
TP Aerospace Distribution ApS

Stamholmen 165R, DK-2650 Hvidovre

Annual Report for 2023

CVR No. 41 69 62 49

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 1/3 2024

Tinneke Torpe
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	8
Balance sheet 31 December	9
Statement of changes in equity	11
Notes to the Financial Statements	12

Management's statement

The Executive Board has today considered and adopted the Annual Report of TP Aerospace Distribution ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position 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.

Hvidovre, 6 February 2024

Executive Board

Nikolaj Lei Jacobsen

Tinneke Torpe

Nicolai Peter Hertz

Independent Auditor's report

To the shareholder of TP Aerospace Distribution ApS

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 TP Aerospace Distribution ApS 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 ("the 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.

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.

Independent Auditor's report

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.

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, 6 February 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Torben Jensen

State Authorised Public Accountant

mne18651

Thomas Baunkjær Andersen

State Authorised Public Accountant

mne35483

Company information

The Company

TP Aerospace Distribution ApS
Stamholmen 165R
DK-2650 Hvidovre

CVR No: 41 69 62 49
Financial period: 1 January - 31 December
Incorporated: 22 September 2020
Financial year: 3rd financial year
Municipality of reg. office: Hvidovre

Executive Board

Nikolaj Lei Jacobsen
Tinneke Torpe
Nicolai Peter Hertz

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a 2-year period, the development of the Company is described by the following financial highlights:

	<u>2023</u>	<u>2022</u>
	TUSD	TUSD
Key figures		
Profit/loss		
Gross profit	1,036	1,893
Profit/loss of primary operations	615	1,471
Profit/loss of financial income and expenses	-612	-1,541
Net profit/loss for the year	-52	-117
Balance sheet		
Balance sheet total	15,108	49,129
Equity	360	-87
Ratios		
Return on assets	4.1%	3.0%
Solvency ratio	2.4%	-0.2%
Return on equity	-38.1%	269.0%

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C for the first time in 2023, why the financial highlights only includes two years.

Explanation of financial ratios are disclosed in accounting policies - note 11.

Management's review

Key activities

TP Aerospace is the leading aftermarket supplier of wheels and brakes, carrying the world's largest ready to go inventory in the market for most commercial, regional and commuter aircraft types.

From our locations in Copenhagen, Hamburg, East Midlands (UK), Orlando, Las Vegas, Singapore, Bangkok, Kuala Lumpur and Melbourne, we offer our services to airlines all over the world through our Components, Programs and Distribution divisions, supported by our extensive in house MRO capabilities.

The main activity of TP Aerospace Distribution ApS consists of wholesale of new wheel and brake piece parts and assemblies across major commercial platforms.

Development in the year

The income statement of the Company for 2023 shows a loss of TUSD 52, and at 31 December 2023 the balance sheet of the Company shows a positive equity of TUSD 360.

Business risk

TP Aerospace is Part 145, ISO 9001 and AS 9120 approved. To retain this certification level there is continuing focus on quality and risk management.

Financial exposure

Management does not consider that the company has any financial exposure of significance.

Outlook

Given the positive development in air traffic demand and flight recovery in 2023, our expectation for 2024 is a continued high activity level among our customers and thereby high demand throughout the year. Our financial performance for 2024 is expected to reflect the above with gross profit assumed to reach USD 1.5-2m.

The expectations stated above are based on the assumptions that the global macroeconomic and geopolitical situation will not worsen significantly and thereby change the business conditions for TP Aerospace, that the inflation will stabilise at a level below 4% throughout 2024, and that the exchange rates, especially the US dollar versus the Euro and Danish kroner, will remain around the end 2023 level throughout 2024.

This outlook is subject to risks and uncertainties as various factors, many of which are beyond TP Aerospace Distribution ApS' control, may cause the actual development and financial results to differ materially from expectations.

Research and development

To support the growth strategy of the company, TP Aerospace continues to develop its product platform, capacity, capability and global footprint.

External environment

TP Aerospace acknowledges its community responsibility. Operating in the aftermarket, re use of parts is an integrated part of our strategy. For further information, reference is made to the consolidated financial statements for TPA Holding I A/S.

Intellectual capital resources

The company has no employees and contracts labor from group companies. Through the group companies in TP Aerospace, all employees go through continuous training and evaluation to increase the Company's knowledge level.

Management's review

Statement on gender composition

The TP Aerospace Group's COP report and diversity policy are described in the consolidated Financial Statements for TPA Holding I A/S, where a reference is made to for further information.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

No unusual matters have affected the financial statements for 2023.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		TUSD	TUSD
Gross profit		1,036	1,893
Depreciation and impairment losses of property, plant and equipment		-421	-421
Profit/loss before financial income and expenses		615	1,472
Financial income	2	71	829
Financial expenses	3	-683	-2,371
Profit/loss before tax		3	-70
Tax on profit/loss for the year	4	-55	-47
Net profit/loss for the year	5	-52	-117

Balance sheet 31 December

Assets

	Note	2023	2022
		TUSD	TUSD
Acquired other similar rights		2,845	3,267
Intangible assets	6	2,845	3,267
Fixed assets		2,845	3,267
Finished goods and goods for resale		10,830	9,989
Prepayments for goods		0	4,595
Inventories		10,830	14,584
Trade receivables		353	690
Receivables from group enterprises		874	30,455
Other receivables		172	133
Receivables		1,399	31,278
Cash at bank and in hand		34	0
Current assets		12,263	45,862
Assets		15,108	49,129

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TUSD	TUSD
Share capital		6	6
Retained earnings		354	-94
Equity		360	-88
Provision for deferred tax	7	96	56
Provisions		96	56
Credit institutions		0	2,842
Prepayments received from customers		65	502
Trade payables		2,986	3,175
Payables to group enterprises		11,578	42,627
Payables to group enterprises relating to corporation tax		14	7
Other payables		9	8
Short-term debt		14,652	49,161
Debt		14,652	49,161
Liabilities and equity		15,108	49,129
Staff	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Subsequent events	10		
Accounting Policies	11		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TUSD	TUSD	TUSD
Equity at 1 January	6	-94	-88
Contribution from group	0	500	500
Net profit/loss for the year	0	-52	-52
Equity at 31 December	6	354	360

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
1. Staff		
Average number of employees	<u>0</u>	<u>0</u>

The company has no employees, the company hires labor from group companies, the cost of which is recognized in the company's gross profit.

	<u>2023</u>	<u>2022</u>
	TUSD	TUSD
2. Financial income		
Interest received from group enterprises	0	829
Exchange adjustments	<u>71</u>	<u>0</u>
	<u>71</u>	<u>829</u>

	<u>2023</u>	<u>2022</u>
	TUSD	TUSD
3. Financial expenses		
Interest paid to group enterprises	639	1,471
Other financial expenses	44	37
Exchange loss	<u>0</u>	<u>863</u>
	<u>683</u>	<u>2,371</u>

	<u>2023</u>	<u>2022</u>
	TUSD	TUSD
4. Income tax expense		
Current tax for the year	15	7
Deferred tax for the year	<u>40</u>	<u>40</u>
	<u>55</u>	<u>47</u>

	<u>2023</u>	<u>2022</u>
	TUSD	TUSD
5. Profit allocation		
Retained earnings	<u>-52</u>	<u>-117</u>
	<u>-52</u>	<u>-117</u>

Notes to the Financial Statements

6. Intangible fixed assets

	Acquired other similar rights
	TUSD
Cost at 1 January	4,214
Cost at 31 December	4,214
Impairment losses and depreciation at 1 January	947
Depreciation for the year	422
Impairment losses and depreciation at 31 December	1,369
Carrying amount at 31 December	2,845
Amortised over	10 years

	2023	2022
	TUSD	TUSD
7. Provision for deferred tax		
Deferred tax liabilities at 1 January	56	16
Amounts recognised in the income statement for the year	40	40
Deferred tax liabilities at 31 December	96	56
Intangible assets	96	56
	96	56

8. Contingent assets, liabilities and other financial obligations

Guarantee obligations

TP Aerospace Distribution ApS has provided a guarantee for the Parent Companies TP Aerospace Holding A/S and TPA Holding I A/S' bank debt.

Notes to the Financial Statements

8. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the 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 purposes. 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 adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
CataCap I K/S, Copenhagen	Ultimate capital owner, 28 %
TP Aerospace Holding A/S, Hvidovre	Capital owner, 100 %
CataCap I K/S ultimately controls the majority of the votes in the Group, due to specific rights in the ownership agreement between parties.	

Transactions

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

All transactions with related parties have occurred on normal market conditions in the financial year 2023.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
TPA Holding I A/S	Hvidovre

The Group Annual Report of TPA Holding I A/S may be obtained at the following address:

TPA Holding I A/S
Stamholmen 165R
DK-2650 Hvidovre
Danmark

Notes to the Financial Statements

10. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

11. Accounting policies

The Annual Report of TP Aerospace Distribution ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TUSD. The exchange rate is 6,74 as of 31 December 2023 and 6,97 as of 31 December 2022.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

Recognition and measurement

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 asset 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.

Translation policies

USD is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in 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.

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 transaction date rates are recognised in financial income and expenses in the income statement

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

Cost of goods sold

Cost of sales comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, cost of goods sold and other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of acquired rights.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with CC Green Wall Invest ApS. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 10 years.

Impairment of fixed assets

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

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

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Cost consists of purchase price plus delivery costs.

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.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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