolio of larger and smaller customers, with 58% of total contracted aircraft being passenger operators and 42% being cargo operators.

2022 revenue from the passenger segment improved by 66.9% to USD 39.9m whereas revenue from the cargo segment grew by 8.9% to USD 33.1m.

Within the Programs division, EMEA increased by 48.3%, Americas by 6.0% and APAC by 24.7% from 2021 to 2022. The improved performance in EMEA was driven by the Passenger segment and ACMI[1] operators, while the revenue improvement in Americas was driven by higher revenue in the Passenger segment offset by decreasing revenue for the cargo segment, however with cargo still representing around two-thirds of the revenue. The increase in APAC reflected the regional recovery from the pandemic with more aircraft in operations, mainly within the Passenger segment.

Compared to 2021, revenue from existing customers improved by USD 16.7m, an increase of 30.8%, whereas new customers signed during the year contributed USD 2.0m in growth. Activity with existing customers was positively impacted by the changed market situation with higher flight activity.

The Programs division ended the year with 906 aircraft on contract, a net increase of 72 aircraft compared to 2021. Existing customers added 138 new aircraft to the portfolio, while a further 58 aircraft were added by new customers. These additions more than counterbalanced the unfavorable impact of 124 aircraft coming off contract due to various airline restructurings and ordinary contract adjustments.
Of the 124 aircraft, 35 aircraft were related to customers adjusting the number of aircraft due to phase-outs while the customer remained on contract with TP Aerospace.
In comparison, 2021 included 99 aircraft additions by existing customers and 85 aircraft additions from new customers, offset by 151 aircraft coming off contract.

Within the two program types, revenue from the Flat-Rate programs improved by 54.9% while revenue from the For-Less programs increased by 13.9%. Despite a slow start in the first quarter of the year driven by COVID-19, revenue in the remaining 9 months of 2022 was well above last year, mainly driven by Flat-Rate programs.

The 2022 revenue in the Components division of USD 57.6m improved by 112.7% compared to 2021 revenue of USD 27.1m and exceeded 2019 revenue of USD 56.8m as well, thereby reaching an all-time high revenue in the Components division.

Driven by the strong recovery in aviation, the Components division experienced significant growth during the year, with airlines and lessors initiating repair work which had been delayed in prior years. An important parameter in achieving the high sales growth was TP Aerospace's unique position as the provider with the world's largest inventory of used serviceable wheels and brakes in the aftermarket.

continued

FINANCIAL REVIEW

In addition, the imbalance in wheels and brakes OEM[2] vendors' global supply chains led to longer lead times and order backlogs on factory-new equipment which positively impacted the demand for used serviceable wheels and brakes.

The increased revenue in the Components division reflected improvements across all three regions with revenue growth of 102.1% in EMEA, 194.4% in Americas and 64.4% in APAC.

In 2022, the share of revenue from 'repeat customers'[3] totaled 50% in the Components division, and aircraft components were sold to customers in 85 countries, adding 5 new countries during the year.

The 2022 revenue in the Distribution division of USD 12.8m increased by USD 8.4m, equal to 192.5% growth compared to 2021 revenue of USD 4.4m. The increase was especially driven by a strong traction in sales of Safran and Goodrich assemblies and piece parts as well as the Honeywell 737CL platform for which TP Aerospace in 2020 was awarded exclusive distributorship, and the B767 platform for which TP Aerospace entered a distribution agreement with Honeywell in 2022.

Gross profit for 2022 amounted to USD 85.1m compared to USD 53.1m in 2021. The gross profit margin of 57.9% was slightly below 2021 at 59.8% due to inventory write-downs in Distribution and some programs with lower margins. This was counterbalanced by higher margins in Components compared to 2021.

Staff Costs and Other External Expenses including Other Income amounted to USD 24.9m compared to USD 21.9m in 2021, reflecting an increase of USD 3.0m or 13.8%. The higher costs were driven by more headcount as a result of the increased activity level, partly offset by higher income recognized from government compensation schemes in 2022 than in 2021.

Earnings before interest, tax, depreciation, and amortization (EBITDA before special items) for 2022 amounted to USD 60.2m, which was USD 28.9m higher than the 2021 figure of USD 31.3m. The EBITDA margin before special items was 40.9%, an improvement of 5.7 percentage points compared to 2021. This was mainly driven by the lower increase in Staff Costs and Other External Expenses relative to the increase in revenue.

EBITDA before special items

Earnings before interest, tax, amortization and special items (EBITA before special items) for 2022 amounted to USD 22.8m which was an improvement of USD 15.1m compared to USD 7.7m in 2021. The higher activity in the Programs division drove MRO repair cost depreciation up by USD 14.4m to USD 32.6m compared to USD 18.2m in 2021.

EBITA before special items

Earnings before interest, tax and special items (EBIT before special items) for 2022 amounted to USD 21.5m compared to USD 6.5m in 2021. The EBIT margin before special items was 14.6% compared to 7.4% in 2021.

continued

1. (Aircraft, Crew, Maintenance, Insurance) 2. (Original Equipment Manufacturer) 3. Defined as customers who have made purchases in 2022 as well as in 2021

FINANCIAL REVIEW

Special items amounted to USD -2.1m compared to USD -2.0m in 2021 and were mainly non-recurring expenses related to the closing of the Moscow site and discontinuation of activities in Russia. These costs primarily included loss on receivables and write-down of inventory and property, plant, and equipment. In addition, special items included one-off costs for strategic initiatives and non-recurring expenses related to the establishment of a new site in the Czech Republic in Eastern Europe for which the implementation commenced in the second half of 2022.

Net financial items for 2022 amounted to USD -5.1m compared to USD -2.5m in 2021. The increase was driven by higher interest rates and higher net interest bearing debt (NIBD) which increased by USD 10.4.m compared to 2021.

Profit before tax amounted to USD 14.3m compared to USD 2.0m in 2021.

Tax on the profit for 2022 was an expense of USD 2.6m and was impacted by currency adjustment on tax losses carry forward denominated in Danish kroner, tax adjustment related to the previous year and limitation on interest deduction. The effective tax rate equaled 17.9%.

Net profit for the year amounted to USD 11.7m compared to USD 1.5m in 2021.

Assets

On 31 December 2022, TP Aerospace's total assets amounted to USD 228.1m which was an increase of USD 38.3m from USD 189.9m in 2021. This was driven by an increase in aircraft components of USD 20.6m, which primarily related to the Programs division with new contracts and aircraft additions added to the portfolio, and the Distribution division due to increased activity and a broader portfolio of distribution agreements. Also, piece parts inventory at the repair shops grew to cater for higher production. By the end of 2022, aircraft components amounted to USD 124.0m, of which USD 49.4m was classified as property, plant and equipment under non-current assets (being aircraft components assigned to the program activities) and USD 74.6m as inventory (accounting treatment is further explained in note 2 'Critical accounting estimates and judgements' in the consolidated financial statements).

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FINANCIAL REVIEW

Net working capital
Net working capital ended at USD 80.6m compared to USD 64.8m in 2021. The increase was driven by higher inventory as well as higher trade receivables and vendor prepayments offset by higher trade payables than in 2021, reflecting the ramp-up in activity across all three divisions. The aircraft components owned by TP Aerospace are all deemed current based on the composition of parts and the aircraft platforms for which they are used.

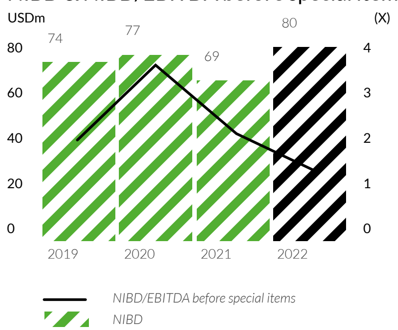
Equity
Total equity amounted to USD 103.3m as of 31 December 2022, compared to USD 91.9m by year-end 2021, equal to a change of USD 11.5m. This was driven by the 2022 result of USD 11.7m.

Net interest-bearing debt
As of 31 December 2022, the net interest-bearing debt amounted to USD 79.7m or 1.3x EBITDA before special items, compared to USD 69.3m or 2.2x EBITDA before special items as of 31 December 2021.

Return on invested capital (ROIC)
The return on invested capital excluding goodwill was equal to 47.2% compared to 26.3% in 2021. The higher EBITDA before special items drove the increase in ROIC.

Cash flow
Cash flow from operating activities amounted to USD 4.8m compared to USD 14.5m in 2021, while free cash flow amounted to USD -9.6m compared to USD 8.4m in 2021. The growth in 2022 demanded significant investments, both in aircraft components and for expansion of production capacity, leading to a negative free cash flow for the year, however still ensuring a sufficient liquidity position entering 2023.

NIBD & NIBD/EBITDA before special items



Free cash flow before interest paid totaled USD -3.5m and thus decreased by USD 15.7m compared to USD 12.3m in 2021.

Outlook
In 2022, TP Aerospace experienced a significant increase in activity and several business opportunities materialized during the year. TP Aerospace continued to operate the business in a way that caters for growth while ensuring a sustainable financial position.

Given the positive development in air traffic demand and flight recovery in 2022, our expectation for 2023 is a higher activity level among our customers and thereby higher demand throughout the year for all three divisions. Our financial performance for 2023 is expected to reflect the above with sales and earnings assumed to exceed 2022.

The expectations stated above are based on the assumptions that the recent development in the pandemic in China will not lead to a return to lockdowns or strict travel restrictions and thereby delay APAC's full recovery from the COVID-19 pandemic, that the global macroeconomic and geopolitical situation will not worsen significantly and thereby change the business conditions for TP Aerospace and that the exchange rates, especially the US dollar, will stabilize around the average level in the second half of 2022 versus the Euro and Danish kroner.

2 STRATEGY & BUSINESS

MARKET & STRATEGIC PRIORITIES

During 2022, TP Aerospace continued to execute its business strategy designed to secure TP Aerospace's competitiveness and market positions. To achieve our long-term growth targets, our continued focus remains on assessing and improving how we create value for our customers while ensuring that the growth is sustainable for our financials, our organization, and our surroundings.

Market outlook and attractiveness

The aviation market has been turbulent the last few years, but the current outlook for the next five years is strong. We expect that the wheels and brakes market, together with the overall aviation components market, will reach pre-COVID levels sometime in 2024 and from there on experience healthy growth rates of ~7% towards 2027, increasing the total market across our three divisions, Programs, Components and Distribution, from USD ~4B in 2022 to USD ~6.3B in 2027.

On top of attractive overall market growth, we expect that the following two trends will drive increased growth in our market niche:

1. Increasing appetite for outsourcing; A larger part of the mid and large sized airlines in our core regions are looking to outsource maintenance to keep the operations focused on their core competence.

2. Focus on financial transparency and predictability; Our cycle-flat-rate programs gives the airline cost transparency and predictability which is not obtainable with other maintenance setups.

Through the pandemic, TP Aerospace has been outperforming the market, already growing our top line in 2022 to a higher level than pre-COVID. This indicates that we are well positioned in the post-COVID market and confirms that our unique value proposition is well suited to not only maintain but gain significant market share over the coming years.

2022 Strategy review

In 2022, TP Aerospace completed a strategy review with the assistance of external industry and strategy experts. Whilst the review was primarily a confirmation of the existing strategy, the process provided a solid external view of the strategic direction of the company after two years of being impacted by significant market challenges and changes caused by the pandemic. The process provided an extension to the existing strategy period, thus setting the strategic direction for TP Aerospace towards 2027.

Through the strategy review, we defined ambitious growth targets for the next five years across all business divisions. The high ambition level is a testament to the potential of the Programs, Components and Distribution businesses individually, as well as to the importance of the strong interdependencies and synergies between the three divisions in terms of the shared network, competences, and core industry expertise.

Strategic priorities

While the full strategy provides a detailed description of how we will increase our value and where to focus our efforts, resources, and investments, it centers around three strategic priorities:

1. Fueling growth from the core,

2. Securing a long-term value proposition, and

3. Building organizational robustness.

FUELING GROWTH FROM THE CORE

TP Aerospace's strategy is built on growth from the core, meaning that our focus is on driving our existing business divisions to their full potential. For the Programs division, this primarily means further market penetration in core geographies and market segments, while Components aims at increasing levels of reoccurring business and growing its position as a sourcing enabler for Programs. Finally, the focus of the Distribution business is to secure rapid growth through a growing distribution network and increasingly strong OEM collaborations.

Growth across three divisions

In 2022, TP Aerospace experienced the highest growth rate ever. Overall, our revenue increased 65.6% over the 12 months. While the largest absolute growth happened within Programs, all three divisions had a strong year.

The Programs division ended 2022 at USD 72.9m, which was a 34.4% top line growth from 2021, and 22.9% above the previous revenue record of 2019. The Programs division ended the year with 906 aircraft on contract, which was an increase from 834 by end 2021. These aircraft were supported via 93 operators, spanning both passenger and freighter operators, national flag carriers, low-cost carriers, and new start-ups.

23%

Programs revenue increase from pre-Covid levels.

The Components division also had a strong year with a revenue growth of 112.7% from 2021, ending 2022 at USD 57.6m. To unlock further growth potential, we continued our efforts to secure a large relevant and strategic inventory of critical wheel and brake components, ending the year with more than 20,000 components in stock around the world to support both Programs and Components customers.

Finally, the Distribution division had its second full year of operations and ended the year at USD 12.8m which was 192.5% above 2021. The continued strong traction within Distribution was driven by both piece parts and assembly sales across various platforms. In 2022, we secured a distribution agreement on the Honeywell B767-300 platform, adding to the existing agreements on the 737NG signed towards the end of 2021 and the exclusive 737CL agreement.

TP Aerospace became distributors of the Honeywell B767-300 platform.

Core customer base

Building and maintaining a core and growing customer base is the foundation of TP Aerospace's growth strategy. This includes targeted efforts at maintaining a reoccurring customer base across all three divisions and maintaining a low customer churn in Programs.

Primarily, the Programs division is considered key in building a core customer base due to the recurring nature of the business model and TP Aerospace's ability to retain and grow with our customers.

In 2022, approximately 73% of the Programs revenue was recurring as it was generated by customers delivering revenue every year since 2019 on long-term contracts. Avoidable customer churn remained low at approximately 3%.

Additionally, one of the key trends of 2022 was the number of Programs customers who grew their fleet with support from TP Aerospace. During the year, 27 unique Programs customers added a total of 138 new aircraft to existing programs.

Given the transactional nature of the Components business it is unknown whether a customer will purchase from us again. Despite this, we still see a high number of returning customers. Within Components, 70% of the 2022 revenue was reoccurring, meaning that it was generated by customers who had already purchased from TP Aerospace within the past three years. Our ability to establish a reoccurring model where the same customers continue to purchase from us is a testament to our service level and our access to critical components.

70%

of Components revenue was generated by a reoccurring customer base in 2022.

continued

FUELING GROWTH FROM THE CORE

Focus on attractive markets

During the year, TP Aerospace confirmed the relevance of our value proposition across all three business divisions towards operators, lessors, and other aviation companies all over the world. While Europe and the Middle East continued to be the largest market during the year, representing 59% of revenue, Americas and Asia Pacific represented 25% and 16% respectively.

In 2022, we supported more than 680 customers in over 100 countries across all regions. The global span was primarily driven by the Components and Distribution divisions, while Programs remained centered within the core markets in Europe, North America, and Asia Pacific.

Programs further maintained its focus towards its core market, with 75% of the aircraft on contract being narrow-body, and a continued focus on the small and mid-sized fleet sizes. However, TP Aerospace also continued to grow its exposure towards the larger fleet segment. This was, amongst other things, evident from the amount of existing customers adding a significant number of new aircraft, thus growing into large fleets.

We supported customers in over

100

countries in 2022.

SECURING A LONG-TERM VALUE PROPOSITION

Our business model and our service offerings are designed to accommodate our customers' short and mid-term operational needs. To continue to support the industry well into the future, our strategy is focused on continuously expanding TP Aerospace's value proposition in the market. This includes ensuring long-term cost efficiency for our customers, accommodating growth and maintaining a high delivery performance across all business divisions.

In 2022, our focus revolved around operational excellence activities and capacity increases. Additionally, we took a number of steps towards strengthening the customer experience, in particular for our Programs customers.

Driving value proposition through operational excellence

At TP Aerospace, a mindset of operational excellence is key to driving a long-term value proposition. We consider continuous improvements and optimizations of our operations critical to strengthening customer service and cost efficiency for our customers.

In 2022, most activities and projects within TP Aerospace centered around improving the overall turnaround time from when our customers submit an exchange request until they have the serviceable components returned to stock. Most efforts focused on expanding various planning tools relating to demand forecasting and purchasing, enabling us to make faster, more frequent and more precise adjustments to our operations based on capacity, our customers' activity and our suppliers' ability to deliver.

During the year, we continued to be impacted by supply chain disruptions resulting in significantly longer lead times on tires and certain piece parts. However, with these stronger tools, along with additional resources invested in sales and operations planning, we managed to partially counterbalance these challenges. Additionally, the efforts have provided better integration between the different functions and locations within our global organization, laying a strong foundation for significant efficiency improvements in the years to come.

Additional capacity in Central and Eastern Europe

While additional repair capacity is necessary to continue to cater for our growing customer base, proximity to customers and logistics hubs is also a central element of our business model and our value proposition. Thus, we continue to assess our global footprint to ensure that we adapt to growth and market developments and are physically present in strategic locations around the world.

In 2022, we took the first steps in establishing a new facility in Central and Eastern Europe with the signing of a 10,000 sqm. building in Brno, Czech Republic. The new facility will be a fully equipped wheel and brake maintenance facility with complete capabilities to support any customer in the region.

continued

SECURING A LONG-TERM VALUE PROPOSITION

When fully operational and utilized, the facility will have a capacity of up to 15,000 annual repairs and overhauls, thereby increasing our European capacity by approximately 85%.
The facility will also house a large warehouse and distribution center, supporting the growing activity within all three business divisions across Europe.

In addition to adding new capacity, the new facility in the Czech Republic will move TP Aerospace closer to our existing and potential customers in Central Europe, Eastern Europe and the Middle East. This strengthened proximity is central in securing the company's long-term value proposition.

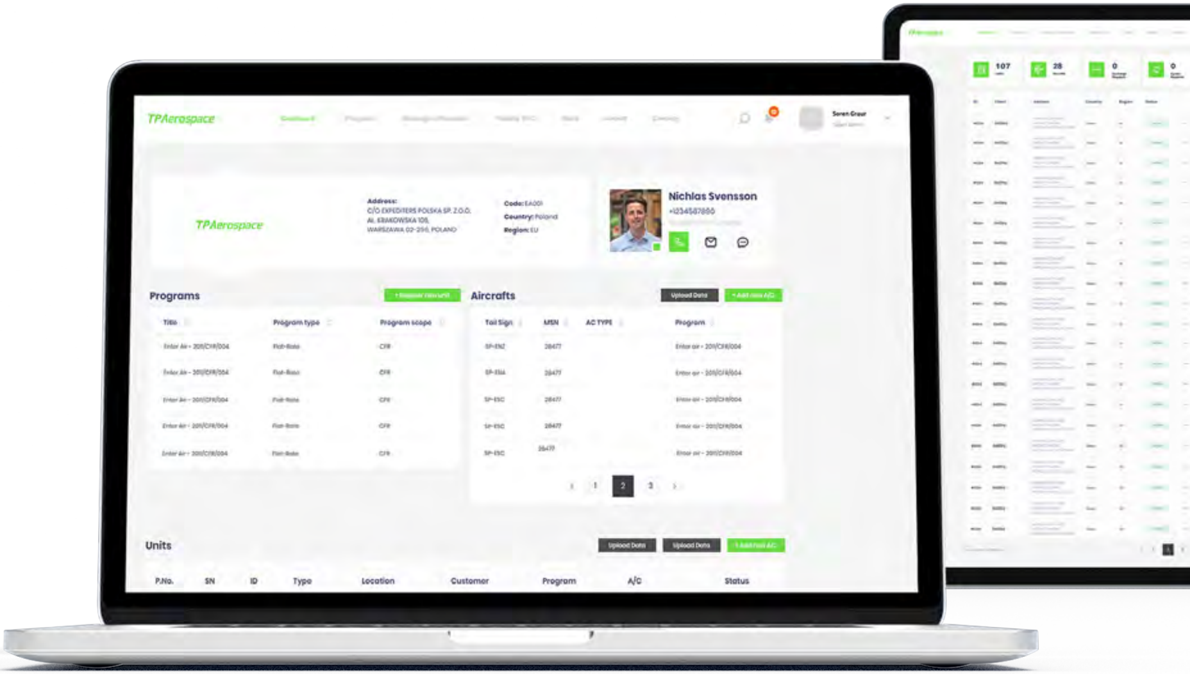
PROControl – A digital customer portal
With airlines' increasing focus on operational efficiency and data transparency, TP Aerospace initiated a project to build a customized online customer portal – PROControl – for customers to manage their wheel and brake programs.

PROControl is an engagement tool designed to create a seamless and aligned customer experience and boast operational efficiency for customers. The portal enables operators to view all details related to their program, manage claims, and submit exchange requests.

While the new customer portal is bringing value to all existing and new Programs customers, PROControl will also simplify TP Aerospace's internal operations by integrating with our existing ERP system. The alignment of internal processes will further strengthen the scalability of the organization and related operations.

Towards the end of 2022, TP Aerospace successfully completed the first pilot of PROControl, and the portal is expected to be rolled-out to customers in stages during 2023.

TPAerospace
PROCONTROL



BUILDING ORGANIZATIONAL ROBUSTNESS

To succeed with our ambitious growth strategy, we are focused on continuously building a robust organization to drive the company forward. This includes designing our organizational structure to accommodate growth along with various initiatives to ensure that we have the right skills and competences within our organization. In 2022, our primary efforts revolved around strengthening our organizational blueprint and expanding leadership capabilities.

Organizational blueprint

As a company, we are built around a decentralized organization to secure customer proximity and create a strong local presence of both commercial and operational capabilities in each region. With more than 300 employees across more than 11 locations, a large focus in 2022 was on ensuring that our organizational blueprint and our in-house competencies continue to match and are scalable to the needs of our operations.

During 2022, our global organization grew by 35% from the beginning of the year. While most of the new staff were related to production and warehouse functions to support the growing demand, we also welcomed a number of employees with more specialized competences required to strengthen operational functions.

We completed organizational adjustments in different areas of the business, primarily aimed at creating functions with more specialized competencies and enabling employees to work in a more focused way. Additionally, some restructurings also provided the benefit of a more robust organization where local competencies were brought into a global function, allowing for increased cross-location knowledge sharing and collaboration. As an example, we expanded our central Engineering and Compliance Management department to include employees in all regions, building a global and stronger team to support growth across all locations.

Towards the end of 2022, TP Aerospace also appointed a new Chief Operating Officer to join the company in January 2023. This was another important step in building organizational robustness and ensuring that we continue to develop our organization with the right skills and competencies to lead the company forward.

Leadership & organizational development

With an ambitious growth strategy and a rapidly growing organization, leadership continues to be central to our people and organizational development efforts and a top management priority.

In 2022, we completed leadership training for all managers located in Europe. The modular leadership training program was initiated in 2021 with the purpose of strengthening our middle managers' leadership competencies and skills and enable them to tackle short- and long-term leadership challenges to build efficient and productive teams.

During the year, we further completed the leadership training for all US-based managers, thereby continuing the efforts to align and create a common language around leadership across TP Aerospace's many locations worldwide.

While working toward continuously developing our management teams, another focus in 2022 was on strengthening our approach to succession management. Through succession management we aim to develop a strong internal talent pipeline, which is key to ensure stability and business continuity. As part of the process, we identified critical leadership positions within the global organization and assessed which individuals had the potential as successors for these positions. Succession management is a consistent process that is fully integrated into related processes, such as the annual performance reviews.

35%

growth in the global workforce.

3 SUSTAINABILITY

SUSTAINABILITY

Aviation is a key enabler of social, economic, and cultural development. Being the only mode of rapid transportation across the world, our industry is at the center of global connectivity. But air travel has its impacts, and our sustainability efforts are focused on ensuring that we assess, understand and take responsibility for our share of those impacts.

While our operations pose a risk to the environment, environmental concerns are also increasingly posing a risk to our business. With growing climate changes, it is necessary that the industry transitions towards more efficient and sustainable solutions; to mitigate these risks, we have made sustainability a part of our day-to-day business and we take into account having a responsible growth strategy.

Our sustainability framework focuses on areas within Environment & Climate, People, and Governance & Ethics. Within each area, we have analyzed how our efforts and business model contribute to the Sustainable Development Goals (SDGs). Though we contribute to many SDGs, we have identified five priority areas that are relevant to our strategy and business model, and where we have the potential for the most positive contribution.

UN Global Compact

Since 2017, we have participated in the UN Global Compact, the world's largest voluntary initiative for responsible business conduct. Through this participation we committed to aligning our business strategy and operations with the ten universally accepted principles within human rights including labor rights, environment, and anti-corruption. Our overall approach to sustainability continues to be built on and aligned with the ten principles of the UN Global Compact.

UN GLOBAL COMPACT

WE SUPPORT

continued

SUSTAINABILITY

ENVIRONMENT & CLIMATE

Focus areas

Long-term commitment to reduce CO2 emissions and support our customers in decarbonizing their supply chains.

Decarbonization, energy efficiency and waste management are central to TP Aerospace's sustain-ability strategy to efficiently work towards minimizing our environmental impact.

We want to contribute to more efficient use of resources and promote less waste, and all decisions we make must support this commitment.

Commitments

1. Provide full carbon transparency on scope 1 and 2 emissions.
2. Reduce carbon footprint (scope 1 and 2 emissions).
3. Measure and take action to reduce scope 3 emissions.

PEOPLE

Focus areas

Commitment to sustainable growth, diversity as a quality and to providing good and safe working conditions for employees around the world.

Safe and healthy working conditions are a fundamental priority at TP aerospace, and our policy is to make safety everyone's business. Our employees must always feel safe without worrying about any negative impact on their physical or mental health as a result of their work.

TP Aerospace recognizes the value and strength of diversity and is focusing on inclusivity and equality.

Commitments

1. Provide equal opportunities for all employees and candidates.
2. Securing a safe and injury-free work environment.
3. Safeguard the human rights of the people within our sphere of influence.

GOVERNANCE & ETHICS

Focus areas

To take leadership in ethical business conduct and always uphold a zero tolerance policy towards corruption in our industry.

High business ethics are at the core of who we are, and we want to supply high-quality products to a market characterized by fair competition.

TP Aerospace has zero tolerance towards bribery and corruption in any form.

Commitments

1. Always conduct business with integrity.
2. Always provide employees with adequate training and knowledge to avoid involvement in illegal practices.
3. Provide an open, effective and anonymous whistleblower scheme.

ENVIRONMENT & CLIMATE

Decarbonization, energy efficiency and waste management are our key and strategic focus areas, and TP Aerospace is committed to continuously minimizing the impacts of our business. Through product stewardship, we aim to reduce the environmental impact of wheel and brake repair and recycling activities to a minimum.
In 2022, our primary efforts were on the energy efficiency of our in-house activities as well as identifying long-term opportunities for reducing absolute emissions across our operations.

A science-based approach to emission targets
At TP Aerospace, we have aligned our climate goals with the Paris Agreement, the most widely used and globally accepted framework for avoiding climate change.

Already in 2021, we set forth ambitious climate targets, and in 2022 we strengthened our commitment by submitting our targets to the Science Based Target initiative (SBTi) who validated them to be aligned with the Paris Agreement's ambition to limit global warming to well-below 2°C.
SBTi is a partnership between the CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature that defines and promotes best practice in emissions reductions in line with climate science. Through this initiative, TP Aerospace committed to reducing scope 1 and scope 2 GHG emissions by 28% by 2030 from a 2019 base year, and to measure and reduce our scope 3 emissions.

Our commitment to the SBTi was a natural step in our climate action efforts and a signal of our continued support for our customers in decarbonizing their supply chains.

Counterbalanced by an increase in activity, our absolute scope 1 and scope 2 emissions declined slightly. This decline was driven by an increase in renewable energy. Relative to our baseline year, 2022 emissions were 9% below 2019.
In the long term, we are confident that TP Aerospace will succeed and exceed the defined climate targets with the ongoing and planned investments in long-term solutions. Key to achieving our long-term emission targets is our ability to continuously make our operations more energy efficient and decouple growth from resource consumption. Every year our target is to ensure that the increase in energy consumption does not exceed our sales growth. In 2022, our total energy consumption was 5.2% above 2021 levels, which was significantly below our sales growth of 65.6%. While part of this was driven by specific initiatives targeted at achieving a higher level of energy efficiency, part was driven by the scalable nature of our operations, enabling our maintenance facilities in particular to accommodate the increasing demand in 2022.

30%

electricity usage generated by renewable energy sources, compared to 20% the year before.

Conversion to renewable energy sources
In 2022, our electricity usage was responsible for 71% of our scope 1 and scope 2 emissions. To enable business growth while meeting our long-term reduction targets, it is necessary that we increase the use of renewable energy sources across our many facilities around the world.

During the year, approximately 30% of our global electricity usage was generated by renewable energy sources. This was up from 20% in 2021, driven by an increase in share of purchased renewable electricity from our power provider in Germany.

While we consider the purchase of renewable electricity an important element in reducing our emissions, it is our policy in the long term to transition to and invest in solar power where possible. Investments in rooftop solar power is both more economically viable and has the potential to be more efficient than purchased renewable electricity. We continuously assess possibilities for converting our existing facilities to solar power, and it is also a central requirement when negotiating new facilities that there is a possibility to transition to solar power if that is not already installed.

Towards the end of 2022, Singapore became the first facility on our global network to start the installation of solar panels and will thus be the first of our facilities to be fully supported by renewable energy. The solar panels will go into effect in the beginning of 2023 and will have a close to full year effect on our emissions next year.

continued

ENVIRONMENT & CLIMATE

Assessment of value chain emissions
while our primary climate risks relate to our scope 1 and scope 2 emissions, we acknowledge that most emissions occur in our extended value chain.

In early 2022, we completed an extensive assessment of the emissions occurring in our wider value chain. This assessment was based on our 2019 activity level and provided an overview of the estimated emissions deriving from our upstream and downstream activities.

The assessment confirmed that transportation remains one of the primary drivers of scope 3 emissions at TP Aerospace. Over the past years, TP Aerospace has increased its efforts to optimize transportation activities and increase the share of goods being transported via lower-impact transportation modes. With very global and dynamic operations, this continues to be a complex challenge to solve and measure. However, we are committed to continuously improving transparency within the area and ultimately working to reduce the related emissions.

Waste management
Waste management and circularity are closely linked to carbon emissions and other environmental impacts. Therefore, another key focus of our environmental policy is how we work with waste reduction initiatives.

As leaders within aircraft wheels and brakes, part of our waste management efforts is on addressing the challenges related to proper disposal of end-of-life components. Our long-term aim is to ensure that all end-of-life components are recycled to the highest standards and that we build full transparency of its environmental impacts. With many facilities around the world with varying access to proper recycling facilities, this challenge remains complex on a global scale. While we continue to work for a global solution, our efforts in 2022 revolved around strengthening the processes at our main locations from where most of the components are disposed.

If not properly managed, waste, particularly within our maintenance facilities, can pose a key risk to the environment. Therefore, we actively monitor our waste activities to ensure that we, within every location, comply with high standards for waste management practices. We track and document the handling of all hazardous waste in accordance with industry standards and regulations for the purpose of minimizing the amounts of waste and ensure that we have no unintentional discharges of chemicals or wastewater. In 2022, we did not experience any incidents related to the unintentional discharge of waste.

2022 PERFORMANCE

	2022	2021	2020	2019
Energy consumption (MWh)	2,872.9	2,721.1	2,761.4	2,638.7
Growth in energy consumption (%)	5.2%	-1.1%	4.7%	-
CO2e emissions (tonnes CO2e)	615.5	617.0	697.8	673.3
Scope 1 emissions (tonnes CO2e)	157.5	129.5	136.2	109.2
Scope 2 emissions (tonnes CO2e)	457.9	487.0	561.6	564.1

PEOPLE

TP Aerospace is built and operated by people; people who use their skills every day to position the company for growth and ensure that customers receive the best possible service.

As an employer, it is our policy to build and maintain a work environment characterized by respect and empowerment and where the company's growth is driven by the individual's professional development. Our efforts center around diversity, inclusion, safety and wellbeing, primarily guided by the need to manage potential risks and mobilize human potential.

At the end of 2022, we employed a total of 331 employees across 11 locations.

Human rights in business
Employee rights are human rights, and our efforts and policies are all aligned with the requirements of the UN Guiding Principles on Business and Human Rights.
These guidelines provide us with a framework for understanding human rights in a business context and for continuously identifying, assessing, and mitigating potential risks.

Given the global nature of our operations, we acknowledge the risk of adverse human rights impacts and it is our policy to always have the right procedures and mechanisms in place to ensure that we to not negatively impact the people within our sphere of influence.

Therefore, as part of our human rights' due diligence procedure, we continuously assess human rights risks of the countries in which we operate. In 2022, we naturally assessed the potential human rights risks in the Czech Republic as we were investigating the opportunities for establishing a site in the country. With this, human rights concerns were part of the decision making alongside a number of commercial and financial factors, and the assessment enables us to mitigate any risks like all other countries we operate in.

Our human rights framework is further described and explained in our Employee Code of Conduct which all employees are subject to.

continued

PEOPLE

In 2022, our human right assessments did not find any severe human rights impacts. Going forward, we will continue to conduct assessments and keep human rights high on the business agenda.

Attracting and retaining talent
The past year was characterized by the very tight labor market as employment rates boomed in most countries around the world. At TP Aerospace, our growth along with the competitive labor market called for increased focus on attracting, retaining and developing our talent.

Throughout 2022, we welcomed a large number of new talents to our global workforce as we grew from 245 employees at end of 2021 to 331 employees at end of 2022. Overall, our efforts to attract talent to fill new positions were successful during the year. Most efforts revolved around targeted recruiting as well as a strategic approach to employer branding.

At TP Aerospace, we consider the retention rate one of the most important employee-related indicators. The retention rate excludes involuntary turnover and focuses therefore on our ability to retain talent within the organization. In 2022, our global retention rate was below previous years, which was in line with the movement in the general job market during the year. As we go into 2023, our focus will remain on maintaining a stable global workforce.

Diversity and inclusion
At TP Aerospace, we consider diversity a quality in itself. By building a diverse workforce and bringing together many different perspectives, backgrounds, and experiences, we are continuously bolstering diversity as a performance driver. In 2022, we employed an average of 46 different nationalities within nine different countries.

For the purpose of strengthening our organization and avoiding discrimination, it is a central part of our HR policy to always promote diversity and foster an inclusive work environment in all HR related processes and procedures related to the employee's life cycle, including hiring, development, and termination processes.

Through our annual workplace assessment, we seek insight into our employees' perception of diversity and inclusion in TP Aerospace, enabling us to take timely action to address challenges. The results from our 2022 workplace assessment exceeded our inclusion targets though they also provided valuable insight into areas for further improvement. All improvement areas were addressed and mitigated throughout the year.

Diversity in management
Working in our industry and line of business, we acknowledge gender equality to be a key risk in guaranteeing equal opportunities for all. Diversity is especially important at management levels as this is where all business-critical decisions are made.

To address and mitigate the risk, we have defined clear targets for the gender composition within the Board of Directors as well as other management levels.

Leading with the Board of Directors, our target is to have a minimum of two female board members by the end of 2023. In 2022, we had one change in the Board of Directors, as our co-owner and previous CEO, Peter Lyager, transitioned to a non-executive position in the Board. With this change, the gender composition in the Board of Directors remained unchanged, with one female Board member.

For other management levels, we have defined targets for both the Executive Management team, as well as the management team below Executive Management. For both levels, we aim that the gender profile should at any time, as a minimum, represent the overall gender profile of our general global workforce. At the end of 2022, 17% of our global workforce was female and 83% was male. Within our executive management team, the gender composition remained unchanged with 33% being female. At the management level below executive management, 46% were female, which was up from 31% in 2021. This we consider an equal gender composition that exceeds our initial targets. Generally, we are satisfied with our ability to promote the lesser represented gender in management positions.

46%

of our global management team were women at the end of 2022.

continued

PEOPLE

Safety at work

TP Aerospace considers a safe work environment to be the foundation of a healthy organizational culture. It is a top priority that employees always feel safe going to work and that they experience that safety is a priority of their managers and colleagues.

Our greatest occupational health and safety risks lie within our repair and warehouse environments where our employees work with heavy components and machinery on a daily basis. With increasing activity, safety awareness is becoming increasingly important to ensure that safety is never compromised. To continuously measure and evaluate our safety culture, we have a number of mechanisms in place. First, we track all workplace incidents at our sites. In 2022, this was included in the monthly global management report to Executive Management, where our performance is continuously evaluated. During the year, we recorded a few incidents across our global organization, primarily related to back pain resulting from incorrect lifting techniques. Action was taken to remediate all workplace incidents. We adhere to the principle that no injury is acceptable, and thus always aim for an incident-free work environment. However, the number of incidents in 2022 was at a reasonable level and within our target.

Additionally, safety is a central element of our annual global workplace assessment, where we ask our employees to evaluate the work environment based on several factors.

At TP Aerospace, we encourage physical activity as a means to build and maintain a safe and healthy work environment. Across many of our locations, we therefore offer access to various activities such as access to a company gym, participation in various fitness classes or regular company health days. All activities aim at cultivating good physical and mental health.

GOVERNANCE & ETHICS

High business ethics are at the core of who we are, and we are committed to supplying high-quality products to a market characterized by fair competition.
At any point in time, it is our policy to promote high business ethics and to conduct business in an honest, transparent, and fair manner.
All employees are subject to our Employee Code of Conduct, through which we guide employees on our principles and on how to avoid involvement in any unethical and illegal practices.
As a result of the highly global and dynamic nature of our industry, as well as TP Aerospace's engagement in countries all over the world, exposure to corruption is a risk to our business.

Corporate governance

For TP Aerospace, responsible business conduct starts at the top of our organization. Thus, we consider a strong corporate governance structure to be the foundation of an ethical business.

Our principles for good governance are based on our Articles of Association and governed by our Board of Directors and our Executive Management team. We align our corporate governance efforts with the "Recommendations on Corporate Governance" issued by the Danish Committee on Corporate Governance. This is achieved by maintaining an ongoing dialog with our owners and other stakeholders, reporting results monthly, and facilitating an ongoing strategic development process that creates value for our stakeholders.

We are further subject to the guidelines issued by the Danish private equity association Active Owners Denmark, of which our owners, CataCap is a member. These guidelines recommend extended coverage in several areas in annual reports, including corporate governance, financial risk, employee relations and strategy.

Anti-bribery and corruption

TP Aerospace has a zero tolerance policy towards corruption and bribery in any form. Our policy is built on the United Nations Convention against Corruption and various national laws, including the UK Bribery Act and is designed to secure the highest level of compliance across our global operations.

Through our Anti-bribery & Corruption Policy and Guidelines as well as our employee Code of Conduct, we have set forth our commitments, responsibilities and ethical obligations as a company and provide guidance to our employees and anyone else acting on behalf of TP Aerospace. These further cover topics such as gifts and hospitality and the duty to report any concerns or suspected policy breaches.

Operating in a highly complex global legislative environment, the greatest anti-corruption risk in TP Aerospace is the risk of non-compliance. We have a clear target to always avoid any kind of violation of anti-bribery and corruption legislation and practices. To mitigate the potential risk of non-compliance, we have various procedures and control mechanisms in place.

Throughout 2022, we continued our efforts to widen our employees' awareness of bribery and corruption challenges as well as of relevant legislation. As part of all employees' onboarding, they must read, understand, and sign our Code of Conduct as well as our Anti-Bribery & Corruption policy.

It is part of our company policy to always provide employees with adequate training and knowledge to avoid involvement in illegal and unethical practices. We conduct annual online anti bribery and corruption and bribery training, which is mandatory for all employees in positions where they are at risk of potential exposure to bribery and corruption. The training is aligned with our policy commitments and is regularly updated to ensure continued compliance with various anti-corruption legislation.

In 2022, we did not register any compliance violations across our global operations.

> "TP Aerospace consistently upholds a zero tolerance policy towards corruption and bribery in any form.

continued

GOVERNANCE & ETHICS

A stronger whistleblower scheme

TP Aerospace operates on the principles of respect and integrity. Since 2018, we have had a Code of Conduct outlining these principles and our employees' obligation to adhere to high ethical standards well as a process for people inside and outside of TP Aerospace to report any concerns or misconduct to the Code of Conduct. This was complimented by an extended Whistleblower Policy and Guidelines in 2019.

In 2022, we implemented a new independent whistleblower scheme in TP Aerospace. The new scheme is fully compliant with the applicable requirements and is designed to provide an open, effective and anonymous process for anyone to report concerns. The scheme includes a policy and guidelines as well as an anonymous hotline and a process for thoroughly investigating anything reported through the hotline. The hotline is available to all employees and external stakeholders to report any illegal or unethical misconduct or concerns. Anything reported through the whistleblower hotline is directed to a member of the Board of Directors.

In 2022, nothing was reported through the whistleblower scheme.

Data Ethics

At TP Aerospace, we are committed to protecting our employees' right to privacy, and we fully comply with GDPR legislation relating to our employees and any other personal data we may possess.

Our business model increasingly relies on data, analysis and digital solutions. With responsibility for and access to vast amounts of data, we are committed to managing and protecting data to the highest legislative and ethical standards.

Until now, TP Aerospace has not had a formal business policy on data ethics as this was not considered business critical. However, in 2022, we conducted an extensive analysis of our data processes and procedures with an assessment being conducted by external consultants. This included a full overview of the type of data we have, how we store, manage and process data and how we ensure that we continue to be compliant with increasingly strict and complex data protection legislation. This process continues into 2023, where we will develop and implement a strong data policy, through which we will set forth clear principles as to how we collect, store and protect data related to our employees, customers, business partners and other stakeholders.

OTHER SUSTAINABILITY INFORMATION

Accounting Principles - Energy Consumption and GHG reporting
Our own energy consumption comes from our use of natural gas, gasoline, diesel, electricity and district heating. Reported consumptions are based on meter readings and invoices. Calculation of energy contents are based on the latest published DEFRA statistics.

Scope 1 and 2 emission conversion factors: A. Electricity: We use site-specific or actual local CO2 conversion factors where available, and if not available, the latest published country-specific factors from the International Energy Agency. B. Liquid and gaseous fuels: We use the latest published GHG conversion factors from DEFRA. C. District heating: We use site-specific or actual local CO2 conversion factors where available, and if not available, we estimate emissions based on emission levels in the specific country.

Emissions are calculated and reported in accordance with the Greenhouse Gas (GHG) Protocol.

All companies within the TP Aerospace Group are included in the reporting scope. Due to ongoing development of our data collection processes, comparison figures from previous years may include minor adjustments since first reported.

NON-FINANCIAL DISCLOSURE REQUIREMENTS AS PER THE DANISH FINANCIAL STATEMENTS ACT

Topic	Page Reference
Section 99A	
Business model	pp. 3
Policies, actions, risks, KPIs and performance	Environmental and climate matters - pp. 30 Social matters, pp. 33 Respect for human rights incl. labor rights - pp. 32 Anti-corruption and bribery, pp. 35
Section 99B	
Target for the underrepresented gender at the highest management body	pp. 32
Section 99D	
Data Ethics	pp. 36

RISK MANAGEMENT

RISK MANAGEMENT

During volatile times, risk management becomes core to responding, managing, and recovering from difficult and unforeseen events. This has also been the case for TP Aerospace during the past few years, and therefore we do not view risk management as risks we need to avoid, but rather as risks we need to be aware of. Our approach to risk management is key to remaining resilient towards challenging market conditions.

Risk management is fully integrated into the strategic and operational activities in TP Aerospace, and with a risk policy and procedures in place, we have a systematic approach to efficient risk management, allowing us to identify risk early and proactively work to prevent an increase in exposure. With our risk management structure, we ensure proper and efficient identification, assessment, and mitigation of risks to reduce the likelihood of unforeseen events causing harm to TP Aerospace, our people, our business model or our strategy.

Risk is continuously identified and monitored by the Executive Management and presented to the Audit Committee who monitors the risk management procedures in advance of the non-executive board review. Identified risks are assessed based on their potential impact on our business and the likelihood of the risk materializing. The most significant risks are reported to the Board of Directors. The key risk areas related to TP Aerospace's business are presented in the matrix and described further on the following pages.

Commercial
A Component availability
B Market
C Oil prices

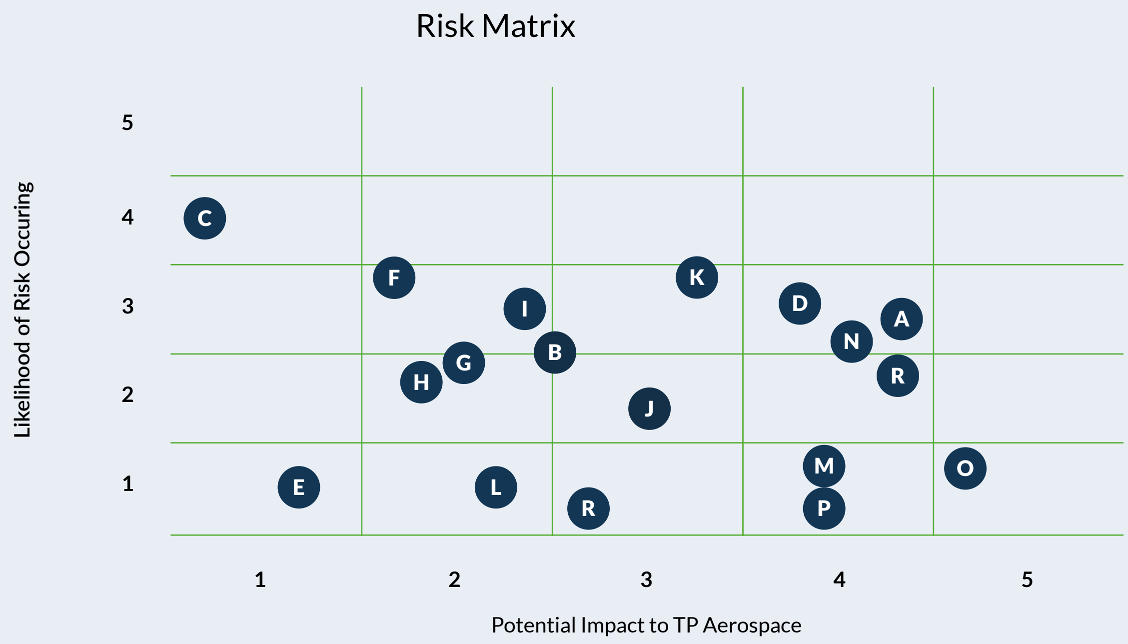
IT
D Cybersecurity

Financial
E Liquidity
F Credit
G Currency
H Inflation

Sustainability
I Environmental
J Anti-corruption

People
K Qualified employees
L Occupational Health & Safety

Operating
M MRO Capacity
N Supply Chain
O Safety
P Asset Security
Q Quality
R Geopolitics



KEY RISK

Risk	Description of risk	Risk control measures
A Component availability	Lack of available piece parts, tires and wheels and brakes in the market could have an impact on our business model.	Our strong market position enables us to cooperate closely with key stakeholders in the industry to ensure a sufficient influx of components.
B Market	Risk related to market and competitive trends.	Diversification is core to our strategy and to mitigating portfolio and market risk. We have a high level of geographic diversity, while we also secure product diversity through our various offers and a contract portfolio spanning widely across passenger and cargo aircraft.
C Oil prices	High oil prices have an impact on airlines' operating costs and profitability.	The potential impact for TP Aerospace is considered low due to limited correlation between oil prices and demand for MRO services.
D Cybersecurity	Disruptions to our IT systems, especially cyber-attacks, pose a risk to our business and our industry in general.	Continuous improvements of procedures pertaining to cyber security, i.e. through cybersecurity awareness training, cyber vulnerability assessments, and disaster recovery plans. To mitigate the potential implications of an attack, we have disaster recovery procedures in place, which are tested on an ad hoc basis.
E Liquidity	The risk of not being able to meet our future cash flow needs.	We continuously assess and monitor that we have adequate capital resources and liquidity to meet our existing and future obligations, including securing required loan facilities, when necessary. Also, we work in a structured way with cash management to ensure timely collection of receivables from customers and timely settlement of our obligations to vendors. If any additional liquidity is needed, our owners hold a strong financial position.
F Credit	The risk of incurring a financial loss if a customer or counterparty fails to fulfill their contractual obligations.	Our diverse and fragmented customer portfolio together with our credit and collection policies, including continuous risk assessments, allow us to take the necessary precautions to mitigate this risk.

continued

KEY RISK

Risk	Description of risk	Risk control measures
G Currency	TP Aerospace's functional currency is USD, and currency risk from operations is mainly towards DKK and EUR.	The typical exposure towards currencies other than USD is not deemed significant. Contracts with our customers and key suppliers are usually denominated in USD.
H Inflation	The global surge in inflation in 2022 increased the pressure on the cost of materials, products, and resources.	We continuously review and reflect our cost base incl. inflation impact into our pricing, while at the same time focus on optimizing our operations to remain competitive.
I Environmental	With the increasing focus on climate change from society and authorities, the industry in general is creating increased requirements for companies to take action to reduce their footprint and ensure carbon transparency.	We work in a structured way with environmental concerns throughout TP Aerospace, and since 2021 we have annually reported our carbon footprint in accordance with the Greenhouse Gas Protocol, aiming to create carbon transparency and working actively to reduce our footprint.
J Anti-corruption	The risk of being involved in or associated with illegal or unethical acts within our company or value chain, potentially leading to criminal action towards TP Aerospace or reputational damage.	Through our Anti-Bribery and Corruption Policy, we define the minimum standards of conduct that all employees must abide by. Our focus is on creating awareness about our zero-tolerance policy and training our employees to identify illegal or unethical situations and report potential concerns.
K Qualified employees	Risk related to a potential shortage of qualified employees.	Through various initiatives, we continuously work to raise the skill level of our workforce and strengthen our employer brand to attract the right talent. The risk is continuously assessed by Executive Management to ensure that appropriate mitigation efforts are put in place in due time.
L Occupational Health & Safety	The safety of our employees is our highest priority, as incidents could have serious consequences for our staff, operations, and reputation. The biggest safety risk is in our repair shops.	Through our safety management system, we work to manage safety risks in the workplace by conducting regular risk assessments of the different workstations, implementing new policies and procedures, and by increasing employees' awareness of safety risks.

continued

KEY RISK

Risk	Description of risk	Risk control measures
M Repair capacity	The risk of our repair capacity not meeting market demands or our sales expectations.	We have sufficient capacity worldwide to meet the current demand. By continuously optimizing our operational model and footprint, we continue to expand and scale our capacity to match market demands.
N Supply chain	Disruptions and imbalances in the global supply chains may lead to material shortages and an increasing pressure on costs.	We work closely with our suppliers to ensure that we monitor changes in lead times and set our replenishment levels accordingly. We further manage this risk by maintaining a stock of the most relevant part numbers in Distribution to support our own repair activities.
O Safety	Hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents related to TP Aerospace.	We live up to the highest quality and safety standards of some of the world's most recognized aviation authorities, including the FAA and EASA. In case of an incident, our Aviation Liability Insurance provides coverage for financial damages.
P Asset security	Damage to our stock could potentially have a critical financial impact on our business.	We maintain an appropriate stock level at various facilities worldwide, thereby mitigating the potential risk of asset damage on our delivery performance. Our assets and liabilities are generally covered by insurance taken out with well-established insurance companies. Policies, procedures, and systems are in place to ensure that our operations and products live up to the highest quality standards and to continuously assess and improve our procedure.
Q Quality	Failing to obtain or maintain the necessary approvals to stay in operation and/or defects in product quality.	Policies, procedures, and systems are in place to ensure that our operations and products live up to the highest quality standards and to continuously assess and improve our procedures.
R Geopolitics	Risk of significant geopolitical escalations resulting in increased sanctions and trade barriers.	We continuously assess our commercial and operational footprint in light of geopolitical risks all over the world. Further, we maintain an agile business model, enabling us to react quickly to changing circumstances. I.e., with the war in Ukraine in 2022, we acted quickly to close our activities in Russia and limit our exposure.

5 MANAGEMENT

BOARD OF DIRECTORS

Flemming Jensen
Chairman
Born 1959, Appointed by CataCap
Member since 2017

Flemming holds the position of CEO of DSB, the Danish Railways, but brings almost 30 years' experience from aviation. He is a trained pilot from the Royal Danish Air Force and spent almost 10 years as a fighter pilot. He entered the commercial aviation industry in the '80s, first with Sterling Airways and later SAS as Captain and Chief Pilot, respectively. Before joining DSB in 2015, Flemming held the position of COO of SAS for several years.

Peter Ryttergaard
Deputy Chairman
Born 1970, Appointed by CataCap
Member since 2017

Peter is a partner in the Danish private equity fund CataCap and has a strong operational background. He holds an Executive MBA from the Cranfield School of Management and a master's degree in Accounting from Copenhagen Business School. Throughout his career, he has gained extensive experience within private equity, but has also gained insight into the aviation industry as CFO of FLS Aerospace/SR Technics UK.

Peter Lyager
Member & Co-founder
Born 1971, Appointed by Peter Lyager and Thomas Ibsø through their respective holding companies
Member since 2022

Peter held the position of CEO of TP Aerospace from the company's start in 2008 until 2021. After completing his military service with the Royal Danish Navy, Peter acquired a B.Sc. in Economics and Business Administration from Copenhagen Business School and has since then gathered more than 25 years of experience from the aviation industry. Peter stepped down as CEO at the end of 2021, transitioning to a non-executive position in the Bord of Directors in March 2022.

continued

BOARD OF DIRECTORS

Andrew Hoad
Member
Born 1963, Appointed by CataCap
Member since 2017

Andrew is an aviation veteran, having been in the industry for more than half his life. He is particularly strong in the technical aspects of aviation and holds a degree in Mechanical Engineering. Throughout his more than 30 years in the industry, Andrew has held various positions within Rolls-Royce, Cathay Pacific Airways/HAECO in Hong Kong and FLS Aerospace. Most recently, he comes from 14 years as Senior Vice President, Engineering, at Emirates in Dubai.

Vilhelm Hahn-Petersen
Member
Born 1960, Appointed by CataCap
Member since 2017

Vilhelm is a partner in the Danish private equity fund CataCap and he is experienced in strategic and operational management from both Danish and international business environments. He holds a master's degree in Political Science from Aarhus University and has several years' experience from the aviation industry, first as CEO of FLS Aerospace and later as COO of easyJet.

Nina Fisker Olesen
Member
Born 1991, Appointed by Kirk Kapital
Member Since 2019

Nina is Investment Director in the Danish family-owned investment company Kirk Kapital. Nina serves on the Board of Cookie Information, Ellepot, Globeteam, Mobilhouse, and TPS Rental Systems. She holds a master's degree in Business Administration, Finance and Accounting from Copenhagen Business School, and has worked in Nordea Corporate Finance before joining Kirk Kapital in 2017.

Michael Humphreys
Member
Born 1964, Appointed by CataCap
Member since 2018

Since obtaining a BSc. in Aeronautics and Astronautics from the University of Southampton, Mike has held a number of senior executive positions with aircraft maintenance providers including CEO of FLS Aerospace, EVP of Component Services at SR Technics and, most recently, President of Airinmar. Through more than 30 years' experience from the commercial aviation aftermarket, Mike has obtained strong skills in strategy and business development.

EXECUTIVE MANAGEMENT

Nikolaj Lei Jacobsen
CEO, Born 1983

Nikolaj joined TP Aerospace as CFO in 2018, before transitioning to COO in 2020. In January 2022, he took on the role of CEO after Peter Lyager.

Nikolaj holds an MSc in Business Administration from Aarhus University and is an experienced leader from various positions in large international corporations. Nikolaj's specialties revolve around corporate strategy and finance.

Tinneke Torpe
CFO, Born 1976

Tinneke joined TP Aerospace as CFO in October 2021. Tinneke holds an MSc in Business Economics and Auditing from Copenhagen Business School and has more than 15 years' experience from various senior finance positions, both in Denmark and abroad.

Besides her extensive background within financial reporting, controlling, operational finance, risk management and governance, Tinneke's specialties include process optimization through technology.

Thomas Ibsø
President, Born 1975

As founder, Thomas has held the position as President since 2008. He entered the aviation industry after completing his military service with the Danish Artillery Regiment.

He has more than 25 years of industry experience, where his main focus has been on aftermarket sales and business development across a broad range of aviation products lines.

06

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS

PARENT COMPANY FINANCIAL STATEMENTS

SIGNATURES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS 1 JANUARY - 31 DECEMBER

	Notes	2022 USD'000	2021 USD'000
Revenue	3	147,044	88,815
Cost of sales		-61,967	-35,671
Gross profit		**85,077**	**53,144**
Other income	4	3,559	2,124
Other external expenses		-7,837	-5,985
Staff costs	5	-20,603	-17,995
Depreciation, amortization and impairment losses	6	-38,689	-24,744
Operating profit before special items		**21,507**	**6,544**
Special items	8	-2,122	-2,020
Operating profit after special items		**19,385**	**4,524**
Financial income	9	4,560	4,221
Financial expenses	10	-9,694	-6,744
Profit before tax		**14,251**	**2,001**
Tax for the period	11	-2,556	-497
Profit for the period		**11,695**	**1,504**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY - 31 DECEMBER

	Notes	2022 USD'000	2021 USD'000
Profit for the period		11,695	1,504
Other comprehensive income			
Exchange differences on translation of subsidiaries (net)		-225	-71
Cash flow hedge	24	9	50
Tax on other comprehensive income		-1	-11
Other comprehensive income for the period, net of tax		**-217**	**-32**
Total comprehensive income for the period		**11,478**	**1,472**

CONSOLIDATED BALANCE SHEET 31 DECEMBER

	Notes	2022 USD'000	2021 USD'000
Intangible assets	12	51,211	51,785
Property, plant and equipment	13, 14	64,227	53,153
Deferred tax asset	15	1,851	2,277
Total non-current assets		**117,289**	**107,215**
Inventories	16	74,648	63,238
Trade receivables	17	21,964	14,398
Other receivables		2,285	69
Prepayments		8,501	2,530
Cash		3,441	2,422
Total current assets		**110,839**	**82,657**
Total assets		**228,128**	**189,872**

CONSOLIDATED BALANCE SHEET 31 DECEMBER

	Note	2022 USD'000	2021 USD'000
Share capital	19	651	651
Share premium		64,441	64,441
Reserve for exchange rate translation		-363	-138
Reserve for cash flow hedges		0	-8
Retained earnings		38,610	26,915
Total equity		**103,339**	**91,861**
Borrowings	20	79,509	68,108
Lease liabilities	14, 20	7,436	5,449
Provisions	21	2,346	1,910
Total non-current liabilities		**89,291**	**75,467**
Borrowings	20	3,597	3,597
Lease liabilities	14, 20	2,217	2,520
Trade payables		18,763	7,855
Tax payables		2,174	744
Related party payables		448	287
Other payables		5,491	6,951
Prepayments from customers		2,808	590
Total current liabilities		**35,498**	**22,544**
Total liabilities		**124,789**	**98,011**
Total equity and liabilities		**228,128**	**189,872**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital USD'000	Share premium USD'000	Reserve for exchange rate translation USD'000	Reserve for cash flow hedges USD'000	Retained earnings USD'000	Total USD'000
Equity at 31.December 2020	**651**	**64,441**	**-67**	**-47**	**25,184**	**90,163**
Profit for the period 1 January 2021 - 31 December 2021	0	0	0	0	1,504	1,504
Cash flow hedges	0	0	0	39	0	39
Exchange rate differences	0	0	-71	0	0	-71
Total comprehensive income for the period	0	0	-71	39	1,504	1,472
Group contribution	0	0	0	0	227	227
Total transactions with owners in their capacity as owners	0	0	0	0	227	227
Equity at 31 December 2021	**651**	**64,441**	**-138**	**-8**	**26,915**	**91,861**
Profit for the period 1 January 2022 - 31 December 2022	0	0	0	0	11,695	11,695
Cash flow hedges	0	0	0	8	0	8
Exchange rate differences	0	0	-225	0	0	-225
Total comprehensive income for the period	0	0	-225	8	11,695	11,478
Equity at 31 December 2022	**651**	**64,441**	**-363**	**0**	**38,610**	**103,339**

CONSOLIDATED CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Notes	2022 USD'000	2021 USD'000
Operating profit after special items		19,385	4,524
Depreciation and amortization	29	4,899	5,283
Change in net working capital	27	-12,691	8,912
Cash flow from primary operating activities		11,593	18,719
Interests paid		-6,142	-3,897
Tax paid		-700	-279
Cash flow from operating activities		**4,751**	**14,543**
Purchase of property, plant and equipment		-13,879	-6,216
Purchase of intangible assets		-224	-30
Other non-cash changes		-271	65
Cash flow used for investing activities		**-14,374**	**-6,181**
Proceeds from borrowings	28	12,408	-5,428
Proceeds from intergroup borrowings		161	-113
Group contribution		0	227
Repayments of lease liabilities		-1,927	-2,397
Cash flow from financing activities		**10,642**	**-7,711**
Net cash flow for the year		**1,019**	**651**
Cash and cash equivalents, beginning of the year		2,422	1,771
Cash and cash equivalents at end of the year		**3,441**	**2,422**

NOTES

Notes

Notes

1. ACCOUNTING POLICIES

The consolidated financial statements include the parent company TPA Holding I A/S and subsidiaries in which TPA Holding I A/S directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling interest.

The Consolidated financial statements for TPA Holding I A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class C (large).

The accounting policies applied remain unchanged from last year.

General information on recognition and measurement
The financial statements have been prepared under the historical cost method.

Change in accounting estimates
There has been no changes in accounting estimates in the financial year 2022.

New standards implemented in the financial year
No significant new IFRSs or IFRIC interpretations have been implemented in 2022 affecting the recognition and measurement in the financial statements.

New standards not yet effective
There are no IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Company.

Basis of consolidation
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

On consolidation, elimination is made of intra-group income and costs, shareholdings, intra-group balances and dividend and realized and unrealized profits or losses on transactions between the consolidated companies. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Foreign currency translation
Functional and presentation currency
Items in the financial statements of each of the reporting companies of the Group are measured in the currency of the primary economic environment in which the company operates (the functional currency).

The financial statements are presented in US Dollars (USD), due to the Group's international activities, which is also the parent company's functional currency. The financial statements have been rounded to the nearest thousand.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the statement of profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit and loss, within finance costs. .

Group companies
The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
b) Income and expenses for each income statement are translated at average exchange rates;
c) All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

Business combinations
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group

Identifiable assets, liabilities and contingent liabilities of acquired businesses are measured initially at fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the statement of profit and loss as a bargain purchase.

Revenue
In the Components division, revenue consists of sale of repaired or overhauled wheels and brakes to different types of aircraft. In the Distribution division, revenue consists of sale of piece parts and assemblies to different type of aircraft. In the Programs division, the Group delivers repaired or overhauled wheels or brakes to its customers either as a service (CFR) or as sale of the repaired or overhauled wheel or brake (LFL). In the Programs division, the Group exchanges the core units of the wheel or brake (core asset) with its customers' core unit, and the sale therefore consists of the repair or overhaul of the wheel or brake. Other revenue consists of leasing out wheels and brakes to airlines and of maintenance, repair or overhaul of wheels or brakes for customers (MRO).

Sale of goods in Components, Distribution, LFL business and MRO
Sales is recognized at a point in time, when control of the wheels or brakes has transferred to the customer, being when they are delivered to the customer and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the wheels and brakes are handed over to the customer at the company's shop or when the customer takes delivery from an in-house stock of parts and thereby accepts the products in accordance with the sales contract. In the MRO, business revenue is recognized when the maintenance, repair or overhaul is finalized, delivered and invoiced to the customer.

Distribution revenue contains of factory new piece parts and assemblies as well as brake repair services on behalf of the OEMs. In the Distribution business revenue is recognized, when the piece parts and assemblies are delivered and invoiced to the customer.

There is no volume discounts or other variable payments in these contracts and no element of financing. Revenue is therefore recognized with the amount specified in the contract. A receivable is recognized at this point, as this is the point in time where the sales transaction is unconditional, because only the passage of time is required before the payment is due.

Sale of services in the CFR business
The CFR business provides services in the form of repair and overhaul of wheels and brakes. Revenue from providing services is recognized over time in the period in which the services are rendered. In the CFR business, the service is delivered over the period, where the customer uses the wheels and brakes on its aircraft. Revenue is recognized based on the amount of cycles (landings) the customers has incurred with the wheels and brakes in the given period.

Any increases or decreases in estimated revenues or costs are reflected in the statement of profit and loss in the period in which the circumstances that give rise to the revision become known by management.

The Group fulfils its performance obligations upon delivery at one point in time or over a short period of time. The payment terms follow the industry and are individually negotiated. No contracts have a significant financing element and no contracts comprise variable consideration elements. The Group has no obligations for returns and refunds.

Cost of sales of goods
Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs. Such costs include amounts for the restoration liability the Group has for the customer owned assets that could be included in some CFR programs (mutual pools), based on an estimate of the expected expenses.

Other external expenses
Other external expenses include expenses relating to the Group's ordinary activities, including expenses for premises, stationery, office supplies, marketing costs, losses on receivables, etc. This also includes write-downs of receivables recognized in current assets.

Other operating income and expenses
Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, etc. for companies' staff.

Depreciation, amortization and impairment losses
Depreciation, amortization and impairment losses relating to intangible assets and property, plant and equipment comprise depreciation, amortization and impairment losses for the financial year, calculated on the basis of the residual values and useful lives if the individual assets and impairment testing as well as gains and losses from the sale of

intangible assets as well as property, plant and equipment.

Special items
Special items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Finance income
Financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortization of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Finance expenses
Finance expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortization of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income tax and deferred tax
The Company is jointly taxed with the parent company CC Green Wall Invest ApS and other Danish companies. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are taxed under the Danish Tax Payment Scheme. Additions, deductions and allowances are recognized under financial income or financial expenses.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Intangible assets
Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's, or groups of CGU's, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Customer contracts
The customer contracts were acquired as part of a business combination. They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives of 10 years.

Software
Software is measured at cost less accumulated amortization. Software is amortized on a straight line basis over the useful life, which is estimated at 3 years.

Rights
Rights are measured at cost less accumulated amortization. Rights are amortized on a straight line basis over the useful life, which is estimated at 10 years, which is in accordance with the period of the underlying agreement of which the rights referred to.

Impairment of non-financial assets
Intangible assets that have an indefinite useful life (goodwill) are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) is reviewed for possible reversal at each reporting date.

Property, plant and equipment
Leasehold improvements, assets held for lease and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Cost comprises acquisition price and costs directly related to the acquisition until such time as the assets are ready for use.

Depreciation on other assets, listed below, is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values over their estimated useful lives, as follows:

Leasehold improvements .... 3-5 years

Other fixtures and fittings,
tools and equipment .... 3-20 years

Assets held for lease-out .... 20 years

Buildings .... 20 years

Core units for wheels and brakes, included in other fixtures and fittings ....20 years

Depreciation on assets, listed below, is calculated using a production based method to allocate their cost over their estimated useful lives. The depreciation is calculated based on the actual usage of the asset (MRO).
The average cycles - useful life - is estimated based on historical data and contractual conditions in which the assets are used. The useful life for each individual asset type is as follows:

MRO, Steel brakes (CFR)
1,100 - 1,300 cycles

MRO, Carbon brakes (CFR)
1,750 - 1,950 cycles

MRO, Wheels (CFR)
170 - 270 cycles

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses arising from disposal of property, plant and equipment are calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale. Gains and losses are recognized in the profit and loss account as other operating income or other operating costs.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognized in the income statement when the impairment is identified.

Leases and lease obligations
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease obligation
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Inventories

Inventories are measured at the lower of cost on the basis of standard cost price and net realisable value.

Cost consists of purchase price plus delivery cost.

Cost prices of goods sold are calculated based on the sales price (or the estimated sales price for group internal sales) and the assumed fixed gross margin. The net realisable value of the inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are initially recognized at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortized cost, as the receivables are assets held for collection of cash flows, where the cash flows represent solely payments of principal and interest. Amortized cost usually corresponds to the nominal value. Write-down is made to net realisable value to provide for expected losses.

For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Prepayments

Prepayments comprise incurred costs related to CFR program activities and prepayments in advance for subsequent financial years. Prepayments are measured at cost.

Equity

Reserve for exchange rate translation

The reserve for exchange adjustments consists of exchange rate differences that occur when translating the foreign subsidiaries financial statements from their functional currency into the Group's presentation currency. On disposal of the net investment, the reserve for exchange adjustments of that foreign subsidiary is recognized in the income statement. Reduction of a net investment in a foreign operation which does not result in loss of control is not treated as a disposal.

Reserve for cash flow hedges

The reserve for hedge accounting consists of the effective portion of gains and losses on hedging instruments designated as cash flow hedges.

Dividend distribution

Dividends are recognized as a liability at the time of adoption at the Annual General Meeting.

Provisions

Lending of assets included in the programs by customers (mutual pool) occasionally occurs in connection with the CFR program activities. In case that these programs end, the Company must return similar assets in the same condition as when the lending took place. The provisions include an amount counterbalancing the restoration liability based on an estimate of the expected expenses. The liability is recognized during the application period of the mutual pool assets. The provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Borrowings

Borrowings are initially recognized at fair value, net of transaction expenses incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds and the redemption value are recognized in the income statement over the period of the borrowings using the effective interest method.

Other liabilities

Other debt or liabilities covering trade creditors and other debt are recognized at amortized cost which usually corresponds to the nominal value.

Prepayments received from customers (contract liabilities)

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Contract liabilities represent mainly obligations in relation to CFR programs where there may be an obligation to maintain, repair and overhaul (MRO) customer owned units.

Cash flow statement

The cash flow statement shows the consolidated cash flows during the year distributed on operating, investing and financing activities, changes in cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are calculated using the indirect method and comprise profit for the year adjusted for non-cash items, changes in working capital, interest paid and received etc., and payments of corporate tax.

Cash flows from investing activities comprise payments in connection with acquisitions and divestment of businesses and purchase and sale of enterprises, activities and fixed asset investments as well as purchase, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases, and short term bank debt.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents
In the consolidated cash flow statement, cash and cash equivalents include cash in hand and bank deposits.

Consolidated key figures
The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been calculated in accordance with the following definitions:

- Gross margin is calculated as the gross profit divided by net revenue.
- Operating profit before special items margin is calculated as the operating profit before special items margin divided by net revenue.
- Operating profit after special items margin is calculated as the operating profit after special items margin divided by net revenue.
- Return on equity is calculated as the profit or loss for the year after tax divided by the average equity.
- Equity ratio is calculated as the equity divided by the total assets.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgements, estimates and assumptions made are based on historical experience and other factors that management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgements, estimates and assumptions for the individual items are described below.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

Customer relations

The value of customer relations and the expected useful life are assessed based on long-term and stable relations with the customers and the expected related profitability.

The measurement is based on the expected cash flows from customer relations, costs relating to invested capital, the tax effect and a calculated discount rate.

The carrying amount of customer relations is USD 1,512k at 31 December 2022.

Impairment test of goodwill

The Group annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

The estimates and assumptions are based on historical experience and other factors, but as by nature it is uncertain and unpredictable. Due to the risks and uncertainties which the Group is subject to, actual outcomes may differ from the estimates made.

Goodwill amounts to USD 46,139k and no impairment losses have been recognized in 2022. Information on the impairment test, hereunder critical asumptions are disclosed and described in note 12.

Property, plant and equipment (depreciation period)
The Group recognizes its core units as property, plant and equipment with respect to core units included as part of the Group's program activities. Core units used for the Group's program activities are subject to impairment during their useful lives that ends, at the same time as the aircraft platform it services, is terminated.

The depreciation period has been determined at 20 years for these core units with a residual value of 20%. Management's estimate of the expected useful lives is based on historical experience and market data factors, but is naturally subject to uncertainty.

The depreciation period for core units is reassessed every year.

Costs for maintenance, repair and overhaul (MRO) of wheels and brakes are capitalized as part of fixed assets related to the enterprises' CFR program activities and are in average depreciated over 170 - 270 cycles in respect of the wheels, 1,100 - 1,300 cycles in respect of the steel brakes and 1,750 - 1,950 cycles in respect of the carbon brakes.

The average cycles have been determined based on historical data, corresponding to useful life for wheels, steel brakes and carbon brakes, respectively.

The number of cycles, for which depreciation of maintenance, repair and overhaul (MRO) is made, will be reassessed every year.

Valuation of inventory
Inventory is stated at the lower of cost or market value. The Group determines cost using the first-in, first out method. The Group analyses its inventory levels periodically and writes down inventory to its net realizable value if it has become obsolete, has a cost basis in excess of its expected net realizable value or is in excess of expected demand (obsolescence). There were write-downs of USD 2.7m related to obsolescence as of 31 December 2022 (2021: USD 1.8m).

Provisions
Lending of assets included in the programs by customers (mutual pool) occasionally occurs in connection with the CFR programs activities. In case that these programs end, the Company must return similar assets in the same condition as when the lending took place. The provisions for such restoration liabilities include an amount counterbalancing the expected expenses. The amount is based on an estimate.

Revenue
Revenue related to programs is recognized as a service exclusive of the value of the core assets that are exchanged during delivery within the program as they are considered exchange of assets of similar nature and value. Cost of the delivered core asset is transferred for recognition as cost of the core asset received.

For assets to be included in programs, the allocation of total cost between the core element and the MRO element, respectively, is determined at the first exchange based on an estimate.

The sales value of the CFR programs is recognized concurrently with the customer's use of the asset delivered (per cycle). Cost related to CFR programs are depreciated over the useful life until the next exchange calculated for wheels, steel brakes and carbon brakes in all CFR programs, this period is based on historical data.

3. REVENUE

	2022 USD'000	2021 USD'000
Revenue from contracts with customers	143,332	85,722
Other revenue, MRO revenue	3,712	3,093
Total	**147,044**	**88,815**

Programs 2022	CFR USD'000	LFL USD'000	Leasing USD'000	Total USD'000
Revenue	48,795	23,545	608	72,948
Total	**48,795**	**23,545**	**608**	**72,948**
Timing of revenue recognition				
At point in time	0	23,545	0	23,545
Over time	48,795	0	608	49,403
Total	**48,795**	**23,545**	**608**	**72,948**

Programs 2021	CFR USD'000	LFL USD'000	Leasing USD'000	Total USD'000
Revenue	32,033	20,692	1,542	54,267
Total	**32,033**	**20,692**	**1,542**	**54,267**
Timing of revenue recognition				
At point in time	0	20,692	0	20,692
Over time	32,033	0	1,542	33,575
Total	**32,033**	**20,692**	**1,542**	**54,267**

3. REVENUE

Components, Distribution and Maintenance 2022	Components USD'000	Distribution USD'000	Maintenance, repair and overhaul USD'000	Total USD'000
Revenue	57,613	12,771	3,712	74,096
Total	**57,613**	**12,771**	**3,712**	**74,096**
Timing of revenue recognition				
At point in time	57,613	12,771	3,712	74,096
Over time	0	0	0	0
Total	**57,613**	**12,771**	**3,712**	**74,096**

2022	Europe, Middle East and Africa USD'000	Americas USD'000	Asia Pacific USD'000	Total USD'000
Revenue from contracts with customers	86,530	36,855	19,947	143,332
Other revenue, MRO revenue	44	15	3,653	3,712
Total	**86,574**	**36,870**	**23,600**	**147,044**
Timing of revenue recognition				
At point in time	42,792	36,777	18,072	97,641
Over time	43,782	93	5,528	49,403
Total	**86,574**	**36,870**	**23,600**	**147,044**

Components, Distribution and Maintenance 2021	Components USD'000	Distribution USD'000	Maintenance, repair and overhaul USD'000	Total USD'000
Revenue	27,089	4,366	3,093	34,548
Total	27,089	4,366	3,093	34,548
Timing of revenue recognition				
At point in time	27,089	4,366	3,093	34,548
Over time	0	0	0	0
Total	**27,089**	**4,366**	**3,093**	**34,548**

2021	Europe, Middle East and Africa USD'000	Americas USD'000	Asia Pacific USD'000	Total USD'000
Revenue from contracts from customers	52,187	20,104	13,431	85,722
Other revenue, lease revenue	98	63	2,932	3,093
Total	**52,285**	**20,167**	**16,363**	**88,815**
Timing of revenue recognition				
At point in time	22,990	20,038	12,212	55,240
Over time	29,295	129	4,151	33,575
Total	**52,285**	**20,167**	**16,363**	**88,815**

There was no revenue recognized in the current reporting period that relates to performance obligations that were satisfied in a prior year.

3. REVENUE

The Group has recognized the following revenue-related contract liabilities	2022 USD'000	2021 USD'000
Contract liabilities - Programs, CFR		
Opening balance	1,910	1,659
Net additions	436	251
Closing balance	**2,346**	**1,910**

There were no significant changes in the contract liability balances during the reporting period.

Revenue recognized which was included as contract liabilities at the beginning of the period:

	2022 USD'000	2021 USD'000
Programs, CFR	0	0
Total	**0**	**0**

The Group has not realized any contract liability costs in the period.

4. OTHER INCOME

	2022 USD'000	2021 USD'000
Government grants	3,559	2,124
Total	**3,559**	**2,124**

Government grants primarily contain income from relief packages.

5. STAFF COSTS

	2022 USD'000	2021 USD'000
Wages and salaries	17,579	15,631
Pensions	572	549
Other social security costs	1,652	1,375
Other staff costs	800	440
Total	**20,603**	**17,995**
Average number of employees	281	234

Key management compensation

Key management includes Board of Directors and Executive Board. The compensation paid or payables to key management for employee services is shown below:

	2022 USD'000	2021 USD'000
Wages and salaries	1,047	1,007
Pensions	49	66
Executive Board	**1,096**	**1,073**
Remuneration of management in total:		
Executive Board	1,096	1,073
Board of Directors	128	117
Total	**1,224**	**1,190**

Shares program

In 2021 and earlier years, employees, management and Board of Directors of TP Aerospace have been offered the opportunity to purchase shares in TPA Green Manco ApS which is a shareholder of TP Aerospace Group. The participants acquired the shares at an estimated market price. If an employee leaves the Group before an exit, the Company has the option to buy back the shares at an estimated market price. As the program does not have any negative effect on the Company, no expense is recognized in the income statement.

The following table shows the number of shares granted and outstanding at the beginning and end of the reporting period:

Number of shares	2022 USD'000	2021 USD'000
As at 1 January	233,143	198,503
Granted during the year	0	35,952
Forfeited during the year	-4,600	-1,312
As at 31 December	**228,543**	**233,143**

6. AMORTIZATION, DEPRECIATION AND IMPAIRMENT LOSSES

	2022 USD'000	2021 USD'000
Amortization	1,246	1,165
Depreciation	37,443	23,579
Total	**38,689**	**24,744**

7. AUDIT FEES

	2022 USD'000	2021 USD'000
PwC		
Statutory audit	109	107
Tax assurance services	94	46
Other services	11	10
Total	**214**	**163**
Other auditors		
Statutory audit	33	24
Total	**33**	**24**

8. SPECIAL ITEMS

	2022 USD'000	2021 USD'000
Non-recurring write-downs of receivables (incl. reversals from prior year)	-111	1,480
Net losses related to cease of operations in Russia	1,012	0
Net losses related to new operations in Czech Republic	98	0
Non-recurring restructuring of the organisation including management	30	274
Moving and upgrading MRO shop in Orlando	0	266
Other non-recurring items incl. consultancy	1,093	0
Total	**2,122**	**2,020**

9. FINANCIAL INCOME

	2022 USD'000	2021 USD'000
Interest income	1	59
Interest from Group companies	9	0
Exchange rate adjustments	4,550	4,162
Total	**4,560**	**4,221**

10. FINANCIAL EXPENSES

	2022 USD'000	2021 USD'000
Interest expenses	4,826	3,669
Interest to Group companies	0	13
Exchange rate adjustments	4,868	3,062
Total	**9,694**	**6,744**

11. TAX ON PROFIT FOR THE YEAR

	2022 USD'000	2021 USD'000
Current tax:		
Current tax on profit for the year	2,047	433
Current tax on profit for previous years	83	113
Total current tax expense	**2,130**	**546**
Deferred tax:		
Deferred tax for the year	1,234	-49
Deferred tax for previous years	-808	0
Total deferred tax	**426**	**-49**
Total tax for the period	**2,556**	**497**
Tax for the period is specified as follows:		
Calculated 22% tax on profit before tax	3,135	440
Tax effects of:		
Higher/lower tax rate in subsidiaries	-56	-67
Current tax of profit for previous years	83	113
Deferred tax for previous years	-808	0
Interest cap limitation	199	0
Tax on other comprehensive income	1	11
Non-deductible expenses	2	0
Total	**2,556**	**497**
Effective tax rate	18%	25%

12. INTANGIBLE ASSETS

	Software USD'000	Goodwil USD'000	Customer relations USD'000	Rights USD'000	Total USD'000
Cost:					
At 1 January 2021	179	46,139	3,490	4,184	53,992
Additions during the year	7	0	0	30	37
At 31 December 2021	186	46,139	3,490	4,214	54,029
Amortization and impairment:					
At 1 January 2021	56	0	1,280	105	1,441
Amortization for the year	34	0	349	420	803
At 31 December 2021	90	0	1,629	525	2,244
Carrying amount 31 December 2021	**96**	**46,139**	**1,861**	**3,689**	**51,785**
Cost:					
At 1 January 2022	186	46,139	3,490	4,214	54,029
Additions during the year	224	0	0	0	224
At 31 December 2022	410	46,139	3,490	4,214	54,253
Amortization and impairment:					
At 1 January 2022	90	0	1,629	525	2,244
Amortization for the year	27	0	349	422	798
At 31 December 2022	117	0	1,978	947	3,042
Carrying amount 31 December 2022	**293**	**46,139**	**1,512**	**3,267**	**51,211**

Impairment test for goodwill
Goodwill is monitored by management at the level of TPA Holding I A/S as one cash generating unit.

The Group tests on an annual basis whether goodwill has suffered any impairment. The recoverable amount is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a nine-year period.

Cash flows beyond the nine-year period are extrapolated using the estimated growth rates stated in the table. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the Group operates.

12. INTANGIBLE ASSETS

Impairment test for goodwill - continued
Key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:

Assumptions at 31 December 2022	
Average sales growth (% annual growth rate) from year 2023 to year 2031	7.2%
EBITA margin (%)	13.0%
Marginal tax rate (%)	22.0%
Long term growth rate (%)	2.0%
Pre-tax discount rate (%)	11.0%
Assumptions at 31 December 2021	
Average sales growth (% annual growth rate) from year 2022 to year 2024	26.4%
Average sales growth (% annual growth rate) from year 2025 to year 2030	6.2%
EBITA margin (%) from year 2022 to year 2024	12.9%
EBITA margin (%) from year 2025 to year 2030	14.4%
Marginal tax rate (%)	22.0%
Long term growth rate (%)	1.5%
Pre-tax discount rate (%)	10.2%

Description of assumptions
Average sales growth is the average annual growth rate over the forecast period from 2023 to 2031. It is based on past performance and management's expectations of market development.

Projection of the revenue is based on existing and new sales and whether this supports passenger or cargo demand. Existing passenger sales are based on leading industry experts' view on the return profile of the passenger activity. In terms of existing cargo this is projected based on dialogues with the customers and expectations going forward. New customers both within the passenger and cargo segment are based on historic growth combined with TP Aerospace's current pipeline.

EBITA margin is the average margin as a percentage of revenue over the forecast period 2023 - 2031. It is based on the current sales margin levels, expectations to sales mix and expectations to scalability improvements which positively impact EBITDA.

Marginal tax rate is the expected rate over the nine-year forecast period. It is based on current Danish tax legislation.

Sensitivity to changed assumptions
The calculated value in use of the cash generating unit is considerably higher than the carrying amount, and the prepared impairment test shows that goodwill and customer relations are not impaired. In management's opinion, no reasonable likely change to the above-mentioned assumptions will imply that the carrying amount of the cash generating unit will exceed the value in use significantly.

13. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings USD'000	Other fixtures and fittings, tools and equipment USD'000	Leasehold improvements USD'000	Total USD'000
Cost:				
At 1 January 2021	14,155	65,591	1,122	80,868
Exchange rate differences	-120	-504	0	-624
Additions during the year	1,674	25,516	161	27,351
Disposals during the year	0	-31,010	-125	-31,135
At 31 December 2021	15,709	59,593	1,158	76,460
Depreciation and impairment:				
At 1 January 2021	5,814	13,469	319	19,600
Exchange rate differences	0	-172	-1	-173
Depreciation for the year	2,323	21,084	187	23,594
Reversal regarding disposals	0	-19,714	0	-19,714
At 31 December 2021	8,137	14,667	505	23,307
Carrying amount 31 December 2021	**7,572**	**44,926**	**653**	**53,153**
Cost:				
At 1 January 2022	15,709	59,593	1,158	76,460
Exchange rate differences	52	-467	0	-415
Additions during the year	3,611	47,292	377	51,280
Disposals during the year	-1,257	-31,538	-237	-33,032
At 31 December 2022	18,115	74,880	1,298	94,293
Depreciation and impairment:				
At 1 January 2022	8,137	14,667	505	23,307
Exchange rate differences	0	-40	0	-40
Depreciation for the year	2,127	35,129	170	37,426
Reversal regarding disposals	-1,257	-29,168	-202	-30,627
At 31 December 2022	9,007	20,588	473	30,066
Carrying amount 31 December 2022	**9,108**	**54,292**	**825**	**64,227**

14. LEASES

Amounts recognized in the balance sheet
The balance shows the following amounts relating to leases:

	Land and buildings USD'000	Total USD'000
Right-of-use assets		
Carrying amount 1 January 2021	8,219	8,219
Exchange rate differences	-80	-80
Additions	1,674	1,674
Depreciation for the year	-2,315	-2,315
Carrying amount 31 December 2021	**7,498**	**7,498**
Right-of-use assets		
Carrying amount 1 January 2022	7,498	7,498
Exchange rate differences	12	12
Additions	3,611	3,611
Disposlas		0
Depreciation for the year	-2,119	-2,119
Carrying amount 31 December 2022	**9,002**	**9,002**

	2022 USD'000	2021 USD'000
Lease liability		
Non-current	7,436	5,449
Current	2,217	2,520
Total	**9,653**	**7,969**

Amounts recognized in the statement of profit and loss
The statement of profit and loss shows the following amounts relating to leases:

	Land and buildings USD'000	Total USD'000
Depreciation of right-of-use assets		
Land and buildings	2,119	2,315
Total	**2,119**	**2,315**
Interest expense		
Expenses relating to leases	303	313
Total	**303**	**313**

15. DEFERRED TAX

	2022 USD'000	2021 USD'000
Deferred tax at 1 January	2,277	2,228
Deferred tax recognized in the income statement	-426	49
Deferred tax at 31 December	**1,851**	**2,277**
Deferred tax relates to:		
Intangible assets	-465	-303
Property, plant and equipment	631	-842
Provisions	451	371
Amortization costs	300	284
Tax loss carry-forward	934	2,767
Total	**1,851**	**2,277**
Of which presented as deferred tax asset	-1,851	-2,277

The recognized deferred tax asset is primary attributable to tax loss carry-forward. In the coming years the Danish joint taxation group expects earnings and taxable income to be positive and has accordingly recognized deferred tax asset at 31 December 2022.

16. INVENTORIES

	2022 USD'000	2021 USD'000
Finished goods	77,394	65,067
Total inventories	**77,394**	**65,067**
Less: Provision for inventory write-downs	-2,746	-1,829
Total net inventories	**74,648**	**63,238**

The cost of inventories recognized as an expense and included in ‘Cost of sales’ amounted to USD 53,200k.

Provision for inventory write-downs amounted to USD 2,746k at 31 December 2022. Provision for inventory write-downs is carried out based on a write-down model used by the Group as a whole. The write-down principles are based on a comparison of the book value per part number and internal market data for net realisable value. Write-downs of inventories are made when the book value is above net realizable value

17. TRADE RECEIVABLES

	2022 USD'000	2021 USD'000
Trade receivables and other receivables 31 December	23,036	15,447
Less: Provision for write-down of trade receivables	-1,072	-1,049
Trade receivables, net	**21,964**	**14,398**
Movements on the Group provision for write-down of trade receivables are as follows:		
Opening balances	1,049	1,183
Allowances during the year	591	653
Write-downs during the year	-113	-449
Reversed write-downs	-455	-338
Provision for write-downs of trade receivables at 31 December	**1,072**	**1,049**
Allocation of receivables, overdue but no write-down, by maturity period is as follows:		
Up to 30 days	4,133	3,143
Between 31 and 90 days	2,882	1,333
More than 90 days	1,396	2,448
Overdue trade receivables, net at 31 December	**8,411**	**6,924**

Expected credit losses

The Group applies the simplified approach for providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information. The credit risk is generally considered immaterial.

18. FAIR VALUES

Financial instruments measured at fair value can be divided into three levels:
Level 1 - Quoted prices in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included in level 1 that are observable for the asset or liability.
Level 3 - Inputs for the asset or liability that are not based on observable market data.

The fair value of bank borrowings does not differ significantly from the carrying amount.
The fair value of derivatives are calculated on level 2 in the fair value hierarchy using direct quotes.

Fair value measurements at 31 December 2022

	Quoted prices (Level 1) USD'000	Significant other observable inputs (Level 2) USD'000	Significant unobservable inputs (Level 3) USD'000	Total USD'000
Interest rate swap	0	0	0	0
As at 31 December 2022	**0**	**0**	**0**	**0**

Fair value measurements at 31 December 2021

	Quoted prices (Level 1) USD'000	Significant other observable inputs (Level 2) USD'000	Significant unobservable inputs (Level 3) USD'000	Total USD'000
Interest rate swap	0	-9	0	-9
As at 31 December 2021	**0**	**-9**	**0**	**-9**

Fair values are approximately the same as the carrying amounts.

19. SHARE CAPITAL

The share capital comprises 4,449,950 shares of a nominal value of USD 0.15 each. No shares carry any special rights.

	Number of shares	Nominal value USD'000
Changes in share capital:		
Share capital at 08.03.2017	500,000	73
Capital increase at 27.04.2017	3,949,950	578
Share capital at 31 December 2022	**4,449,950**	**651**

Capital management
The Group's objectives when managing capital are to secure the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital. Any surplus liquidity is used to reduce debt.

The Board of Directors monitors the share and capital structure to ensure that the Group's capital resources support the strategic goals.

20. BORROWINGS

The borrowings comprise acquisition related loans as well as revolving facilities to fund the ongoing operations. There are covenants attached to the loan facilities.

	Effective interest rate	Currency	Maturity	Carrying amount USD'000
Loan from credit institution	2.3% - 4.2%	DKK, USD	30 November 2024	33,567
Term Loan	5,90%	USD	30 November 2024	6,582
Revolving Facility	5.6% - 9.5%	DKK, EUR, USD	30 November 2024	42,957
Total borrowings at 31 December 2022				**83,106**
Loan from credit institution	3.3% - 5.5%	DKK, USD	30 November 2024	37,004
Term Loan	4.4% - 4.5%	USD	30 November 2024	7,158
Revolving Facility	5.5% - 5.6%	DKK, EUR, USD	30 November 2024	27,543
Total borrowings at 31 December 2021				**71,705**

The terms and conditions of the loan from credit institutions, term loan and revolving facility were extended to current maturity in December 2021.

Loan from credit institutions started repayment on 26 May 2020 and is paid in full by maturity.

Term loan is repayable in instalments as of 27 April 2019 to 30 November 2024.

Revolving facilities were increased with USD 8m in 2022. Revolving facilities start repayment as of 30 November 2024 and is paid in full at maturity.

21. PROVISIONS

Lending of assets included in the programs by customers (mutual pool) occasionally occurs in connection with the CFR program activities. In case that these programs end, the Group must return similar assets in the same condition as when the lending took place. The provisions include an amount counterbalancing the restoration liability based on an estimate of the expected expenses. The liability is recognized during the application period of the lended assets.

	2022 USD'000	2021 USD'000
Provisions at 1 January	1,910	1,659
Additions during the year	436	251
Provisions at 31 December	**2,346**	**1,910**

22. RELATED PARTIES

The Group is controlled by TPA Holding II A/S which is controlled by CC Green Wall Invest ApS. The Group's ultimate parent company is CataCap I K/S.
Key management compensation' is disclosed in note 5.

The following transactions were carried out with related parties:

	2022 USD'000	2021 USD'000
Transactions with CataCap Management A/S:		
Costs from CataCap Management A/S	9	7
Total	**9**	**7**
Transactions with CC Green Wall Invest ApS:		
Settlement of taxes in joint taxation	-1,058	60
Interest income	15	17
Proceeds from borrowings	0	1
Total	**-1,043**	**78**
Transactions with TPA Holding II A/S:		
Proceeds from borrowings	38	3
Group contribution	0	227
Interest income	0	0
Total	**38**	**230**
Transactions with Dancing Monkey Holding ApS:		
Purchase of goods	6,161	4,318
Payments for goods	6,974	3,486
Total	**13,135**	**7,804**

Dancing Monkey Holding ApS is controlled by Peter Lyager and Thomas Ibsø which is part of the Board of Directors respectively the Executive Board of TP Aerospace Group.

23. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities

Joint taxation

The Group companies are jointly and severally liable for tax on the jointly taxed income, etc. for the Danish companies of the TP Aerospace Group. The total amount of corporation tax payable is disclosed in the annual report of CC Green Wall Invest ApS which is the management company of the joint taxation. Moreover, the Group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustment of corporation taxes and withholding taxes may increase the Group's liability.

Charges and security

As security for borrowings as well as the Group companies' bank commitments, security in share capital, inventory, tangible assets and goodwill, regarding the Group companies TP Aerospace PRO ApS, TP Aerospace Solutions ApS, TP Aerospace Distribution ApS, TP Aerospace Holding A/S and TPA Holding I A/S, nominal USD 13.4m, is effective.

Guarantee obligations

The Group has issued a guarantee of payment between the Danish Group companies TP Aerospace PRO ApS, TP Aerospace Solutions ApS, TP Aerospace Distribution ApS, TP Aerospace Holding A/S and TPA Holding I A/S and the Group's credit institutions.

24. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, interest risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The financial risks of the Group are managed centrally. The overall risk management guidelines and policies have been approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Executive management manages contracts and risk exposures in accordance with the guidelines and policies and reports to the Board of Directors on a regular basis.

Market risk

Foreign exchange risk

As a consequence of the Group's structure, most net sales and expenditure in foreign currency are set off against each other, so that the Group is not exposed to major exchange rate risks.

The Group's revenue and expenses are mostly in the functional currency of the operating entity creating a natural currency hedge. Consequently, the Group's treasury risk management policy is not to hedge foreign exchange rate risks.

The main borrowings are in USD or DKK. The Board of Directors has decided not to hedge borrowings in DKK and the Group's main currency risk is therefore related to loan in DKK.

Sensitivity analysis

The Group is primarily exposed to changes in DKK/USD exchange rate. The sensitivity of profit or loss to changes in the exchange rates arises mainly from expenses and loans in DKK.

Impact on post tax profit	2022 USD'000	2021 USD'000
DKK/USD exchange rate – increase 10%	3,439	2,982
DKK/USD exchange rate – decrease 10%	-3,439	-2,982

All other variables are kept constant.

Interest rate risk

The Group's interest rate risk arises from long-term borrowings related to the acquisitions. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to hedge as a minimum 67% of the cash flow interest rate risk on the term loan A. The Group uses interest rate swaps to hedge this risk.

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest from borrowings and fair value changes of interest rate derivatives as a result of changes in interest rates. The sensitivity analysis is calculated after the impact of the hedging instruments.

Impact on post tax profit	2022 USD'000	2021 USD'000
Interest rates – increase by 100 basis points	-838	-520
Interest rates – decrease by 100 basis points	838	150

All other variables are kept constant.

Credit risks

Credit risk is managed on Group basis, except for credit risk related to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. For credits over a certain amount, management has to be consulted.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only independently rated parties with a high credit rating are accepted. For customers, individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

The maximum exposure corresponds to the carrying amount of receivables. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information. The credit risk is generally considered immaterial.

Hedging

The Group's activities expose it to foreign currency risk and interest rate risk. In order to minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as interest rate swaps are used to fix variable future cash flows. These instruments reduce the uncertainty of interest payments. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through OCI and will be recognized in profit or loss when the hedged item affects profit or loss. This will effectively result in recognising interest expense at a fixed interest rate for the hedged loans.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates.

No other sources of ineffectiveness emerged from these hedging relationships.

The following tables detail various information regarding interest rate swap contracts outstanding at the end of the reporting period and their related hedged items. Interest rate swap contract assets and liabilities are included in the 'Other receivables' and 'Other payables' line items in the consolidated statement of financial position respectively.

There was no ineffectiveness during 2022 in relation to the interest rate swaps.

	Notional principal USD'000	Amount recognized in OCI USD'000	Fair value USD'000
Interest rate swaps - cash flow hedge	7,182	9	0
As at 31 December 2022	**7,182**	**9**	**0**
Interest rate swaps - cash flow hedge	7,182	50	-9
As at 31 December 2021	**7,182**	**50**	**-9**

Derivative financial instruments – interest rate swaps	**2022 USD'000**	**2021 USD'000**
Carrying amount ((-) Liability)	0	-9
Maturity Date	N/A	27 May 2022
Hedge ratio	N/A	17.0%
Weighted average hedged rate for the year	1.81%	1.81%

Liquidity

Cash flow forecasting is performed on group level by management. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so the Group does not breach borrowing limits or covenants (where applicable) or any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenants compliance.

The Group has undrawn borrowing facilities of USD 2.5m that, together with the USD 3.4m in cash and cash equivalents, provides af a total of USD 5.9m available for settling future operating activities and capital commitments.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

For floating rate borrowings, the rate at the balance sheet date has been applied.

Non-derivatives	Less than 1 year USD'000	1-5 years USD'000	More than 5 years USD'000	Total USD'000
As at 31 December 2021				
Borrowings	7,056	81,694	0	88,750
Lease liabilities	2,293	5,792	1,958	10,043
Trade payables	11,041	0	0	11,041
Other payables	3,749	0	0	3,749
Total	**24,139**	**87,486**	**1,958**	**113,583**
As at 31 December 2022				
Borrowings	10,631	78,444	0	89,076
Lease liabilities	2,486	7,520	816	10,822
Trade payables	18,763	0	0	18,763
Other payables	5,491	0	0	5,491
Total	**37,371**	**85,964**	**816**	**124,151**

25. FINANCIAL ASSETS AND LIABILITIES

The Group classifies its financial assets at amortized cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

	2022 USD'000	2021 USD'000
Financial assets		
Financial assets at amortized cost:		
Trade receivables	21,964	14,398
Other receivables	2,285	69
Prepayments	8,501	2,530
Cash	3,441	2,422
Financial assets at fair value over other comprehensive income:		
Interest rate swaps	0	0
Total	**36,191**	**19,419**
Financial liabilities		
Financial liabilities at amortized cost:		
Borrowings	83,106	71,705
Lease liabilities	9,653	7,969
Trade payables	18,763	7,855
Other payables	5,491	6,951
Prepayments from customers	2,808	590
Financial liabilities at fair value over profit and loss:		
Interest rate swaps	0	9
Total	**119,821**	**95,079**

The carrying amount of the Group's financial assets at fair value through profit and loss as disclosed in note 24 represents their respective maximum exposure to credit risk. The Group holds no collateral over any of these balances.

26. EVENTS AFTER THE BALANCE SHEET DATE

No events of importance to the 2022 annual report have occurred after the balance sheet date.

27. CHANGES IN NET WORKING CAPITAL

	2022 USD'000	2021 USD'000
Changes in inventories	-11,410	2,712
Non-cash inventory transfer from property, plant and equipment	2,370	11,421
Changes in trade receivables	-7,566	-2,763
Changes in other receivables and prepayments	-8,187	76
Changes in trade payables, other payables and prepayments from customers	12,102	-2,534
Total	**-12,691**	**8,912**

28. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2022 USD'000	2021 USD'000
Proceeds from borrowings	15,864	0
Repayment of borrowings	-3,456	-5,428
Total	**12,408**	**-5,428**

29. DEPRECIATION AND AMORTIZATION

	2022 USD'000	2021 USD'000
Depreciation and amortization, refer to note 6	38,689	24,744
Depreciation related to capitalized maintenance costs	-33,790	-19,461
Total	**4,899**	**5,283**

Depreciation related to capitalized maintenance costs on the CFR programs has a direct impact on the Group's cash flow and is therefore adjusted in the cash flow statement for the financial year 2022.

30. EXEMPTION FROM AUDIT OF FOREIGN SUBSIDIARIES

The German subsidiary TP Aerospace Technics GmbH made use of the exemption option in accordance with §264 paragraph 3 HGB (German Commercial Code) concerning the obligation to prepare a management report including note disclosures as well as to audit and disclose the annual financial statements and the management report for fiscal year 2022.

PARENT COMPANY FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS 1 JANUARY - 31 DECEMBER
(parent company)

	Note	2022 USD'000	2021 USD'000
Other external expenses		-63	-11
Operating profit		**-63**	**-11**
Financial income	3	227	324
Financial expenses	4	-491	-503
Profit before tax		**-327**	**-189**
Tax for the period	5	54	24
Profit for the period		**-273**	**-165**

STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY - 31 DECEMBER
(parent company)

	Note	2022 USD'000	2021 USD'000
Profit for the period		**-273**	**-165**
Fair value changes for the year, cash flow hedge		9	50
Tax on other comprehensive income		-1	-11
Other comprehensive income for the period, net of tax		**8**	**39**
Total comprehensive income for the period		**-265**	**-126**

BALANCE SHEET 31 DECEMBER
(parent company)

	Notes	2022 USD'000	2021 USD'000
Investment in subsidiaries	6	88,075	88,075
Deferred tax asset	7	43	68
Total non-current assets		**88,118**	**88,143**
Receivables from group enterprises	10	5,027	6,073
Other receivables		224	0
Tax receivables		80	26
Cash		11	1
Total current assets		**5,342**	**6,101**
Total assets		**93,460**	**94,244**

BALANCE SHEET 31 DECEMBER
(parent company)

	Note	2022 USD'000	2021 USD'000
Share capital	8	651	651
Share premium		64,441	64,441
Reserve for cash flow hedges		0	-8
Retained earnings		21,686	21,959
Total equity		**86,778**	**87,043**
Borrowings	9	5,982	6,558
Total non-current liabilities		**5,982**	**6,558**
Borrowings		600	600
Other payables		100	43
Total current liabilities		**700**	**643**
Total liabilities		**6,682**	**7,201**
Total equity and liabilities		**93,460**	**94,244**

STATEMENT OF CHANGES IN EQUITY
(Parent Company)

	Share capital USD'000	Share premium USD'000	Reserve for cash flow hedges USD'000	Retained earnings USD'000	Total USD'000
Equity at 01.01.2021	651	64,441	-47	21,897	86,942
Profit for the period 01.01.2021 - 31.12.2021	0	0	0	-165	-165
Fair value change in the year	0	0	39	0	39
Total comprehensive income for the period	**0**	**0**	**39**	**-165**	**-126**
Group contribution	0	0	0	227	227
Equity at 31.12.2021	**651**	**64,441**	**-8**	**21,959**	**87,043**
Profit for the period 01.01.2022 - 31.12.2022	0	0	0	-273	-273
Fair value change in the year	0	0	8	0	8
Total comprehensive income for the period	**0**	**0**	**8**	**-273**	**-265**
Equity at 31.12.2022	**651**	**64,441**	**0**	**21,686**	**86,778**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

(parent company)

	Noter	2022 USD'000	2021 USD'000
Operating profit		-63	-11
Change in net working capital	13	281	-54
Cash flow from primary operating activities		218	-65
Interests received		0	0
Interests paid		-454	-394
Cash flow from operating activities		**-236**	**-458**
Group contribution		0	-227
Cash flow from investing activities		**0**	**-227**
Repayment of borrowings		-600	-1,796
Proceeds from intergroup borrowings		846	2,247
Group contribution		0	227
Cash flow from financing activities		**246**	**678**
Net cash flow for the year		**10**	**-7**
Cash and cash equivalents, beginning of the year		1	8
Cash and cash equivalents, end of the year		**11**	**1**

NOTES

(Parent Company)

Notes

1. ACCOUNTING POLICIES

The financial statements for the parent company, TPA Holding I A/S, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class B.

New standards
The annual report is prepared according to standards and interpretations effective for financial years beginning on 1 January 2022. No standards or interpretations have been adopted early.

The parent company has the same accounting policies for recognition and measurement as Group. The parent company's accounting policies deviate from the Group's accounting policies as described below. For a detailed description of the Group's accounting policies please refer to the consolidated financial statements, Note 1.

The functional currency of the parent company is USD. The financial statements have been rounded to the nearest thousand.

Dividend
Dividend from investments in subsidiaries are recognized as income in the parent company profit and loss account in the year where the dividends are declared.

Investments in subsidiaries
Investments in subsidiaries are measured at cost.

Impairment tests are performed on subsidiaries if events or changes in circumstances indicate that their carrying amount may not be recoverable. If cost exceeds the recoverable amount, the carrying amount is written down to the recoverable amount.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgements, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

The company is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

Impairment of investment in subsidiary
The Group tests, if there are indicators of impairment, whether investment in subsidiary has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units will be determined based on value-in-use calculations. These calculations require the use of estimates.

For a description of other significant accounting estimates, assumptions and uncertainties please refer to the consolidated financial statements, stated in note 2.

It is the management's judgement that no critical accounting estimates and judgements are made with regards to the accounting principles of the parent company, except for the above described.

3. FINANCIAL INCOME

	2022 USD'000	2021 USD'000
Other interest income	0	0
Interest income from group enterprises	227	324
Total	**227**	**324**

4. FINANCIAL EXPENSES

	2022 USD'000	2021 USD'000
Interest expenses	467	445
Other financial expenses	24	58
Total	**491**	**503**

5. TAX ON PROFIT FOR THE YEAR

	2022 USD'000	2021 USD'000
Current tax:		
Current tax on profit for the year	-79	-39
Current tax on profit for previous years	0	0
Total current tax expense	**-79**	**-39**
Deferred tax:		
Temporary differences	25	-3
Adjustment to previous years	0	18
Total deferred tax	**25**	**15**
Tax for the period	**-54**	**-24**
Tax for the period is specified as follows:		
Calculated 22% tax on profit before tax	-72	-42
Tax effects of:		
Interest cap limitation	12	0
Adjustments in respect of prior years	6	18
Total	**-54**	**-24**
Effective tax rate	17%	13%

6. INVESTMENT IN SUBSIDIARIES

	2022 USD'000	2021 USD'000
Cost:		
At 1 January	95,422	95,195
Additions during the year	0	227
At 31 December	95,422	95,422
Impairment:		
At 1 January	7,347	7,347
Impairment charge	0	0
At 31 December	7,347	7,347
Carrying amount 31 December	**88,075**	**88,075**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Vote and ownership
TP Aerospace Holding A/S	Hvidovre, Denmark	100%
TP Aerospace Solutions ApS	Hvidovre, Denmark	100%
TP Aerospace PRO ApS	Hvidovre, Denmark	100%
TP Aerospace Distribution ApS	Hvidovre, Denmark	100%
TP Aerospace Asia Pte. Ltd.	Singapore	100%
TP Aerospace Americas Corp	Las Vegas, US	100%
TP Aerospace Technics LLC	Orlando, US	100%
TP Aerospace Technics NV LLC	Las Vegas, US	100%
TP Aerospace Technics GmbH	Norderstedt, Germany	100%
TP Aerospace Asia Technics Pte. Ltd.	Singapore	100%
TP Aerospace Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	100%
TP Aerospace Technics Pty Ltd.	Melbourne, Australia	100%
TP Aerospace Technics UK LTD.	United Kingdom	100%
TP Aerospace (Thailand) Co., Ltd.	Bangkok, Thailand	100%
TP Aerospace Technics Russia	Moscow, Russia	100%

7. DEFERRED TAX

	2022 USD'000	2021 USD'000
Deferred tax at 1 January	68	83
Deferred tax recognized in the income statement	-25	-15
Deferred tax 31 December	**43**	**68**
Deferred tax relates to:		
Amortized loan cost, bank debt	28	25
Tax loss carry-forward	15	43
Total	**43**	**68**

The recognized deferred tax asset is primary attributable to tax loss carry-forward. In the coming years the Danish joint taxation group expects earnings and taxable income to be positive and has accordingly recognized deferred tax asset at 31 December 2022.

8. SHARE CAPITAL

For a specification of share capital please refer to note 19 in the consolidated financial statements.

9. BORROWINGS

For a specification of the Company's borrowings, please refer to note 20 in the consolidated financial statements.

10. RELATED PARTIES

The Company is controlled by TPA Holding II A/S. The Company's ultimate parent company is CataCap I K/S.
'Key management compensation' is disclosed in note 5 in the consolidated financial statement.

The following transactions were carried with with related parties:

	2022 USD'000	2021 USD'000
Transactions with CC Green Wall Invest ApS:		
Proceeds from borrowings	26	0
Total	**26**	**0**
Transactions with TPA Holding II A/S:		
Interest expenses	0	0
Group contribution	0	227
Total	**0**	**227**

	2022 USD'000	2021 USD'000
Transactions with TP Aerospace Holding A/S:		
Interest income	227	324
Repayment of borrowings	0	0
Proceeds from borrowings	-915	-2,248
Group contribution	0	-227
Total	**-688**	**-2,151**

Expected credit losses – Receivables from group enterprises

At year end, TPA Holding I A/S had receivables from group enterprises amounting to USD 5,027k (2021: USD 6,073k). The write-downs of receivables from group enterprises are considered immaterial.

11. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities

Joint taxation

The Group companies are jointly and severally liable for tax on the jointly taxed income, etc. for the Danish companies of the TP Aerospace Group. The total amount of corporation tax payable is disclosed in the annual report of CC Green Wall Invest ApS which is the management company of the joint taxation. Moreover, the Group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustment of corporation taxes and withholding taxes may increase the Group's liability.

Charges and security

As security for bank loans, as well as Group companies' bank commitments, security in share capital regarding the subsidiary TP Aerospace Holding A/S nominal USD 0.3m, is effective.

Guarantee obligations

TPA Holding I A/S has issued a guarantee of payment between the parent company TPA Holding II A/S and Nordea Danmark, Filial af Nordea Bank AB (publ), Sweden.

Furthermore, TPA Holding I A/S has issued a guarantee of payment between the subsidiaries TP Aerospace PRO ApS, TP Aerospace Solutions ApS, TP Aerospace Distribution ApS and TP Aerospace Holding A/S and Nordea Danmark, Filial af Nordea Bank AB (publ), Sweden.

12. EVENTS AFTER THE BALANCE SHEET DATE

No events of importance to the 2022 annual report have occurred after the balance sheet date.

13. CHANGES IN NET WORKING CAPITAL

	2022 USD'000	2021 USD'000
Changes in other receivables	224	0
Changes in trade and other payables	57	-54
Total	**281**	**-54**

14. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2022 USD'000	2021 USD'000
Cash flow from financing activities at 1 January	7,181	8,977
Proceeds from borrowings	0	0
Repayment of borrowings	-600	-1,796
Cash flow from financing activities at 31 December	**6,581**	**7,181**

15. CAPITAL MANAGEMENT

For a description of capital management, please refer to note 19 in the consolidated financial statements.

SIGNATURES

MANAGEMENT'S STATEMENT

The Boards of Directors and the Executive Board have today considered and adopted the Annual Report of TPA Holding I A/S for the financial year 01.01.2022 - 31.12.2022.

The Consolidated Financial Statements and the Parent Company Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Group and the Parent Company, and of the results of the Group and the Parent Company's operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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.

Hvidovre, 16 February 2023

Executive Board

Thomas Daniel Ibsø	Nikolaj Lei Jacobsen	Tinneke Torpe

Board of Directors

Jens Flemming Jensen Chairman	Peter Ryttergaard Deputy Chairman	Andrew Hoad
Peter Jørgen Lyager	Vilhelm Eigil Hahn-Petersen	Michael John Humphreys
Nina Fisker Olesen		

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TPA Holding I A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of TPA Holding I A/S for the financial year 1 January - 31 December 2022, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("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 Group 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 Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review..

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in 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 Group's and the Parent 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 Group or the Parent 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 skepticism 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 16 February 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Torben Jensen	**Thomas Baunkjær Andersen**
State Authorised Public Accountant	State Authorised Public Accountant
mne18651	*mne35483*

7 OTHER INFORMATION

DEFINITION OF KEY FIGURES AND FINANCIAL RATIOS

Definition	Description
EBITDA	Earnings before interest, tax, depreciation, amortisation and impairment losses as well as profit from sale of property, plant and equipment and amortisation of intangible assets.
EBITDA margin	EBITDA as a % of net revenue.
EBIT	Earnings before interest and tax.
EBIT margin	EBIT as a percentage of net revenue.
Net interest-bearing debt	Mortgage debt and debt to credit institutions less cash at bank and in hand, interest-bearing current investments and receivables.
Net working capital	Inventories + receivables - current liabilities except for corporation tax receivable/payable as well as mortgage debt and debt to credit institutions.
Invested capital	Equity, including minority interests + net interest-bearing debt at year-end.
Free cash flow	Cash flow from operating activities less net investments in property, plant and equipment and plus dividends from associates.
Return on invested capital excluding goodwill (ROIC)	EBITDA before special items as a percentage of average invested capital, excluding goodwill.
Net interest-bearing debt/ EBITDA before special items	The ratio of net interest-bearing debt at year end to EBITDA.
Equity ratio	Equity at year end as a percentage of total assets.
Return on equity (ROE)	Consolidated profit after tax as a percentage of average equity.
Aircraft components	Wheel and brake components regardless of accounting treatment including piece parts.
Special items	See Special items note under the “Financial Statements” section.

ADDITIONAL MANAGEMENT DUTIES OF THE BOARD

Peter Ryttergaard

Company	Function
CC Green Wall Invest ApS	Board Member, Executive Management
TPA Holding I A/S	Deputy Chairman
TPA Holding II A/S	Deputy Chairman
TP Aerospace Holding A/S	Deputy Chairman
TPA Green ManCo ApS	Executive Management
Luxplus MIIP ApS	Executive Management
DAFA MIIP ApS	Executive Management
Globe ManCo ApS	Executive Management
CC Fly Invest ApS	Executive Management
Rekom ManCo ApS	Executive Management
Aerfin Holdings Limited	Deputy Chairman
Aerfin Limited	Deputy Chairman

continued

Peter Ryttergaard

Company	Function
Ryttergaard Invest A/S	Board of Directors, Executive Management
Buldus ejendomme ApS	Board Member
Investeringsselskabet af 27/12 1985 ApS	Board Member
Kjærulff Pedersen A/S	Board Member
CataCap Management A/S	Executive Management
CataCap OP ApS	Executive Management
CataCap DM ApS	Executive Management
CataCap DM II ApS	Executive Management
CC II Management Invest 2017 GP ApS	Executive Management
CataCap General Partner I ApS	Executive Management
CataCap General Partner II ApS	Board Member
CataCap General Partner III ApS	Executive Management
CC BidCo ApS	Executive Management
CC BidCo II ApS	Executive Management
Altantic HoldCo Limited	Deputy Chairman
Altantic OfferCo Limited	Deputy Chairman
CC Globe Invest ApS	Executive Management
CC DAFA Invest ApS	Executive Management
CC HoldCo ApS	Executive Management
CC HoldCo II ApS	Executive Management
CC North Invest ApS	Executive Management
CC Toaster Invest ApS	Executive Management
CC TopCo II Invest ApS	Executive Management
CC TopCo Invest ApS	Executive Management

ADDITIONAL MANAGEMENT DUTIES OF THE BOARD

Nina Fisker Olesen

Company	Function
Globeteam HoldCo ApS	Board Member
Mobilhouse Holding ApS	Board Member
Mobilhouse A/S	Board Member
Mobilhouse TOPCo A/S	Board Member

Nina Fisker Olesen

Company	Function
TPA Holding I A/S	Board Member
TPA Holding II A/S	Board Member
TP Aerospace Holding A/S	Board Member
PlantPaper Production A/S	Board Member
ELLEPOT A/S	Board Member
Danish Horticulture Group A/S	Board Member
Plantpaper Holding ApS	Board Member
Sungrow A/S	Board Member
Nina Fisker Olesen Holding ApS	CEO
Dover BidCo ApS	Board Member

Flemming Jensen

Company	Function
TPA Holding I A/S	Chairman
TPA Holding II A/S	Chairman
TP Aerospace Holding A/S	Chairman
DSB	Executive Management
The Confedeation of Danish Industry	Member of the Central Board
Employers of Industry in Denmark	Board Member

continued

ADDITIONAL MANAGEMENT DUTIES OF THE BOARD

Vilhelm Hahn-Petersen

Company	Function
TPA Holding I A/S	Board Member
TPA Holding II A/S	Board Member
TP Aerospace Holding A/S	Board Member
TPA Green ManCo ApS	Executive Management
CC HoldCo ApS	Executive Management
CC HoldCo II ApS	Executive Management
CC DAFA Invest ApS	Executive Management
CC BidCo II ApS	Executive Manage
Rekom Group A/S	Deputy Chairman
Rekom ManCo ApS	Executive Management
CC Fly Invest ApS	Executive Management
CC BidCo ApS	Executive Management
CC Fly Holding II A/S	Deputy Chairman

continued

Vilhelm Hahn-Petersen

Company	Function
Myco ApS	Executive Management
Airhelp	Board Member
CataCap Management A/S	Board Member
CataCap OP ApS	Executive Management
CataCap DM ApS	Executive Management
CataCap DM II ApS	Executive Management
CC II Management Invest 2017 GP ApS	Executive Management
CATACAP GENERAL PARTNER I ApS	Executive Management
CataCap General Partner II ApS	Board Member
CataCap General Partner III ApS	Executive Management
CC North Invest ApS	Executive Management
CC Toaster Invest ApS	Executive Management
CC TopCo II Invest ApS	Executive Management
CC TopCo Invest ApS	Executive Management
DAFA MIIP ApS	Executive Management
Globe Manco ApS	Executive Management
CC Globe Invest ApS	Executive Management
Atlantic Holdco Limited	Board Member
Atlantic Offerco Limited	Board Member
Aerfin Holdings Limited	Board Member
Aerfin Limited	Board Member
Luxplus MIIP ApS	Executive Management
DAFA A/S	Chairman
DAFA PropCo ApS	Chairman

ADDITIONAL MANAGEMENT DUTIES OF THE BOARD

Peter Lyager

Company	Function
TPA Holding I A/S	Board Member
TPA Holding II A/S	Board Member
TP Aerospace Holding A/S	Board Member
PETER LYAGER HOLDING ApS	Executive Management
Dancing Monkey Holding ApS	Executive Management

Vilhelm Hahn-Petersen

Company	Function
Luxplus CEE A/S	Chairman
Luxplus WE ApS	Chairman
CC Mist NEW Holding II ApS	Deputy Chairman
CC Toaster Holding I Aps	Deputy Chairman
CC Toaster Holding II ApS	Deputy Chairman
Dafa Group A/S	Deputy Chairman
DAFA Holding I ApS	Deputy Chairman
DAFA Holding II ApS	Deputy Chairman
Echo Echo ApS	Deputy Chairman
LUXPLUS ApS	Deputy Chairman
Rekom Group Holding ApS	Deputy Chairman

Andrew Hoad

Company	Function
TPA Holding I A/S	Board Member
TPA Holding II A/S	Board Member
TP Aerospace Holding A/S	Board Member
TD Aerospace (UK) Ltd	Executive Management
Aerfin Ltd	Board Member
Aerfin Holdings Ltd	Board Member
Atlantic Offer Company Ltd	Board Member
Atlantic HoldCo Ltd	Board Member
MAAS Aviation Ltd	Board Member
Jelly Bean Paint Company Ltd	Board Member

continued

ADDITIONAL MANAGEMENT DUTIES OF THE BOARD

Michael Humphreys

Company	Function
TPA Holding I A/S	Board Member
TPA Holding II A/S	Board Member
TP Aerospace Holding A/S	Board Member
GHF Advisory Ltd.	Executive Management
Aerfin Ltd	Board Member
Aerfin Holdings Ltd	Board Member
Atlantic HoldCo Limited	Board Member
Atlantic OfferCo Limited	Board Member

COMPANY DETAILS

The Company
TPA Holding I A/S

c/o TP Aerospace
Stamholmen 165R
2650 Hvidovre
Telephone: +45 8993 9929

CVR no.: 38473492
Registered in Hvidovre
Financial period:
1 January - 31 December 2022

Website: www.tpaerospace.com
Email: sales@tpaerospace.com

Board of Directors

Flemming Jensen
Peter Ryttergaard
Andrew Hoad
Peter Lyager
Nina Fisker Olesen
Vilhelm Hahn-Petersen
Michael Humphreys

Executive Management

Nikolaj Lei Jacobsen
Tinneke Torpe
Thomas Ibsø

Auditor

PricewaterhouseCoopers
Statsaut. Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Denmark

CVR no.: 33771231