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# ***Maersk Air Cargo A/S***

Lyngby Hovedgade 85

DK-2800 Kongens Lyngby

## **Annual Report 2023**

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CVR No. 40 85 41 26

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on  
2 July 2024

Jacob Ramsgaard Nielsen  
Chair of the General Meeting

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	10
Balance Sheet at 31 December	11
Statement of Changes in Equity	13
Notes to the Financial Statements	14

# Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Maersk Air Cargo A/S for the financial year 1 January – 31 December 2023.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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.

Kongens Lyngby, 2 July 2024

## Executive Board

Lars Jordahn  
*CEO*

## Board of Directors

Aruna Hussain  
*Chair*

Casper Munch

Murali Rajamani

Johan Martin Mortensen

# Independent Auditor's Report

To the Shareholder of Maersk Air Cargo A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Air Cargo A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

## Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

# Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 2 July 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kristian Pedersen  
State Authorised Public Accountant  
mne35412

Philip Olsen  
State Authorised Public Accountant  
mne49060

## **Company Information**

<b>The Company</b>	Maersk Air Cargo A/S Lyngby Hovedgade 85 DK-2800 Kongens Lyngby  CVR No.: 40 85 41 26  Financial period: 1 January - 31 December Municipality of reg. office: Lyngby-Taarbaek
<b>Board of Directors</b>	Aruna Hussain, Chair Casper Munch Murali Rajamani Johan Martin Mortensen
<b>Executive Board</b>	Lars Jordahn
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Financial Highlights

(USD '000)

<b>Key Figures</b>	<b>2023</b>	<b>2022</b>	<b>2021*</b>	<b>2020*</b>	<b>2019*</b>
<b>Profit / Loss</b>					
Revenue	201,935	166,924	170,815	162,391	146,971
Profit/loss before financial income and expenses	-30,650	20,740	39,187	34,730	38,194
Loss from financial income and expenses	-7,308	-4,029	-4,212	-1,970	-4,238
Profit/loss for the year	-29,728	9,151	26,910	25,211	26,067
<b>Balance Sheet</b>					
Total assets	350,816	240,041	321,029	299,197	303,305
Equity	70,623	109,351	162,755	160,845	161,634
Provisions	18,928	14,343	15,459	19,318	14,794
Investments in property, plant and equipment	105,144	66,229	71,203	32,829	30,421
<b>Ratios</b>					
Return on invested capital	-11%	9%	20%	20%	33%
Return on equity	-42%	8%	17%	16%	16%
Solvency ratio	20%	46%	51%	54%	53%
<b>Other Key Figures</b>					
Average number of full-time employees	142	116	249	225	220

\*Historical figures have been transferred from Star Air A/S and has not been subject to audit.

On 5 June 2022, Star Air A/S was brought (regulatory and legally) into the newly established company, Maersk Air Cargo A/S with accounting effect as of 1 January 2022. Comparison figures have been restated accordingly.

The financial ratios are prepared in accordance with below definitions:

Return on invested capital	$\frac{\text{Profit before financials} \times 100}{\text{Average operational assets}}$ <p>(Operational assets = Total assets minus receivables from Group entities and deferred tax assets)</p>
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Equity at year-end}}$
Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$

# Management's Review

## Primary Activities

In 2023, the main activity of Maersk Air Cargo A/S was the operation of 17 B767's, of which 12 are operated on behalf of the global courier company United Parcel Service (UPS) under a long-term agreement, and 1 operated on contracts on behalf of the global courier company DHL. In addition to this, several ad hoc cargo charter flights as well as series flights were performed.

In March 2023, Maersk Air Cargo A/S commenced scheduled traffic between Billund and Hangzhou in China, initially 1 B767, increasing to 4 B767 during 2023. The operation is performed on behalf of the Maersk Group.

For the UPS operation Maersk Air Cargo A/S operates with high reliability, safety, and flexibility. In 2023, Maersk Air Cargo A/S achieved that 99.2% (99.2% in 2022) of the total number of flights of 10,483 (10,492 in 2022) departed within one minute of scheduled time of departure.

## Development in activities and financial position

The Company's income statement for the year ending 31 December 2023 showed a loss after tax of USD 29,728k, and the Company's balance sheet on 31 December 2023 showed equity of USD 70,623k. The result for 2023 is heavily impacted from very low freight-rates in the airfreight market as a consequence of the increased activity within the passenger market, with passenger airline offering low cost freight capacity in lower deck, and by initial investments in the new activities. The result for 2023 is unsatisfactory.

## Target and expectation for the year ahead

The company expect a result for 2024 of USD 5 – 10 million. The expected result is based on freight rates will increase during the autumn and winter as normally is seen in the airfreight market.

## Capital resources

In connection with the Board of Directors and Management's assessment of the assumption of going concern which forms the basis of the preparation of the Annual Report of Maersk Air Cargo A/S for 2023, the Maersk Group have confirmed that they will support Maersk Air Cargo A/S to the extent necessary to finance the Company's operating activities and to settle its financial obligations as they fall due until the date of publishing of the Annual Report for 2024. Based on this, the Annual Report of Maersk Air Cargo A/S is prepared on the assumption of going concern.

## Special risks – Operating risks and financial risks

### *Operating risks*

The Company's main activity is performance of air transport for UPS, and the key to the continued success remains to continue serving UPS under this contract. We have contracts in place with AerCap supporting continued availability of aircraft throughout the extended contract period. In addition, the Company must maintain and develop the activities performed on behalf of the Maersk Group.

### *Foreign exchange risks*

The Company's income currencies are USD and EUR. Generally, income and expenses in currencies other than USD are balanced, thus, there are minimal currency fluctuation risks for the Company. The Company's balance sheet items denominated in currencies other than USD primarily comprise DKK and EUR deposits used to counter currency risks related to payment of salaries and other costs within Europe,

## Management's Review

which are primarily paid in DKK and EUR. Overall, the Company is thus only subject to minor risks associated with fluctuations in the DKK and EUR exchange rates, as foreign currency translation adjustments of the EUR deposit (net financials) in all material respects are counterbalanced by either higher or lower costs. Management regularly assesses the extent to which risks should be hedged, for example through sale of EUR.

### Corporate social responsibility

For information about corporate social responsibility according ÅRL 99a, we refer to A.P. Møller - Mærsk A/S' (CVR: 22756214), consolidated statement on corporate social responsibility on the website ([Gender equality | Diversity, Equity and Inclusion | Maersk](#)). The Company produces no individual corporate social responsibility statement.

### Environmental responsibility

Different laws and regulations impose requirements for reduced climate and environmental impact, including through restrictions on noise levels and greenhouse gas emissions. All laws and regulations concerning the environment and the climate are adhered to by Maersk Air Cargo A/S.

### Statement on Data Ethics in accordance with §99d

The Maersk Air Cargo refers to Maersk Data Ethics policy. The policy provides details of data ethics introduced in the A.P. Møller - Mærsk A/S' (CVR: 22756214). Maersk website [Data Ethics | Sustainability and ESG | Maersk](#).

### Objectives and policies for the under-represented gender

The Board of Directors believes that its members should be elected based on their combined qualifications and at the same time recognises the advantages of a Board of Directors comprising a wide range of backgrounds such as global experience, style, culture, and gender. The Board has defined a target on this basis to increase the share of the under-represented gender on the Board of Directors to account for at least 25% of the shareholder-appointed Board of Directors members in the future.

As of 31 December 2023, there is one woman among the four Board of Directors members appointed at the Annual General Meeting. The target for diversity has been met and thereby achieved equal distribution in the top management.

As part of the Maersk Group, Maersk Air Cargo A/S adheres to the group policy which was adopted at the Board Meeting in A.P. Møller - Mærsk A/S on 21 February 2013 with the aim to increase the share of the underrepresented gender on the company's management levels.

The Maersk gender diversity and inclusion policy was revised in 2021. The policy provides details of our targets and actions to increase gender diversity and is available on the Maersk website [Diversity, Equity and Inclusion \(DEI\) at workplace | Maersk](#).

To support our ambitions of increasing the number of women in management levels the following actions have been taken and continued also in 2023. Women are being recruited into Maersk Air Cargo A/S. There is a target of no less than 40% of one gender to be hired for our job levels up to senior management level. During 2023, talent reviews, which take place for our senior job levels across the Company, we measure all data by gender to allow us to assess the diversity of the talent pool.

## Management's Review

In 2023, Maersk Air Cargo A/S has also focused on creating a more balanced gender distribution in both the internal and external recruitment process. However, it must still be noted that the industry in which Maersk Air Cargo A/S operates has historically been characterized by an overrepresentation of men, which is why the proportion of female applicants remains limited.

As the rest of the management consists of one or fewer members, companies are not required to indicate the underrepresented gender thereof, set targets or policies for this.

<b>Top management</b>	<b>2023</b>
Total numbers of members	4
Underrepresented gender in pct.	25
<b>Other management levels</b>	
Total numbers of members	1

### Subsequent events

No significant events have occurred subsequently to the balance sheet date, which would have a material impact on the financial position of the Company.

## Income Statement 1 January - 31 December

<i>(USD '000)</i>	Note	<b>2023</b>	<b>2022</b>
<b>Revenue</b>	3	<b>201,935</b>	<b>166,924</b>
Production expenses		-96,225	-33,860
Other external expenses		-67,079	-56,290
<b>Gross profit</b>		<b>38,631</b>	<b>76,774</b>
Staff expenses	4	-26,028	-20,689
Depreciation and impairment losses		-43,253	-35,345
<b>Profit/loss before financial income and expenses</b>		<b>-30,650</b>	<b>20,740</b>
Financial income	5	116	69
Financial expenses	6	-7,424	-4,098
<b>Profit/loss before tax</b>		<b>-37,958</b>	<b>16,711</b>
Tax on profit/loss for the year	7	8,230	-7,560
<b>Profit/loss for the year</b>	8	<b>-29,728</b>	<b>9,151</b>

## Balance Sheet at 31 December

### Assets

<i>(USD '000)</i>	Note	<b>2023</b>	<b>2022</b>
<b>Property, plant and equipment</b>	9	<b>243,267</b>	<b>181,519</b>
Deferred tax asset	11	4,263	698
Deposits		6,696	5,805
<b>Financial assets</b>		<b>10,959</b>	<b>6,503</b>
<b>Fixed assets</b>		<b>254,226</b>	<b>188,022</b>
Spare parts		14,667	13,166
<b>Inventories</b>		<b>14,667</b>	<b>13,166</b>
Trade receivables		17,333	22,164
Receivables from group entities	12	25,402	7,267
Other receivables		27,573	6,282
Company tax, group entities		4,786	-
Prepayments	13	6,814	3,125
<b>Receivables</b>		<b>81,908</b>	<b>38,838</b>
<b>Cash at bank and in hand</b>		<b>15</b>	<b>15</b>
<b>Current assets</b>		<b>96,590</b>	<b>52,019</b>
<b>Assets</b>		<b>350,816</b>	<b>240,041</b>

## Balance Sheet at 31 December

### Liabilities and Equity

<i>(USD '000)</i>	Note	<b>2023</b>	<b>2022</b>
Share capital	14	8,867	8,581
Retained earnings		61,756	91,770
Proposed dividend		0	9,000
<b>Equity</b>		<b>70,623</b>	<b>109,351</b>
Provisions for maintenance of leased aircraft and components		18,928	14,343
<b>Provisions</b>	15	<b>18,928</b>	<b>14,343</b>
Lease liabilities, long term part	10	131,942	86,132
<b>Long-term debt</b>		<b>131,942</b>	<b>86,132</b>
Short-term part of lease liabilities	10	26,568	18,235
Account payables		8,960	7,148
Payables to group entities		91,547	-
Company tax, group entities		-	2,748
Other payables		2,248	2,084
<b>Short-term debt</b>		<b>129,323</b>	<b>30,215</b>
<b>Debt</b>		<b>261,265</b>	<b>116,347</b>
<b>Liabilities and equity</b>		<b>350,816</b>	<b>240,041</b>
Accounting policies	1		
Going concern and capital resources	2		
Contingent assets, liabilities and other financial obligations	16		
Related party disclosures	17		

## Statement of Changes in Equity

<i>(USD '000)</i>	Share capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1. January 2023	8,581	91,770	9,000	109,351
Paid dividend	-	-	-9,000	-9,000
Exchange rate effect	286	-286	-	-
Transferred over the profit appropriation	-	-29,728	-	-29,728
<b>Equity at 31. December 2023</b>	<b>8,867</b>	<b>61,756</b>	<b>-</b>	<b>70,623</b>

# Notes to the Financial Statements

## 1. Accounting Policies

The Annual Report of Maersk Air Cargo A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large entities of reporting class C.

Reclassifications have been made in the income statement for 2022 from staff costs to other external expenses with USD 43,262k. The reclassification had no effect on the profit/loss for the year in 2022. The accounting policies used in the preparation of the Financial Statements are, except the described reclassification, consistent with those of last year.

The Financial Statements for 2023 are presented in USD. The exchange rate applied on 31 December 2023 is 6.7438 (2022: 6.9686)

### ***Omission of cash flow statement***

Pursuant to Section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement of the Company is included in the Consolidated Financial Statements of A.P. Møller - Mærsk A/S.

### ***Omission of fee to auditors appointed at the general meeting***

Pursuant to Section 96(3) of the Danish Financial Statements Act, no fee to auditors appointed at the General Meeting has been presented. The fee to auditors appointed at the General Meeting is included in the Consolidated Financial Statements of A.P. Møller - Mærsk A/S.

### ***Recognition and measurement***

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the assets will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### ***Foreign currency translation***

Transactions in foreign currencies are translated at the exchange rate at the dates of transaction. Exchange rate differences arising due to differences between the transaction dates rates and the rates at the dates of payment are recognised in the financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

# Notes to the Financial Statements

## 1. Accounting Policies (cont'd)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivables or the debt arose are recognised in the financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### **Income Statement**

#### ***Revenue***

Revenue consists of income relating to air transport and related activities performed during the financial year. Income is recognised in the income statement at the time-of-flight departure or the delivery date, which is the time where the risks and rewards are transferred to the customer.

Revenue is measured at the consideration received and is recognised excluding VAT and net of discounts relating to sales.

#### ***Production expenses***

Production expenses comprise the costs and consumables to achieve revenue for the year.

#### ***Other external expenses***

Other external expenses comprise sales costs and costs related to advertising, administration, office premises, bad debt losses, etc. Furthermore, it comprises payments to pilots hired from group companies etc.

#### ***Staff expenses***

Staff expenses comprise wages and salaries.

#### ***Depreciation and impairment losses***

Depreciation and impairment losses comprise the year's depreciation and impairment of property, plant and equipment.

#### ***Financial items***

Financial items include interest and exchange gains and losses on items denominated in foreign currencies.

# Notes to the Financial Statements

## 1. Accounting Policies (cont'd)

### ***Tax on profit/loss for the year***

Tax on profit/loss for the year comprises the amount that is expected to be paid for the year together with deferred tax.

The Company is jointly taxed with other Danish companies in A.P. Møller Holding A/S. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income (full absorption with refunds).

### **Balance Sheet**

#### ***Property, plant and equipment***

Aircraft and components as well as fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

The cost of components is divided into separate parts, which are depreciated separately if the useful life of the individual parts varies.

Depreciation is provided on a straight-line basis over the following expected useful lives of the assets:

Components	3-10 years
Fixtures and fittings, tools and equipment	3-7 years
Maintenance work	2-10 years
Aircraft (second-hand)	2-18 years

Write-downs apart from the above are made when considered necessary, cf. below.

The useful lives and residual values are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price fewer selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### ***Lease assets***

Lease assets are 'right-of-use assets' from lease agreements. If, at inception, it is assessed that a contract contains a lease, a lease asset is recognised. Lease assets are initially measured at the present value of future lease payments, plus the cost of obligations to refurbish the asset. Payments include fixed payments, variable lease payments depending on an index or a rate and the exercise price of purchase options that are reasonably certain to be exercised. The lease assets are depreciated using the straight-line method over the shorter of the expected lease term and the useful life of the underlying asset. The lease assets are tested for impairment whenever there is an indication that the assets may be impaired.

# Notes to the Financial Statements

## 1. Accounting Policies (cont'd)

Lease assets relates to “Aircraft and components” and are depreciated over 3 - 6 years.

Short-term leases and leases of low value are recognised as expenses in the income statement on a straight-line basis over the lease term.

### ***Impairment of fixed assets***

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

### ***Inventories***

Spare parts are measured at cost. Where the net realisable value is lower than cost, spare parts are written down to this lower value.

### ***Receivables***

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### ***Prepayments***

Prepayments comprise prepaid expenses concerning the following year.

### ***Equity***

#### ***Dividends***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### ***Provisions***

Provisions primarily comprise provisions for future scheduled maintenance of leased aircraft and engines as well as ongoing claims. Provisions are recognised when, because of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

### ***Financial liabilities***

Financial liabilities are measured at amortised cost, substantially corresponding to nominal value.

# Notes to the Financial Statements

## 1. Accounting Policies (cont'd)

### **Lease liabilities**

Lease liabilities are initially recognised at the present value of future lease payments including payments from extension or purchase options that are considered reasonably certain to be exercised.

The lease liability is measured using the implicit borrowing rate in the contracts or, where this is not available, the marginal borrowing rate in Denmark. Maersk Air Cargo A/S applies a single discount rate to portfolios of leases for Denmark based on contract currency and loan periods.

If a lease contract is modified, the lease liability is remeasured. For leases with extension options, lease terms are estimated taking the strategic importance into consideration. The estimated lease term is reassessed at each reporting date.

## 2. Going concern and capital resources

In connection with the Board of Directors and Management's assessment of the assumption of going concern which forms the basis of the preparation of the Annual Report of Maersk Air Cargo A/S for 2023, the Maersk Group have confirmed that they will support Maersk Air Cargo A/S to the extent necessary to finance the Company's operating activities and to settle its financial obligations as they fall due until the date of publishing of the Annual Report for 2024.

Based on this, the Annual Report of Maersk Air Cargo A/S is prepared on the assumption of going concern.

## 3. Revenue

(USD '000)

### **Geographical segments**

	<u>2023</u>	<u>2022</u>
Revenue, Denmark	15,329	7,726
Revenue, Europe	149,961	159,198
Revenue, Asia/Pacific	36,645	-
	<u><b>201,935</b></u>	<u><b>166,924</b></u>

### **Business segments**

The company revenue is only air freight.

## 4. Staff expenses

Wages and salaries	19,134	13,568
Pensions	1,815	1,004
Other social security expenses	-	875
Other staff expenses	5,079	5,242
	<u><b>26,028</b></u>	<u><b>20,689</b></u>

Average number of employees	<u>142</u>	<u>116</u>
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By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.

## Notes to the Financial Statements

### 5. Financial income

(USD '000)

	<u>2023</u>	<u>2022</u>
Interest income from group entities	-	69
Exchange gains	<u>116</u>	<u>-</u>
	<u><b>116</b></u>	<u><b>69</b></u>

### 6. Financial expenses

Lease assets	5,995	3,910
Other financial expenses	8	84
Interest expense to group entities	1,421	-
Exchange losses	<u>-</u>	<u>104</u>
	<u><b>7,424</b></u>	<u><b>4,098</b></u>

### 7. Tax on profit/loss for the year

Current tax for the year	-4,786	2,748
Deferred tax for the year	-3,565	928
Adjustment of current tax concerning previous year	121	-
Adjustment of deferred tax concerning previous years	<u>-</u>	<u>3,884</u>
	<u><b>-8,230</b></u>	<u><b>7,560</b></u>

### 8. Proposed profit/loss appropriation

Retained earnings	-29,728	151
Proposed dividend	<u>-</u>	<u>9,000</u>
	<u><b>-29,728</b></u>	<u><b>9,151</b></u>

## Notes to the Financial Statements

### 9. Property, plant and equipment

<i>(USD '000)</i>	Aircraft and com- ponents	Fixtures and fittings, tools and equip- ment	Mainte- nance work leased air- crafts	Assets un- der con- struction	Total
Cost at 1. January 2023	273,754	2,261	239,092	344	515,451
Additions for the year	87,084	474	6,823	10,763	105,144
Disposals for the year	-664	-260	-	-	-924
<b>Cost at 31. December 2023</b>	<b>360,174</b>	<b>2,475</b>	<b>245,915</b>	<b>11,107</b>	<b>619,671</b>
Depreciation and impairment losses at 1. January 2023	127,231	773	205,928	-	333,932
Depreciation for the year	34,387	355	8,511	-	43,253
Depreciation disposal for the year	-521	-260	-	-	-781
<b>Depreciation at 31. Decem- ber 2023</b>	<b>161,097</b>	<b>868</b>	<b>214,439</b>	<b>-</b>	<b>376,404</b>
<b>Carrying amount at 31. December 2023</b>	<b>199,077</b>	<b>1,607</b>	<b>31,476</b>	<b>11,107</b>	<b>243,267</b>

In 2023, USD 78,475k (2022: USD 31,200k) was recognised as additions from new finance leases and USD 0 (2022: USD 0) was recognised as disposals. The carrying amount as of 31 December 2023 is USD 161,684k (2022: USD 128,233k).

### 10. Maturity analysis of the lease liability

<i>(USD '000)</i>	<b>2023</b>	<b>2022</b>
Less than 1 year	30,132	18,235
Between 1 and 5 years	125,270	70,416
More than 5 years	55,355	15,716
<b>Lease liability at 31. December</b>	<b>210,757</b>	<b>104,367</b>

### 11. Deferred tax

Deferred tax at 1. January	698	5,510
Deferred tax adjustment for the year in the income statement	3,565	-928
Adjustment of deferred tax concerning previous years	-	-3,884
<b>Deferred tax at 31. December</b>	<b>4,263</b>	<b>698</b>

The deferred tax relates to timing differences between accounting values and tax values, primarily relating to property, plant and equipment as well as taxable losses.

### 12. Receivables from group entities

Receivables from group entities consists primarily of settlement for operations and cash at bank in a cash pool arrangement with group entities.

## Notes to the Financial Statements

### 13. Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums and subscriptions.

### 14. Share capital

The share capital consists of shares with a nominal value of DKK 10,000 each. The share capital is DKK 59,800,000.

### 15. Provisions

(USD '000)

	<b>2023</b>	<b>2022</b>
	Maintenance of leased air- craft and com- ponents	Maintenance of leased air- craft and com- ponents
Provision on 1. January	14,343	15,459
Provision used during the year	-5,216	-5,334
Provided during the year	9,801	4,218
	<b>18,928</b>	<b>14,343</b>
The provisions are expected to mature as follows:		
Within 1 year	448	448
Between 1 and 5 years	18,480	13,895
	<b>18,928</b>	<b>14,343</b>

### 16. Contingent assets, liabilities and other financial obligations

#### ***Rental and lease obligations***

The Company's rent liability amounts to USD 293k on 31 December 2023. In December 2022 the rent liability amounted to USD 263k.

#### ***Guarantee obligations***

The Company's other guarantees amount to USD 474k on 31 December 2023. On 31 December 2022, the Company's other guarantee obligations amounted to USD 569k.

#### ***Other contingent liabilities***

The Company is jointly taxed with all other Danish companies in A.P. Møller Holding A/S. As a consolidated entity, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax and withholding tax on dividends, interest and royalties within the jointly taxed companies.

## Notes to the Financial Statements

### 17. Related party disclosures

Maersk Air Cargo A/S' related parties comprise the following:

Companies in A.P. Møller Holding A/S, Esplanaden 50, Copenhagen Denmark.

Star Air A/S exercises direct control over the Company.

#### ***Related party transactions***

(USD '000)

	<u>2023</u>	<u>2022</u>
Purchase of services from group entities	59,970	45,424
Sale of services to group entities	56,326	7,902
Interest income from group entities	-	69
Receivables from group entities	30,188	7,267
Interest expense to group entities	1,421	-
Payables to group entities	91,547	2,748

#### ***Consolidated financial statements***

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

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